1. COMPANY OVERVIEW:

Vedanta Limited ("the Company") is a diversified natural resource company engaged in exploring, extracting and processing minerals and oil and gas. The Company engages in the exploration, production and sale of oil and gas, aluminium, copper, iron ore and power.

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, Chakala, Andheri (East), Mumbai – 400 092, 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"), 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, West Globe and Welter held 37.1%, 10.8%, 1.2% and 1.0% respectively of the Company's equity as at March 31, 2020.

Details of Company's various businesses are as follows:

- The Company's oil and gas business consists of business of exploration and development and production of oil and gas.
- The Company's iron ore business consists of iron ore exploration, mining and processing of iron ore, pig iron and metallurgical coke. The Company has iron ore mining operations in the States of Goa and Karnataka. Pursuant to Honourable Supreme Court of India order, mining operations in the state of Goa are currently suspended.
- The Company's copper business is principally one of custom smelting and includes captive power plants at Tuticorin in Southern India. The Company'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. (Refer Note 3(c)(A)(vii)).
- The Company's aluminium business 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.
- 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.

Besides the above the Company has business interest in zinc, lead, silver, iron ore, steel and other products and services through its subsidiaries in India and overseas.

These are the Company's separate financial statements. The details of Company's material subsidiaries, associates and joint ventures is given in note 38.

2. BASIS OF PREPARATION AND BASIS OF MEASUREMENT OF FINANCIAL STATEMENTS

(a) Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 (the Act) (as amended from time to time) and Guidance Note on Accounting for Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India.

These 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 June 06, 2020.

Certain comparative figures appearing in these financial statements have been regrouped and/or reclassified to better reflect the nature of those items.

All financial information presented in Indian Rupee has been rounded off to the nearest Crore except when indicated otherwise. Amounts less than ₹ 0.50 Crore have been presented as "0".

(b) Basis of measurement

The 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) Revenue recognition

- **Sale of goods/rendering of services (including revenue from contracts with customers)**

  The Company's revenue from contracts with customers is mainly from the sale of oil and gas, aluminium, copper, iron ore and power. 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 Company 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. Revenues from sale of by-products are included in revenue.

  Certain of the Company'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 Ind AS 109 'Financial Instruments' rather than Ind AS 115 Revenue from contracts with customers and therefore the Ind AS 115 rules on variable consideration do not apply. These 'provisional pricing' adjustments i.e. the consideration adjusted post transfer of control are included in total revenue from operations on the face of the statement of profit and loss 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 Company'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 Company'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 Company 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.

  A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company 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 Company's future performance.

  A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company 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 Company 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 Company 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 a 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 Company 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 statement of profit and 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 Company, and the amount of the dividend can be measured reliably.

(B) 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 Company determines that the mining property will provide sufficient and sustainable return relative to the risks and the Company 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 Company 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 Company determines that the mining property will not provide sufficient and sustainable returns relative to the risks and the Company 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.

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 statement of profit and 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 statement of profit and 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.

Land acquired free of cost or at below market rate from the government is recognised at fair value with corresponding credit to deferred income.

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 statement of profit and 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 statement of profit and 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.

v) Depreciation, depletion and amortisation expense

Mining properties and other assets in the course of development or construction and freehold land 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 depletable 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.

  Depletable reserves are proved reserves for acquisition costs and proved and developed reserves for successful exploratory wells, development wells, processing facilities, distribution assets, estimated future abandonment cost and all other related costs. These assets are depleted within each cost centre.

  Reserves for this purpose are considered on working interest basis which are reassessed atleast annually. Impact of changes to reserves are accounted for prospectively.

- **Other assets**

  Depreciation on other 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 lives of assets are as follows:

Asset	Useful Life (in years)
Buildings (Residential, factory etc.)	3-60
Plant and equipment	15-40
Railway siding	15
Office equipment	3-6
Furniture and fixture	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 statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

  The Company 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.

(C) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

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.

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 statement of profit and 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.

(D) Exploration and evaluation intangible 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 intangible assets are transferred to the appropriate category of property, plant and equipment when the technical feasibility and commercial viability has been determined. Exploration intangible assets under development 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” (intangible 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 statement of profit and loss.

Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license 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 statement of profit and loss.

(E) 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 balance sheet.

(F) Impairment of 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 Company assesses at each reporting date, whether there is an indication that an asset may be impaired. The Company 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 then an impairment review is undertaken and 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 Company 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 Company'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.

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 statement of profit and 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.

Exploration and evaluation assets:

In assessing whether there is any indication that an exploration and evaluation asset may be impaired, the Company considers, as a minimum, the following indicators:

- the period for which the Company 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 Company 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 underway or planned. To the extent that capitalised expenditure is no longer expected to be recovered, it is charged to the statement of profit and loss.

(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.

(i) 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 Company 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:

  a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

  b) 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 the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and 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:

  a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

  b) 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 recognised in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in other comprehensive income is reclassified from the equity to statement of profit and 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 categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

  In addition, the Company 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 Company 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 statement of profit and loss.

- **Equity instruments**

  All equity investments in the scope of Ind AS 109 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 Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Company 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 the statement of profit and loss, even on sale of investment. However, the Company 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 statement of profit and loss.

(ii) Financial Assets – derecognition

The Company 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.

(iii) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits.

b) Financial assets that are debt instruments and are measured as at FVOCI.

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company 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 Company 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 Company 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 Company 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 Company 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) recognised during the year is recognised as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

a) 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 Company does not reduce impairment allowance from the gross carrying amount.

b) 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 Company 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 Company does not have any purchased or originated credit-impaired(POCI) financial assets, i.e. financial assets which are credit impaired on purchase/ origination.

(iv) Financial liabilities – Recognition & Subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans, borrowings and 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 Company'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 Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. 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 statement of profit and loss.

  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 Ind AS 109 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 statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

- **Financial liabilities at amortised cost (Loans & 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 the statement of profit and 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 costs in the statement of profit and loss.

(v) 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 statement of profit and loss.

(vi) 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 standalone 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 Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 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 though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in statement of profit and loss, unless designated as effective hedging instruments.

(vii) 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 Company are recognised at the proceeds received, net of direct issue costs.

(viii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet 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.

(H) 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 Company enters into forward, option, swap contracts and other derivative financial instruments. The Company 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 statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to statement of profit and 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 Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting. The documentation includes the Company'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 entity 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:

i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in statement of profit and 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 statement of profit and loss. Hedge accounting is discontinued when the Company 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.

ii) 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 statement of profit and loss.

Amounts recognised in OCI are transferred to statement of profit and 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.

(I) Leases

The Company 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) Company as a lessor

Leases in which the Company 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 Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company'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.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company 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 Company 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 'B' above.

(ii) Lease liabilities

At the commencement date of the lease, the Company 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company 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 Company's lease liabilities are included in Other Financial Liabilities.

(iii) Short-term leases and leases of low-value assets

The Company 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.

(J) 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 a 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.

(K) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company 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 statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

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) 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;

- deferred income tax is not recognised on 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 statement of profit and loss is recognised outside statement of profit and 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.

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.

(M) Retirement benefit schemes

The Company 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 statement of profit and loss.

Past service costs are recognised in profit or loss on the earlier of:

- the date of the plan amendment or curtailment, and
- the date that the Company 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 cost are recognised within employee benefit expense. Net interest expense or income is recognised within finance costs.

For defined contribution schemes, the amount charged to the statement of profit and 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.

(N) Share-based payments

Certain employees (including executive directors) of the Company 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 Company's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet 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.

Additionally, VRL offered certain share based incentives under the Long-Term Incentive Plan ("LTIP") to employees and directors of the Company. VRL recovers the proportionate cost (calculated based on the grant date fair value of the options granted) from the Company, which is charged to the statement of profit and loss.

(O) Provisions, contingent liabilities and contingent assets

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognised when the Company 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 statement of profit and loss as a finance cost. 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 Company 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 Company does not recognise a contingent liability but discloses its existence in the Balance Sheet.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefit is probable.

The Company has significant capital commitments in relation to various capital projects which are not recognised in the balance sheet.

(P) 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 statement of profit and 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 finance cost in the statement of profit and 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 statement of profit and loss as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred.

(Q) Accounting for foreign currency transactions

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates. For all principal businesses of the Company, the functional currency is Indian rupee (₹) with an exception of oil and gas business operations which has a US dollar functional currency as that is the currency of the primary economic environment in which it operates. The financial statements are presented in Indian rupee (₹).

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency 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 statement of profit and loss except those where the monetary item 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.

The statement of profit and loss of oil and gas business is translated into Indian Rupees (INR) at the average rates of exchange during the year / exchange rates as on the date of the transaction. The Balance Sheet is translated at the exchange rate as at the reporting date. Exchange difference arising on translation is recognised in other comprehensive income and would be recycled to the statement of profit and loss as and when these operations are disposed off.

The Company had applied paragraph 46A of AS 11 under Previous GAAP. Ind AS 101 gives an option, which has been exercised by the Company, whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Hence, foreign exchange gain/loss on long-term foreign currency monetary items recognised upto March 31, 2016 has been deferred/capitalised. Such exchange differences arising on translation/settlement of long-term foreign currency monetary items and pertaining to the acquisition of a depreciable asset are amortised over the remaining useful lives of the assets.

Exchange differences arising on translation/settlement of long-term foreign currency monetary items, acquired post April 01, 2016, pertaining to the acquisition of a depreciable asset are charged to the statement of profit and loss.

(R) Earnings per share

The Company 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.

(S) Buyers' Credit/Suppliers' Credit and vendor financing

The Company 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 Company 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 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 operational buyers' credit/ suppliers' credit (under Trade payables). 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 balance sheet. Interest expense on these are recognised in the finance cost.

(T) Current and non-current classification

The Company presents assets and liabilities in the balance sheet 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 realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised 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 Company'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 Company 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.

(U) 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.

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 Company during the year.

All other borrowing costs are recognised in the statement of profit and 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 Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options).

(V) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, and additionally includes unpaid dividend account.

(W) Equity investment in subsidiaries, associates and joint ventures

Investments representing equity interest in subsidiaries, associates and joint ventures are carried at cost. A subsidiary is an entity that is controlled by the Company. Control is evidenced where the Company has the power over the investee or 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 returns. An associate is an entity over which the Company 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.

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.

Joint Operations

The Company has joint operations within its Oil and gas segment and participates in several unincorporated joint operations which involve the joint control of assets used in oil and gas exploration and producing activities. The Company accounts for its share of assets and income and expenditure of joint operations in which it holds an interest. Liabilities in unincorporated joint ventures, where the Company is the operator, is accounted for at gross values (including share of other partners) with a corresponding receivable from the venture partners. These have been included in the financial statements under the appropriate headings. [Details of joint operations are set out in note 38(b)].

(X) 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 specifically covered by Ind AS 103. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their carrying amounts recorded in the parent entity's consolidated financial statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. The components of equity of the acquired companies are added to the same components within the Company's equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to 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 are combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented. However, the prior year comparative information is only adjusted for periods during which entities were under common control.

(Y) Exceptional items

Exceptional items are those items that management considers, by virtue of their size or incidence (including but not limited to impairment charges and acquisition and restructuring related costs), should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Also tax charges related to exceptional items and certain one-time tax effects are considered exceptional. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

3(b) APPLICATION OF NEW STANDARDS AND AMENDMENTS

(A) The Company has adopted, with effect from April 01, 2019, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the financial statements.

- **Ind AS 116 – Leases**

  Ind AS 116, Leases, replaces the existing standard on accounting for leases, Ind AS 17, with effect from April 01, 2019. This standard introduces a single lessee accounting model and requires a lessee to recognise a 'right of use asset' (ROU) and a corresponding 'lease liability' for all leases. Lease costs are to be recognised in the statement of profit and loss over the lease term in the form of depreciation on the ROU asset and finance charges representing the unwinding of the discount on the lease liability. In contrast, the accounting requirements for lessors remain largely unchanged.

  The Company acts as a lessee in lease arrangements mainly involving plant and machinery, office premises and other properties. The Company has elected to apply the modified retrospective approach on transition, and accordingly the comparative numbers have not been restated. For contracts in place as at April 01, 2019, the Company has continued to apply its existing definition of leases as under Ind AS 17 ("grandfathering"), instead of reassessing whether existing contracts are or contain a lease at that date. Further, the Company has elected to avail the exemption in Ind AS 116 from applying the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

  Transition to Ind AS 116 did not have a material effect on the Company's financial statements.

Prior period accounting policies: Leases

Determining whether an arrangement contains lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At inception or on reassessment of an arrangement that contains lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on the general borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with general inflation to compensate for the lessor's expected inflationary cost increase.

Company as a lessor

Leases in which the Company 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 unless the payments are structured to increase in line with the general inflation to compensate for the lessor's expected inflationary cost increase. 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 is transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company'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.

- **Appendix C of Ind AS 12 – Uncertainty over Income Tax Treatments**

  Appendix C of Ind AS 12 clarifies how to apply the recognition and measurement requirements in Ind AS 12 Income Taxes when there is uncertainty over income tax treatments. The clarification did not have a material effect on the Company's financial statements so far as the recognition and measurement of income taxes is concerned. A consequential impact of the clarification is on the disclosure of contingent liabilities. The Company previously used to consider only those cases/matters for contingent liabilities wherever demand has been raised by the authorities/ initial assessment has been completed. The contingent liabilities have now been extrapolated to other years where a similar issue exists but formal demand has not been raised by tax authorities. Considering the impact of appendix C of Ind AS 12, the amounts of Income Tax disputes disclosed in note 35 of these financial statements would have been higher by ₹ 42 Crore as on April 01, 2019, as against the hitherto followed practice. As per the transitional provisions of Appendix C of Ind AS 12, the Company has not restated comparative information.

- **Other Amendments**

  A number of other minor amendments to existing standards also became effective on April 01, 2019 and have been adopted by the Company. The adoption of these new accounting pronouncements did not have a material impact on the accounting policies, methods of computation or presentation applied by the Company.

(B) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are not expected to have a significant impact on the Company's financial statements. The Company has not early adopted any amendment, standard or interpretation that has been issued but is not yet effective.

3(c) SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with Ind AS 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 financial statements and the reported amounts of revenues and expenses for the years presented. These judgements 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:

(A) 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 Company 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 Company 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 Company 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 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. The Company has also performed sensitivity analysis on the assumptions used basis the internal and external information/ indicators of future economic condition. Based on the assessment, the Company has recorded necessary adjustments, including an impairment to the extent the carrying amount exceeds the recoverable amount and has disclosed the same as exceptional items (Refer Note 31).

The actual effects of COVID-19 could be different from what is presently assessed and would be known only in due course of time.

(ii) Oil and Gas reserves

Significant technical and commercial judgements are required to determine the Company's estimated oil and natural gas reserves. Reserves considered for computing depletion are proved reserves for acquisition costs and proved and developed reserves for successful exploratory wells, development wells, processing facilities, distribution assets, estimated future abandonment cost and all other related costs. Reserves for this purpose are considered on working interest basis which are reassessed atleast annually. Details of such reserves are given in note 40(a).

Changes in reserves as a result of change in management assumptions could impact the depreciation rates and the carrying value of assets (refer note 5).

(iii) Carrying value of exploration and evaluation 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 Ind AS 106, exists. Change to the valuation of exploration assets is an area of judgement. Further details on the Company'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 statement of profit and 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 and the assumptions used are disclosed in note 5 and 31 respectively.

(iv) Carrying value of developing/producing oil and gas assets

Management performs impairment tests on the Company's developing/producing oil and gas assets where indicators of impairment are identified in accordance with Ind AS 36.

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

Estimates/ assumptions	Basis
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 to price	management's best estimate based on historical prevailing discount and updated sales contracts
Extension of PSC	granted till 2030 on the expected commercial terms (Refer Note 3(c)(A)(viii)
Discount rates	cost of capital risk-adjusted for the risk specific to the asset/ CGU

Any subsequent changes to cash flows due to changes in the above mentioned factors could impact the carrying value of the assets.

Details of carrying values and impairment charge and the assumptions used are disclosed in note 5 and 31 respectively.

(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:

Estimates/ assumptions	Basis
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

Details of impairment charge and the assumptions used and carrying value are disclosed in note 31 and 5 respectively.

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

The Company 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 utilised. 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 statement of profit and loss.

The total deferred tax assets recognised in these financial statement (Refer Note 32) includes MAT credit entitlements of ₹ 3,600 Crore (March 31, 2019: ₹ 3,971 Crore) which is expected to be utilised in the fourteenth and fifteenth year, the maximum permissible time period to utilise the MAT credits.

Additionally, the Company 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.

(vii) Copper operations in India

In an appeal filed by the Company 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 Company 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 authorisation 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 on the basis of maintainability alone and directed the Company to file an appeal in High court.

The Company has filed a writ petition before Madras High Court challenging the various orders passed against the Company in 2018 and 2013. Continous hearings were conducted from June 2019 to January 2020. Rejoinder and sur-rejoinder arguments on behalf of the parties concluded on January 08, 2020 and the orders have been reserved for judgement.

Further, in October 2019, the Company has filed a writ petition in Madras High court for allowing access to plant to undertake essential care and maintenance as due to lack of care and maintenance in the last 18 months, several structures such as pipelines, cable trays etc. are in corroded state and likely to get damaged. Management believes that assessment of physical damage, if any, can be carried out once it gets access to the plant. However, the same is not expected to be material.

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.

The Company has carried out an impairment analysis for existing plant assets during the year ended March 31, 2020 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 in FY 2022-23 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, 2020 is ₹ 2,328 Crore.

Expansion Plant:

Separately, the Company has filed a fresh application for renewal of the Environmental Clearance 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.

Impairment recognised during the year

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, capital work-in-progress (CWIP) and capital advances. Based on the realisable value estimate of ₹ 288 Crore, the Company has recognised an impairment of ₹ 669 Crore (comprising of CWIP balances of ₹ 435 Crore, capital advances of ₹ 196 Crore and other assets of ₹ 38 Crore) during the year.

Property, plant and equipment of ₹ 1,473 Crore and inventories of ₹ 517 Crore, 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.

(viii) PSC Extension

Rajasthan Block

On October 26, 2018, the Government of India (GoI), acting through the Directorate General of Hydrocarbons (DGH) granted its approval for a ten-year extension of the Production Sharing Contract (PSC) for the Rajasthan Block (RJ), with effect from May 15, 2020 subject to certain conditions. The GoI had granted the extension under the Pre-NELP Extension Policy, the applicability whereof to PSC for Rajasthan Block is sub-judice and pending before the Hon'ble Delhi High Court. The key conditions stated by DGH and the Company's position is detailed below:

a) Submission of Audited Accounts and End of year statement:

The Company and one of the joint operation partners have divergent views on the cost oil entitlement and therefore the End of Year statement for the year ended March 31, 2018 and March 31, 2019 and the Investment Multiple as at March 31, 2018 and as at March 31, 2019 could not be finalised. Consequentially, profit petroleum pertaining to the said Block for the year ended March 31, 2019 and March 31, 2020 and applicable Investment Multiple calculated based on management's cost oil computation (resulting into Government's share of profit petroleum @ 40% for DA-1 & DA-2 and @20% for DA-3 for FY 2019 & FY 2020), remains provisional. The computation is after considering relevant independent legal advice. Pending alignment with joint operation partner, the End of Year Statement for FY 2017-18 and FY 2018-19 as per Operator's calculations have been submitted to DGH and the joint operation partner, during the relevant financial year.

Above condition for submission of audited accounts and End of Year Statement for adoption by Management Committee of the Block has been delinked by DGH vide letter dated December 03, 2019 as a pre-condition to PSC extension.

b) Profit Petroleum:

DGH, in May 2018, raised a demand 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 over the initially approved Field Development Plan (FDP) of pipeline project for ₹ 1,508 Crore (US$ 202 million) and retrospective re-allocation of certain common costs between Development Areas (DAs) of Rajasthan Block aggregating to ₹ 2,723 Crore (US$ 364 million), representing share of the Company and its subsidiary. DGH vide it's 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 Rajasthan Block of ₹ 2,723 Crore (US$ 364 million) for the period upto March 31, 2017.

Subsequently, the Company in January 2020 received notifications from DGH on audit exceptions arising out of its audit for the FY 2017-18, which comprises of the consequential effects on profit oil due to the aforesaid matters and certain new matters on cost allowability plus interest aggregating to ₹ 4,828 Crore (US$ 645 million), representing share of the Company and its subsidiary, which have been suitably responded to by the Company.

The Company believes that it has sufficient as well as reasonable basis (pursuant to PSC provisions & 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. Thus, the Company sought for appointment of a sole expert for opining on the audit exceptions by a letter dated November 14, 2019 and thereafter on May 14, 2020, Company has issued a notice of Arbitration proceeding on the above matters and is confident of resolution of matters in its favour.

Further to above stated letter from GoI on October 26, 2018, in view of pending non-finalisation of the Addendum to PSC, the extraordinary situation prevailing on account of COVID-19 and non-finalisation of issues including the aforesaid DGH demand, the GoI granted, vide letter dated May 14, 2020, permission to the Company to continue petroleum operations in RJ-ON-90/I block, till the execution of the Addendum to PSC or for a period of three months from May 15, 2020, whichever is earlier.

In our view, above mentioned condition 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, in our view, 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 Company.

Ravva Block

The Government of India (GoI) has granted its approval for a ten-year extension of PSC for Ravva Block with effect from October 28, 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 March 28, 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 OIDB 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. 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 Company had re-measured its deferred tax balances as at March 31, 2019 leading to a deferred tax credit of ₹ 834 Crore being recognised during the financial year. This requires 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 recognised.

(x) Assessment of impairment of assets at Aluminium division

Considering lower sales realisation, an impairment trigger has been identified in the aluminium division of the Company. The impairment assessments are based on a range of estimates and assumptions, including:

Estimates/ assumptions	Basis
Future production	Production facilities 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

The Company has carried out an impairment analysis, based on value in use approach, considering the key variables and concluded that there exists no impairment. The Company has 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 is still expected to exceed the carrying value as at March 31, 2020 of ₹ 36,992 Crore.

(xi) Flue-gas Desulfurization

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's have to be installed. Timelines for compliance to the revised norm for various plants in the Company range from June 2020 to March 2022. Different power plants are at different stages of the implementation process. However, it is unlikely that the implementation would be completed by the stipulated date.

CPCB vide notification dated May 20, 2020 published on its website has imposed a penalty of ₹ 18 Lacs per month per non-compliant unit and any further directions based on the periodic review of compliance status.

Power plants of the Company are required to comply with the revised norms in the coming year(s). Company's respective operations have been engaging with the concerned authorities to extend the timeline for compliance. In the event, the request for extension of timeline is not accepted, this could lead to levy of some penalties, the impact of which is not likely to be material.

(xii) Going Concern

Considering the uncertainties caused due to COVID-19, the Company 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 Company continues to prepare its financial statements on a going concern basis.

(B) Significant Judgement

(i) Contingencies

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. A provision is recognised when the Company has a present obligation as a result of past events and it is probable that the Company 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 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 Company does not expect them to have a materially adverse impact on the Company's financial position or profitability. These are set out in Note 35.

(ii) Revenue recognition and receivable recovery in relation to the power division

In certain cases, the Company'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 Ind AS 115 and to assess the recoverability of withheld revenue currently accounted for as receivables.

In assessing this critical judgement, management considered favourable external legal opinions the Company has obtained in relation to the claims. In addition the fact that the contracts are with government owned companies implies the credit risk is low [refer note 7 (c)]

(iii) Exceptional items:

Exceptional items are those items that management considers, by virtue of their size or incidence (including but not limited to impairment charges and acquisition and restructuring related costs), should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior periods. Also tax charges related to exceptional items and certain one-time tax effects are considered Exceptional. Such items are material by nature or amount to the year's result and require separate disclosure in accordance with Ind AS.

The determination as to which items should be disclosed separately requires a degree of judgement. The details of exceptional items are set out in note 31.

3(d) BUSINESS COMBINATION AND OTHERS:

A. Global coke - Acquisition of global coke plant

On July 28, 2019, the Company acquired Sindhudurg 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 ₹ 33 Crore. The assets acquired mainly included Land, Building and Plant & Machinery of similar value as the cash consideration, and hence no goodwill was recorded. The acquisition will complement backward integration opportunity for the Company's existing pig iron division and also increase Company's footprint in met coke market in south western part of India. Detailed disclosure of fair value of the identifiable assets and liabilities of Sindhudurg plant has not been provided as the same is not material.

Acquisition costs related to same were not material.

B. Acquisition of new hydrocarbon blocks

In August 2018, the Company was awarded 41 hydrocarbon blocks out of 55 blocks auctioned under the Open Acreage Licensing Policy (OALP) by Government of India (GOI). The blocks awarded to the Company comprise of 33 onshore and 8 offshore blocks. The Company will share a specified proportion of the net revenue from each block with GOI and has entered into 41 separate revenue sharing contracts (RSC) on October 01, 2018.

The bid cost of ₹ 4,122 Crore represents Company's total committed capital expenditure on the blocks for the committed work programmes during the exploration phase. The Company has provided bank guarantees for minimum work programme commitments amounting to ₹ 2,268 Crore for the 41 exploration blocks. These have been disclosed in note 35.

In March 2019, the Company has been awarded 2 Contract Areas out of total 25 Contract Areas auctioned under Round II of the Discovered Small Field Policy (DSF) by Government of India (GOI). Both the Contract Areas awarded are onland fields. The Company will share a specified proportion of the revenue from each block with GOI and has entered into 2 separate Revenue Sharing Contracts (RSC) on March 07, 2019. There is no commitment for minimum work programme in these blocks.

In July 2019, the Company has been awarded 10 hydrocarbon blocks out of 32 blocks awarded under round II & III of Open Acreage Licensing Policy (OALP) by Government of India (GoI). The blocks awarded to the Company comprise of 7 onshore and 3 offshore blocks. To effect the transaction, the Company has entered into revenue sharing contracts ("RSCs") with the GoI on July 16, 2019. The bid cost of ₹ 1,761 Crore represents the Company's estimated cost of committed work programme in the blocks during the initial exploration phase. The Company has provided bank guarantees for minimum work programme commitments amounting to ₹ 512 Crore for the 10 exploration blocks.

C. Merger of ESL and VSL

During the current year, Hon'ble National Company Law Tribunal, Kolkata Bench vide its Order dated January 31, 2020 approved the Scheme of Amalgamation of Vedanta Star Limited (VSL) into its subsidiary Electrosteel Steels Limited (ESL). Post the amalgamation becoming effective on March 25, 2020, the Company directly holds 95.49% in ESL.

4 SEGMENT INFORMATION

A) Description of segment and principal activities

The Company is a diversified natural resource company engaged in exploring, extracting and processing minerals and oil and gas. The Company produces oil and gas, aluminium, copper, iron ore and power. The Company has five reportable segments: oil and gas, aluminium, copper, iron ore and power. The management of the Company is organised by its main products: oil and gas, aluminium, copper, iron ore and power. Each of the reportable segments derives its revenues from these main products and hence these have been identified as reportable segments by the Company's Chief Operating Decision Maker ("CODM").

Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consist 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 Company's accounting policies described in Note 3. Earnings before Interest, Tax and Depreciation & Amortisation (EBITDA) are evaluated regularly by the CODM, in deciding how to allocate resources and in assessing performance. The operating segments reported are the segments of the Company for which separate financial information is available. The Company's financing (including finance costs and finance income) and income taxes are reviewed on an overall basis and are not allocated to operating segments.

Pricing between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following table presents revenue and profit information and certain assets and liabilities information regarding the Company's business segments as at and for the year ended March 31, 2020 and March 31, 2019 respectively.

For the year ended March 31, 2020

(₹ in Crore)

	Business Segments						
Particulars	**Oil and Gas**	**Aluminium**	**Copper**	**Iron Ore**	**Power**	**Eliminations**	**Total**
Revenue							
External revenue	6,756	19,022	5,972	3,461	206	-	35,417
Inter segment revenue	-	-	-	2	-	(2)	-
Segment revenue	**6,756**	**19,022**	**5,972**	**3,463**	**206**	**(2)**	**35,417**
Results							
EBITDA [a]	3,884	1,539	(234)	925	(118)	-	5,996
Depreciation, depletion and amortisation expense	1,478	1,356	200	101	129	-	3,264
Other income [b]	-	54	2	6	12	-	74
Segment Results	**2,406**	**237**	**(432)**	**830**	**(235)**	**-**	**2,806**
Less: Unallocated expenses							122
Less: Finance costs							3,328
Add: Other income (excluding exchange difference and deferred grant)							2,749
Add: Net exceptional loss							(12,568)
Net loss before tax							(10,463)
Other information							
Segment Assets	10,900	42,792	5,865	2,549	3,342		65,448
Financial asset investments							62,905
Deferred tax assets							3,464
Income tax assets (net of provisions)							1,682
Cash & cash equivalents (including other bank balances & bank deposits)							2,193
Others							7,222
Total Assets							**139,450**
Segment Liabilities	8,501	15,369	4,155	1,098	156		29,279
Borrowings							36,569
Income tax liabilities (net)							46
Others							3,661
Total Liabilities							**69,555**
Capital Expenditure [c]	2,627	1,182	61	102	5	-	3,980
Impairment charge - net / provision [d]	8,273		669	-			12,335

a) EBITDA is a non-GAAP measure.

b) Amorisation of duty benefits relating to assets recognised as government grant.

c) Total Capital expenditure includes capital expenditure of ₹ 3 Crore not allocable to any segment. It also includes acquisition through business combination.

d) Total of Impairment charge - net / provision includes net impairment charge on investment in subsidiaries of ₹ 3,393 Crore not allocable to any segment (Refer Note 31).

STANDALONE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2019

For the year ended March 31, 2019

(₹ in Crore)

Particulars	Business Segments						
	Oil and Gas	Aluminium	Copper	Iron Ore	Power	Eliminations	Total
Revenue							
External revenue	7,104	21,000	6,833	2,909	252	-	38,098
Inter segment revenue	-	-	-	2	-	(2)	-
Segment revenue	7,104	21,000	6,833	2,911	252	(2)	38,098
Results							
EBITDA [a]	4,119	1,246	(214)	622	(195)	-	5,578
Depreciation, depletion and amortisation expense	1,531	1,285	197	105	125	-	3,243
Other income [b]	-	53	2	6	11	-	72
Segment Results	2,588	14	(409)	523	(309)	-	2,407
Less: Unallocated expenses							70
Less: Finance costs							3,757
Add: Other income (excluding exchange difference and deferred grant)							6,043
Add: Net exceptional gain							324
Net profit before tax							4,947
Other information							
Segment Assets	16,299	45,101	7,141	2,927	3,321	-	74,789
Financial asset investments							68,582
Income tax assets (net of provisions)							2,175
Cash & cash equivalents (including other bank balances & bank deposits)							3,891
Others							1,430
Total Assets							**150,867**
Segment Liabilities	6,961	17,499	3,743	1,235	162		29,600
Borrowings							42,204
Income tax liabilities (net)							46
Others							1,137
Total Liabilities							**72,987**
Capital Expenditure [c]	2,274	1,199	291	37	2		3,806
Impairment reversal/(charge) - net / provision [d]	261	-	-	-	-		265

a) EBITDA is a non-GAAP measure

b) Amorisation of duty benefits relating to assets recognised as government grant.

c) Total Capital expenditure includes capital expenditure of ₹ 3 Crore not allocable to any segment.

d) Total of Impairment reversal/(charge) - net / provision includes net impairment reversal on investment in subsidiaries of ₹ 4 Crore not allocable to any segment.

B) Geographical segment analysis

The following table provides an analysis of the Company's sales by region in which the customer is located, irrespective of the origin of the goods.

(₹ in Crore)

Geographical Segment	Year ended March 31, 2020	Year ended March 31, 2019
Revenue by geographical segment		
India	19,013	19,636
China	839	1,797
UAE	24	41
Malaysia	5,341	3,875
Others	10,200	12,749
Total	**35,417**	**38,098**

The following is an analysis of the carrying amount of non-current assets, excluding deferred tax assets and financial assets, analysed by the geographical area in which the assets are located:

(₹ in Crore)

Carrying Amount of Segment Assets	As at March 31, 2020	As at March 31, 2019
India	53,158	61,939
Total	**53,158**	**61,939**

C) Information about major customers

Revenue from one customer amounted to ₹ 3,589 Crore (March 31, 2019: one customer, ₹ 5,077 Crore), arising from sales made in the Aluminium and Copper segment. No other customer contributed to more than 10% of revenues.

D) Disaggregation of revenue

Below table summarises the disaggregated revenue from contract with customers:

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Oil	5,853	6,763
Gas	447	300
Aluminium products	18,145	19,328
Copper Cathode	4,291	5,375
Iron Ore	1,482	693
Metallurgical coke	66	57
Pig Iron	1,845	2,062
Power	205	299
Others	2,791	3,234
Revenue from contracts with customers*	**35,125**	**38,111**
Gains/(losses) from provisionally priced contracts under Ind AS 109	(346)	(13)
JV partner's share of the exploration costs approved under the OM (Refer Note 26A)	638	-
Total Revenue	**35,417**	**38,098**

*includes revenues from sale of services aggregating to ₹ 431 Crore (FY 2018-19: ₹ 338 Crore) which is recorded over a period of time and the balance revenue is recognised at a point in time.

5. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS, CAPITAL WORK-IN-PROGRESS AND EXPLORATION INTANGIBLE ASSETS UNDER DEVELOPMENT

(₹ in Crore)

Particulars	Property, Plant and equipment												
	Freehold land	Buildings	Plant and equipment	Mining property	Oil & gas producing facilities	Furniture and fixtures	Vehicles	Office equipment	Right of Use assets	Total	Capital Work-in-progress (CWIP)	Exploration intangible assets under developemnt	Total including capital work-in-progress and exploration intangible assets under development
Gross Block													
As at April 01, 2018	1,123	6,734	38,971	26	25,653	166	50	354	-	73,077	11,190	29,278	113,545
Additions	3	15	379	-	153	5	8	22	-	585	2,635	478	3,698
Transfers / Reclassifications	9	54	1,220	-	16,838	2	237	8	-	18,368	11,418	(29,787)	(1)
Disposals/ Adjustments	-	(14)	(525)	-	-	-	(8)	(9)	-	(556)	(2)	-	(558)
Exploration costs written-off (Refer Note 30)	-	-	-	-	-	-	-	-	-	-	-	(48)	(48)
Exchange differences	8	71	366	-	1,432	5	-	11	-	1,893	(87)	2,159	3,965
As at March 31, 2019	**1,143**	**6,860**	**40,411**	**26**	**44,076**	**178**	**287**	**386**	**-**	**93,367**	**25,154**	**2,080**	**120,601**
ROU assets as at April 01, 2019	-	-	-	-	-	-	-	-	408	408	-	-	408
Additions	7	48	733	-	107	6	26	33	463	1,423	2,450	351	4,224
Acquisition through business combination (Refer Note 3(d)(A)	12	7	14	-	-	-	-	-	-	33	-	-	33
Transfers / Reclassifications [h]	(335)	40	847	-	778	1	26	4	-	1,361	(1,720)	9	(350)
Disposals/ Adjustments	-	(6)	(269)	-	(9)	(1)	(10)	(4)	(224)	(523)	-	-	(523)
Exploration costs written-off (Refer Note 30)	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Exchange differences	11	95	524	-	3,641	7	-	19	19	4,316	1,301	190	5,807
As at March 31, 2020	**838**	**7,044**	**42,260**	**26**	**48,593**	**191**	**329**	**438**	**666**	**100,385**	**27,185**	**2,629**	**130,199**
Accumulated depreciation, depletion, amortisation and impairment													
As at April 01, 2018	115	2,174	8,966	26	24,224	99	28	313	-	35,945	804	21,295	58,044
Charge for the year	11	232	1,789	-	1,161	18	6	31	-	3,248	-	-	3,248
Disposals / Adjustments	-	(14)	(387)	-	-	-	(5)	(8)	-	(414)	-	-	(414)
Impairment charge / (reversal) for the year (note 31)	-	-	-	-	(261)	-	-	-	-	(261)	-	-	(261)
Transfers / Reclassifications	-	42	(95)	-	12,071	2	48	2	-	12,070	10,308	(22,379)	(1)
Exchange differences	6	65	324	-	1,400	2	-	10	-	1,807	(106)	1,581	3,282
As at March 31, 2019	**132**	**2,499**	**10,597**	**26**	**38,595**	**121**	**77**	**348**	**-**	**52,395**	**11,006**	**497**	**63,898**
ROU assets as at April 01, 2019	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	5	203	1,655	-	1,291	22	23	27	72	3,298	-	-	3,298
Disposals / Adjustments	-	-	(48)	-	-	(1)	(7)	(4)	(28)	(88)	-	-	(88)
Impairment charge for the year (note 31)	-	17	-	-	3,615	-	-	-	22	3,654	4,115	977	8,746
Transfers / Reclassifications	-	-	(7)	-	-	-	7	-	-	-	-	-	-
Exchange differences	9	93	480	-	3,431	6	-	17	3	4,039	1,037	96	5,172
As at March 31, 2020	**146**	**2,812**	**12,677**	**26**	**46,932**	**148**	**100**	**388**	**69**	**63,298**	**16,158**	**1,570**	**81,026**
Net Book Value/Carrying amount													
As at April 01, 2018	1,008	4,560	30,005	-	1,429	67	22	41	-	37,132	10,386	7,983	55,501
As at March 31, 2019	1,011	4,361	29,814	-	5,481	57	210	38	-	40,972	14,148	1,583	56,703
As at March 31, 2020	**692**	**4,232**	**29,583**	**-**	**1,661**	**43**	**229**	**50**	**597**	**37,087**	**11,027**	**1,059**	**49,173**

Details of Right of Use (ROU) Assets

(₹ in Crore)

	Land	Building	Plant and Equipment	Total
ROU asset as at April 01, 2019	184	224	-	408
Additions	94	35	334	463
Deductions	-	(196)	-	(196)
Depreciation	(20)	(34)	(18)	(72)
Impairment	(22)	-	-	(22)
Exchange difference	-	6	10	16
Net Book Value/Carrying amount as at March 31, 2020	**236**	**35**	**326**	**597**

Intangible Assets

(₹ in Crore)

	Software License	Mining Rights	Total
Gross Block			
As at April 1, 2018	247	227	474
Additions	13	-	13
Transfers from Property, Plant and Equipment	1	-	1
Disposals/ Adjustments	(4)	-	(4)
Exchange differences	9	-	9
As at March 31, 2019	**266**	**227**	**493**
Additions	18	-	18
Transfers from Property, Plant and Equipment	1	-	1
Disposals/ Adjustments	-	-	-
Exchange differences	15	-	15
As at March 31, 2020	**300**	**227**	**527**
Accumulated amortisation and impairment			
As at April 1, 2018	212	218	430
Charge for the year	22	1	23
Disposals/ Adjustments	(3)	-	(3)
Transfers from Property, Plant and Equipment	1	-	1
Exchange differences	8	-	8
As at March 31, 2019	**240**	**219**	**459**
Charge for the year	23	-	23
Disposals/ Adjustments	-	-	-
Transfers from Property, Plant and Equipment	-	-	-
Exchange differences	14	-	14
As at March 31, 2020	**277**	**219**	**496**
Net Book Value/Carrying amount			
As at April 1, 2018	35	9	44
As at March 31, 2019	26	8	34
As at March 31, 2020	**23**	**8**	**31**

Notes:

a) Plant and equipment include refineries, smelters, power plants, railway sidings, ships, aircraft, river fleet and related facilities.

b) During the year ended March 31, 2020, interest capitalised was ₹ 673 Crore (March 31, 2019: ₹ 567 Crore).

c) Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in Note 17 on "Borrowings".

d) In accordance with the exemption given under Ind AS 101, which has been exercised by the Company, a first time adopter can continue its previous GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the previous GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period i.e. April 01, 2016.

Accordingly, foreign currency exchange differences arising on translation/settlement of long-term foreign currency monetary items acquired before April 01, 2016 pertaining to the acquisition of a depreciable asset amounting to ₹ 13 Crore loss (March 31, 2019: ₹ 2 Crore loss) is adjusted to the cost of respective item of property, plant and equipment.

e) Property, Plant and Equipment, Capital work-in-progress and exploration and evaluation assets net block includes share of jointly owned assets with the joint venture partners ₹ 6,229 Crore (March 31, 2019: ₹ 12,211 Crore). Due to the reasons mentioned in note 3(c)(A)(viii), in the previous year, the Company has recomputed its reserves till 2030 and has reclassified exploration costs of ₹ 4,071 Crore to property plant and equipment and ₹ 3,362 Crore to capital work-in-progress.

f) Reconciliation of depreciation, depletion and amortisation expense

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation/Depletion/Amortisation expense on:		
Property, Plant and equipment (Including ROU assets)	3,298	3,248
Intangible assets	23	23
As per Property, Plant and Equipment and Intangible assets schedule	3,321	3,271
Less: Cost allocated to joint ventures	(57)	(28)
As per Statement of Profit and Loss	**3,264**	**3,243**

g) Freehold Land includes ₹ 146 Crore (March 31, 2019 ₹ 129 Crore), accumulated amortisation of ₹ 127 Crore (March 31, 2019 ₹ 112 Crore), which is available for use during the lifetime of the Production Sharing Contract of the respective Oil and Gas blocks and the title deed for the same is in the name of the licensee of the block.

h) A parcel of land aggregating to ₹ 349 Crore relating to Iron Ore business has been reclassified during the year, due to existing litigation, to Financial Assets and later impaired (Refer Note 31) and ₹ 1 Crore transferred to intangible assets from Capital Work-in-progress.

6 FINANCIAL ASSETS: INVESTMENTS

A) Non-current Investments

Particulars	As at March 31, 2020			As at March 31, 2019		
	No.		Amount (₹ in Crore)	No.		Amount (₹ in Crore)
(a) Investment in equity shares - at cost/ deemed cost [a]						
Subsidiary companies						
Quoted						
- Hindustan Zinc Limited, of ₹ 2/-each [b]	2,74,31,54,310		44,398	2,74,31,54,310		44,398
Unquoted						
- Bharat Aluminium Company Limited, of ₹ 10/- each (including 5 shares held jointly with nominees) [b]	11,25,18,495		553	11,25,18,495		553
- Monte Cello BV, Netherlands, of Euro 453.78 each	40	204		40	204	
Less: Reduction pursuant to merger [c]		(204)	0		(204)	0
- Sterlite (USA) Inc., of US$.01 per share (₹ 42.77 at each year end)	100		0	100		0
- Cairn India Holdings Limited (CIHL) of GBP 1 each, fully paid up	42,08,10,062	28,873		42,08,10,062	28,873	
Less: Reduction pursuant to merger [c]		(15,067)	13,806		(15,067)	13,806
- Vizag General Cargo Berth Private Limited, of ₹ 10 each (including 6 shares held jointly with nominees)	3,21,08,000		32	3,21,08,000		32
- Paradip Multi Cargo Berth Private Limited, of ₹ 10 each (including 6 shares held jointly with nominees)	10,000		0	10,000		0

Particulars	As at March 31, 2020 No.		As at March 31, 2020 Amount (₹ in Crore)	As at March 31, 2019 No.		As at March 31, 2019 Amount (₹ in Crore)
- Sterlite Ports Limited, of ₹ 2 each (including 6 shares held jointly with nominees)	2,50,000		0	2,50,000		0
- Talwandi Sabo Power Limited, of ₹ 10 each (including 6 shares held jointly with nominees)	3,20,66,09,692		3,207	3,20,66,09,692		3,207
- Sesa Resources Limited, of ₹ 10 each [c]	12,50,000		757	12,50,000		757
- Bloom Fountain Limited, of US$ 1 each	2,20,10,00,001	14,734		2,20,10,00,001	14,734	
Less: Reduction pursuant to merger [c]		(14,320)	414		(14,320)	414
- MALCO Energy Limited of ₹ 2 each (including 6 shares held jointly with nominees)	2,33,66,406	116		2,33,66,406	116	
Less: Reduction pursuant to merger [c]		(23)	93		(23)	93
- THL Zinc Ventures Limited of US$ 100 each	1,00,001	46		1,00,001	46	
Less: Reduction pursuant to merger [c]		(46)	0		(46)	0
- THL Zinc Holdings BV of EURO 1 each	37,38,000	23		37,38,000	23	
Less: Reduction pursuant to merger [c]		(23)	0		(23)	0
- Vedanta Star Limited of ₹ 10 each (including 6 shares held jointly with nominees) [d]	-		-	1,96,17,256		1,770
- Electrosteel Steels Limited of ₹ 10 each (including 6 shares held jointly with nominees) [d]	1,76,55,53,040		1,770	-		-
Associate companies - unquoted						
- Gaurav Overseas Private Limited, of ₹ 10 each	3,23,000		0	3,23,000		0
Joint venture - unquoted						
- Rampia Coal Mines and Energy Private Limited, of ₹ 1 each	2,72,29,539		3	2,72,29,539		3
Investment in equity shares at fair value through other comprehensive income						
Quoted						
- Sterlite Technologies Limited, of ₹ 2 each (including 60 shares held jointly with nominees)	47,64,295		30	47,64,295		104
Unquoted						
- Sterlite Power Transmission Limited, of ₹ 2 each (including 12 shares held jointly with nominees)	9,52,859		11	9,52,859		11
- Goa Shipyard Limited of ₹ 10 each	2,50,828		0	2,50,828		0
(b) Investment in preference shares of subsidiary companies - at cost						
Subsidiary companies – Unquoted						
- Bloom Fountain Limited, 0.25% Optionally Convertible Redeemable Preference shares of US$ 1 each	18,59,900		907	18,59,900		907
- Bloom Fountain Limited, 0.25% Optionally Convertible Redeemable Preference shares of US$ 100 each	3,60,500		215	3,60,500		215

	As at March 31, 2020			As at March 31, 2019		
Particulars	**No.**		**Amount (₹ in Crore)**	**No.**		**Amount (₹ in Crore)**
- THL Zinc Ventures Limited, 0.25% Optionally Convertible Redeemable Preference shares of US$ 1 each	70,00,000	3,187		70,00,000	3,187	
Less: Reduction pursuant to merger [c]		(3,187)	0		(3,187)	0
- THL Zinc Holdings BV, 0.25% Optionally Convertible Redeemable Preference shares of EURO 1 each	55,00,000	2,495		55,00,000	2,495	
Less: Reduction pursuant to merger [c]		(2,495)	0		(2,495)	0
(c) Investment in Government or Trust securities at cost / amortised cost						
- 7 Years National Savings Certificates (March 31, 2020: ₹ 35,450 March 31, 2019: ₹ 35,450) (Deposit with Sales Tax Authority)	-		0	-		0
- UTI Master gain of ₹ 10 each (March 31, 2020: ₹ 4,072 March 31, 2019: ₹ 4,072)	100		0	100		0
- Vedanta Limited ESOS Trust (March 31, 2020: ₹ 5,000 March 31, 2019: ₹ 5,000)	-		0	-		0
(d) Investments in debentures of subsidiary companies at cost / amortised cost						
- Vizag General Cargo Berth Private Limited, 0.1% compulsorily convertible debentures of ₹ 1,000 each	15,00,000		149	15,00,000		150
- MALCO Energy Limited, compulsorily convertible debentures of ₹ 1,000 each	6,13,54,483	6,136		6,13,54,483	6,136	
Less: Reduction pursuant to merger [c]		(6,118)	18		(6,118)	18
(e) Investments in Co-operative societies at fair value through profit and loss						
- Sesa Ghor Premises Holders Maintenance Society Limited, of ₹ 200 each (March 31, 2020: ₹ 8,000 March 31, 2019: ₹ 8,000)	40		0	40		0
- Sesa Goa Sirsaim Employees Consumers Co-operative Society Limited, of ₹ 10 each (March 31, 2020: ₹ 2,000 March 31, 2019: ₹ 2,000)	200		0	200		0
- Sesa Goa Sanquelim Employees Consumers Co-operative Society Limited, of ₹ 10 each (March 31, 2020: ₹ 2,300 March 31, 2019: ₹ 2,300)	230		0	230		0
- Sesa Goa Sonshi Employees Consumers Co-operative Society Limited, of ₹ 10 each (March 31, 2020: ₹ 4,680 March 31, 2019: ₹ 4,680)	468		0	468		0
- Sesa Goa Codli Employees Consumers Co-operative Society Limited, of ₹ 10 each (March 31, 2020: ₹ 4,500 March 31, 2019: ₹ 4,500)	450		0	450		0
- Sesa Goa Shipyard Employees Consumers Co-operative Society Limited, of ₹ 10 each (March 31, 2020: ₹ 5,000 March 31, 2019: ₹ 5,000)	500		0	500		0

Particulars	As at March 31, 2020		As at March 31, 2019	
	No.	Amount (₹ in Crore)	No.	Amount (₹ in Crore)
- The Mapusa Urban Cooperative Bank Limited, of ₹ 25 each (March 31, 2020: ₹ 1,000 March 31, 2019: ₹ 1,000)	40	0	40	0
(f) Investment in Bonds - Unquoted at fair value through profit and loss				
- Infrastructure Leasing & Financial Services Limited		51		-
Less: Provision for diminution in value of investments in:				
Bloom Fountain Limited		(1,536)		(1,536)
Sesa Resources Limited (Note 31)		(750)		(696)
Rampia Coal Mines and Energy Private Limited		(2)		(2)
Cairn India Holdings Limited (CIHL) (Note 31)		(3,339)		-
Total		**60,787**		**64,204**
Aggregate amount of impairment		(5,627)		(2,234)
Aggregate amount of quoted investments		44,428		44,502
Market value of quoted investments		42,590		76,048
Aggregate carrying amount of unquoted investments		16,359		19,702

a) Carrying value of investment in equity shares of Hindustan Zinc Limited (HZL) is at deemed cost and for all other subsidiaries, it is at the cost of acquisition.

b) Pursuant to the Government of India's policy of disvestment, the Company in April 2002 acquired 26% equity interest in 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 Company also acquired an additional 20% of the equity capital in HZL through an open offer. The Company 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 is 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 has 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 while hearing the public interest petition filed. The Company has filed an early hearing application in Supreme Court. The hearings in the matter have started and will now be listed for further arguments in due course.

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 has 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 has contested the valuation and validity of the option and contended that the clauses of the SHA violate the (Indian) 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 grounds 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 in the Hon'ble High Court of 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 of Delhi 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 ₹ 15,492 Crore and ₹ 1,782 Crore 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.

c) Reduction pursuant to merger of Cairn India Limited with Vedanta Limited accounted for in the year ended March 31, 2017.

d) Refer Note 3(d)(C) - Merger of ESL and VSL.

B) Current Investment

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Investments carried at fair value through profit and loss		
Investment in mutual funds- quoted	81	1,229
Investment in mutual funds- unquoted	589	1,310
Investment in bonds - quoted	1,448	1,733
Investment in India Grid Trust - quoted	0	106
Total	**2,118**	**4,378**
Aggregate amount of quoted investments, and market value thereof	1,529	3,068
Aggregate amount of unquoted investments	589	1,310

7 FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Crore)

	As at March 31, 2020			As at March 31, 2019		
Particulars	Non-current	Current	Total	Non-current	Current	Total
Unsecured	1,859	843	2,702	1,745	1,994	3,739
Less: Provision for expected credit loss	(513)	(11)	(524)	(497)	(28)	(525)
Total	**1,346**	**832**	**2,178**	**1,248**	**1,966**	**3,214**

(a) The credit period given to customers ranges from zero to 90 days. Also refer note 20(C)(d).

(b) For amounts due and terms and conditions relating to related party receivables see note 36.

(c) As at March 31, 2018, ₹ 767 Crore was outstanding on account of certain disputes relating to computation of tariffs and differential revenues recognised with respect to tariffs pending finalisation by the Odisha State Regulatory Commission. During FY 2018-19 the said disputes were settled and minuted. However, the customer has raised certain claims on the Company in respect of short supply of power for which a provision of ₹ 218 Crore has been made. Pending ratification of aforesaid minutes by Odisha Electricity Regulatory Commission (OERC) and adjudication on certain issues related to the claim, the customer has withheld ₹ 1,349 Crore, which the Company is confident of recovering. Hearing on the subject matter (PPA Amendment Case) has been completed in October 2019 and the order has been reserved.

(d) The total trade receivables as at April 01, 2018 were ₹ 2,439 Crore (net of provision for expected credit loss).

8 FINANCIAL ASSETS - LOANS

(₹ in Crore)

	As at March 31, 2020			As at March 31, 2019		
Particulars	Non-current	Current	Total	Non-current	Current	Total
Unsecured, considered good						
Loans to related parties (Refer Note 36)	183	1,595	1,778	197	114	311
Loan to employees	-	1	1	-	1	1
Others	-	-	-	-	3	3
Total	**183**	**1,596**	**1,779**	**197**	**118**	**315**

9 FINANCIAL ASSETS - OTHERS

(₹ in Crore)

	As at March 31, 2020			As at March 31, 2019		
Particulars	Non-current	Current	Total	Non-current	Current	Total
Bank Deposits	717	-	717	-	-	-
Site restoration asset [a]	411	-	411	365	-	365
Unsecured, considered good						
Security deposits	76	23	99	82	10	92
Advance recoverable (Oil and Gas Business)	-	3,038	3,038	-	2,382	2,382
Others [b]	469	479	948	172	36	208
Receivable from related parties (Refer Note 36)	-	286	286	-	202	202
Unsecured, considered credit impaired						
Security deposits	15	1	16	15	1	16
Others [b,c]	391	264	655	-	232	232
Less: Provision for expected credit loss	(406)	(265)	(671)	(15)	(233)	(248)
Total	**1,673**	**3,826**	**5,499**	**619**	**2,630**	**3,249**

(a) Site restoration asset earns interest at fixed rate based on respective deposit rate.

(b) Others include claims receivables. It also includes advance profit petroleum of ₹ 161 Crore (March 31, 2019: ₹ 149 Crore) (Refer Note 40(b)).

(c) A parcel of land amounting to ₹ 349 Crore relating to Iron Ore business has been reclassified during the year, due to existing litigation, from Property, plant and equipment and later provided for (Refer Note 31).

10 OTHER ASSETS

(₹ in Crore)

	As at March 31, 2020			As at March 31, 2019		
Particulars	Non-current	Current	Total	Non-current	Current	Total
Capital advances	716	-	716	1,381	-	1,381
Advances for related party supplies (Refer Note 36)	-	-	-	-	117	117
Advances for supplies	95	973	1,068	-	972	972
Others						
Balance with government authorities [a]	453	606	1,059	416	350	766
Leasehold land prepayments [b]	-	-	-	215	2	217
Loan to employee benefit trust	334	-	334	351	-	351
Others [c]	674	455	1,129	664	530	1,194
Unsecured, considered doubtful						
Capital advances [d]	202	-	202	6	-	6
Balance with government authorities	3	-	3	3	-	3
Advance for supplies	-	37	37	-	37	37
Others [c]	263	4	267	211	4	215
Less: Provision for doubtful advances	(468)	(41)	(509)	(220)	(41)	(261)
Total	**2,272**	**2,034**	**4,306**	**3,027**	**1,971**	**4,998**

(a) Includes ₹ 30 Crore (March 31, 2019: ₹ 30 Crore), being Company's share of gross amount of ₹ 86 Crore (March 31, 2019: ₹ 86 Crore) paid under protest on account of Education Cess and Secondary Higher Education Cess for the financial year 2013-14.

(b) Represents prepayments in respect of land taken under operating leases, were being amortised equally over the period of the lease. The same has been accounted for as a ROU asset post adoption of Ind AS 116 in the current year.

(c) Others include claim receivables, advance recoverable (oil and gas business), prepaid expenses and export incentive receivables.

(d) During the year, an impairment charge of ₹ 196 Crore has been recognised relating to copper business. Refer Note 31(b).

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS
as at and for the year ended March 31, 2020

11 INVENTORIES

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials	1,370	3,024
Goods-in transit	595	1,154
Work-in-progress	1,835	1,195
Finished goods	465	880
Fuel Stock	608	440
Goods-in-transit	258	413
Stores and Spares	557	547
Goods-in transit	1	4
Total	**5,689**	**7,657**

(a) For method of valuation for each class of inventories, refer note 3(a)(J).

(b) Inventory held at net realisable value amounted to ₹ 2,263 Crore (March 31, 2019: ₹ 3,584 Crore).

(c) The write down of inventories amounting to ₹ 56 Crore (March 31, 2019: ₹ 152 Crore) has been charged to the Statement of Profit and Loss during the year.

12 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks	1,661	3,026
Deposits with original maturity of less than 3 months (including interest accrued thereon) [a]	185	183
Cash on hand	0	0
Total	**1,846**	**3,209**

(a) Bank deposits earns interest at fixed rate based on respective deposit rate.

(b) Cash & Cash equivalents for the purpose of Statement of Cash Flows comprises the following:

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents as above	1,846	3,209
Earmarked unpaid dividend accounts (Refer Note 13)	74	75
Total	**1,920**	**3,284**

13 CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Bank deposits with original maturity of more than 12 months (including interest accrued thereon) [a]	0	3
Bank deposits with original maturity of more than 3 months but less than 12 months (including interest accrued thereon) [a,b]	271	602
Earmarked unpaid dividend accounts [c]	74	75
Earmarked escrow account [d]	2	2
Total	**347**	**682**

(a) Bank deposits earns interest at fixed rate based on respective deposit rate.

(b) Includes ₹ 256 Crore (March 31, 2019: ₹ 591 Crore) on lien with banks and margin money ₹ 12 Crore (March 31, 2019: ₹ 11 Crore).

(c) Earmarked unpaid dividend accounts are restricted in use as it relates to unclaimed or unpaid dividend.

(d) Earmarked escrow account is restricted in use as it relates to unclaimed redeemable preference shares.

14 SHARE CAPITAL

Particulars	As at March 31, 2020 Number (in Crore)	As at March 31, 2020 Amount (₹ in Crore)	As at March 31, 2019 Number (in Crore)	As at March 31, 2019 Amount (₹ in Crore)
A. Authorised equity share capital				
Opening and Closing balance [equity shares of ₹ 1 each with voting rights]	4,402	4,402	4,402	4,402
Authorised preference share capital [a]				
Opening and Closing balance [preference shares of ₹ 10/- each]	301	3,010	301	3,010
B. Issued, subscribed and paid up				
Equity shares of ₹ 1/- each with voting rights [b,c]	372	372	372	372
	372	**372**	**372**	**372**

(a) Redeemable preference shares of ₹ 3,010 Crore were redeemed on October 27, 2018 i.e. 18 months from the date of allotment as per the scheme of amalgamation of Cairn India Limited with Vedanta Limited. An equivalent amount of ₹ 3,010 Crore has been transferred from general reserve to preference share redemption reserve.

(b) Includes 3,08,232 (March 31, 2019: 3,08,232) equity shares kept in abeyance. These shares are not part of listed equity capital and pending allotment as they are sub-judice.

(c) Includes 1,43,78,261 (March 31, 2019: 1,49,98,702) equity shares held by Vedanta Limited ESOS Trust (Refer Note 25).

C. Shares held by the Ultimate holding company and its subsidiaries*

Particulars	As at March 31, 2020 No. of Shares held (in Crore)	As at March 31, 2020 % of holding	As at March 31, 2019 No. of Shares held (in Crore)	As at March 31, 2019 % of holding
Twin Star Holdings Limited	128.01	34.44	128.01	34.44
Twin Star Holdings Limited [2]	9.93	2.67	9.93	2.67
Finsider International Company Limited	40.15	10.80	40.15	10.80
Westglobe Limited	4.43	1.19	4.43	1.19
Welter Trading Limited	3.82	1.03	3.82	1.03
Total	**186.34**	**50.13**	**186.34**	**50.13**

* The % of holding has been calculated on the issued and subscribed share capital as at the respective balance sheet date.

(1) All the above entities are subsidiaries of Volcan Investments Limited, the ultimate holding Company.

(2) Represented by 2,48,23,177 American Depository Shares ("ADS").

D. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Equity shares issued pursuant to Scheme of Amalgamation (in FY 2017-18)	75	75
Preference shares issued pursuant to Scheme of Amalgamation (in FY 2017-18)*	301	301

*These were redeemed on October 27, 2018.

E. Details of shareholders holding more than 5% shares in the Company *

Particulars	As at March 31, 2020 No. of Shares held (in Crore)	As at March 31, 2020 % of holding	As at March 31, 2019 No. of Shares held (in Crore)	As at March 31, 2019 % of holding
Twin Star Holdings Limited	128.01	34.44	128.01	34.44
Twin Star Holdings Limited #	9.93	2.67	9.93	2.67
Finsider International Company Limited	40.15	10.80	40.15	10.80
ICICI Prudential Equity Arbitrage Fund	18.69	5.03	18.36	4.94
Life Insurance Corporation of India	23.67	6.37	23.66	6.37

* The % of holding has been calculated on the issued and subscribed share capital as at the respective balance sheet date.

2,48,23,177 ADS, held by CITI Bank N.A. New York as a depository.

As per the records of the Company, including its register of shareholders/members, the above shareholding represents legal ownership of shares.

F. Other disclosures

(i) 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. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is paid as and when declared by the Board of Directors. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

(ii) The Company had one class of 7.5% non-cumulative redeemable preference shares having a par value of ₹ 10 per share. Each preference shareholder is eligible for one vote per share as per terms of Section 47(2) of the Companies Act, 2013 and dividend as and when declared by the Company. As per the terms of preference shares, these shares are redeemable at par on expiry of 18 months from the date of their allotment. In the event of winding up of Vedanta Limited, the holders of Preference Shares shall have a right to receive repayment of capital paid up and arrears of dividend, whether declared or not, up to the commencement of winding up, in prioirty to any payment of capital on the equity shares out of the surplus of Vedanta Limited.

(iii) ADS shareholders do not have right to attend General meetings in person and also do not have right to vote. They are represented by depository, CITI Bank N.A. New York. As at March 31, 2020 - 26,17,80,208 equity shares were held in the form of 6,54,45,052 ADS (March 31, 2019 - 24,87,79,452 equity shares were held in the form of 6,21,94,863 ADS).

(iv) In terms of Scheme of Arrangement as approved by the Hon'ble High Court of Judicature at Mumbai, vide its order dated April 19, 2002, the erstwhile Sterlite Industries (India) Limited (merged with the Company during 2013-14) during 2002-2003 reduced its paid up share capital by ₹ 10 Crore. There are 2,01,711 equity shares (March 31, 2019: 2,01,085 equity shares) of ₹ 1 each pending clearance from NSDL. The Company has filed an application in Hon'ble High Court of Mumbai to cancel these shares, the final decision on which is pending. Hon'ble High Court of Judicature at Mumbai, vide its interim order dated September 06, 2002 restrained any transaction with respect to subject shares.

15 OTHER EQUITY (REFER STATEMENT OF CHANGES IN EQUITY)

a) General reserve: Under the erstwhile Companies Act, 1956, 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% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

b) 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 utilised 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.

c) Preference share redemption reserve: The 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 for, either by reducing the additional paid in capital (securities premium account) or net income, 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 the Company. During the previous year, on redemption of preference share, ₹ 3,010 Crore has been transferred from general reserve to preference share redemption reserve.

d) Capital reserve: The balance in capital reserve has mainly arisen consequent to merger of Cairn India Limited with the Company.

16 CAPITAL MANAGEMENT

The Company'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 Company's overall strategy remains unchanged from previous year.

The Company 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 borrowings. The Company's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Company monitors capital on the basis of the gearing ratio which is net debt divided by total capital (equity plus net debt). The Company is not subject to any externally imposed capital requirements.

Net debt are non-current and current debts as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other comprehensive income.

The following table summarises the capital of the Company:

(₹ in Crore except otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents (Refer Note 12)	1,846	3,209
Other bank balances (Refer Note 13)	347	682
Non-current bank deposits (Refer Note 9)	717	-
Current investments (Refer Note 6B)	2,118	4,378
Total cash (a)	**5,028**	**8,269**
Non-current borrowings (Refer Note 17A)	21,629	20,521
Current borrowings (Refer Note 17B)	10,819	17,180
Current maturities of long-term debt (Refer Note 19)	6,489	4,503
Total borrowings (b)	**38,937**	**42,204**
Net debt c=(b-a)	33,909	33,935
Total equity	69,895	77,880
Total capital (equity + net debt) (d)	1,03,804	1,11,815
Gearing ratio (times) (c/d)	0.33	0.30

17 FINANCIAL LIABILITIES - BORROWINGS

A) Non-current borrowings

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
At amortised cost		
Secured		
Non-convertible debentures	13,013	9,898
Term loans from banks		
- Rupee term loans	11,724	15,037
- Foreign currency term loans	3,227	-
Others	75	-
Unsecured		
Deferred sales tax liability	77	87
Redeemable preference shares	2	2
Non-current borrowings (A)	28,118	25,024
Less: Current maturities of long-term debt (Refer Note 19)	(6,489)	(4,503)
Total Non-current borrowings (Net)	**21,629**	**20,521**
Current borrowings (B) (Refer Note 17 B)	**10,819**	**17,180**
Total borrowings (A+B)	**38,937**	**42,204**

B) Current borrowings

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
At amortised cost		
Secured		
Term loans from banks (Foreign currency)	1,041	-
Project buyers credit from banks	-	16
Loans repayable on demand from banks	1	715
Working capital loan	12	-
Amounts due on factoring	10	360
Others	1,138	-
Unsecured		
Commercial paper	7,524	14,555
Packing credit in foreign currencies from banks	-	492
Working capital loan	-	325
Amounts due on factoring	16	717
Loans repayable on demand from banks	1,077	-
Total	**10,819**	**17,180**

The Company has discounted trade receivables on recourse basis of ₹ 26 Crore (March 31, 2019: ₹ 1,077 Crore). Accordingly, the monies received on this account are shown as borrowings as the trade receivables does not meet de-recognition criteria. The above borrowings pertaining to trade receivables discounted has been reinstated on account of foreign exchange fluctuation.

a) Details of Non-convertible debentures issued by the Company have been provided below (Carrying Value):

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
9.2% due February-2030	2,000	-
9.2% due December-2022	748	-
8.75% due June-2022	1,268	-
8.9% due December-2021	898	-
8.75% due September-2021	250	250
9.18% due July-2021	1,000	1,000
8.5% due June-2021	1,650	1,649
8.75% due April-2021	250	250
8.5% due April-2021	2,349	2,349
9.45% due August-2020	2,000	2,000
8.7% due April-2020	600	600
7.8% due December-2020*	-	500
7.95% due April-2020**	-	300
7.5% due November-2019	-	200
8.25% due October-2019	-	300
8.65% due September-2019	-	150
7.6% due May-2019	-	350
Total	**13,013**	**9,898**

* Repaid during the year.

** Put option was excercised by the NCD holders, basis which NCDs became due for repayment.

b) Vedanta Limited has taken borrowings towards funding of its acquisitions, capital expenditure and working capital requirements. The borrowings comprise of funding arrangements from various banks and financial institution. The details of security provided by the Company to various lenders on the assets of the Company are as follows:

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured long-term borrowings	28,039	24,935
Secured short-term borrowings	2,202	1,091
Total secured borrowings	**30,241**	**26,026**

(₹ in Crore)

Facility Category	Security details	As at March 31, 2020	As at March 31, 2019
Working capital loans*	First pari passu charge on all rights, title, claim and benefit in all the whole of the current assets of Vedanta Limited, both present and future, including stock and raw material, stock in process, semi finished and finished goods, stores and spares not relating to plant and machinery (consumable stores and spares)	1	-
	First pari passu charge on current assets of Vedanta Limited	3	-
	Secured by hypothecation of inventory of Vedanta Limited including other movables like book debts and bills outstanding	11	-
	Secured by receivables on sale of crude oil of Vedanta Limited	8	-
	Other secured working capital loans	-	1,075
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	4,914	-
	Secured by way of “movable fixed assets” in relation to the 1.6 MTPA aluminium smelter alongwith 1215 MW (135MW * 9) captive power plant located in Jharsuguda and 1 MTPA Alumina Refinery alongwith 90 MW co-generation power plant located at Lanjigarh in Odisha State and shall include all present movable plant and machinery, machinery spares, tools and accessories, fixtures, mechanical and electrical equipments, machinery and all other movable fixed assets and all estate, right, title, interest, property, claims and demands whatsoever in relation to assets	2,000	2,000
	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	3,999	3,998
	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	1,100	1,250
	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	1,000	1,000
	Other secured non-convertible debentures	-	1,650

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as at and for the year ended March 31, 2020

(₹ in Crore)

Facility Category	Security details	As at March 31, 2020	As at March 31, 2019
Term loans from banks (includes rupee term loans and foreign currency term loans)	First pari passu charge by way of hypothecation/ equitable mortgage on the movable/ immovable assets of the Aluminium division 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	3,384	5,102
	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 an 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	2,885	3,551
	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 the Company along with 90 MW power plant in Lanjigarh and all its related expansions	458	482
	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	1,380	1,734
	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	2,984	2,984
	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	1,137	1,184
	Secured by a pari passu charge on the whole of the movable fixed assets of 1.6 MTPA Aluminium smelter including 1215 MW power plant of Vedanta Limited situated at Jharsuguda and movable fixed assets of 1 MTPA Alumina refinery including 90 MW thermal power plant (operating capacity) situated at Lanjigarh, including movable plant and machinery, machinery spares, tools and accessories, condensers, generators, cooling systems, pumps, tanks, transformers and all other equipment's, furniture, fittings, fixtures, vehicles and all other movable fixed assets both present and future	500	-

(₹ in Crore)

Facility Category	Security details	As at March 31, 2020	As at March 31, 2019
	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 the Company along with 90 MW power plant in Lanjigarh and all its related expansions	736	-
	Secured by charge on investment of Vedanta Limited in INR bonds	1,041	-
	Secured by first pari passu charge by 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 1215 (9*135) MW CPP at Jharsuguda, Odisha	1,487	-
Others	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	1,145	-
	First pari passu charge on all existing and future current assets of Vedanta Limited	68	-
Project Buyers' credit from banks	Other secured project buyer's credit	-	16
Total		**30,241**	**26,026**

* Includes loans repayable on demand from banks, export packing credit and amounts due on factoring.

c) The Company 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 total net worth, fixed assets coverage ratio, ratio of total term liabilities to net worth and return on fixed assets. The Company has complied with the covenants as per the terms of the loan agreement.

d) Terms of repayment of total borrowings outstanding as at March 31, 2020 are provided below -

(₹ in Crore)

Borrowings	Weighted average interest rate as at March 31, 2020	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Foreign Currency term Loan	4.40%	4,268	1,970	1,609	150	540	Repayable in 69 quarterly repayments and one bullet payment
Rupee term loan	8.84%	11,724	2,912	3,641	2,331	2,876	Repayable in 264 quarterly instalments and 3 half yearly instalments
Non-convertible debentures	8.92%	13,013	2,600	8,420	-	2,000	Repayable in 11 bullet payments
Commercial paper	6.20%	7,524	7,524	-	-	-	Repayable in 29 bullet payments
Working capital loan*	7.91%	1,090	1,090	-	-	-	Export packing credit & Loan repayable on demand is repayable within 1-6 months from the date of drawal and also includes working capital loan which is repayable in one bullet payment
Amounts due on factoring	4.79%	26	26	-	-	-	Repayable within one month

(₹ in Crore)

Borrowings	Weighted average interest rate as at March 31, 2020	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Deferred sales tax liability	NA	77	20	42	28	1	Repayable in 78 monthly instalments
Redeemable preference shares	NA	2	2	-	-	-	The redemption and dividend paid to the preference shares unclaimed if any, is payable on claim
Others	7.90%	1,213	1,179	34	-	-	Repayable within 6-12 months and 6 suppliers credit LC repayable in more than 12 months upto 36 months
Total		**38,937**	**17,323**	**13,746**	**2,509**	**5,417**	

The above maturity is based on the total principal outstanding gross of issue expenses and discounting impact of deferred sales tax liability.

* Includes loans repayable on demand from banks for ₹ 1,078 Crore.

e) Terms of repayment of total borrowings outstanding as at March 31, 2019 are provided below -

Borrowings	Weighted average interest rate as at March 31, 2019	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Rupee term loan	8.79%	15,037	3,199	5,294	2,271	4,319	Repayable in 404 quarterly instalments and 5 instalments payable in the gap of 5 months and 7 months
Non-convertible debentures	8.68%	9,898	1,300	8,600	-	-	Repayable in 13 bullet payments
Commercial paper	7.50%	14,555	14,555	-	-	-	Repayable in 72 bullet payments
Working capital loan*	8.50%	1,532	1,532	-	-	-	Export packing credit is repayable within 1-6 months from the date of drawal, cash credit can be repaid anytime as per the availability of business surplus during the validity of the facility and working capital loan is repayable in one bullet payment
Project buyers' credit from banks	3.51%	16	16	-	-	-	Repayable in 2 bullet payments
Amounts due on factoring	3.16%	1,077	1,077	-	-	-	Repayable within one month
Deferred sales tax liability	NA	87	17	32	46	12	Repayable in 90 monthly instalments
Redeemable preference shares	NA	2	2	-	-	-	The redemption and dividend paid to the preference shares unclaimed if any, is payable on claim
Total		**42,204**	**21,698**	**13,926**	**2,317**	**4,331**	

The above maturity is based on the total principal outstanding gross of issue expenses and discounting impact of deferred sales tax liability.

* Includes loans repayable on demand from banks for ₹ 715 Crore and packing credit in foreign currencies from banks.

f) Movement in borrowings during the year is provided below-

(₹ in Crore)

Particulars	Short-term borrowing	Long-term borrowing*	Total debt
Opening balance at April 01, 2018	18,320	22,393	40,713
Cash flow	(1,165)	2,612	1,447
Other non-cash changes	25	19	44
As at April 01, 2019	**17,180**	**25,024**	**42,204**
Cash flow	(7,011)	2,955	(4,056)
Other non Cash Changes	650	139	789
As at March 31, 2020	**10,819**	**28,118**	**38,937**

*including Current maturities of Long-term borrowing

Other non-cash changes comprises of amortisation of borrowing costs, foreign exchange difference on borrowings and reclassification between borrowings due within one year and borrowings due after one year.

18 FINANCIAL LIABILITIES - TRADE PAYABLES [a]

(₹ in Crore)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Non-current	Current	Total	Non-current	Current	Total
Total outstanding dues of micro, small and medium enterprises (Refer Note 39(b))	-	182	182	-	59	59
Total outstanding dues of creditors other than micro, small and medium enterprises	-	3,300	3,300	-	5,173	5,173
Total outstanding dues of related parties [b]	-	27	27	-	13	13
Operational buyers' credit / suppliers' credit [c]	-	7,130	7,130	-	6,017	6,017
Total	**-**	**10,639**	**10,639**	**-**	**11,262**	**11,262**

(a) Trade payables are non-interest bearing and are normally settled upto 180 days terms.

(b) For terms and conditions relating to related party payables, see note 36.

(c) Operational Buyers' /Suppliers' Credit is availed in foreign currency from offshore branches of Indian banks or foreign banks at an interest rate ranging from 2.5% to 3.5% per annum and in rupee from domestic banks at interest rate ranging from 7.5%-8.5% per annum. These trade credits are largely repayable within 180 days from the date of draw down. Operational Buyers' credit availed in foreign currency is backed by Standby Letter of Credit issued under working capital facilities sanctioned by domestic banks. Part of these facilities are secured by first pari passu charge over the present and future current assets of the Company.

19 FINANCIAL LIABILITIES - OTHERS

(₹ in Crore)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Non-current	Current	Total	Non-current	Current	Total
Liability for capital expenditure	47	5,203	5,250	42	3,379	3,421
Security deposits and retentions	-	28	28	-	14	14
Interest Accrued but not due	170	911	1,081	239	710	949
Current maturities of long-term debt [a]	-	6,489	6,489	-	4,503	4,503
Unpaid/unclaimed dividend [b]	-	74	74	-	75	75
Unpaid matured deposits and interest accrued thereon [c]	-	0	0	-	0	0
Profit petroleum payable	-	396	396	-	624	624
Dues to related parties (Refer Note 36)	-	68	68	-	84	84
Lease liabilities [e]	71	231	302	-	-	-
Other Liabilities [d]	-	1,461	1,461	-	2,094	2,094
Total	**288**	**14,861**	**15,149**	**281**	**11,483**	**11,764**

(a) Current Maturities of long-term debt consists of:

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-convertible debentures	2,596	1,300
Deferred sales tax liability	20	17
Term loans from banks		
- Rupee term loans	2,901	3,184
- Foreign currency term loans	929	-
Redeemable preference shares	2	2
Others	41	-
Total	**6,489**	**4,503**

(b) Does not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund except ₹ 0.10 Crore (March 31, 2019: ₹ 0.11 Crore) which is held in abeyance due to a pending legal case.

(c) Matured deposits of ₹ 0.01 Crore (March 31,2019: ₹ 0.01 Crore) due for transfer to Investor Education and Protection Fund have not been transferred in view of pending litigation between the beneficiaries.

(d) Includes revenue received in excess of entitlement interest of ₹ 765 Crore (March 31, 2019: ₹ 1,439 Crore), reimbursement of expenses, provision for expenses, liabilities related to compensation/claim etc.

(e) The movement in lease liabilities is as follows:

(₹ in Crore)

At April 01, 2019	**191**
Additions during the year	463
Interest on lease liabilities	16
Payments made	159
Deletions	209
At March 31, 2020	**302**

20 FINANCIAL INSTRUMENTS

A. Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at March 31, 2020

(₹ in Crore)

Financial Assets	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
Investments*	2,169	41	-	-	2,210	2,210
Trade receivables	9	-	-	2,169	2,178	2,178
Cash and cash equivalents	-	-	-	1,846	1,846	1,846
Other bank balances	-	-	-	347	347	347
Loans	-	-	-	1,779	1,779	1,779
Derivatives	222	-	329	-	551	551
Other financial assets	-	-	-	5,499	5,499	5,499
Total	**2,400**	**41**	**329**	**11,640**	**14,410**	**14,410**

(₹ in Crore)

Financial Assets	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Borrowings	-	-	38,937	38,937	38,912
Trade payables	343	-	10,296	10,639	10,639
Derivatives	9	38	-	47	47
Other financial liabilities*	-	-	8,660	8,660	8,660
Total	**352**	**38**	**57,893**	**58,283**	**58,258**

*Include lease liabilities of ₹ 302 Crore as at March 31, 2020.

As at March 31, 2019

(₹ in Crore)

Financial Assets	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
Investments*	4,378	115	-	-	4,493	4,493
Trade receivables	170	-	-	3,044	3,214	3,214
Cash and cash equivalents	-	-	-	3,209	3,209	3,209
Other bank balances	-	-	-	682	682	682
Loans	-	-	-	315	315	315
Derivatives	6	-	40	-	46	46
Other financial assets	-	-	-	3,249	3,249	3,249
Total	**4,554**	**115**	**40**	**10,499**	**15,208**	**15,208**

(₹ in Crore)

Financial Assets	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Borrowings	-	-	42,204	42,204	42,169
Trade payables	909	-	10,353	11,262	11,262
Derivatives	342	1	-	343	343
Other financial liabilities	-	-	7,261	7,261	7,261
Total	**1,251**	**1**	**59,818**	**61,070**	**61,035**

* Investment in note 6 also includes investments (in equity and preference shares) in subsidiaries, associates and joint ventures which are carried at cost and hence are not required to be disclosed as per Ind AS 107 "Financial Instruments Disclosures". Hence, the same have been excluded from the above table.

B. Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) 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).

(iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The below table summarises the categories of financial assets and liabilities as at March 31, 2020 and March 31, 2019 measured at fair value:

As at March 31, 2020

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
- Investments	589	1,529	51
- Derivative financial assets*	-	222	-
- Trade receivables	-	9	-
At fair value through other comprehensive income			
- Investments	30	-	11
Derivatives designated as hedging instruments			
- Derivative financial assets*	-	329	-
Total	**619**	**2,089**	**62**

(₹ in Crore)

Financial liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
- Derivative financial liabilities*	-	9	-
- Trade payables	-	343	-
Derivatives designated as hedging instruments			
- Derivative financial liabilities*	-	38	-
Total	**-**	**390**	**-**

As at March 31, 2019

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
- Investments	1,416	2,881	81
- Derivative financial assets*	-	6	-
- Trade receivables	-	170	-
At fair value through other comprehensive income			
- Investments	104	-	11
Derivatives designated as hedging instruments			
- Derivative financial assets*	-	40	-
Total	**1,520**	**3,097**	**92**

(₹ in Crore)

Financial liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
- Derivative financial liabilities*	-	342	-
- Trade payables	-	909	-
Derivatives designated as hedging instruments			
- Derivative financial liabilities*	-	1	-
Total	**-**	**1,252**	**-**

* Refer “D” below.

The below table summarises the fair value of borrowings which are carried at amortised cost as at March 31, 2020 and March 31, 2019:

As at March 31, 2020

(₹ in Crore)

Financial liabilities	Level 1	Level 2	Level 3
Borrowings	-	38,912	-
Total	**-**	**38,912**	**-**

As at March 31, 2019

(₹ in Crore)

Financial liabilities	Level 1	Level 2	Level 3
Borrowings	-	42,169	-
Total	**-**	**42,169**	**-**

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 on the basis of market trades, poll and primary issuances for securities issued by the same or similar issuer and for similar maturities or based on the applicable spread movement for the security derived based on the aforementioned factor(s).

Trade receivables, cash and cash equivalents, other bank balances, loans, other financial assets, current borrowings, trade payables and other current financial liabilities: fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.

Other non-current financial assets and 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.

Non-current fixed-rate and variable-rate borrowings: Fair value has been determined by the Company based on parameters such as interest rates, specific country risk factors, and the risk characteristics of the financed project.

Derivative financial assets/liabilities: The Company 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 include the forward pricing and swap models, using present value calculations. The models incorporate various inputs including 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 (U.K.).

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 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 year.

C. Risk management framework

The Company's businesses are subject to several risks and uncertainties including financial risks.

The Company's documented risk management policies act as an effective tool in mitigating the various financial risks to which the businesses are exposed 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 Company has in place risk management processes which are in line with the Company's policy. Each significant risk has a designated 'owner' within the Company 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 Company'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 Company's risk situation
- improve financial returns

Treasury management

Treasury management focuses on liability management, capital protection, liquidity maintenance and yield maximisation. The treasury policies are approved by the Committee of the Board. Daily treasury operations of the business units 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 business units. A monthly reporting system exists to inform senior management of the Company's investments and debt position, exposure to currency, commodity and interest rate risk and their mitigants including the derivative position. The Company has a strong system of internal control which enables effective monitoring of adherence to Company's policies. The internal control measures are effectively supplemented by regular internal audits.

The investment portfolio at the Company is independently reviewed by CRISIL Limited and Company portfolio has been rated as Tier I or "Very Good" meaning highest safety. The investments are made keeping in mind safety, liquidity and yield maximisation.

The Company uses derivative instruments to manage the exposure in foreign currency exchange rates, interest rates and commodity prices. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company 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 Company's policies.

Commodity price risk

The Company 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 Company produces and sells will have an immediate and direct impact on the profitability of the businesses. As a general policy, the Company aims to sell the products at prevailing market prices. The commodity price risk in imported input commodity such as of Alumina, anodes, etc., for our aluminium and copper 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 Company 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 Company 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

Aluminium

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 Company on selective basis hedges the aluminium content in outsourced alumina to protect its margins. The Company also enters into hedging arrangements for its aluminium sales to realise average month of sale LME prices.

Copper

The Company's custom refining copper operations at Silvassa is benefitted by a natural hedge except to the extent of a possible mismatch in quotational periods between the purchase of anodes/blisters and the sale of finished copper. The Company's policy on custom smelting is to generate margins from Refining charges or "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 Company hedges this variability of LME prices through forward contracts and tries to make the LME price a pass-through cost between purchases of anodes / blisters and sales of finished products, both of which are linked to the LME price.

Rcs are a major source of income for the Indian copper refining operations. Fluctuations in Rcs are influenced by factors including demand and supply conditions prevailing in the market for smelters output. The Company's copper business has a strategy of securing a majority of its anodes/ blisters feed requirement under long-term contracts with smelters/ traders.

Iron ore

The Company 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

On March 31, 2020, the value of net financial liabilities linked to commodities (excluding derivatives) accounted for on provisional prices was ₹ 677 Crore (March 31, 2019: liabilities of ₹ 15 Crore). 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, 2020.

Set out below is the impact of 10% increase in LME prices on pre-tax profit/ (loss) for the year and pre-tax total equity as a result of changes in value of the Company's commodity financial instruments:

For the year ended March 31, 2020

(₹ in Crore)

	Total Exposure	Effect on profit/(loss) of a 10% increase in the LME	Effect on total equity of a 10% increase in the LME
Copper	(794)	(79)	-

For the year ended March 31, 2019

(₹ in Crore)

	Total Exposure	Effect on profit/(loss) of a 10% increase in the LME	Effect on total equity of a 10% increase in the LME
Copper	(53)	(5)	-

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 Company'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 ₹ 79 Crore loss (March 31, 2019: ₹ 74 Crore loss), which is pass through in nature and as such will not have any impact on the profitability.

Financial risk

The Company's Board approved financial risk policies include monitoring, measuring and mitigating the liquidity, currency, interest rate and counterparty risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimise interest and commodity pricing through proven financial instruments.

(a) Liquidity

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term. The Company 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.

CRISIL affirmed our rating for the Company's long-term bank facilities and its Non-Convertible Debentures (NCD) programme to CRISIL AA / Stable during the year. India Ratings has revised the outlook on Vedanta Limited's ratings to IND AA / Negative from IND AA/ Stable on account of delay in deleveraging due to sharp fall in commodity prices and delay in volume ramp-up in key business segments. Vedanta Limited has the highest short-term rating on its working capital and Commercial Paper Programme at A1+ from CRISIL and India Ratings.

On April 3, 2020, CRISIL has revised the rating outlook on the long-term bank facilities and Non-Convertible Debentures (NCD) programme from Stable to Negative, while reaffirming the rating at AA on account of weaker commodity prices in wake of COVID-19 pandemic. On May 22, 2020, India Ratings downgraded Vedanta Ltd to AA-/ Negative outlook from AA / Negative outlook on account of higher expected balance sheet leverage due to substantial decline in economic activity in the wake of COVID-19 lockdown and elevated refinancing risk.

Anticipated future cash flows, together with undrawn fund based committed facilities of ₹ 820 Crore, and cash, bank and current investments of ₹ 5,028 Crore as at March 31, 2020, are expected to be sufficient to meet the liquidity requirement of the Company in the near future.

The Company remains committed to maintaining a healthy liquidity, a low gearing ratio, deleveraging and strengthening our balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

As at March 31, 2020

(₹ in Crore)

Payments due by year	<1 year	1-3 years	3-5 years	>5 years	Total
Borrowings *	20,416	16,105	3,725	7,033	47,279
Derivative financial liabilities	38	9	-	-	47
Lease liability	231	26	23	22	302
Trade Payables and other financial liabilities **	17,937	47	-	-	17,984
Total	**38,622**	**16,187**	**3,748**	**7,055**	**65,612**

As at March 31, 2019

(₹ in Crore)

Payments due by year	<1 year	1-3 years	3-5 years	>5 years	Total
Borrowings *	24,348	16,599	3,281	5,334	49,562
Derivative financial liabilities	343	-	-	-	343
Trade Payables and other financial liabilities **	17,612	42	-	-	17,654
Total	**42,303**	**16,641**	**3,281**	**5,334**	**67,559**

*Includes Non-current borrowings, current borrowings, current maturities of non-current borrowings and committed interest payments on borrowings and interest accrued on borrowings.

**Includes both Non-current and current financial liabilities and committed interest payment, as applicable. Excludes current maturities of non-current borrowings and interest accrued on borrowings.

The Company had access to following funding facilities:

As at March 31, 2020

(₹ in Crore)

Funding facilities	Total Facility	Drawn	Undrawn
Fund/non-fund based	40,620	33,281	7,339

As at March 31, 2019

(₹ in Crore)

Funding facilities	Total Facility	Drawn	Undrawn
Fund/non-fund based	42,378	31,582	10,796

Collateral

The Company has pledged financial instruments with carrying amount of ₹ 11,069 Crore and inventories with carrying amount of ₹ 5,689 Crore as per the requirements specified in various financial facilities in place. The counterparties have an obligation to release the securities to the Company when financial facilities are surrendered.

(b) Foreign exchange risk

Fluctuations in foreign currency exchange rates may have an impact on the statement of profit and loss, the statement of changes 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 Company.

Exposures on foreign currency loans are managed through the Company wide hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged.

The Company's presentation currency is the Indian Rupee (INR). The assets are located in India and the Indian Rupee is the functional currency except for Oil and Gas business operations which have a dual functional currency. 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 statement of profit and loss. The exposure is mitigated by some of the derivative contracts entered into by the Company as disclosed under the section on "Derivative financial instruments".

The carrying amount of the Company's financial assets and liabilities in different currencies are as follows:

(₹ in Crore)

	As at March 31, 2020		As at March 31, 2019	
Currency	**Financial Assets**	**Financial liabilities**	**Financial Assets**	**Financial liabilities**
INR	8,611	40,961	8,355	46,288
USD	5,648	17,290	6,850	14,502
Others	151	32	3	280
Total	**14,410**	**58,283**	**15,208**	**61,070**

The Company's exposure to foreign currency arises where an entity holds monetary assets and liabilities denominated in a currency different to the functional currency of the respective business, with US dollar being the major non-functional currency.

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 foreign currencies by 10% against the functional currency of the respective businesses.

Set out below is the impact of a 10% strengthening in the functional currencies of the respective businesses on pre-tax profit/(loss) and pre-tax equity arising as a result of the revaluation of the Company's foreign currency monetary financial assets/liabilities:

For the year ended March 31, 2020

(₹ in Crore)

	Effect of 10% strengthening of functional currency on pre-tax profit/ (loss)	Effect of 10% strengthening of foreign currency on equity
USD	860	0
INR	93	-

For the year ended March 31, 2019

(₹ in Crore)

	Effect of 10% strengthening of functional currency on pre-tax profit/ (loss)	Effect of 10% strengthening of foreign currency on equity
USD	481	0
INR	46	-

A 10% weakening of functional currencies of the respective businesses would have an equal and opposite effect on the Company's financial statements.

(c) Interest rate risk

At March 31, 2020, the Company's net debt of ₹ 33,909 Crore (March 31, 2019: ₹ 33,935 Crore) comprises cash, bank and investments of ₹ 5,028 Crore (March 31, 2019: ₹ 8,269 Crore) offset by debt of ₹ 38,937 Crore (March 31, 2019: ₹ 42,204 Crore).

The Company is exposed to interest rate risk on short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Company'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 Company 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 Company 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 Company invests cash and liquid investments in short-term deposits and debt mutual funds, some of which generate a tax-free return, to achieve the Company'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 Company's financial assets as at March 31, 2020 to interest rate risk is as follows:

(₹ in Crore)

As at March 31, 2020	Total	Floating rate Financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial Assets	**14,410**	**1,121**	**4,466**	**8,823**

The exposure of the Company's financial liabilities as at March 31, 2020 to interest rate risk is as follows:

(₹ in Crore)

As at March 31, 2020	Total	Floating rate Financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial Liabilities	**58,283**	**19,174**	**27,260**	**11,849**

The exposure of the Company's financial assets as at March 31, 2019 to interest rate risk is as follows:

(₹ in Crore)

As at March 31, 2019	Total	Floating rate Financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial Assets	**15,208**	**2,937**	**2,941**	**9,330**

The exposure of the Company's financial liabilities as at March 31, 2019 to interest rate risk is as follows:

(₹ in Crore)

As at March 31, 2019	Total	Floating rate Financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial Liabilities	**61,070**	**15,589**	**32,544**	**12,937**

Considering the net debt position as at March 31, 2020 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 that 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.

(₹ in Crore)

Increase in interest rates	Effect on pre-tax profit/(loss) during the year ended March 31, 2020	Effect on pre-tax profit/(loss) during the year ended March 31, 2019
0.50%	**(90)**	(63)
1.00%	**(181)**	(127)
2.00%	**(361)**	(253)

An equivalent reduction in interest rates would have an equal and opposite effect on the Company's financial statements.

(d) Counterparty and concentration of credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company 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 Company is exposed to credit risk from trade receivables, contract assets, investments, loans, other financial assets, and derivative 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 Company'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 Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

The Company has clearly defined policies to mitigate counterparty risks. For current 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 Company 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 Company's maximum exposure to credit risk is ₹ 14,410 Crore and ₹ 15,208 Crore as at March 31, 2020 and March 31, 2019 respectively.

The maximum credit exposure on financial guarantees given by the Company for various financial facilities is described in Note 35 on "Commitments, contingencies, and guarantees".

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables, loans and other financial assets (both current and non-current), there were no indications as at March 31, 2020, that defaults in payment obligations will occur except as described in Note 7 and 9 on allowance for impairment of trade receivables and other financial assets.

Of the year end trade receivables, loans and other financial assets (excluding bank deposits, site restoration fund and derivatives) balance the following, though overdue, are expected to be realised in the normal course of business and hence, are not considered impaired as at March 31, 2020 and March 31, 2019:

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Neither impaired nor past due	5,792	4,514
Past due but not impaired		
- Less than 1 month	523	292
- Between 1–3 months	664	140
- Between 3–12 months	195	728
- Greater than 12 months	1,154	739
Total	**8,328**	**6,413**

Receivables are deemed to be past due or impaired with reference to the Company'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 tables are those that have not been settled within the terms and conditions that have been agreed with that customer. The Company based on past experiences does not expect any material loss on its receivables.

The credit quality of the Company'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 receivables and financial assets - others)

The changes in the allowance for financial assets (current and non-current) is as follows:

(₹ in Crore)

Particulars	Trade receivables	Financial assets - others
As at April 1, 2018	**521**	**198**
Allowance made during the year	4	48
Reversals/write-off during the year	0	(5)
Exchange differences	0	7
As at March 31, 2019	**525**	**248**
Allowance made during the year	16	401
Reversals/write-off during the year	(17)	-
Exchange differences	0	22
As at March 31, 2020	**524**	**671**

D. Derivative financial instruments

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company 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 Company guidelines and policies.

The fair values of all derivatives are separately recorded in the balance sheet 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 Company 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.

(i) Cash flow hedges

The Company 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 recognised in equity through OCI until the hedged transaction occurs, at which time, the respective gain or losses are reclassified to profit or loss. These hedges have been effective for the year ended March 31, 2020.

The Company uses foreign exchange contracts from time to time to optimise currency risk exposure on its foreign currency transactions. The Company hedged part of its foreign currency exposure on capital commitments during the year ended 2020. Fair value changes on such forward contracts are recognised in other comprehensive income.

The majority of cash flow hedges taken out by the Company 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, 2021 and consequently may impact 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 profit or loss over the expected useful life of the property, plant and equipment.

(ii) Fair value hedge

The fair value hedges relate to forward covers taken to hedge currency exposure and commodity price risks.

The Company'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 Company 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 recognised in the statement of profit and loss.

The Company uses foreign exchange contracts from time to time to optimise currency risk exposure on its foreign currency transactions. Fair value changes on such forward contracts are recognised in the statement of profit and loss.

(iii) Non-designated economic hedge

The Company 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 recognised in the statement of profit and loss.

The fair value of the Company's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows:

(₹ in Crore)

Derivative Financial Instruments	As at March 31, 2020		As at March 31, 2019	
	Assets	Liabilities	Assets	Liabilities
Current				
Cash flow hedge*				
- Commodity contracts	53	-	3	-
- Forward foreign currency contracts	-	-	37	1
Fair Value hedge				
- Commodity contracts	100	11	-	-
- Forward foreign currency contracts	173	19	-	
Non-qualifying hedges/economic hedge				
- Commodity contracts	-	-	1	71
- Forward foreign currency contracts	221	7	5	265
- Cross currency swap	1	1	0	6
Total	**548**	**38**	**46**	**343**
Non-current				
Cash flow hedge				
- Interest rate swap	-	8	-	-
Fair value hedge				
- Forward foreign currency contracts	3	1	-	-
Total	**3**	**9**	**-**	**-**

* Refer statement of profit and loss and statement of changes in equity for the changes in the fair value of cash flow hedges.

E. Derivative contracts entered into by the Company and outstanding as at Balance Sheet date:

(i) To hedge currency risks and interest related risks, the Company has entered into various derivatives contracts. The category-wise break up of amount outstanding as at Balance Sheet date is given below:

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Forex forward cover (buy)	12,220	8,893
Forex forward cover (sell)	2	1,401

(ii) For hedging commodity related risks:- Category-wise break up is given below.

(₹ in Crore)

Derivative Financial Instruments	As at March 31, 2020		As at March 31, 2019	
	Purchases	Sales	Purchases	Sales
Forwards / Futures				
Copper (MT)	1,950	28,050	8,675	63,275
Gold (Oz)	-	22,492	-	49,993
Silver (Oz)	6,018	1,00,320	18,682	5,93,577
Aluminium (MT)	9,575	37,450	950	63,250

21 OTHER LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2020			As at March 31, 2019		
	Non-current	Current	Total	Non-current	Current	Total
Amount payable to owned post-employment benefit trust (Refer Note 36)	-	8	8	-	7	7
Other statutory Liabilities [a]	-	977	977	-	1,284	1,284
Deferred government grant [b]	2,369	74	2,443	2,468	72	2,540
Advance from customers [c]	168	6,223	6,391	-	6,787	6,787
Advance from related party (Refer Note 36) [c]	-	3	3	-	2	2
Other liabilities	2	122	124	-	123	123
Total	**2,539**	**7,407**	**9,946**	**2,468**	**8,275**	**10,743**

(a) Other statutory liabilities mainly includes contribution to PF, ESIC, withholding taxes, goods & service tax, VAT etc.

(b) Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme and Special Economic Zone (SEZ) scheme on purchase of property, plant and equipments accounted for as government grant and being amortised over the useful life of such assets.

(c) Advance from customers are contract liabilities to be settled through delivery of goods. The amount of such balances as on April 01, 2019 was ₹ 6,789 Crore (April 01, 2018: ₹ 3,614 Crore). During the current year, the Company has refunded ₹ Nil Crore (FY 2018-19 ₹ 1,046 Crore) to the customers and recognised revenue of ₹ 6,777 Crore (FY 2018-19: ₹ 2,522 Crore) out of such opening balances. All other changes are either due to receipt of fresh advances or exchange differences.

22 PROVISIONS

(₹ in Crore)

	As at March 31, 2020			As at March 31, 2019		
Particulars	**Non-current**	**Current**	**Total**	**Non-current**	**Current**	**Total**
Provision for employee benefits (Refer Note 23) [a]						
- Retirement Benefit	-	44	44	2	45	47
- Others	-	51	51	-	95	95
Provision for restoration, rehabilitation and environmental costs [b,c]	1,185	-	1,185	986	-	986
Total	**1,185**	**95**	**1,280**	**988**	**140**	**1,128**

a) Provision for employee benefits includes gratuity, compensated absences, deferred cash bonus etc.

b) The movement in provisions for restoration, rehabilitation and environmental costs is as follows [Refer Note 3(a)(P)]:

(₹ in Crore)

Particulars	**Restoration, rehabilitation and environmental costs (Refer c)**
At April 01, 2018	**820**
Unwinding of discount (Refer Note 29)	30
Revision in estimates	85
Exchange differences	51
At March 31, 2019	**986**
Unwinding of discount (Refer Note 29)	31
Revision in estimates	83
Exchange differences	85
At March 31, 2020	**1,185**

c) **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 Company's obligations under existing Indian law and the terms of the Company's exploration and other licences and contractual arrangements.

The principal restoration and rehabilitation provisions are recorded within oil & gas business 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 Company 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 3%, and become payable at the end of the producing life of an oil field and are expected to be incurred over a period of twenty one years.

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.

23 EMPLOYEE BENEFIT PLANS

The Company 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 statement of profit and 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 other comprehensive income for the year.

i) Defined contribution plans

The Company contributed a total of ₹ 68 Crore for the year ended March 31, 2020 and ₹ 63 Crore for the year ended March 31, 2019 to the following defined contribution plans.

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Employer's contribution to recognised provident fund and family pension fund	50	46
Employer's contribution to superannuation and National Pension Scheme	18	17
Total	**68**	**63**

Central recognised provident fund

In accordance with the 'The Employees Provident 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, 2019) 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 Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of profit and loss in the period 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 ceases 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 Company 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 senior executives. The Company holds a policy with Life Insurance Corporation of India ("LIC"), to which it contributes a fixed amount relating to superannuation and the pension annuity is met by LIC as required, taking into consideration the contributions made. The Company has no further obligations under the scheme beyond its monthly contributions which are charged to the statement of profit and 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, 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 holds a corporate account with one of the pension fund managers authorised by the Government of India to which the Company 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 Company has no further obligations under the scheme beyond its monthly contributions which are charged to the statement of profit and loss in the year they are incurred.

ii) Defined benefit plans

(a) Contribution to provident fund trust (the "trust")

The provident fund of the Iron Ore division is exempted under Section 17 of The Employees Provident Fund 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 Ind AS 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 in the funds managed by the trust and hence there is no further liability as on March 31, 2020 and March 31, 2019. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

The Company contributed a total of ₹ 4 Crore for the year ended March 31,2020 and ₹ 9 Crore for the year ended March 31, 2019, The present value of obligation and the fair value of plan assets of the trust are summarised below.

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Fair value of plan assets	208	193
Present value of defined benefit obligations	(202)	(187)
Net liability arising from defined benefit obligation of trust	**Nil**	**Nil**

Percentage allocation of plan assets of trust

Assets by category	As at March 31, 2020	As at March 31, 2019
Government Securities	59%	59%
Debentures / bonds	36%	37%
Equity	5%	4%
Fixed deposits	0%	0%

The remeasurement loss of ₹ 7 Crore has been charged to other comprehensive income (OCI) during the year.

(b) Gratuity plan

In accordance with the Payment of Gratuity Act, 1972, the Company contributes 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 Company. The Gratuity plan is a funded plan and the Company makes contribution to recognised funds in India.

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.

The iron ore and oil & gas division of the Company 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) and ICICI Prudential Life Insurance Company Limited.

Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the Gratuity plan obligation are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	6.80%	7.80%
Expected rate of increase in compensation level of covered employees	2%-10%	2%-10%
In service mortality	IALM (2012-14)	IALM (2006-08)
Post retirement mortality	LIC(1996-98) Ultimate	LIC(1996-98) Ultimate

Amount recognised in the balance sheet consists of:

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets	145	131
Present value of defined benefit obligations	(189)	(178)
Net liability arising from defined benefit obligation	**(44)**	**(47)**

Amount recognised in the statement of profit and loss in respect of the Gratuity plan are as follows:

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost	18	17
Net interest cost	4	3
Components of defined benefit costs recognised in profit or loss	**22**	**20**

Amount recognised in other comprehensive income in respect of the Gratuity plan are as follows:

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Re-measurement of the net defined benefit obligation:-		
Actuarial losses / (gains) arising from demographic adjustments	(1)	-
Actuarial losses / (gains) arising from experience adjustments	(6)	3
Actuarial losses / (gains) arising from changes in financial assumptions	10	0
Losses / (gains) on plan assets	1	1
Components of defined benefit costs recognised in other comprehensive income	**4**	**4**

Movement in present value of the Gratuity plan:

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	178	161
Current service cost	18	17
Benefits paid	(24)	(15)
Interest cost	14	12
Actuarial losses / (gains) arising from changes in assumptions	3	3
Closing balance	**189**	**178**

Movement in the fair value of Gratuity plan assets is as follows:

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	131	123
Contributions received	29	16
Benefits paid	(24)	(16)
Re-measurement loss arising from return on plan assets	(1)	(1)
Interest income	10	9
Closing balance	**145**	**131**

The above plan assets have been invested in the qualified insurance policies.

The actual return on plan assets was ₹ 9 Crore for the year ended March 31, 2020 and ₹ 8 Crore for the year ended March 31, 2019.

The weighted average duration of the defined benefit obligation is 16.50 years and 16.98 years as at March 31, 2020 and March 31, 2019 respectively.

The Company expects to contribute ₹ 22 Crore to the funded defined benefit plans in during the year ended March 31, 2021.

Sensitivity analysis

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.

(₹ in Crore)

Increase / (Decrease) in defined benefit obligation	As at March 31, 2020	As at March 31, 2019
Discount rate		
Increase by 0.50%	(8)	(7)
Decrease by 0.50%	9	8
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	9	8
Decrease by 0.50%	(8)	(7)

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 benefit obligation liability recognised in the balance sheet.

Risk analysis

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and management's estimation of the impact of these risks are as follows:

Investment risk

The Gratuity plan is funded with Life Insurance Corporation of India (LIC) and ICICI Prudential Life (ICICI). Company does not have any liberty to manage the fund provided to LIC and ICICI.

The present value of the defined benefit plan obligation is calculated using a discount rate determined by reference to Government of India bonds. 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.

24 EMPLOYEE BENEFITS EXPENSE [a, b]

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and Wages	1,119	1,257
Share based payments (Refer Note 25)	40	62
Contributions to provident and other funds (Refer Note 23)	90	89
Staff welfare expenses	92	95
Less: Cost allocated/directly booked in Joint ventures	(576)	(641)
Total	**765**	**862**

a) Net of recoveries of ₹ 66 Crore (March 31, 2019: ₹ 83 Crore) from subsidiaries.

b) Net of capitalisation of ₹ 59 Crore (March 31, 2019: Nil Crore).

25 SHARE BASED PAYMENTS

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, Cairn India's stock option plan now administered by the Company pursuant to merger with the Company and Vedanta Resources Limited (earlier known as Vedanta Resources Plc) plans [Vedanta Resources Long-Term Incentive Plan ("LTIP"), Employee Share Ownership Plan ("ESOP"), Performance Share Plan ("PSP") and Deferred Share Bonus Plan ("DSBP")] collectively referred as 'VRL ESOP' scheme.

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(EBITDA) 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.

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 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 01, 2019	Options granted during the year	Options transferred from Parent/ fellow subsidiaries	Options forfeited during the year	Options exercised during the year*	Options outstanding March 31, 2020	Options exercisable March 31, 2020
2016-17	December 15, 2019 -June 14, 2020	65,08,226	-	-	48,19,269	6,20,441	10,68,516	10,68,516
2017-18	September 1, 2020 - February 28, 2021	82,74,393	-	-	12,46,468	-	70,27,925	-
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	1,35,66,200	-	-	21,46,154	-	1,14,20,046	-
2018-19	Cash settled	2,24,840	-	1,00,470	1,46,984	-	1,78,326	-
2019-20	November 29, 2022 - May 28, 2023	-	1,67,13,640	-	8,32,310	-	1,58,81,330	-
2019-20	Cash settled	-	8,47,830	-	1,12,460	-	7,35,370	-
		2,86,12,423	**1,75,61,470**	**1,00,470**	**93,31,283**	**6,20,441**	**3,63,22,639**	**10,68,516**

*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 not transferred to the concerned employees.

The details of share options for the year ended March 31, 2019 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding April 01, 2018	Options granted during the year	Options transferred from Parent/ fellow subsidiaries	Options forfeited during the year	Options exercised during the year	Options outstanding March 31, 2019	Options exercisable March 31, 2019
2016-17	December 15, 2019 -June 14, 2020	70,98,602	-	-	5,90,376	-	65,08,226	-
2017-18	September 1, 2020 - February 28, 2021	96,17,340	-	-	13,42,947	-	82,74,393	-
2017-18	October 16, 2020 - April 15, 2021	11,570	-	-	444	-	11,126	-
2017-18	November 1, 2020 - April 30, 2021	28,740	-	-	1,102	-	27,638	-
2018-19	November 1, 2021 - April 30, 2022	-	1,37,93,980	-	2,27,780	-	1,35,66,200	-
2018-19	Cash settled	-	2,47,870	-	23,030	-	2,24,840	-
		1,67,56,252	**1,40,41,850**	**-**	**21,85,679**	**-**	**2,86,12,423**	**-**

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 values of stock options following these types of vesting conditions have been estimating 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 values 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.

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, 2019 are set out below:

Particulars	Year ended March 31, 2020 ESOS 2019	Year ended March 31, 2019 ESOS November 2018
Number of Options	Cash settled - 847,830 equity settled - 1,67,13,640	Cash settled - 2,47,870 equity settled - 1,37,93,980
Exercise Price	₹ 1	₹ 1
Share Price at the date of grant	₹ 144.60	₹ 195.00
Contractual Life	3 years	3 years
Expected Volatility	36.64%	44.3%
Expected option life	3 years	3 years
Expected dividends	7.96%	6.50%
Risk free interest rate	5.68%	7.70%
Expected annual forfeitures	10%p.a.	10%p.a.
Fair value per option granted (Non-market performance based and market performance based)	₹ 102.30/ ₹ 72.12	₹ 159.9/₹ 96.3

Weighted average share price at the date of exercise of stock options was ₹ 126.02 (March 31, 2019: NA).

The weighted average remaining contractual life for the share options outstanding was 2.28 years (March 31, 2019: 2.32 years).

The Company recognised total expenses of ₹ 75 Crore (March 31, 2019: ₹ 82 Crore) related to equity settled share-based payment transactions for the year ended March 31, 2020 out of which ₹ 33 Crore (March 31, 2019: ₹ 30 Crore) was recovered from group companies. The total expense recognised on account of cash settled share based plan during the year ended March 31, 2020 is ₹ 0 Crore (March 31, 2019: ₹ 0 Crore) and the carrying value of cash settled share based compensation liability as at March 31, 2020 is ₹ 0 Crore (March 31, 2019: ₹ 0 Crore).

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 Number of options	Year ended March 31, 2020 Weighted average exercise price in ₹	Year ended March 31, 2019 Number of options	Year ended March 31, 2019 Weighted average exercise price in ₹
Outstanding at the beginning of the year	64,77,059	279.2	71,30,625	275.5
Granted during the year	Nil	NA	Nil	NA
Expired during the year	6,58,663	200.1	90,896	187.0
Exercised during the year	Nil	NA	2,35,169	189.0
Forfeited / cancelled during the year	4,76,656	288.1	3,27,501	287.2
Outstanding at the end of the year	**53,41,740**	**288.2**	**64,77,059**	**279.2**
Exercisable at the end of the year	53,41,740	288.2	64,77,059	279.2

Weighted average share price at the date of exercise of stock options is ₹ NA (March 31, 2019: ₹ 232.7).

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, 2019 are:			
CIESOP Plan	200.05-291.25	2.24	279.2

Employee share option plan of Vedanta Resources Limited (earlier known as Vedanta Resources Plc)

The value of shares that are awarded to members of the Company is calculated by reference to the individual fixed salary and share-based remuneration consistent with local market practice. ESOP scheme of Vedanta Resources Limited is both tenure and performance based share schemes. The options are indexed to and settled by Parent's shares (Vedanta Resources Limited shares as defined in the scheme). The options have a fixed exercise price denominated in Parent's functional currency (10 US cents per share), the performance period of each option is three years and is exercisable within a period of six months from the date of vesting beyond which the option lapses.

During the previous year, through an open offer all the outstanding equity settled options were bought back by Vedanta Resources Limited's parent, Volcan Investments Limited. On account of delisting of Vedanta Resources Limited, the cash based options were also early settled. The accelerated charge on account of early settlement of both the equity settled and cash settled options was recognised in the Statement of Profit and Loss.

Amount recovered by the Parent and recognised by the Company for the year ended March 31, 2019 is ₹ 11 Crore. The Company considers these amounts as not material and accordingly has not provided further disclosures.

Out of the total expense of ₹ 42 Crore (March 31, 2019: ₹ 63 Crore) pertaining to above options for the year ended March 31, 2020, the Company has capitalised ₹ 2 Crore (March 31, 2019: ₹ 1 Crore) expense for the year ended March 31, 2020.

26 A) REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products	34,986	37,760
Sale of services	431	338
Total	**35,417**	**38,098**

a) Revenue from sale of products and from sale of services for the year ended March 31, 2020 includes revenue from contracts with customers of ₹ 35,125 Crore (FY 2018-19: ₹ 38,111 Crore) and a net loss on mark-to-market of ₹ 346 Crore (FY 2018-19: ₹ 13 Crore) on account of gains/ losses relating to sales that were provisionally priced as at March 31, 2019 with the final price settled in the current year, gains/ losses relating to sales fully priced during the year, and marked to market gains/ losses relating to sales that were provisionally priced as at March 31, 2020.

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 current year, the Company has recognised revenue of ₹ 638 Crore, for past exploration costs, through increased share in the joint operations revenue as the Company believes that cost recovery mechanism prescribed under OM for profit petroleum payable to GoI 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 Company’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 Company has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Company has availed the practical expedient available under paragraph 121 of Ind AS 115 and dispensed with the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date. Further, since the terms of the contracts directly identify the transaction price for each of the completed performance obligations 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.

B) OTHER OPERATING INCOME

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Export incentives	291	322
Scrap sales	76	87
Miscellaneous income	74	137
Total	**441**	**546**

STANDALONE

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

as at and for the year ended March 31, 2020

27 OTHER INCOME

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net gain on investments measured at FVTPL	152	96
Interest income from investments measured at FVTPL	119	124
Interest income from financial assets at amortised cost		
- Bank Deposits	71	67
- Loans	102	27
- Others	163	122
Interest on income tax refund	-	106
Dividend income from		
- financial assets at FVTPL	15	15
- financial assets at FVOCI	2	1
- investment in Subsidiaries	2,125	5,485
Deferred government grant income	74	72
Miscellaneous income	47	37
Total	**2,870**	**6,152**

28 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening Stock:		
Finished Goods	880	364
Work-in-progess	1,195	1,811
Total	**2,075**	**2,175**
Add / (Less): Foreign exchange translation difference	4	4
Less: Closing Stock		
Finished Goods	465	880
Work-in-progess	1,835	1,195
Total	**2,300**	**2,075**
Sub-total	**(221)**	**104**
Add / (Less): Copper Concentrate (raw material) sold during the year	1,651	203
Changes in Inventory	**1,430**	**307**

29 FINANCE COST

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on financial liabilities at amortised cost [a,c]	3,863	4,076
Other finance costs	111	215
Net interest on defined benefit arrangement	4	3
Unwinding of discount on provisions (Refer Note 22)	31	30
Less: Allocated to Joint venture	(8)	0
Less: Capitalisation of finance costs [b] (Refer Note 5)	(673)	(567)
Total	**3,328**	**3,757**

a) Includes NIL Crore (March 31, 2019: ₹ 130 Crore) on redeemable preference shares.

b) Interest rate of 7.71% (March 31, 2019: 7.50%) was used to determine the amount of general borrowing costs eligible for capitalisation in respect of qualifying asset for the year ended March 31, 2020.

c) Includes interest expense on lease liabilities for the year ended March 31, 2020 ₹ 16 Crore.

30 OTHER EXPENSES *

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cess on crude oil	1,174	1,492
Royalty	242	175
Consumption of stores and spare parts	720	560
Repairs to plant and equipment	404	276
Carriage	424	550
Mine Expenses	136	82
Net loss on foreign currency transactions and translation	494	319
Other Selling Expenses	2	13
Repairs to building	56	101
Insurance	76	72
Repairs others	77	72
Loss on sale/ discard of property, plant and equipment (net)	77	76
Rent [d]	11	45
Rates and taxes	25	13
Amortisation of prepaid lease charges	0	3
Exploration costs written-off (Refer Note 5)	1	48
Directors sitting fees and commission	8	5
Remuneration to Auditors [a]	12	12
Provision for doubtful advances/ expected credit loss	51	(6)
Bad debts written off	17	6
Share of expenses in producing oil & gas	1,323	1,227
Donation	115	61
Miscellaneous expenses [b,c]	2,247	1,998
Less: Cost allocated/directly booked in Joint ventures	(304)	(388)
Total	**7,388**	**6,812**

* Net of recoveries of ₹ 56 Crore (March 31, 2019: ₹ 62 Crore) from subsidiaries

a) Remuneration to auditors comprises of:

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Payment to auditors		
For statutory audit (including quarterly reviews and international reporting)	9	9
For parent company reporting	2	2
For certification services	1	0
For other services	0	1
For reimbursement of expenses	0	0
Total	**12**	**12**

b) Includes Corporate social responsibility expenses of ₹ 53 Crore (March 31, 2019: ₹ 52 Crore) as detailed in note 39(a).

c) The Company made contributions through electoral bonds of ₹ 114 Crore (March 31, 2019: ₹ 65 Crore) and to an electoral trust ₹ 0 Crore (March 31, 2019: ₹ 3 Crore) for the year ended March 31, 2020, which is included in Miscellaneous expenses.

d) Rent for the year ended March 31, 2020 represents expense on short-term/ low value leases.

31 EXCEPTIONAL ITEMS

(₹ in Crore)

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	Exceptional Items	Tax effect of exceptional items	Exceptional items after tax	Exceptional Items	Tax effect of exceptional items	Exceptional items after tax
Impairment (charge)/ reversal						
- relating to property, plant and equipment and exploration assets - Oil & gas segment [a]	(8,273)	2,875	(5,398)	261	(91)	170
- relating to property, plant and equipment and other assets - Copper segment [b]	(669)	234	(435)	-	-	-
Provision on receivables subject to litigations [c,d]	(401)	93	(308)	-	-	-
Net (Charge) /reversal of impairment on investment in subsidiaries [e]	(3,393)	-	(3,393)	4	-	4
Revision of Renewable Purchase Obligation (RPO) pursuant to the Odisha Electricity Regulatory Commission notification [f]	168	(59)	109	-	-	-
Reversal pursuant to Supreme Court order/ arbitration order [g]	-	-	-	59	(21)	38
Total	**(12,568)**	**3,143**	**(9,425)**	**324**	**(112)**	**212**

a) During the year ended March 31, 2020 and March 31, 2019, the Company has recognised impairment charge of ₹ 8,273 Crore and reversal of ₹ 261 Crore respectively, on its assets in the oil and gas segment comprising of:

i) Impairment charge of ₹ 7,516 Crore relating to Rajasthan oil and gas block ("RJ CGU") triggered by the significant fall in the crude oil prices. Of this charge, ₹ 7,071 Crore impairment charge has been recorded against oil and gas producing facilities and ₹ 445 Crore impairment charge has been recorded against exploration intangible assets under development. The valuation remains dependent on price and further changes in long-term prices may result in changes to 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 of ₹ 5,585 Crore (US$ 747 million) 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 uses assumption for short-term oil price of US$ 38 per barrel for the next one year and scales upto long-term nominal price of US$ 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 PSC extension and 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 Company, change in crude price assumptions by US$ 1/bbl and changes to discount rate by 1% would lead to a change in recoverable value by ₹ 181 Crore (US$ 24 million) and ₹ 257 Crore (US$ 34 million) respectively.

ii) Impairment charge of ₹ 225 Crore relating to KG-ONN-2003/1 CGU mainly due to the reduction in crude oil price forecast.

The recoverable amount of the CGU was determined to be ₹ 147 Crore (US $ 20 million) based on fair value less cost of disposal approach as described in above paragraph. Discounted cash flow analysis used to calculate fair value less costs of disposal uses 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 post-tax weighted average cost of capital. The sensitivities around change in crude price and discount rate are not material to the financial statements.

iii) Impairment charge of ₹ 532 Crore 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.

iv) During the year ended March 31, 2019, the Company has recognised impairment reversal of ₹ 261 Crore 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 Company's share in KG-ONN-2003/1 (CGU) was determined to be ₹ 208 Crore (US$ 30 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 Company's 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 uses assumption for short-term oil price of US$ 62 per barrel for the year ended March 31, 2019 and scales upto 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.

b) Refer Note 3(c)(A)(vii) for impairment in copper segment.

c) As at March 31, 2020, the Company has an outstanding receivable equivalent to ₹ 106 Crore (net of provision of ₹ 52 Crore) 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-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, Vedanta Resources Holdings Limited (VRHL), and its parent company, Vedanta Resources Limited (VRL), are contesting the winding up petition in the Zambian courts. The appeal was listed for hearing on March 25, 2020 but has been adjourned due to COVID-19 pandemic. In the meantime, the winding up petition continues to be stayed, pending the decision on VRHL's application regarding arbitration.

VRHL and VRL had also commenced arbitration proceedings against ZCCM-IH with seat in Johannesburg consistent with their position that arbitration is the agreed dispute resolution process. Hearing is expected in January 2021. Meanwhile, KCM has not been supplying goods to the Company, which it was supposed to as per the terms of the advance.

The Company has recognised provision of ₹ 52 Crore during the current year and based on its assessment considering the actions taken by VRL and VRHL, believes that there is a high probability of success and has thus continued to treat balance receivables as recoverable.

d) During the year ended March 31, 2020, a parcel of land relating to the Iron Ore business having carrying value of ₹ 349 Crore was reclassified from freehold land to other financial asset due to an ongoing legal dispute relating to title of the land. Subsequently, during the year, the financial asset was fully provided for and recognised under exceptional items.

e) During the year ended March 31, 2020 and March 31, 2019 the Company has recognised net impairment charge of ₹ 3,393 Crore and reversal of ₹ 4 Crore respectively, on its investment in subsidiaries, comprising of:

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Impairment (charge)/reversal on investment in Cairn India Holdings Limited (Refer (i) below)	(3,339)	52
Impairment charge on investment in Sesa Resources Limited (Refer (ii) below)	(54)	(48)
Net Impairment (Charge)/reversal on investment in subsidiaries	**(3,393)**	**4**

(i) During the year ended March 31, 2020, the Company has provided for diminution in value of its investment in CIHL (a 100% subsidiary of the Company) of ₹ 3,339 Crore consequent to a reduction in recoverable value of PPE in RJ block held through its step-down 100% subsidiary Cairn Energy Hydrocarbon Limited (CEHL) due to reduction in crude prices and also due to reduction in value of its investment in AvanStrate Inc. (ASI).

(ii) During the year ended March 31, 2020, the Company has made a provision for impairment relating to investment in Sesa Resources Limited of ₹ 54 Crore based on expected realisation in view of prevailing mining ban in Goa pursuant to an order passed by the Hon'ble Supreme Court of India on February 7, 2018.

f) During the current year, the Company has restated its Renewable Power Obligation (RPO) liability pursuant to Odisha Electricity Regulatory Commission (OERC) notification dated December 31, 2019 which clarified that for CPP's commissioned before April 01, 2016, RPO should be pegged at the RPO obligation applicable for 2015-16. Based on the notification, liability of the Company's Jharsuguda and Lanjigarh plants have been revised and ₹ 168 Crore reversal relating to previous years have been recognised under exceptional items.

g) During the year ended March 31, 2019, the Company has partly reversed the provision for interest of ₹ 59 Crore for dues towards a vendor pursuant to the Hon'ble Supreme Court of India order.

32 TAX EXPENSE

(a) Tax (credit)/charge recognised in profit or loss (including on exceptional items)

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current tax:		
Current tax on profit for the year	4	5
Total Current Tax (a)	**4**	**5**
Deferred tax:		
Origination and reversal of temporary differences	(592)	(244)
Credit in respect of deferred tax for earlier years	-	(1)
(Credit)/ Charge in respect of exceptional items (Refer Note 31)	(3,143)	112
Total Deferred Tax (b)	**(3,735)**	**(133)**
Net tax (benefit) (a+b)	**(3,731)**	**(128)**
(Loss)/Profit before tax	**(10,463)**	**4,947**
Effective income tax rate (%)	**36%**	**(3%)**

Tax expense

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Tax effect on exceptional items	(3,143)	112
Tax expense – others	(588)	(240)
Net tax benefit	**(3,731)**	**(128)**

(b) A reconciliation of income tax (credit)/expense applicable to (loss)/profit before tax at the Indian statutory income tax rate to recognised income tax expense for the year indicated are as follows:

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(Loss)/Profit before tax	(10,463)	4,947
Indian statutory income tax rate	34.944%	34.944%
Tax at statutory income tax rate	(3,656)	1,729
Disallowable expenses	69	88
Non-taxable income*	(49)	(1,984)
Tax holidays	58	9
Change in deferred tax balances due to change in tax law**	(865)	-
Income subject to lower tax rate	(372)	-
Credit in respect of earlier years	-	(1)
Unrecognised tax assets (Net)	1,185	(30)
Charge transferred to Equity (Refer Note 34)	(252)	-
Other permanent differences	151	61
Total	**(3,731)**	**(128)**

*PY includes dividend income received from subsidiary.

** Deferred tax charge for the year ended March 31, 2020 includes deferred tax credit of ₹ 834 Crore on deferred tax balances as at March 31, 2019 being recognised during the current year (refer note 3(c)(A)(ix)).

Certain businesses of the Company are eligible for specified tax incentives which are included in the table above as tax holidays and similar exemptions. These are briefly described as under:

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 Company has setup SEZ Operations in its aluminium division (where no benefit has been drawn).

Sectoral Benefit - Power Plants

To encourage the establishment of certain power plants, provided certain conditions are met, tax incentives exist to exempt 100% of profits and gains for any ten consecutive years within the 15 years period following commencement of the power plant's operation subject to certain conditions under Section 80IA of the Income Tax Act, 1961. However, such undertakings generating power would continue to be subject to the MAT provisions.

(c) Deferred tax assets/liabilities

The Company has accrued significant amounts of deferred tax. The majority of the deferred tax liability represents accelerated tax relief for the depreciation of property, plant and equipment, net of losses carried forward by Vedanta Limited (post the re-organisation) and unused tax credit in the form of MAT credits carried forward. Significant components of Deferred tax (assets) & liabilities recognised in the balance sheet are as follows:

For the year ended March 31, 2020

(₹ in Crore)

Significant components of Deferred tax (assets) & liabilities	Opening balance as at April 01, 2019	Charged / (credited) to statement of profit and loss	Charged / (credited) to other comprehensive income	Exchange difference transferred to translation of foreign operation	Charged / (credited) to equity	Closing balance as at March 31,2020
Property, Plant and Equipment	7,766	(3,691)	-	68	-	4,143
Voluntary retirement scheme	(3)	2	-	-	-	(1)
Employee benefits	(19)	2	(4)	-	-	(21)
Fair valuation of derivative asset/liability	(33)	-	17	-	-	(16)
Fair valuation of other asset/liability	112	(27)	-	-	-	85
Unused tax asset MAT credit entitlement	(3,971)	119	-	-	252	(3,600)
Unabsorbed depreciation and tax losses	(3,524)	(128)	-	-	-	(3,652)
Other temporary differences	(331)	(12)	(59)	-	-	(402)
Total	**(3)**	**(3,735)**	**(46)**	**68**	**252**	**(3,464)**

For the year ended March 31, 2019

(₹ in Crore)

Significant components of Deferred tax (assets) & liabilities	Opening |balance as at April 1, 2018	Charged / (credited) to statement of profit and loss	Charged / (credited) to other comprehensive income	Exchange difference transferred to translation of foreign operation	Closing balance as at March 31,2019
Property, Plant and Equipment	7,195	416	-	155	7,766
Voluntary retirement scheme	(6)	3	-	-	(3)
Employee benefits	(16)	(2)	(1)	-	(19)
Fair valuation of derivative asset/liability	4	-	(37)	-	(33)
Fair valuation of other asset/liability	138	(26)	-	-	112
Unused tax asset MAT credit entitlement	(3,971)	-	-	-	(3,971)
Unabsorbed depreciation and tax losses	(2,985)	(539)	-	-	(3,524)
Other temporary differences	(333)	15	(13)	-	(331)
Total	**26**	**(133)**	**(51)**	**155**	**(3)**

Recognition of deferred tax assets on MAT credit entitlement is based on the Company's present estimates and business plans as per which the same is expected to be utilised within the stipulated fifteen year period from the date of origination. (Refer Note 3(c)(A)(vi))

In addition to above, the Company has not recognised deferred tax asset on deductible temporary differences aggregating to ₹ 3,393 Crore on account of Impairment of investment in subsidiaries (Refer Note 31(e)) as the timing of realisation of the same is not known as of the balance sheet date.

(d) Non-current tax assets

Non-current tax assets of ₹ 1,682 Crore and ₹ 2,175 Crore as at March 31, 2020 and March 31, 2019 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 including tax holiday claim.

33 EARNINGS PER EQUITY SHARE

(₹ in Crore, except otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(Loss)/ Profit after tax attributable to equity share holders for Basic and Diluted EPS	(6,732)	5,075
Weighted Average no. of equity shares outstanding during the year for Basic and Dilutive EPS (in Crore)	372	372
Basic and Diluted (Loss)/ Earnings per share (in ₹)	(18.10)	13.65
Nominal value per share (in ₹)	1.00	1.00

34 DIVIDENDS

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Amounts recognised as distributions to equity shareholders:		
Interim dividend (March 31, 2020: ₹ 3.90/- per share, March 31, 2019: ₹ 17.00/- and ₹ 1.85/- per share) [a]	1,444	7,005
Attributable tax on dividend	252	0
Total	**1,696**	**7,005**
Preference dividends on redeemable preference shares:		
Preference dividends for the year: 7.5% p.a [b]	-	130
Dividend distribution tax (DDT) on preference dividend [b]	-	-
Total	**-**	**130**

a) The Board of Directors of the Company through resolution passed by circulation on February 27, 2020 have approved first interim dividend of ₹ 3.90 per equity share i.e. 390% on face value of ₹ 1/- per share for the financial year 2019-20.

b) Dividend @ 7.5% p.a. on the redeemable preference shares of face value of ₹ 10/- per preference share for the period from 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 Statement of Profit and Loss. These preference shares were redeemed, along with dividend on October 26, 2018. (Refer Note 29)

35 COMMITMENTS, CONTINGENCIES AND GUARANTEES

A) Commitments

The Company 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:

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Oil & Gas sector		
Cairn India	1,816	2,781
Aluminium sector		
Lanjigarh Refinery (Phase II)	1,573	1,443
Jharsuguda 1.25 MTPA smelter	414	460
Copper sector		
Tuticorin Smelter 400 KTPA*	2,791	2,794
Others	732	589
Total	**7,326**	**8,067**

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

Committed work programme (Other than capital commitment)

(₹ in Crore)

Particulars	As at March 31, 2020	As at March 31, 2019
Oil & Gas sector		
Cairn India (OALP - New Oil and Gas blocks)	5,841	3,811

Other Commitments

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 (5%/ 7%) at variable cost as per the conditions referred to in PPA. The PPA has a tenure of twenty five years.

B) Guarantees

The aggregate amount of indemnities and other guarantees on which the Company does not expect any material losses was ₹ 16,544 Crore (March 31, 2019: ₹22,074 Crore). The Company has given guarantees in the normal course of business as stated below:

a) Guarantees and bonds advanced to the customs authorities in India of ₹ 362 Crore relating to the export and payment of import duties on purchases of raw material and capital goods (March 31, 2019: ₹ 547 Crore).

b) Guarantees issued for Company's share of minimum work programme commitments of ₹ 2,906 Crore (March 31, 2019: ₹ 2,367 Crore).

c) Guarantees of ₹ 54 Crore issued under bid bond (March 31, 2019: ₹ 535 Crore).

d) Bank guarantees of ₹ 115 Crore (March 31, 2019: ₹ 115 Crore) has been provided by the Company on behalf of Volcan Investments Limited to Income tax department, India as a collateral in respect of certain tax disputes.

e) The Company has given corporate guarantees, bank guarantees and also assigned its bank limits to other group companies majorly in respect of certain short-term and long-term borrowings amounting to ₹ 10,816 Crore (March 31, 2019: ₹ 17,004 Crore). Refer Note 36

f) Other guarantees worth ₹ 2,291 Crore (March 31, 2019: ₹ 1,506 Crore) 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 Company does not anticipate any liability on these guarantees.

C) Export Obligations

The Company has export obligations of ₹ 612 Crore (March 31, 2019: ₹ 1,211 Crore) on account of concessional rates of import duty paid on capital goods under the Export Promotion Capital Goods Scheme and under the Advance Licence Scheme for the import of raw material laid down by the Government of India.

In the event of the Company's inability to meet its obligations, the Company's liability would be ₹ 84 Crore (March 31, 2019: ₹ 115 Crore) reduced in proportion to actual exports, plus applicable interest.

The Company has given bonds of ₹ 88 Crore (March 31, 2019: ₹ 126 Crore) to custom authorities against these export obligations.

D) Contingent Liabilities

The Company discloses the following legal and tax cases as contingent liabilities:

a) Vedanta Limited: Income tax

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 Cairn UK Holdings Limited (CUHL), for acquiring shares of Cairn India Holdings Limited (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 totalling ₹ 20,495 Crore (including interest of ₹ 10,247 Crore). 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).

The Company 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 adjourned and the next date of hearing is September 28, 2020.

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 ₹ 10,247 Crore 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 Company 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. ₹ 4,996 Crore 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 ₹ 607 Crore has been paid to the TRO on October 26, 2018 thus reducing the liability to ₹ 4,389 Crore. The Company has also paid interim dividend of ₹ 5 Crore to the TRO. Accordingly, the Company has revised the contingent liability to ₹ 4,384 Crore (March 31, 2019: ₹ 4,385 Crore). 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 ₹ 20,495 Crore, of which only ₹ 4,384 Crore is considered as possible. Separately, but in connection with this litigation, Vedanta Resources Limited has filed a Notice of Claim against the Government of India ('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 and Transparency orders of Arbitration Tribunal before the High Court of Singapore. The Singapore High Court heard the Transparency matter on February 24, 2020 and passed favourable order and held that it will take up the Jurisdiction issue after receiving Tribunal's award on merits. GOI has appealed the above High Court order before Singapore Supreme Court.

b) Ravva Joint Operations arbitration proceedings

ONGC Carry

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

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 ₹ 892 Crore (US$ 129 million) for an alleged underpayment of profit petroleum (by recovering higher Base Development Costs ("BDC") against the cap imposed in the PSC) to the Government of India (GOI), out of which, Vedanta Limited's (Cairn India Limited which subsequently merged with Vedanta Limited, accordingly now referred to as Vedanta Limited) share will be ₹ 201 Crore (US$ 29 million) plus interest. Joint venture partners initiated the arbitration proceedings and Arbitration Tribunal published the Award in January 2011 allowing claimants (including the Company) to recover the development costs spent to the tune of ₹ 2,080 Crore (US$ 278 million) and disallowed over run of ₹ 165 Crore (US$ 22 million) spent in respect of BDC along with 50% legal costs. The High Court of Kuala Lumpur as well as the 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 the Hon'ble 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 offtakers of Ravva Crude to divert the sale proceeds to GOI's account. GOI alleges that the Ravva Joint Operations (consisting of four joint venture partners) has short paid profit petroleum of ₹ 2,349 Crore (US$ 314 million) (the Company's share approximately - ₹ 696 Crore (US$ 93 million)) on account of the two disputed issues of ONGC Carry and BDC matters, out of which ₹ 479 Crore (US$ 64 million) pertains to ONGC Carry and ₹ 217 Crore (US$ 29 million) pertains to BDC Matter. Against an interim application, filed by the Company along with one of its joint venture partner, seeking stay of such action from GOI, before the Hon'ble 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, the Company (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. As on date, the Company has submitted bank guarantee of ₹ 628 Crore (US$ 84 million) and received the corresponding proceeds.

During the proceedings of the above matter, GOI has also filed an interim application seeking deposit by the said OMCs of an amount of ₹ 651 Crore (US$ 87 million) (Company's share of ₹ 419 Crore (US$ 56 million)) towards interest on the alleged short payment of profit petroleum by the petitioners i.e. the Company (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 interim application filed by GOI and the ONGC Carry matter has been listed for hearing on June 22, 2020. 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, Company would be liable for approximately ₹ 479 Crore (US$ 64 million) plus interest. (March 31, 2019: ₹ 643 Crore (US$ 93 million plus interest)).

c) Proceedings related to the imposition of entry tax

The Company challenged the constitutional validity of the local statutes and related notifications in the states of Odisha and Rajasthan pertaining to the levy of entry tax on the entry of goods brought into the respective states from outside. Post some contradictory orders of High Courts across India adjudicating on similar challenges, the Supreme Court referred the matters to a nine judge bench. 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 Company 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. The Company has amended its appeal (writ petitions) in Odisha 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 Company 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 the Company are ₹ 1,112 Crore (March 31, 2019: ₹ 1,065 Crore) net of provisions made.

d) Miscellaneous disputes- Income tax

The Company is involved in various tax disputes amounting to ₹ 527 Crore (March 31, 2019: ₹ 486 Crore) relating to income tax for the periods for which initial assessments have been completed. 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.

The Company believes that these disallowances are not tenable and accordingly no provision is considered necessary.

e) Miscellaneous disputes- Others

The Company 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 Company's returns or other claims.

The approximate value of claims (excluding the items as set out separately above) against the Company totals to ₹ 2,139 Crore (March 31, 2019: ₹ 1,957 Crore)

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

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

E) Operating Lease

Refer to note 3(b) for details of the Company's transition to Ind AS 116 "Leases". Commitments disclosed as non-cancellable operating leases under Ind AS 17 Leases have been recorded as lease liabilities from April 1, 2019, with the exception of short-term and low-value leases. Refer to note 20 for the maturity profile of the Company's lease liabilities.

The aggregate amounts of minimum lease payments under non-cancellable operating leases at March 31, 2019, prepared and reported under Ind AS 17 "Leases", were as follows:

(₹ in Crore)

Particulars	As at March 31, 2019
Within one year	5
Later than one year but not later than five years	6
Later than five years	-
Total	**11**

36 RELATED PARTY DISCLOSURES

List of related parties and relationships

A) Entities controlling the Company (Holding Companies)

Volcan Investments Limited
Volcan Investments Cyprus Limited

Intermediate Holding Companies

Finsider International Company Limited
Richter Holdings Limited
Twin Star Holdings Limited
Vedanta Resources Cyprus Limited
Vedanta Resources Finance Limited
Vedanta Resources Holdings Limited
Vedanta Resources Limited
Welter Trading Limited
Westglobe Limited

B) Fellow Subsidiaries (with whom transactions have taken place)

Konkola Copper Mines Plc #
Sterlite Iron and Steel Company Limited
Sterlite Technologies Limited
Sterlite Power Grid Ventures Limited
Sterlite Power Transmission limited

C) Associates and Joint ventures (Refer Note 38)

D) Subsidiaries

Amica Guesthouse (Proprietary) Limited
AvanStrate Inc, Japan
AvanStrate Korea Inc, Korea
AvanStrate Taiwan Inc, Taiwan
Bharat Aluminium Company Limited
Black Mountain Mining (Proprietary) Limited
Bloom Fountain Limited
Cairn Energy Discovery Limited *
Cairn Energy Gujarat Block 1 Limited
Cairn Energy Hydrocarbons Limited
Cairn Energy India (Proprietary) Limited
Cairn Exploration (No. 2) Limited *
Cairn India Holdings Limited
Cairn Lanka (Private) Limited
Cairn South Africa (Pty) Limited *
CIG Mauritius Holdings Private Limited
CIG Mauritius Private Limited
Copper Mines of Tasmania (Proprietary) Limited
Electrosteel Steels Limited
Fujairah Gold FZC
Goa Sea Port Private Limited
Hindustan Zinc Limited
Killoran Lisheen Finance Limited
Killoran Lisheen Mining Limited
Lakomasko BV
Lisheen Milling Limited
Lisheen Mine Partnership
Malco Energy Limited
Maritime Ventures Private Limited
Monte Cello BV
Namzinc (Proprietary) Limited
Paradip Multi Cargo Berth Private Limited
Sesa Mining Corporation Limited
Sesa Resources Limited
Sesa Sterlite Mauritius Holdings Limited**
Skorpion Mining Company (Proprietary) Limited
Skorpion Zinc (Proprietary) Limited
Sterlite Ports Limited
Talwandi Sabo Power Limited
Thalanga Copper Mines (Proprietary) Limited
THL Zinc Holding BV
THL Zinc Limited
THL Zinc Ventures Limited
THL Zinc Namibia Holdings (Proprietary) Limited
Twin Star Energy Holdings Limited**
Vedanta Exploration Ireland Limited
Vedanta Lisheen Holdings Limited
Twin Star Mauritius Holdings Limited**
Vedanta Lisheen Mining Limited
Vizag General Cargo Berth Private Limited
Western Cluster Limited
Vedanta Star Limited ***

E) Post retirement benefit plan

Sesa Group Employees Provident Fund
Sesa Group Employees Gratuity Fund and Sesa Group Executives Gratuity Fund
Sesa Group Executives Superannuation Scheme Fund

F) Others (with whom transactions have taken place)

Vedanta Foundation
Sesa Community Development Foundation
Rampia Coal Mines & Energy Private Limited
Vedanta Limited ESOS Trust
Cairn Foundation
India Grid Trust ****
Runaya Refinery LLP
Janhit Electoral Trust

* Under liquidation

** Liquidated during the year

*** During the year Vedanta Star Limited (VSL) has been merged with Electrosteel Steels Limited (ESL) w.e.f. March 25, 2020.

**** Ceased to be related party during the year

Konkola Copper Mines Plc (KCM) ceased to be a related party w.e.f. May 21, 2019. In March, 2020, a provision of ₹ 52 Crore was recognised in relation to monies advanced to KCM against future purchase of copper cathode/ anode. Refer Note 31(c) for details.

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.

I) For the year ended March 31, 2020

(₹ in Crore)

Particulars	Entities controlling the Company/ Fellow Subsidiaries	Subsidiaries	Others	Total
Income:				
(i) Revenue from operations	671	969	-	1,640
(ii) Other Income				
a) Interest and guarantee commission	17	135	0	152
b) Dividend income	2	2,125	4	2,131
c) Outsourcing service fees	3	-	-	3
Expenditure and other transactions:				
(i) Purchase of goods/ Services	56	651	7	714
(ii) Stock options expenses/(recovery)	(0)	(37)	(0)	(37)
(iii) Allocation of Corporate Expenses	-	(87)	-	(87)
(iv) Management and Brand Fees paid/ (recovered)	313	-	-	313
(v) (Recovery of)/ Reimbursement to/for other expenses	48	(104)	0	(56)
(vi) Corporate Social Responsibility expenditure/ Donation	-	-	25	25
(vii) Contribution to Post retirement employee benefit trust	-	-	6	6
(viii) Sale/ (Purchase) of fixed assets	-	1	-	1
(ix) Dividend paid.				
-To Holding companies	727	-	-	727
-To key management personnel	-	-	0	0
-To relatives of key management personnel	-	-	0	0
(x) Commission/Sitting Fees				
-To Independent directors	-	-	4	4
-To key management personnel	-	-	4	4
Transactions during the year:				
a) Financial guarantees given	-	91	-	91
b) Financial guarantees relinquished	-	6,233	-	6,233
c) Banking Limits assigned/utilised/renewed/ (relinquished) to/for group companies "	-	(100)	-	(100)
d) Loans given during the year	0	2,870*	-	2,870
e) Loans repaid during the year	-	(1,403)	(17)	(1,420)
Balances as at year end:				
a) Trade Receivables	0	42	-	42
b) Loans given	5	1,773	334	2,112
c) Other receivables and advances	17	267	2	286
d) Trade Payables	19	7	1	27
e) Other payables	43	16	17	76
f) Other Current liabilities- Advance from Customers	3	-	-	3
g) Financial guarantee given	-	10,526	-	10,526
h) Banking Limits assigned/utilised to/for group companies	115**	290	-	405
i) Commission and consultancy fees payable to KMP and their relatives	-	-	5	5

*The Company reduced its loan receivable from Vedanta Limited ESOS Trust by ₹ 17 Crore on exercise of stock options by employees during the year ended March 31, 2020.

** Bank gaurantee 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.

Remuneration of key management personnel

(₹ in Crore)

Particulars	For the Year ended March 31, 2020
Short-term employee benefits*	40
Post employment benefits**	8
Share based payments	1
Total	**49**

*This includes reimbursement to the parent company for remuneration paid to the CEO and Whole Time Director of the Company aggregating to ₹ 11 Crore for the year ended March 31, 2020. The Company intends to seek approval of it's shareholders for this payment at the ensuing annual general meeting. The said KMP has left the Company, subsequent to the Balance sheet date.

** Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

II) For the year ended March 31, 2019

(₹ in Crore)

Particulars	Entities controlling the Company/ Fellow Subsidiaries	Subsidiaries	Others	Total
Income:				
(i) Revenue from operations	864	1,860	-	2,724
(ii) Other Income				
a) Interest and guarantee commission	6	63	-	69
b) Dividend income	1	5,485	15	5,501
c) Outsourcing service fees	3	-	-	3
Expenditure and other transactions:				
(i) Purchase of goods/ Services	351	766	1	1,118
(ii) Stock options expenses/(recovery)	19	(43)	-	(24)
(iii) Allocation of Corporate Expenses	-	(121)	-	(121)
(iv) Management and Brand Fees paid/ (recovered)	311	-	-	311
(v) (Recovery of) / Reimbursement to /for other expenses (net)	(3)	(101)	-	(104)
(vi) Corporate Social Responsibility expenditure/ Donation	-	-	27	27
(vii) Contribution to Post retirement employee benefit trust	-	-	7	7
(viii) Transfer of Assets				
a) Purchase of Assets	-	7	-	7
(ix) Dividend paid				
- To Holding companies	3,513	-	26	3,539
- To other KMP	-	-	0	0
- To relatives of KMP	-	-	0	0
(x) Commission/ Sitting fees				
- To Independent directors	-	-	4	4
- To other KMP	-	-	1	1
(xi) Financial guarantees given	-	7,528	-	7,528
(xii) Financial guarantees relinquised	-	2,920	-	2,920
(xiii) Banking Limits assigned to/utilised/renewed for group companies	-	350	-	350
Balances as at year end:				
a) Trade Receivables	0	75	-	75
b) Loans Given	4	307	351	662
c) Other receivables and advances	139	181	-	320
d) Trade Payables	1	3	8	12
e) Other paybles	84	(0)	7	91
f) Other Current liabilities- Advance from Customers	2	-	-	2
g) Banking Limits assigned to/utilised/renewed for group companies	115	388	-	503
h) Financial guarantee given	-	16,686	-	16,686
i) Commission Payable to KMP	-	-	5	5

(₹ in Crore)

Particulars	Entities controlling the Company/ Fellow Subsidiaries	Subsidiaries	Others	Total
Transactions during the year				
a) Loans Given during the year	0	332*	117	449
b) Loans Repaid during the year	0	-	30**	30
c) Investments made during the year	-	1,770	-	1,770

* includes ₹ 80 Crore as advance converted to loan during the previous year.

** The Company reduced its loan receivable from Vedanta Limited ESOS Trust by ₹ 2 Crore on exercise of stock options by employees during the year March 31, 2019.

Remuneration of key management personnel

(₹ in Crore)

Particulars	For the Year ended March 31, 2019
Short-term employee benefits	41
Post employment benefits*	1
Share based payments	5
Total	**47**

* Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

Terms and conditions of transactions with related parties

All transactions with related parties are done in the ordinary course of business. Except as disclosed above, the Group has not recorded any impairment of receivables relating to amounts owed by related parties, for the year ended March 31, 2020. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

There are no outstanding debts or loans due from directors or other officers (as defined under Section 2(59) of the Companies Act, 2013) of the Company.

37 SUBSEQUENT EVENTS

The Company vide letter dated May 12, 2020 has informed the stock exchanges that it has received a letter dated May 12, 2020 from its Holding Company, Vedanta Resources Ltd. (“VRL”), wherein VRL 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 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 recognised 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.

Further, the board of directors of the Company in their meeting held on May 18, 2020 have considered and granted their approval for the said Delisting Proposal and to seek shareholders’ approval for the said proposal.

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

38 INTEREST IN OTHER ENTITIES

a) Subsidiaries

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. Following are the details of shareholdings in the subsidiaries.

(₹ in Crore)

Sr. No.	Subsidiaries	Principal activities	Country of Incorporation	Immediate holding company	The Company's / Immediate holding company's percentage holding (in %) As at March 31, 2020	As at March 31, 2019
1	Cairn Energy India Pty Limited	Oil and gas exploration, development and production	Australia	Cairn India Holdings Limited	100.00	100.00
2	Copper Mines of Tasmania Pty Limited ("CMT")	Copper mining	Australia	Monte Cello BV	100.00	100.00
3	Thalanga Copper Mines Pty Limited ("TCM")	Copper mining	Australia	Monte Cello BV	100.00	100.00
4	Bharat Aluminium Company Limited ("BALCO")	Aluminium mining and smelting	India	Vedanta Limited	51.00	51.00
5	Electrosteel Steels Limited[2]	Manufacturing of Steel & DI Pipe	India	Vedanta Limited	95.49	90.00
6	Goa Sea Port Private Limited	Infrastructure	India	Sterlite Ports Limited	100.00	100.00
7	Hindustan Zinc Limited ("HZL")	Zinc mining and smelting	India	Vedanta Limited	64.92	64.92
8	MALCO Energy Limited ("MEL")	Power generation	India	Vedanta Limited	100.00	100.00
9	Maritime Ventures Private Limited	Infrastructure	India	Sterlite Ports Limited	100.00	100.00
10	Paradip Multi Cargo Berth Private Limited	Infrastructure	India	Vedanta Limited	100.00	100.00
11	Sesa Mining Corporation Limited	Iron ore mining	India	Sesa Resources Limited	100.00	100.00
12	Sesa Resources Limited ("SRL")	Iron ore mining	India	Vedanta Limited	100.00	100.00
13	Sterlite Ports Limited	Infrastructure	India	Vedanta Limited	100.00	100.00
14	Talwandi Sabo Power Limited ("TSPL")	Power generation	India	Vedanta Limited	100.00	100.00
15	Vedanta Star Limited[2]	Operating and holding Company	India	Vedanta Limited	-	100.00
16	Vizag General Cargo Berth Private Limited	Infrastructure	India	Vedanta Limited	100.00	100.00
17	Killoran Lisheen Finance Limited	Investment company	Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
18	Killoran Lisheen Mining Limited	Zinc and lead mining	Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
19	Lisheen Milling Limited	Manufacturing	Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
20	Lisheen Mine Partnership	Mining Partnership Firm	Ireland	50% each held by Killoran Lisheen Mining Limited & Vedanta Lisheen Mining Limited	100.00	100.00

(₹ in Crore)

Sr. No.	Subsidiaries	Principal activities	Country of Incorporation	Immediate holding company	The Company's / Immediate holding company's percentage holding (in %) As at March 31, 2020	As at March 31, 2019
21	Vedanta Exploration Ireland Limited	Exploration company	Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
22	Vedanta Lisheen Holdings Limited	Investment company	Ireland	THL Zinc Holing BV	100.00	100.00
23	Vedanta Lisheen Mining Limited	Zinc and lead mining	Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
24	AvanStrate Inc. ('ASI')	Operating & holding Company	Japan	Cairn India Holdings Limited	51.63	51.63
25	Cairn India Holdings Limited	Investment company	Jersey	Vedanta Limited	100.00	100.00
26	Western Cluster Limited	Iron ore mining	Liberia	Bloom Fountain Limited	100.00	100.00
27	Bloom Fountain Limited	Operating (Iron ore) and Investment Company	Mauritius	Vedanta Limited	100.00	100.00
28	CIG Mauritius Holdings Private Limited	Investment Company	Mauritius	Cairn Energy Hydrocarbons Limited	100.00	100.00
29	CIG Mauritius Private Limited	Investment Company	Mauritius	CIG Mauritius Holdings Private Limited	100.00	100.00
30	Sesa Sterlite Mauritius Holdings Limited **	Investment Company	Mauritius	Bloom Fountain Limited	-	100.00
31	THL Zinc Ltd	Investment company	Mauritius	THL Zinc Ventures Ltd	100.00	100.00
32	THL Zinc Ventures Limited	Investment company	Mauritius	Vedanta Limited	100.00	100.00
33	Twin Star Energy Holdings Limited ("TEHL") **	Investment company	Mauritius	Bloom Fountain Limited	-	100.00
34	"Twin Star Mauritius Holdings Limited ("TMHL") **"	Investment company	Mauritius	Twin Star Energy Holdings Limited	-	100.00
35	Amica Guesthouse (Proprietary) Limited	Accommodation and catering services	Namibia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
36	Namzinc (Proprietary) Limited	Owns and operates zinc refinery	Namibia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
37	Skorpion Mining Company (Proprietary) Limited ('NZ')	Exploration, development, production and sale of zinc ore	Namibia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
38	Skorpion Zinc (Proprietary) Limited ("SZPL")	Operating (Zinc) and Investment Company	Namibia	THL Zinc Namibia Holdings (Proprietary) Limited	100.00	100.00
39	THL Zinc Namibia Holdings (Proprietary) Limited ("VNHL")	Mining and Exploration and Investment company	Namibia	THL Zinc Ltd	100.00	100.00
40	Lakomasko BV	Investment company	Netherlands	THL Zinc Holding BV	100.00	100.00
41	Monte Cello BV ("MCBV")	Investment company	Netherlands	Vedanta Limited	100.00	100.00
42	THL Zinc Holding BV	Investment company	Netherlands	Vedanta Limited	100.00	100.00
43	Cairn Energy Discovery Limited*	Oil and gas exploration, development and production	Scotland	Cairn India Holdings Limited	100.00	100.00
44	Cairn Energy Gujarat Block 1 Limited	Oil and gas exploration, development and production	Scotland	Cairn India Holdings Limited	100.00	100.00

(₹ in Crore)

Sr. No.	Subsidiaries	Principal activities	Country of Incorporation	Immediate holding company	The Company's / Immediate holding company's percentage holding (in %) As at March 31, 2020	As at March 31, 2019
45	Cairn Energy Hydrocarbons Limited	Oil and gas exploration, development and production	Scotland***	Cairn India Holdings Limited	100.00	100.00
46	Cairn Exploration (No. 2) Limited*	Oil and gas exploration, development and production	Scotland	Cairn India Holdings Limited	100.00	100.00
47	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
48	Cairn South Africa Pty Limited*	Oil and gas exploration, development and production	South Africa	Cairn Energy Hydrocarbons Limited	100.00	100.00
49	AvanStrate Korea Inc	Manufacturer of LCD glass substrate	South Korea	Avanstrate (Japan) Inc.	100.00	100.00
50	Cairn Lanka Private Limited	Oil and gas exploration, development and production	Sri Lanka	CIG Mauritius Private Limited	100.00	100.00
51	AvanStrate Taiwan Inc	Manufacturer of LCD glass substrate	Taiwan	Avanstrate (Japan) Inc.	100.00	100.00
52	Fujairah Gold FZC	Manufacturing of Copper Rod and Refining of Precious Metals (Gold & Silver)	United Arab Emirates	Malco Energy Limited	100.00	100.00
53	Sterlite (USA) Inc.*	Investment company	United States of America	Vedanta Limited	100.00	100.00

*Under liquidation **Liquidated during the year***Principal place of business is in India

1. The Group also has interest in certain trusts which are neither significant nor material to the Group.
2. Vedanta star Limited has been merged with Electrosteels steel Limited w.e.f. March 25, 2020. (Refer Note 3(d)(C))

b) Joint operations

The Company 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:

Oil & Gas blocks/fields	Area	Participating interest (%) As at March 31, 2020	As at March 31, 2019
Operating Blocks			
Ravva block-Exploration, Development 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	50.00	50.00
RJ-ON-90/1 – Development & production	Rajasthan Onshore	35.00	35.00
Non-Operating Blocks			
KG-ONN-2003/1	Krishna Godavari Onshore	49.00	49.00

c) Interest in associates and joint ventures

Set out below are the associates and joint ventures of the Company as at March 31, 2020 which, in the opinion of the management, are not material to the Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Sr. No.	Associates	Country of incorporation	% ownership interest As at March 31, 2020	% ownership interest As at March 31, 2019
1	RoshSkor Township (Pty) Limited	Namibia	50.00	50.00
2	Gaurav Overseas Private Limited	India	50.00	50.00

Sr. No.	Jointly controlled entities	Country of incorporation	% ownership interest As at March 31, 2020	% ownership interest As at March 31, 2019
1	Rampia Coal Mines and Energy Private Limited*	India	17.39	17.39
2	Madanpur South Coal Company Limited	India	17.62	17.62
3	Goa Maritime Private Limited	India	50.00	50.00
4	Rosh Pinah Health Care (Proprietary) Limited	Namibia	69.00	69.00

*action initiated for striking-off.

39 (a) The Company has incurred an amount of ₹ 53 Crore (March 31, 2019: ₹ 52 Crore) towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013 and is included in other expenses:

(₹ in Crore)

Particulars	Year ended March 31, 2020 In-Cash	Year ended March 31, 2020 Yet to be Paid in Cash	Year ended March 31, 2019 In-Cash	Year ended March 31, 2019 Yet to be Paid in Cash
(a) Gross amount required to be spend by the Company during the year	13		13	
(b) Amount spent on: *				
i) Construction/acquisition of assets	-	-	-	-
ii) On purposes other than (i) above (for CSR projects)	39	14	36	16
Total	**39**	**14**	**36**	**16**

* includes ₹ 25 Crore (March 31, 2019: ₹ 24 Crore) paid to related party (Refer Note 36)

(b) Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

(₹ in Crore)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	182	59
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

(c) Loans and Advance(s) in the nature of Loan (Regulation 34 of Listing Obligations & Disclosure Requirements):

(₹ in Crore)

(a)

Name of the Company	Relationship	Balance as at March 31, 2020	Maximum Amount Outstanding during the year	Balance as at March 31, 2019
Paradip Multi Cargo Berth Private Limited	Wholly-owned Subsidiary	0	0	0
Sterlite Ports Limited	Wholly-owned Subsidiary	4	4	4
Sterlite Iron and Steel Company Limited	Fellow Subsidiary	5	5	5
Sesa Resources Limited	Wholly-owned Subsidiary	87	87	79
Vedanta Star Limited*	Wholly-owned Subsidiary	-	-	197
Electrosteel Steels Limited	Wholly-owned Subsidiary	197	197	-
Sesa Mining Corporation Limited	Wholly-owned Subsidiary	45	45	26
Talwandi Sabo Power Limited	Wholly-owned Subsidiary	1,440	2,115	-

*Refer Note 3(d)(C) - Business Combination.

(b) None of the loanee have made, per se, investment in the shares of the Company.

(c) Investments made by Sterlite Ports Limited in Maritime Ventures Private Limited - 10,000 equity shares and Goa Sea Port - 50,000 equity shares

Investments made by Sesa Resources Limited in Sesa Mining Corporation Limited - 11,50,000 equity shares and Goa Maritime Private Limited- 5,000 Shares

40 (a) Oil & gas reserves and resources

The Company's gross reserve estimates are updated atleast annually based on the forecast of production profiles, determined on an asset-by-asset basis, using appropriate petroleum engineering techniques. The estimates of reserves and resources have been derived in accordance with the Society for Petroleum Engineers "Petroleum Resources Management System (2018)". The changes to the reserves are generally on account of future development projects, application of technologies such as enhanced oil recovery techniques and true up of the estimates. The management's internal estimates of hydrocarbon reserves and resources at the year end, are as follows:

Particulars	Country	Gross proved and probable hydrocarbons initially in place (mmboe)		Gross proved and probable reserves and resources (mmboe)		Net working interest proved and probable reserves and resources (mmboe)	
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Rajasthan MBA Fields	India	2,288	2,288	317	362	111	127
Rajasthan MBA EOR	India	-	-	317	293	111	103
Rajasthan Block Other Fields	India	3,535	3,405	449	428	157	150
Ravva Fields	India	692	724	28	39	6	9
CBOS/2 Fields	India	292	254	40	33	16	13
Other fields	India	348	335	43	40	25	22
Total		**7,155**	**7,006**	**1,194**	**1,195**	**426**	**424**

The Company's net working interest proved and probable reserves is as follows:

Particulars	Proved and probable reserves		Proved and probable reserves (developed)	
	Oil (mmstb)	Gas (bscf)	Oil (mmstb)	Gas (bscf)
Reserves as of March 31, 2018*	**55**	**31**	**39**	**19**
Additions / (revision) during the year #	132	117	78	60
Production during the year	(23)	(8)	(23)	(8)
Reserves as of March 31, 2019**	**164**	**140**	**94**	**71**
Additions / (revision) during the year	12	30	12	20
Production during the year	(20)	(13)	(20)	(13)
Reserves as of March 31, 2020***	**156**	**157**	**86**	**78**

* Includes probable oil reserves of 15.43 mmstb (of which 2.97 mmstb is developed) and probable gas reserves of 14.51 bscf (of which 3.91 bscf is developed).

** Includes probable oil reserves of 60.77 mmstb (of which 9.80 mmstb is developed) and probable gas reserves of 47.86 bscf (of which 15.07 bscf is developed).

*** Includes probable oil reserves of 67.78 mmstb (of which 12.36 mmstb is developed) and probable gas reserves of 59.36 bscf (of which 23.29 bscf is developed).

The increase in reserve is on account of PSC extension for the Rajasthan and Ravva block. For more details, refer note 3(c)(A)(viii).

mmboe = million barrels of oil equivalent

mmstb = million stock tank barrels

bscf = billion standard cubic feet

1 million metric tonnes = 7.4 mmstb

1 standard cubic meter =35.315 standard cubic feet

MBA = Mangala, Bhagyam & Aishwarya

EOR = Enhanced Oil Recovery

(b) Pursuant to Management Committee recommendation and minutes of Empowered Committee of Secretaries (ECS) filed by GoI, Vedanta Limited had considered cost recovery of ₹ 567 Crore (US$ 88 million) in FY 2017-18, being the cost incurred over the initially approved FDP of Pipeline Project. Vedanta Limited's claim for the resultant profit petroleum of ₹ 161 Crore (US$ 22 million) as at March 31, 2020 (March 31, 2019:₹ 149 Crore (US$ 22 million)) (Refer Note 9), which had been previously paid, has been disputed by the GoI. The Company believes that it has a good case on merits to recover the amount and has therefore treated it as a non-current recoverable amount.

41 OTHER MATTERS

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 Company 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 Company 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 (OSPCB) 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 Company are sufficient compliance with the applicable notifications issued by MoEF&CC which is supported by a legal opinion obtained.

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 Company has already filed an appeal against the said order on May 20, 2020 with the Hon'ble Supreme Court of India (Apex Court) on the grounds that it is not in accordance with directions given by the Apex Court vide orders dated December 13, 2018 and February 04, 2019 and methodology for determination of compensation is not reasonable. Management believes that the outcome of the appeal will not have any significant adverse financial impact on the Company which is supported by a legal opinion obtained.

As per our report of even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per **Sudhir Soni**
Partner
Membership No: 41870

Place: Mumbai
Date: June 06, 2020

For and on behalf of the Board of Directors

Anil Agarwal
Non-Executive Chairman
DIN 00010883

Sunil Duggal
Interim Chief Executive Officer
PAN AAMPD1109M

GR Arun Kumar
Whole-Time Director and
Chief Financial Officer
DIN 01874769

Prerna Halwasiya
Company Secretary
ICSI Membership No. A20856