Independent Auditor's Report

To the Members of Vedanta Limited

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone Ind AS financial statements of Vedanta Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

EMPHASIS OF MATTER

We draw attention to note 3(c)(A)(viii) of the accompanying standalone financial results which describes the uncertainty arising out of the demands that have been raised on the Company, with respect to government's share of profit oil by the Director General of Hydrocarbons and one of the pre-conditions for the extension of the Production Sharing Contract (PSC) for the Rajasthan oil block is the settlement of these demands. While the Government has granted permission to the Company to continue operations in the block till July 31, 2021 or signing of the PSC addendum, whichever is earlier, the Company, based on external legal advice, believes it is in compliance with the necessary conditions to secure an extension of this PSC and that the demands are untenable and hence no provision is required in respect of these demands. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Recoverability of carrying value of property plant and equipment at Tuticorin (as described in note 3(c)(A)(vii) of the standalone Ind AS financial statements)</td></tr>
<tr><td>As at March 31, 2021, the Company had significant amounts of property, plant and equipment, capital work in progress, exploration intangible assets under development and investments being carried at cost. We focused our efforts on the Cash Generating Unit ("CGU") at Tuticorin within the copper segment; as it had impairment indicators and had a total carrying value of ₹2,144 crore.

Recoverability of property plant and equipment has been identified as a key audit matter due to:
• The significance of the carrying value of assets being assessed.
• The withdrawal of the Company's licenses to operate the copper plant.
• The fact that the assessment of the recoverable amount of the Company's CGUs and investments involves significant judgements about the future cash flow forecasts, start date of the plant and the discount rate that is applied.

The key judgements and estimates centered on the likely outcome of the litigations, cash flow forecasts and discount rate assumptions</td><td>Our audit procedures included the following:-
• Assessed through an analysis of internal and external factors impacting the Company, whether there were any indicators of impairment in line with Ind AS 36.
• Specifically, in relation to the CGU where impairment indicators were identified, obtained and evaluated the valuation models used to determine the recoverable amount by assessing the key assumptions used by the management including:
- Assessed the basis for estimating the forecasted volumes and the expected start date of the plant.
- Tested the weighted average cost of capital used for discounting the cash flows to their present value.
- Tested the valuation models for arithmetical accuracy.
- Engaged valuation experts to assist in performance of the above procedures.
- Assessed the implications of withdrawal of Company's license to operate the copper plant including sensitivities of key assumptions. Also, read the court judgments in respect of the case and external legal opinions in respect of the merits of the appeal filed by the Company and assessed management's position through discussions with the legal counsel to determine the basis of their conclusion.
• Assessed the competence and objectivity of the experts engaged by us.
• Assessed the disclosures made by the Company in this regard.</td></tr>
<tr><td colspan="2">Evaluation of Going Concern assumption of accounting (as described in note 3(c)(A)(xi) and 3(c)(A)(viii) of the standalone Ind AS financial statements)</td></tr>
<tr><td>The standalone financial statements of the Company are prepared on the going concern basis of accounting. The evaluation of the appropriateness of adoption of going concern assumption for preparation of these standalone financial statements has been performed by the management of the Company because of uncertainties in the market conditions including future economic outlook on account of the prevailing global pandemic COVID-19 and the uncertainty around the extension of the Production Sharing Contract (PSC) of the Rajasthan oil and gas block.

The Company has prepared a cash flow forecast for next eighteen months from year end which involves judgement and estimation of key variables.

The above has been considered as a key audit matter as auditing the Company's going concern assessment as described above is complex and involves a high degree of judgment to assess the reasonableness of the cash flow forecasts, planned refinancing actions and other assumptions used in the Company's going concern analysis.</td><td>Our procedures in relation to evaluation of going concern included the following:
• Obtained an understanding of the process followed by the management and tested the internal controls over the liquidity assessment, compliance with the debt covenants and preparation of the cash flow forecast, and validation of the assumptions and inputs used in the model to estimate the future cash flows.
• Tested the inputs and assumptions used by the management in the cash flow forecast against historical performance, budgets, economic and industry indicators, publicly available information, the Company's strategic plans and benchmarking of key market related conditions.
• Assessed key assumptions including those pertaining to revenue and the timing of significant payments in the cash flow forecast for the following eighteen months.
• Tested management's sensitivity analysis on key assumptions like input prices, discount rate and selling prices to determine their impact on the projections of future cash flows also on any possible cash outgo for securing the extension of the Rajasthan oil and gas block.
• Compared the details of the Company's long-term credit facilities to the supporting documentation.
• Assessed the relationship between the parent company and the Company, including inspection of various financings agreements to examine whether the same were impacted by the affairs of the parent company. Additionally, we assessed whether there are any pre-existing arrangements between the parent and the Company to alleviate the financial difficulties of the parent.
• Assessed the disclosures made by the Company in this regard.</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
Recoverability of disputed trade receivables in power segment (as described in note 3(c)(B)(ii) and note 7 of the standalone Ind AS financial statements)	
As of March 31, 2021 the value of disputed receivables in the power segment aggregated to ₹1,323 crore. Due to disagreements over the quantification or timing of the receivable, the recovery of receivables from GRIDCO, a customer in the power segment, are subject to increased risk. Some of these balances are also subject to litigation. These receivables include long outstanding balances as well and are also subject to counter party credit risk and hence considered as a key audit matter.	Our audit procedures included the following:- • Examined the underlying power purchase agreements. • Examined the relevant state regulatory commission, appellate tribunal and court rulings. • Examined external legal opinions in respect of the merits of the case and assessed management's position through discussions with the management's in-house legal team to determine the basis of their conclusion. • Examined management's assessment of recoverability of receivables. • Sought independent external lawyer confirmation from Legal Counsel representing the Company in these cases. • Assessed the competence and objectivity of the Company's experts. • Assessed the disclosures made by the Company in this regard.
Accounting and disclosure of transactions with the parent company and its affiliates (as described in note 37 of the standalone Ind AS financial statements)	
The Company has undertaken transactions with Vedanta Resources Limited ('VRL'), its parent company and its affiliates pertaining to payment of brand and management fee; and obtaining guarantees and payment of commission in consideration thereof. Accounting and disclosure of such related party transactions has been identified as a key audit matter due to: • Significance of such related party transactions; • Risk of such transactions being executed without proper authorizations; • Risk of material information relating to such transactions not getting disclosed in the financial statements.	Our procedures included the following: • Obtained and read the Company's policies, processes and procedures in respect of identification of such related parties, obtaining approval, recording and disclosure of related party transactions. • Tested such related party transactions and balances with the underlying contracts, confirmation letters and other supporting documents. • Held discussions and obtained representations from the management in relation to such transactions. • Examined the approvals of the board and/or audit committee for entering into these transactions. • Read the disclosures made in this regard in the financial statements to assess whether the relevant and material information have been disclosed.
Claims and exposures relating to taxation and litigation (as described in note 3(c)(A)(viii), 3(c)(B)(i), 36(D), 42 of the standalone Ind AS financial statements)	
The Company is subject to a large number of tax and legal disputes, including objections raised by auditors appointed by the Director General Hydrocarbons in the oil and gas segment, which have been disclosed / provided for in the financial statements based on the facts and circumstances of each case. Taxation and litigation exposures have been identified as a key audit matter due to the complexities involved in these matters, timescales involved for resolution and the potential financial impact of these on the financial statements. Further, significant management judgement is involved in assessing the exposure of each case and thus a higher risk involved on adequacy of provision or disclosure of such cases.	Our audit procedures included the following: - • Obtained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process. For selected controls we have performed tests of controls. • Obtained the summary of Company's legal and tax cases and assessed management's position through discussions with the Legal Counsel, Head of Tax and operational management, on both the probability of success in significant cases, and the magnitude of any potential loss. • Examined external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the legal claims. • Assessed the competence and objectivity of the Company's experts. • Engaged tax specialists to technically appraise the tax positions taken by management with respect to local tax issues. • Assessed whether management assessment of similar cases is consistent across the divisions and obtained management's explanations for differences, if any. • Assessed the relevant disclosures made within the financial statements to address whether they reflect the facts and circumstances of the respective tax and legal exposures and the requirements of relevant accounting standards.

Key audit matters	How our audit addressed the key audit matter
Recoverability of unutilized Minimum Alternate Tax (MAT) credits included under deferred tax assets (as described in note 3(c)(A)(vi) and note 33 of the standalone Ind AS financial statements)	
Deferred tax assets as at March 31, 2021 includes MAT credits of ₹3,701 crore relating to the Company which is available for utilization against future tax liabilities. Out of the same, ₹340 crore is expected to be utilized in the fourteenth year, fifteen years being the maximum permissible time period to utilize the same. The analysis of the recoverability of deferred tax assets has been identified as a key audit matter because the assessment process involves judgement regarding the future profitability and the likelihood of the realization of these assets, in particular whether there will be taxable profits in future periods that support the recognition of these assets. This requires assumptions regarding future profitability, which is inherently uncertain.	Our audit procedures included the following:- • Obtained an understanding of the management's process for estimating the recoverability of deferred tax assets and identified key controls in the process. For selected controls we have performed tests of controls. • Obtained and analysed the future projections of taxable profits estimated by management, assessed key assumptions used, including the analysis of the consistency of the actual results obtained by the various segments with those projected in the previous year. We further obtained evidence of the approval of the budgeted results included in the current year's projections and the future cash flow projections. • Tested the computation of MAT credits recognized as deferred tax assets. • Assessed the disclosures made by the management in this regard.

We have determined that there are no other key audit matters to communicate in our report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

We did not audit the financial statements and other financial information, in respect of an unincorporated joint venture not operated by the Company, whose Ind AS financial statements include total assets of ₹115 crore as at March 31, 2021. The Ind AS financial statements and other financial information of the said unincorporated joint venture not operated by the Company have not been audited and such unaudited financial statements and other unaudited financial information have been furnished to us by the management and our report on the Ind AS financial statements of the Company, in so far as it relates to the amounts and disclosures included in respect of the said unincorporated joint venture, is based solely on such unaudited information furnished to us by the management. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information of joint venture, is not material to the Company. Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books

(c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The matter described in Qualified opinion paragraph in "Annexure 2" to this report, in our opinion, may have an adverse effect on the functioning of the Company;

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(h) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 3(c)(A)(viii), 36(D), 42 to the standalone Ind AS financial statements;

ii. The Company did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2021;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Sudhir Soni**
Partner
Membership Number: 41870
UDIN: 21041870AAAAAP3965

Place: Mumbai
Date: 13 May 2021

Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Vedanta Limited ('the Company')

(i) (a)The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification in our opinion is reasonable having regard to the size of the Company and the nature of its assets except for fixed assets aggregating to ₹ 1,337 crore at Tuticorin plant where due to suspension of operations (refer note 3(c)(A)(vii) of the standalone financial statements), management has been unable to perform physical verification which was due in current year. No material discrepancies were noticed wherever such verification was performed.

(c) According to the information and explanations given by the management and audit procedures performed by us, the title deeds of immovable properties included in fixed assets are held in the name of the Company except for the title deeds of immovable properties in oil and gas blocks, jointly owned with other joint venture partners, which are held in the name of the licensee of the block. The written down value of such immovable properties in the accompanying financial statement aggregates to ₹ 50 Crore.

(ii) The management has conducted physical verification of inventories at reasonable intervals during the year except for inventories aggregating of ₹ 284 crore lying at Tuticorin plant which is under suspension (refer note 3(c)(A)(vii) of the standalone financial statements). No material discrepancies were noticed on physical verification of inventories, wherever such verifications were carried out. Inventories lying with third parties have been confirmed by them as at March 31, 2021 and no material discrepancies were noticed in respect of such confirmations.

(iii) (a) The Company has granted loans to 7 companies covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

(b) The Company has granted loans that are either re-payable on demand or have a schedule for repayment of interest and principal, to companies covered in the register maintained under section 189 of the Act. We are informed that (a) repayment of loan was received as and when the demands were raised, during the year; and (b) loans which had a schedule for repayment were not due during the current year; and thus, there has been no default on the part of the parties to whom the monies have been lent. The payment of interest has been regular in all cases.

(c) There is no amounts of loans granted to companies listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of sections 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and guarantees given have been complied with by the Company. The Company has not granted any security in terms of sections 185 and 186 of the Act.

(v) In our opinion and according to information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of goods and generation of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, sales tax, value added tax,goods and service tax, cess and other statutory dues applicable to it, except for in case of payment of electricity duty where there have been significant delays. The provisions relating to excise duty and service tax are not applicable to the Company.

(b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, value added tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to excise duty and service tax are not applicable to the Company.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, customs duty, excise duty and value added tax on account of any dispute, are as follows:

(In ₹ Crores)

Name of the Statute	Nature of the dues	Platform	Period relates to Which amount	Amount*
Central Excise Act, 1944	Excise Duty	CESTAT/Supreme court	December 2013 to February 2015	49.45
Central Excise Act, 1944	Excise Duty	Assistant Commissioner	2013-14	0.57
Central Excise Act, 1944	Excise Duty	CESTAT	1997-98 to 2012-13, 2014-15, 2016	151.56
Central Excise Act, 1944	Excise Duty	Commissioner	1997-2013	29.78
Central Excise Act, 1944	Excise Duty	Commissioner Appeals	October 2013 to July 2014, 2015-16	0.14
Central Excise Act, 1944	Excise Duty	High Court	2000-2006, 2017-18	98.29
Central Excise Act, 1944	Excise Duty	Additional Commissioner	November 07 to July 08	0.40
Central Sales Tax 1956	Sales Tax	Additional Commissioner	2004-13, FY 2013-14 to FY 2019-20	27.95
Central Sales Tax 1956	Sales Tax	Tribunal	FY 2009-10	18.00
Central Sales Tax 1956	Sales Tax	High Court	1998-1999, 2009-10, 2010-11, 2012-13, 2016-17	28.86
Central Sales Tax 1956	Sales Tax	Joint Commissioner	FY 2018-19	5.47
Custom Act, 1962	Customs Duty	CESTAT	2004-05 to 2013-14, 2016-17 to 2017-18	239.16
Custom Act, 1962	Customs Duty	Commissioner Appeals	2012-13, 2014-15	8.86
Custom Act, 1962	Customs Duty	Commissioner	2004-05 to 2009-10 and 2013-14 and 2012-13 to 2016-17 and 2019-20	23.19
Custom Act, 1962	Customs Duty	Deputy Commissioner	2012-13	8.00
Custom Act, 1962	Customs Duty	High Court	2005-06 to 2006-07	14.67
Custom Act, 1962	Customs Duty	Supreme Court	1996-97, 2005-10, 2015	0.18
Custom Act, 1962	Customs duty on exports	Assistant Commissioner	FY 2015-16, FY 2017-18, FY 2018-19	99
Finance Act,1994	Service Tax	Assistant Commissioner	FY 2015-2016, FY 2016-2017	7.10
Finance Act,1994	Service Tax	CESTAT	2004-05 to 2015- 2016	222.60
Finance Act,1994	Service Tax	Joint Commissioner	2007-13	0.33
Finance Act,1994	Service Tax	Commissioner Appeals	2010-11, 2012-13 to 2015-16	1.85
Finance Act,1994	Service Tax	Commissioner	2014-15, 2016-17 and 2017-18 (Till June 30, 2017)	5.44
Finance Act,1994	Service Tax	High Court	2006-07,2007-08, 2016-17	5.83
The Goods and Service tax, 2017	GST	CESTAT	2018-19	0.18
The Goods and Service tax, 2017	GST	Additional Commissioner	2017-18	40.19
Income tax Act, 1961	Additional Income Tax demand	CIT Appeals	2006-07, 2008-09 to 2013-14 and 2016-17	1,454.17
Income tax Act, 1961	Additional Income Tax demand	High Court	2006-07 to 2013-14	1,943.62
Income tax Act, 1961	Additional Income Tax demand	Assessing Officer	1999-00, 2008-09, 2009-10	30.35
Income tax Act, 1961	Additional Income Tax demand & penalty	Income Tax Appellate Tribunal	2002-03,2004-05 to 2009-10, 2011-12, 2013-14, 2014-15	2,832.82
Income tax Act, 1961	Witholding Tax demand	Income Tax Appellate Tribunal	2006-07	18,773.89
Sales Tax	Sales Tax	Joint Commissioner	2014-15 and 2015-16	0.41
Sales Tax	Sales Tax	Commissioner	2007-08 to 2014-15	19.52
Sales Tax	Sales Tax	High Court	1998-99 to 2016-17	324.78
Sales Tax	Sales Tax	Additional Commissioner	2014-15	5.64
Sales Tax	Sales Tax	Deputy Commissioner	2012 to 2015	0.11
Sales Tax	Sales Tax	Tribunal	2008-12	1.84

* Net of amounts paid under protest/ adjusted against refunds.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to bank or government or dues to debenture holders, based on the revised repayment schedules, for some such loans, which has been drawn after taking effects of the moratorium granted by the banks and availed by the Company, in view of the Covid-19 pandemic. The Company did not have any outstanding dues to financial institutions.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in the nature of debentures and term loans for the purposes for which they were raised. According to the information and explanations given to us and audit procedures performed by us, the Company has not raised monies by way of initial public offer or further public offer.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management and audit procedures performed by us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.

(xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us and audit procedures performed by us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Sudhir Soni**
Partner
Membership Number: 41870
UDIN: 21041870AAAAAP3965

Place: Mumbai
Date: May 13, 2021

Annexure 2 to the Independent Auditor's Report of even date on the Ind As standalone financial statements of Vedanta Limted

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Vedanta Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Committee of Sponsoring Organisations of the Treadway Commission (2013 Framework) ("COSO 2013 Criteria"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

QUALIFIED OPINION

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2021:

The Company's internal controls for benchmarking the terms and authorisation of loans and guarantees between itself or its subsidiaries with controlling shareholders and their affiliates were not effective, which could potentially result in loans being advanced and guarantees being issued in a manner which may impact the recognition, measurement and disclosure of such transactions in the financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in COSO 2013 criteria.

EXPLANATORY PARAGRAPH

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of the Company, which comprise the Balance Sheet as at March 31, 2021, and the related Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. The above stated material weakness was considered in determining the nature, timing and extent of audit tests applied in our audit of the March 31, 2021 standalone financial statements of the Company and this report does not affect our report of even date, which expressed an unmodified opinion on those standalone financial statements.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Sudhir Soni**
Partner
Membership Number: 41870
UDIN: 21041870AAAAAP3965

Place: Mumbai
Date: May 13, 2021

Balance Sheet

as at 31 March 2021

(₹ in Crore)

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	5	38,222	37,087
Capital work-in-progress	5	9,096	11,027
Intangible assets	5	27	31
Exploration intangible assets under development	5	1,605	1,059
Financial assets			
Investments	6A	60,887	60,787
Trade receivables	7	1,323	1,346
Loans	8	180	183
Derivatives	20	-	3
Others	9	1,258	1,673
Deferred tax assets (net)	33	333	3,464
Income tax assets (net)	33	1,787	1,682
Other non-current assets	10	2,371	2,272
Total non-current assets		**117,089**	**120,614**
Current assets			
Inventories	11	5,555	5,689
Financial assets			
Investments	6B	2,016	2,118
Trade receivables	7	1,136	832
Cash and cash equivalents	12	2,861	1,846
Other bank balances	13	1,475	347
Loans	8	523	1,596
Derivatives	20	66	548
Others	9	5,071	3,826
Other current assets	10	1,939	2,034
Total current assets		**20,642**	**18,836**
Total Assets		**137,731**	**139,450**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	372	372
Other Equity	15	76,418	69,523
Total Equity		**76,790**	**69,895**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17A	20,913	21,629
Derivatives	20	50	9
Other financial liabilities	19	250	288
Provisions	22	1,169	1,185
Other non-current liabilities	21	2,360	2,539
Total non-current liabilities		**24,742**	**25,650**
Current Liabilities			
Financial liabilities			
Borrowings	17B	1,140	10,819
Operational buyers' credit / suppliers' credit	18B,2(c)	6,029	7,129
Trade payables	18A,2(c)		
(a) Total outstanding dues of micro, small and medium enterprises		209	182
(b) Total outstanding dues of creditors other than micro, small and medium enterprises		3,594	3,328
Derivatives	20	139	38
Other financial liabilities	19	19,355	14,861
Provisions	22	98	95
Income tax liabilities (net)		46	46
Other current liabilities	21	5,589	7,407
Total current liabilities		**36,199**	**43,905**
Total Equity and Liabilities		**137,731**	**139,450**

See accompanying notes to the financial statements

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: 13 May 2021

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and
Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and
Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: New Delhi
Date: 13 May 2021

Statement of Profit and Loss

for the year ended 31 March 2021

(₹ in crores except otherwise stated)

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations	26	37,120	35,417
Other operating income	27	320	441
Other income	28	10,948	2,870
Total Income		**48,388**	**38,728**
EXPENSES:			
Cost of materials consumed		13,990	12,493
Purchases of stock-in-trade		204	227
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	70	1,430
Power and fuel charges		6,763	7,930
Employee benefits expense	24	903	765
Finance costs	30	3,193	3,328
Depreciation, depletion and amortisation expense	5	2,519	3,264
Other expenses	31	6,850	7,186
Total expenses		**34,492**	**36,623**
Profit before exceptional items and tax		13,896	2,105
Net exceptional loss	32	(232)	(12,568)
Profit/ (Loss) before tax		**13,664**	**(10,463)**
Tax expense/ (benefit):	33		
On other than exceptional items			
Net current tax expense		104	4
Net deferred tax expense/ (benefit)		3,138	(592)
On exceptional items			
Net deferred tax benefit		(81)	(3,143)
Net tax expense/ (benefit)		**3,161**	**(3,731)**
Net Profit/ (Loss) after tax (A)		**10,503**	**(6,732)**
Net Profit after tax before exceptional items (net of tax)		10,654	2,693
Other Comprehensive (loss)/ income			
Items that will not be reclassified to profit or loss			
Re-measurements gain/ (loss) of defined benefit plans		0	(11)
Tax (credit)/ expense		(3)	4
Gain/ (loss) on FVOCI equity investment		63	(74)
		60	**(81)**
Items that will be reclassified to profit or loss			
Net (loss)/gain on cash flow hedges recognised during the year		(199)	82
Tax credit/ (expense)		69	(28)
Net gain/ (loss) on cash flow hedges recycled to statement of profit and loss		174	(33)
Net tax (credit)/ expense		(61)	11
Exchange differences on translation		(66)	374
Tax (credit)/ expense		(34)	59
		(117)	**465**
Total Other Comprehensive (Loss)/ Income for the year (B)		**(57)**	**384**
Total Comprehensive Income/ (Loss) for the year (A+B)		**10,446**	**(6,348)**
Earnings/ (Loss) per share (in ₹)			
- Basic & Diluted	34	28.23	(18.10)

See accompanying notes to the financial statements

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: 13 May 2021

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and
Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and
Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: New Delhi
Date: 13 May 2021

Statement of Cash Flows

for the year ended 31 March 2021

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (Loss) before taxation	13,664	(10,463)
Adjustments for:		
Depreciation, depletion and amortisation	2,543	3,321
Capital work-in-progress written off/ impairment charge	181	12,335
Other exceptional items	51	233
Provision for doubtful debts/ advance/ bad debts written off	129	68
Exploration costs written off	6	1
Fair Value gain on financial assets held at fair value through profit or loss	(93)	(152)
Loss on sale of property, plant and equipment (net)	28	77
Foreign exchange loss (net)	80	123
Unwinding of discount on decommissioning liability	23	31
Share based payment expense	36	40
Interest and dividend Income	(10,730)	(2,597)
Interest expenses	3,170	3,297
Deferred government grant	(75)	(74)
Changes in assets and liabilities		
Increase in trade and other receivables	(1,339)	(857)
Decrease in inventories	53	2,088
Decrease in trade and other payable	(1,452)	(790)
Cash generated from operations	**6,275**	**6,681**
Income taxes (paid)/ refund (net)	(228)	518
Net cash generated from operating activities	**6,047**	**7,199**
CASH FLOWS FROM INVESTING ACTIVITIES		
Consideration paid for business acquisition (Including transaction cost of ₹3 Crore)	(59)	(33)
Purchases of property, plant and equipment(including intangibles)	(2,669)	(2,161)
Proceeds from sale of property, plant and equipment	18	35
Loans given to related parties	(579)	(2,870)
Loans repaid by related parties	1,684	1,403
Short-term deposits made	(1,441)	(913)
Proceeds from redemption of short-term deposits	962	547
Short term investments made	(18,468)	(34,231)
Proceeds from sale of short term investments	18,628	36,580
Interest received	415	404
Dividends received	10,371	2,142
Payment made to site restoration fund	(94)	(16)
Net cash from investing activities	**8,768**	**887**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short-term borrowings (net)	(8,726)	(7,663)
Proceeds from current borrowings	5,499	4,457
Repayment of current borrowings	(6,908)	(3,805)
Proceeds from long-term borrowings	9,021	7,636
Repayment of long-term borrowings	(5,564)	(4,681)
Interest paid	(3,439)	(3,790)
Payment of dividends to equity holders of the parent, including dividend distribution tax	(3,519)	(1,444)
Payment of lease liabilities	(164)	(159)
Net cash used in financing activities	**(13,800)**	**(9,449)**
Net increase/ (decrease) in cash and cash equivalents	**1,015**	**(1,363)**
Cash and cash equivalents at the beginning of the year	1,846	3,209
Cash and cash equivalents at the end of the year (Refer note 12)	**2,861**	**1,846**

Notes:

1. The figures in parentheses indicate outflow.
2. The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 - statement of cash flows

See accompanying notes to the financial statements

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: 13 May 2021

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and
Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and
Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: New Delhi
Date: 13 May 2021

Statement of Changes in Equity

for the year ended 31 March 2021

A. EQUITY SHARE CAPITAL

Equity shares of ₹1 each issued, subscribed and fully paid	Number of shares (in crores)	Amount (₹ in crores)
As at 31 March 2021 and 31 March 2020	372	372

B. OTHER EQUITY

(₹ in crores)

Particulars	Reserves and Surplus				Items of Other comprehensive income			Total other equity
	Capital reserve	Securities premium	Retained earnings	Other reserves (Refer below)	Equity instruments through OCI	Hedging reserve	Foreign currency translation reserve	
Balance as at 01 April 2019	**26,027**	**19,009**	**13,704**	**17,204**	**104**	**(54)**	**1,514**	**77,508**
Loss for the year	-	-	(6,732)	-	-	-	-	(6,732)
Other comprehensive income for the year, net of tax	-	-	(7)	-	(74)	32	433	384
Total Comprehensive Income for the year	**-**	**-**	**(6,739)**	**-**	**(74)**	**32**	**433**	**(6,348)**
Transfer from debenture redemption reserve (net)	-	-	180	(180)	-	-	-	-
Recognition of share based payment	-	-	-	75	-	-	-	75
Stock options cancelled during the year	-	-	52	(52)	-	-	-	-
Exercise of stock options	-	-	7	(23)	-	-	-	(16)
Dividends including tax (Refer note 35)	-	-	(1,696)	-	-	-	-	(1,696)
Balance as at 31 March 2020	**26,027**	**19,009**	**5,508**	**17,024**	**30**	**(22)**	**1,947**	**69,523**
Profit for the year	-	-	10,503	-	-	-	-	10,503
Other comprehensive loss for the year, net of tax	-	-	(3)	-	63	(17)	(100)	(57)
Total Comprehensive Income for the year	**-**	**-**	**10,500**	**-**	**63**	**(17)**	**(100)**	**10,446**
Transfer from debenture redemption reserve (net)	-	-	503	(503)	-	-	-	-
Recognition of share based payment	-	-	-	58	-	-	-	58
Stock options cancelled during the year	-	-	60	(92)	-	-	-	(32)
Exercise of stock options	-	-	(14)	(44)	-	-	-	(58)
Dividends (Refer note 35)	-	-	(3,519)	-	-	-	-	(3,519)
Balance as at 31 March 2021	**26,027**	**19,009**	**13,038**	**16,443**	**93**	**(39)**	**1,847**	**76,418**

Other reserves comprises:

(₹ in crores)

Particulars	Capital redemption reserve	Debenture redemption reserve	Preference share redemption reserve	Amalgamation Reserve	General reserve	Share Based Payment Reserve	Total
Balance as at 01 April 2019	**38**	**1,240**	**3,087**	**3**	**12,587**	**249**	**17,204**
Transfer to retained earnings	-	(180)	-	-	-	-	(180)
Recognition of share based payment	-	-	-	-	-	75	75
Stock options cancelled during the year	-	-	-	-	-	(52)	(52)
Exercise of stock options	-	-	-	-	-	(23)	(23)
Balance as at 31 March 2020	**38**	**1,060**	**3,087**	**3**	**12,587**	**249**	**17,024**
Transfer to retained earnings	-	(503)	-	-	-	-	(503)
Recognition of share based payment	-	-	-	-	-	58	58
Stock options cancelled during the year	-	-	-	-	-	(92)	(92)
Exercise of stock options	-	-	-	-	-	(44)	(44)
Balance as at 31 March 2021	**38**	**557**	**3,087**	**3**	**12,587**	**172**	**16,443**

See accompanying notes to the financial statements

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: 13 May 2021

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and
Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and
Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: New Delhi
Date: 13 May 2021

Notes

forming part of the financial statements as at and for the year ended March 31, 2021

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 08 September 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-400092, Maharashtra. The Company's shares are listed on National Stock Exchange and Bombay Stock Exchange in India. In June 2007, the Company completed its initial public offering of American Depositary Shares, or ADS, each representing four equity shares, and listed its ADSs on the New York Stock Exchange. In July 2009, the Company completed its follow-on offering of an additional 131,906,011 ADSs, each representing four equity shares, which are listed on the New York Stock Exchange.

The Company is majority owned by Twin Star Holdings Limited ("Twin Star"), Finsider International Company Limited ("Finsider"), Vedanta Holdings Mauritius II Limited ("VHM2L"), West Globe Limited ("West Globe") and Welter Trading Limited ("Welter") which are in turn wholly-owned subsidiaries of Vedanta Resources PLC ("VRPLC"), which was a public limited company incorporated in the United Kingdom and listed on the London Stock Exchange (VRPLC has been delisted from London Stock Exchange on 01 October 2018 and is renamed as "Vedanta Resources Limited" ("VRL") with effect from 29 October 2018). Twin Star, Finsider, VHM2L, West Globe and Welter held 37.1%, 10.8%, 5.0%, 1.2% and 1.0% respectively of the Company's equity as at 31 March 2021.

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 09 April 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 23 May 2018 ordered for disconnection of electricity supply and closure of copper smelter plant. Post such order, the state government on 28 May 2018 ordered the permanent closure of the plant. We continue to engage with the Government of India and relevant authorities to enable the restart of operations at Copper India.

  Further, the Company's copper business includes refinery and rod plant Silvassa consisting of a 133,000 MT of blister/ secondary material processing plant, a 216,000 tpa copper refinery plant and a copper rod mill with an installed capacity of 258,000 tpa. The plant continues to operate as usual, catering to the domestic market. (Refer note3(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 Eastern 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, ferro alloys 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 39.

Delisting of Vedanta Limited

The Company vide letter dated 12 May 2020 had informed the stock exchanges that it has received a letter dated 12 May 2020 from its Holding Company, Vedanta Resources Ltd. ("VRL"), wherein VRL had expressed its intention to, either individually or along with one or more subsidiaries, acquire all fully paid-up equity shares of the Company ("Equity Shares") that are held by the public shareholders of the Company (as defined under the Delisting Regulations, to be referred to as "Public Shareholders") and consequently voluntarily delist the Equity Shares from BSE Limited and National Stock Exchange of India Limited, the recognized stock exchanges where the Equity Shares are presently listed ("Stock Exchanges"), in accordance with the Delisting Regulations ("Delisting Proposal") and if such delisting is

Notes

forming part of the financial statements as at and for the year ended March 31, 2021

successful, then to also delist the Company's American Depositary Shares from the New York Stock Exchange ("NYSE") and deregister the Company from the Securities and Exchange Commission ("SEC"), subject to the requirements of the NYSE and the SEC.

After obtaining due approvals, the Public Shareholders holding Equity Shares were invited to submit Bids pursuant to the reverse book building process conducted through the Stock Exchange Mechanism made available by BSE during the bid period (05 October 2020 to 09 October 2020), in accordance with the Delisting Regulations.

The total number of Offer Shares validly tendered by the Public Shareholders in the Delisting Offer was 1,25,47,16,610 Offer Shares, which was less than the minimum number of Offer Shares required to be accepted by the Acquirers in order for the Delisting Offer to be successful in terms of Regulation 17(1)(a) of the Delisting Regulations. Thus, the Delisting Offer is deemed to have failed in terms of Regulation 19(1) of the Delisting Regulations.

2 BASIS OF PREPARATION AND BASIS OF MEASUREMENT OF FINANCIAL STATEMENTS

(a) Basis of preparation

i) 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 13 May 2021.

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".

ii) Certain comparative figures appearing in these financial statements have been regrouped and/or reclassified to better reflect the nature of those items (Refer note 2(c) below).

(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.

(c) Reclassification

On an ongoing basis, the management reviews the changes in the nature of the Company's operations, selection and application of accounting policies and recent accounting pronouncements to assess appropriateness of presentation or classifications of items in the financial statements. For the year ended 31 March 2021, the Company has revised the presentation of the following items, neither of which has any material impact, individually or in the aggregate, on the financial statement:

i) Fly ash disposal expenses amounting to ₹202 Crore (Year ended 31 March 2021: ₹333 Crore) has been reclassified from 'Other Expenses' to 'Power and Fuel expense' for the comparative year ended 31 March 2020.

ii) The Company from the current year has decided to present liabilities with respect to operational buyer's/ suppliers credit and vendor financing (refer note 18(B)) on the face of the balance sheet, which were previously included under trade payables to enhance the understanding of the financial statements. The value of such liabilities as at 01 April 2019 and 01 April 2020 was ₹6,017 Crore and ₹7,129 Crore respectively (As at 31 March 2021: ₹6,029 Crore) crore.

iii) The constituents of cash and cash equivalents for the purpose of cash flow statement to not consider the earmarked unpaid dividend accounts hitherto included in other bank balance. Consequently, such accounts amounting to ₹75 Crore and ₹74 Crore as at 31 March 2019 and 31 March 2020 respectively have been excluded from opening and closing cash and cash equivalents in the statement of cash flows for the comparative year ended 31 March 2020.

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.

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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 capitalized 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

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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 recognized 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 capitalized, if the recognition criteria are met.

iv) Assets under construction
Assets under construction are capitalized 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

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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 amortization period and the amortization 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

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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.

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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 recognized 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.

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- **Debt instruments at fair value through profit or loss (FVTPL)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized 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 recognized 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 recognized 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) recognized during the year is recognized 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

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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 recognized 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 stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of 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

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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.

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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:

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- 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 realized 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 recognized 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.

Further, management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

(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

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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 recognized 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.

(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 recognized 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 recognized 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 recognize 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

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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 recognized in the other comprehensive income.

Exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized 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 recognized upto 31 March 2016 has been deferred/capitalized. 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 01 April 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 and materials). Where these arrangements are with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/ suppliers' credit and disclosed on the face of the balance sheet (Refer note 2(C)(ii)).

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Interest expense on these are recognised in the finance cost. Payments made by banks and financial institutions to the operating vendors are treated as a non-cash item and settlement of operational buyer's credit/ suppliers' credit by the Company is treated as cash flows from operating activity reflecting the subtsance of the payment.

Where such 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. Payments made to vendors are treated as cash item and disclosed as cash flows from operating/ investing activity depending on the nature of the underlying transaction. Settlement of dues to banks and financial institution are treated as cash flows from financing activity.

(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 realized 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 realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the 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 capitalized 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.

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(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 39(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 at face value from the moment the acquired companies are included in these financial statements and the financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented. However, the prior 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 AND AMENDED STANDARDS

(A) The Company has adopted, with effect from 01 April 2020, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the financial statements.

1. Amendments to Ind AS 103 regarding definition of a Business
2. Amendments to Ind AS 107 and 109 regarding Interest Rate Benchmark Reform

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3. Amendments to Ind AS 1 and Ind AS 8 regarding definition of Material
4. Amendments to Ind AS 116 regarding COVID-19 related rent concessions

Other Amendments

A number of other minor amendments to existing standards also became effective on 01 April 2020 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 notified but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.

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 judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

The information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized 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 had recorded necessary adjustments, including impairment to the extent the carrying amount exceeds the recoverable amount and has disclosed the same as exceptional item during the previous year ended 31 March 2020. No such impairments were identified during the current year. The actual effects of COVID-19 could be different from what is presently assessed and would be known only in due course of time, however no further adjustments are considered necessary at this stage.

(ii) Oil and Gas reserves

Significant technical and commercial judgements are required to determine the 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 41.

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

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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 are disclosed in note 5.

(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 or impairment reversal of previously recorded impairment are identified in accordance with Ind AS 36.

In the current year, the management has reviewed the key assumptions i.e. future production, oil prices, discount to price, Production sharing contract (PSC) life, discount rates, etc. for all of its oil and gas assets. Based on analysis of events that have occurred since then, there did not exist any indication that the assets may be impaired or previously recorded impairment charge may reverse. Hence, detailed impairment analysis has not been conducted in the current financial year. However during the year ended 31 March 2020, management had performed impairment tests on the Company's developing/producing oil and gas assets and the impairment assessments were 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

Details of carrying values are disclosed in note 5.

(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 & developed 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

There is no impairment recognised during the year. For the year ended 31 March 2020, details of impairment charge and the assumptions used and carrying value are disclosed in note 32 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 utilized. This involves an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets. This requires assumptions regarding future profitability, which is inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets and consequential impact in the statement of profit and loss.

The total deferred tax assets recognised in these financial statement (Refer note 33) includes MAT credit entitlements of ₹3,701 Crore (31 March 2020: ₹3,600 Crore), of which 340 Crore is expected to be utilised in the

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fourteenth year (FY 19-20: ₹3,600 Crore was expected to be utilised in fourteenth and fifteenth year), fifteen years being 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 Tamil Nadu, 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 31 May 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 23 June 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 08 August 2013 that the Copper smelter could continue its operations and recommendations made by the Expert Committee be implemented in a time bound manner. The Group has implemented all of the recommendations. TNPCB has filed an appeal against the order of the NGT before the Supreme Court of India.

In the meanwhile, the application for renewal of Consent to Operate (CTO) for existing copper smelter, required as per procedure established by law was rejected by TNPCB in April 2018. Vedanta Limited has filed an appeal before the TNPCB Appellate Authority challenging the Rejection Order. During the pendency of the appeal, there were protests by a section of local community raising environmental concerns and TNPCB vide its order dated 23 May 2018 ordered closure of existing copper smelter plant with immediate effect. Further, the Government of Tamil Nadu, issued orders dated 28 May 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 30 May 2018, directing the immediate suspension and revocation of the Factory License and the Registration Certificate for the existing smelter plant.

The Company has appealed this before the National Green Tribunal (NGT). NGT vide its order on December 15, 2018 has set aside the impugned orders and directed the TNPCB to pass fresh orders for renewal of consent and authorization to handle hazardous substances, subject to appropriate conditions for protection of environment in accordance with law.

The State of Tamil Nadu and TNPCB approached Supreme Court in Civil Appeals on 02 January 2019 challenging the judgement of NGT dated 15 December 2018 and the previously passed judgement of NGT dated 08 August 2013. The Supreme Court vide its judgement dated 18 February 2019 set aside the judgements of NGT dated 15 December 2018 and 08 August 2013 solely on the basis of maintainability 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. On 18 August 2020, the Madras High Court delivered the judgement wherein it dismissed all the Writ Petitions filed by the Company. The Company has approached the Supreme Court and challenged the said High Court order by way of a Special Leave Petition (SLP) to Appeal and also filed an interim relief for care & maintenance of the plant. The matter was then listed on 02 December 2020 before Supreme Court Bench. The Bench after having heard both the sides concluded that at this stage the interim relief in terms of trial run could not be allowed. Further, considering the voluminous nature of documents and pleadings, the matter shall be finally heard on merits. The matter was again mentioned before the bench on 17 March 2021, wherein the matter was posted for hearing on 17 August 2021.

However, subsequent to the year end, the Company approached the Supreme Court offering to supply medical oxygen from the said facility in view of prevailing COVID-19 situation, which was allowed by the Supreme Court, under supervision of a committee constituted by the Government of Tamil Nadu.

As per the Company's assessment, it is in compliance with the applicable regulations and expects to get the necessary approvals in relation to the existing operations.

The Company has carried out an impairment analysis for existing plant assets during the year ended 31 March 2021 considering the key variables and concluded that there exists no impairment. The Company has done an additional sensitivity analysis with commencement of operations of the existing plant w.e.f 01 April 2024 and noted that the recoverable amount of the assets would still be in excess of their carrying values.

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The carrying value of the assets as at 31 March 2020 is ₹2,328 Crore and 31 March 2021 is ₹2,144 Crore.

Expansion Project:
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 Ministry of Environment, Forests and Climate Change (MoEFCC) 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 23 May 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. MoEFCC has delisted the expansion project since the matter is sub-judice. Separately, SIPCOT vide its letter dated 29 May 2018, cancelled 342.22 acres of the land allotted for the proposed Expansion Project. Further, the TNPCB issued orders on 07 June 2018 directing the withdrawal of the Consent to Establish (CTE) which was valid till 31 March 2023.

The Company has approached Madras High Court by way of writ petition challenging the cancellation of lease deeds by SIPCOT pursuant to which an interim stay has been granted. The Company has also filed Appeals before the TNPCB Appellate Authority challenging withdrawal of CTE by the TNPCB, the matter is pending for adjudication. Considering the delay in existing plant matter and accordingly delay in getting the required approval for Expansion Project, management considered to make provision for impairment for expansion project basis fair value less cost of disposal and accordingly made impairment provision of ₹669 Crore in March 2020. During the current period, there are no updates in the expansion matter and impairment provision of ₹669 Crore is adequate and the net carrying value of ₹97 crore as at 31 March 2021 approximates its recoverable value.

Impairment recognised during the year ended 31 March 2020
For the Expansion Project, the project activities are on halt since May 2018. Further, the project EC for the Expansion Project got expired on 31 December 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 had 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 ended March 21, 2020.

Property, plant and equipment of ₹1,337 Crore and inventories of ₹284 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
The Company operates an oil and gas production facility in Rajasthan under a Production Sharing Contract ("PSC"). The management is of the opinion that the Company is eligible for automatic extension of the PSC for Rajasthan ("RJ") block on same terms w.e.f. 15 May 2020, while Government of India ("GoI") in October 2018, accorded its approval for extension of the PSC, under the Pre-NELP Extension policy as per notification dated 07 April 2017 ("Pre-NELP Policy"), for RJ block by a period of 10 years, w.e.f. 15 May 2020. As per the said policy and extension letter, the Company is required to comply with certain conditions and pay an additional 10% profit oil to GoI. The Company had challenged the applicability of Pre NELP Policy to the RJ block. The Division Bench of the Delhi High Court in March 2021 set aside the single judge order of May 2018 which allowed automatic extension of PSC. The Company is studying the order and all available legal remedies are being evaluated for further action as appropriate.

One of the conditions for extension of PSC relates to notification of certain audit exceptions raised for FY 16-17 as per PSC provisions and provides for payment of amounts, if such audit exceptions result into any creation of liability.

The Directorate General of Hydrocarbons ("DGH") in May 2018 raised a demand on the Company and its subsidiary for the period up to 31 March 2017 for Government's additional share of Profit oil based on its computation of disallowance of costs incurred in excess of the initially approved Field Development Plan ("FDP") of the pipeline project for ₹1,477 Crore (US$202 million) and retrospective re-allocation of certain common

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costs between Development Areas ("DAs") of RJ block aggregating to ₹2,669 Crore (US$364 million). The DGH vide its letter dated 12 May 2020, reiterated its demand only with respect to the retrospective re-allocation of certain common costs between DAs of the RJ block of ₹2,669 Crore (US$364 million towards contractor share for the period upto 31 March 2017. This amount was subsequently revised to ₹3,360 Crore (US$458 million) till March 2018 vide DGH letter dated 24 December 2020. The Company in January 2020 received notifications from the DGH on audit exceptions arising out of its audit for the FY 2017-18, which comprises the consequential effects on profit oil due to the aforesaid matters and certain new matters on cost allowability plus interest aggregating to US$645 million, representing share of the Company and its subsidiary, CEHL ("the Claimants"), which have been suitably responded to by the Company.

The Company believes that it has sufficient as well as reasonable basis pursuant to the PSC provisions and related approvals, supported by legal advice, for having claimed such costs and for allocating common costs between different DAs. In the Company's opinion, these computations of the aforesaid demand / audit exceptions are not appropriate, and the accounting adjustments sought for issues pertaining to Year 2007 and onwards are based on assumptions that are not in consonance with the approvals already in place. The Company's view is also supported by independent legal opinion and the Company has been following the process set out in PSC to resolve these aforesaid matters. The Company has also invoked the PSC process for resolution of disputed exceptions and has issued notice for arbitration and the tribunal stands constituted. Further, on 23 September 2020, the GoI had filed an application for interim relief before Delhi High Court seeking payment of all disputed dues. This matter is now scheduled for hearing on 20 May 2021.

Also, on Vedanta's application under section 17 of the Arbitration and Conciliation Act, 1996, the tribunal in December 2020 ordered that GoI should not take any action to enforce any of the amounts at issue in this arbitration against the Claimants during the arbitral period. The GoI has challenged the said order before the Delhi High Court under the said Act. This matter is also scheduled for hearing on 20 May 2021.

In management's view, the above mentioned condition on demand raised by the DGH for additional petroleum linked to PSC extension is untenable and has not resulted in creation of any liability and cannot be a ground for non-extension. In addition, all necessary procedures prescribed in the PSC including invocation of arbitration, in respect of the stated audit observation have also been fulfilled. Accordingly, the PSC extension approval granted vide DGH letter dated 26 October 2018 upholds with all conditions addressed and no material liability would devolve upon the Group.

Simultaneously, the Company is also pursuing with the GoI for executing the RJ PSC addendum at the earliest. In view of extenuating circumstances surrounding COVID-19 and pending signing of the PSC addendum for extension after complying with all stipulated conditions, the GoI has been granting interim permission to the Company to continue Petroleum operations in the RJ block. The latest permission is valid upto 31 July 2021 or signing of the PSC addendum, whichever is earlier.

Ravva Block

The Government of India (GoI) has granted its approval for a ten-year extension of PSC for Ravva Block with effect from 28 October 2019, in terms of the provision of the "Policy on the Grant of the extension to Production Sharing Contract Signed by Government awarding small, medium-sized and discovered field to private joint ventures" dated 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 Income Tax Act, 1961 which is effective 01 April 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 has re-measured its deferred tax balances as at 31 March 2021. This computation 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 (Refer note 33).

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(x) Assessment of impairment of assets at Aluminium division

During year ended March 31,2020, considering lower sales realisation, an impairment trigger was identified in the aluminium division of the Company. The impairment assessments are based on a range of estimates and assumptions, including:

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 to price	management's best estimate based on historical prevailing discount
Discount rates	cost of capital risk-adjusted for the risk specific to the asset/ CGU

During the previous year, the Company had carried out an impairment analysis, based on value in use approach, considering the key variables and concluded that there existed no impairment. The Company had carried out sensitivity analysis on key assumptions including commodity price, discount rate and delay in expansion of refinery. Based on sensitivity analysis, the recoverable amount was expected to exceed the carrying value as at 31 March 2020 of ₹36,992 Crore. No negative developments have occurred since the previous year, while the commodity price have increased. Accordingly, it is not expected that the carrying amount would exceed the recoverable amount and hence the recoverable value for the year ended 31 March 2021 was not re-determined.

(xi) 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 36.

(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 judgment, management considered favourable external legal opinions that 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.

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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 32.

3(D) BUSINESS COMBINATION AND OTHERS:

A. Ferro Alloys Corporation Limited

On 21 September 2020, the Company acquired control over Ferro Alloys Corporation Limited ("FACOR"). FACOR was admitted under Corporate insolvency resolution process in terms of the Insolvency and Bankruptcy Code, 2016 of India. The National Company Law Tribunal (NCLT) vide its order dated 30 January 2020 approved the resolution plan for acquiring controlling stake in FACOR. Pursuant to the approved resolution plan, FACOR has become a wholly owned subsidiary of the Company. FACOR holds 90% equity in its subsidiary, Facor Power Limited (FPL). The consideration paid for the acquisition of FACOR by the Company includes cash of ₹56 Crore (equity of ₹34 Crore and inter-corporate loan of ₹22 Crore) and zero coupon, secured and unlisted Non-Convertible Debentures of aggregate face value of ₹287 Crore to the Financial Creditors payable equally over 4 years commencing March 2021.

FACOR is in the business of producing Ferro Alloys and owns a Ferro Chrome plant with capacity of 72,000 TPA, two operational Chrome mines and 100 MW of Captive Power Plant through its subsidiary, FACOR Power Limited (FPL). The acquisition will complement the Group's existing steel business as the vertical integration of ferro manufacturing capabilities has the potential to generate significant efficiencies.

B. Global coke - Acquisition of global coke plant

On 28 July 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 complements 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 the same were not material.

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 organized 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 31 March 2021 and 31 March 2020 respectively.

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For the year ended 31 March 2021

(₹ in crores)

Particulars	Business Segments						
	Oil and Gas	Aluminium	Copper	Iron Ore	Power	Eliminations	Total
Revenue							
External revenue	4,086	20,162	7,623	4,529	720	-	37,120
Inter segment revenue	-	-	-	-	-	-	-
Segment revenue	**4,086**	**20,162**	**7,623**	**4,529**	**720**	**-**	**37,120**
Results							
EBITDA [a]	1,743	5,471	(105)	1,735	(55)	-	8,789
Depreciation, depletion and amortisation expense	708	1,389	205	89	128	-	2,519
Other income [b]	-	56	2	6	11	-	75
Segment Results	**1,035**	**4,138**	**(308)**	**1,652**	**(172)**	**-**	**6,345**
Less: Unallocated expenses							79
Less: Finance costs							3,193
Add: Other income (excluding exchange difference and deferred grant)							10,823
Add: Net exceptional loss							(232)
Net profit before tax							13,664
Other information							
Segment Assets	**13,161**	**42,303**	**5,289**	**2,548**	**3,161**		**66,462**
Financial asset investments							62,903
Deferred tax assets							333
Income tax assets (net of provisions)							1,787
Cash & cash equivalents (including other bank balances & bank deposits)							4,395
Others							1,851
Total Assets							**137,731**
Segment Liabilities	**7,403**	**13,508**	**3,895**	**2,301**	**210**		**27,317**
Borrowings							32,166
Income tax liabilities (net)							46
Others							1,412
Total Liabilities							**60,941**
Capital Expenditure [c]	1,082	1,517	21	111	-	-	2,733
Capital work-in-progress written off	-	(181)	-	-			(181)

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 ₹2 Crore not allocable to any segment.

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For the year ended 31 March 2020

(₹ in crores)

Particulars	Business Segments						
	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**		**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 asset							3,464
Income tax assets (net of provisions)							1,682
Cash & cash equivalents (including other bank balances & bank deposits)							2,910
Others							3,041
Total Assets							**139,450**
Segment Liabilities	**8,501**	**15,369**	**4,155**	**1,098**	**156**		**29,279**
Borrowings							38,937
Income tax liabilities (net)							46
Others							1,293
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.

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 32).

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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 crores)

Geographical Segments	Year ended 31 March 2021	Year ended 31 March 2020
Revenue by geographical segment		
India	19,328	19,013
China	3,483	839
UAE	49	24
Malaysia	4,209	5,341
Others	10,051	10,200
Total	**37,120**	**35,417**

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 crores)

Carrying Amount of Segment Assets	As at 31 March 2021	As at 31 March 2020
India	53,108	53,158
Total	**53,108**	**53,158**

C) Information about major customers

Revenue from one customer amounted to ₹4,932 Crore (31 March 2020: one customer, ₹3,589 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 crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Oil	3,491	5,853
Gas	385	447
Aluminium products	19,513	18,145
Copper Cathode	7,084	4,291
Iron Ore	2,173	1,482
Metallurgical coke	297	66
Pig Iron	1,882	1,845
Power	720	205
Others	1,315	2,791
Revenue from contracts with customers*	**36,859**	**35,125**
Gains/(losses) from provisionally priced contracts under Ind AS 109	261	(346)
JV partner's share of the exploration costs approved under the OM (Refer note 26(b))	-	638
Total Revenue	**37,120**	**35,417**

*includes revenues from sale of services aggregating to ₹101 Crore (FY 2019-20: ₹431 Crore) which is recorded over a period of time and the balance revenue is recognised at a point in time.

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

(₹ in crores)

Particulars	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 development	Total including capital work-in-progress and Exploration intangible assets under development
Gross Block													
As at 01 April 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 01 April 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 (b))	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 31)	-	-	-	-	-	-	-	-	-	-	-	(1)	(1)
Exchange differences	11	95	524	-	3,641	7	-	19	19	4,316	1,301	190	5,807
As at 31 March 2020	**838**	**7,044**	**42,260**	**26**	**48,593**	**191**	**329**	**438**	**666**	**100,385**	**27,185**	**2,629**	**130,199**
Additions	5	46	972	-	-	23	23	14	9	1,092	1,007	576	2,675
Transfers / Reclassifications	1	10	2,387	-	567	11	(33)	1	-	2,944	(2,949)	4	(1)
Disposals/ Adjustments	-	-	(202)	-	(4)	(2)	(6)	(5)	-	(219)	-	-	(219)
Exploration costs written off (Refer note 31)	-	-	-	-	-	-	-	-	-	-	-	(6)	(6)
Exchange differences	(3)	(26)	(146)	-	(990)	(2)	-	(5)	(8)	(1,180)	(347)	(59)	(1,586)
As at 31 March 2021	**841**	**7,074**	**45,271**	**26**	**48,166**	**221**	**313**	**443**	**667**	**103,022**	**24,896**	**3,144**	**131,062**
Accumulated depreciation, depletion, amortisation and impairment													
As at 01 April 2019	132	2,499	10,597	26	38,595	121	77	348	-	52,395	11,006	497	63,898
ROU assets as at 01 April, 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 32)	-	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 31 March 2020	**146**	**2,812**	**12,677**	**26**	**46,932**	**148**	**100**	**388**	**69**	**63,298**	**16,158**	**1,570**	**81,026**
Charge for the year	3	184	1,731	-	475	7	24	26	81	2,531	-	-	2,531
Disposals / Adjustments	-	(1)	(130)	-	(4)	(1)	(4)	(4)	-	(144)	-	-	(144)
Capital work-in-progress/Impairment charge for the year (note 32)	-	-	-	-	-	-	-	-	-	-	181	-	181
Transfers / Reclassifications	-	-	8	-	241	-	(7)	(1)	-	241	(241)	-	-
Exchange differences	(3)	(25)	(131)	-	(959)	(2)	-	(5)	(1)	(1,126)	(298)	(31)	(1,455)
As at 31 March 2021	**146**	**2,970**	**14,155**	**26**	**46,685**	**152**	**113**	**404**	**149**	**64,800**	**15,800**	**1,539**	**82,139**
Net Book Value/Carrying amount													
As at 01 April 2019	1,011	4,361	29,814	-	5,481	57	210	38	-	40,972	14,148	1,583	56,703
As at 31 March 2020	692	4,232	29,583	-	1,661	43	229	50	597	37,087	11,027	1,059	49,173
As at 31 March 2021	**695**	**4,104**	**31,116**	**-**	**1,481**	**69**	**200**	**39**	**518**	**38,222**	**9,096**	**1,605**	**48,923**

Notes

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Right of Use assets

	ROU Land	ROU Building	ROU Plant and Equipment	Total
Gross Block				
As at 01 April 2019				
ROU asset as at 01 April 2019	184	224	-	408
Additions	94	35	334	463
Disposals/ Adjustments	-	(224)	-	(224)
Exchange differences	-	8	11	19
As at 31 March 2020	**278**	**43**	**345**	**666**
Additions	6	-	3	9
Exchange differences	-	(1)	(7)	(8)
As at 31 March 2021	**284**	**42**	**341**	**667**
Accumulated depreciation and impairment				
As at 01 April 2019				
ROU balance on 01 April 2019	-	-	-	-
Charge for the year	20	34	18	72
Impairment charge/(reversal) for the year	22	-	-	22
Disposals/ Adjustments	-	(28)	-	(28)
Exchange differences	-	2	1	3
As at 31 March 2020	**42**	**8**	**19**	**69**
Charge for the year	12	7	62	81
Exchange differences	-	-	(1)	(1)
As at 31 March 2021	**54**	**15**	**80**	**149**
Net Book Value/Carrying amount				
As at 01 April 2019	-	-	-	-
As at 31 March 2020	236	35	326	597
As at 31 March 2021	**230**	**27**	**261**	**518**

Intangible Assets

(₹ in crores)

Particulars	Software License	Mining Rights	Total
Gross Block			
As at 01 April 2019	266	227	493
Additions	18	-	18
Transfers from Property, Plant and Equipment	1	-	1
Exchange differences	15	-	15
As at 31 March 2020	**300**	**227**	**527**
Additions	8	-	8
Transfers from Property, Plant and Equipment	1	-	1
Disposals/ Adjustments	(6)	-	(6)
Exchange differences	(5)	-	(5)
As at 31 March 2021	**298**	**227**	**525**
Accumulated amortisation and impairment			
As at 01 April 2019	240	219	459
Charge for the year	23	-	23
Disposals/ Adjustments	-	-	-
Transfers from Property, Plant and Equipment	-	-	-
Exchange differences	14	-	14
As at 31 March 2020	**277**	**219**	**496**

Notes

forming part of the financial statements as at and for the year ended March 31, 2021

(₹ in crores)

Particulars	Software License	Mining Rights	Total
Charge for the year	12	0	12
Disposals/ Adjustments	(6)	-	(6)
Transfers from Property, Plant and Equipment	-	-	-
Exchange differences	(4)	-	(4)
As at 31 March 2021	**279**	**219**	**498**
Net Book Value/Carrying amount			
As at 01 April 2019	26	8	34
As at 31 March 2020	23	8	31
As at 31 March 2021	**19**	**8**	**27**

Notes

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

b) During the year ended 31 March 2021, interest capitalised was ₹233 Crore (31 March 2020: ₹673 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., 01 April 2016.

Accordingly, foreign currency exchange differences arising on translation/settlement of long-term foreign currency monetary items acquired before 01 April 2016 pertaining to the acquisition of a depreciable asset amounting to ₹40 Crore loss (31 March 2020: ₹13 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 ₹6,510 Crore (31 March 2020: ₹6,229 Crore).

f) Reconciliation of depreciation, depletion and amortisation expense

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation/Depletion/Amortisation expense on:		
Property, Plant and equipment (Including ROU assets)	2,531	3,298
Intangible assets	12	23
As per Property, Plant and Equipment and Intangible assets schedule	**2,543**	**3,321**
Less: Cost allocated to joint ventures	(24)	(57)
As per Statement of Profit and Loss	**2,519**	**3,264**

g) Freehold Land includes ₹144 Crore (31 March 2020: ₹146 Crore), accumulated amortization of ₹127 Crore (31 March 2020: ₹127 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 was reclassified during the previous year, due to existence of litigation, to Financial Assets and later impaired (Refer note 32) and during the year ₹1 Crore (31 March 2020: ₹1 Crore) was transferred to intangible assets from Capital Work in Progress.

Notes

forming part of the financial statements as at and for the year ended March 31, 2021

6 FINANCIAL ASSETS: INVESTMENTS

A) Non Current Investments

Particulars	As at 31 March 2021			As at 31 March 2020		
	No.		Amount (₹ in Crore)	No.		Amount (₹ in Crore)
(a) Investment in equity shares - at cost/ deemed cost [a] (fully paid up unless otherwise stated)						
Subsidiary companies						
Quoted						
- Hindustan Zinc Limited, of ₹2/-each [b]	2,743,154,310		44,398	2,743,154,310		44,398
Unquoted						
- Bharat Aluminium Company Limited, of ₹10/- each (including 5 shares held jointly with nominees) [b]	112,518,495		553	112,518,495		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	420,810,062	28,873		420,810,062	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) [d]	47,108,000		182	32,108,000		32
- Paradip Multi Cargo Berth Private Limited, of ₹10 each (including 6 shares held jointly with nominees)	10,000		0	10,000		0
- Sterlite Ports Limited, of ₹2 each (including 6 shares held jointly with nominees)	250,000		0	250,000		0
- Talwandi Sabo Power Limited, of ₹10 each (including 6 shares held jointly with nominees)	3,206,609,692		3,207	3,206,609,692		3,207
- Sesa Resources Limited, of ₹10 each [c]	1,250,000		757	1,250,000		757
- Bloom Fountain Limited, of US$1 each	2,201,000,001	14,734		2,201,000,001	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)	23,366,406	116		23,366,406	116	
Less: Reduction pursuant to merger [c]		(23)	93		(23)	93
- THL Zinc Ventures Limited of US$100 each consisting of 1 ordinary share of US$1 and 1,00,000 Ordinary Shares of US$100 each	100,001	46		100,001	46	
Less: Reduction pursuant to merger [c]		(46)	0		(46)	0
- THL Zinc Holdings BV of EURO 1 each	3,738,000	23		3,738,000	23	
Less: Reduction pursuant to merger [c]		(23)	0		(23)	0
- ESL Steel Limited of ₹10 each (including 6 shares held jointly with nominees)	1,765,553,040		1,770	1,765,553,040		1,770
-Ferro Alloys Corporation Limited of ₹1 each	340,000,000		37			-
Associate companies - unquoted						
- Gaurav Overseas Private Limited, of ₹10 each	323,000		0	323,000		0
- Rampia Coal Mines and Energy Private Limited, of ₹1 each	27,229,539		3	27,229,539		3

Notes

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Particulars	As at 31 March 2021			As at 31 March 2020		
	No.		Amount (₹ in Crore)	No.		Amount (₹ in Crore)
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)	4,764,295		92	4,764,295		30
Unquoted						
- Sterlite Power Transmission Limited, of ₹2 each (including 12 shares held jointly with nominees)	952,859		11	952,859		11
- Goa Shipyard Limited of ₹5 each	250,828		0	250,828		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	1,859,900		907	1,859,900		907
- Bloom Fountain Limited, 0.25% Optionally Convertible Redeemable Preference shares of US$100 each	360,500		215	360,500		215
- THL Zinc Ventures Limited, 0.25% Optionally Convertible Redeemable Preference shares of US$1 each	7,000,000	3,187		7,000,000	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	5,500,000	2,495		5,500,000	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 (31 March 2021: ₹35,450 31 March 2020: ₹35,450) (Deposit with Sales Tax Authority)	-		0	-		0
- UTI Master gain of ₹10 each (31 March 2021: ₹4,072 31 March 2020: ₹4,072)	100		0	100		0
- Vedanta Limited ESOS Trust (31 March 2021: ₹5,000 31 March 2020: ₹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 [d]	-		-	1,500,000		149
- MALCO Energy Limited, compulsorily convertible debentures of ₹1,000 each	61,354,483	6,136		61,354,483	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 (31 March 2021: ₹8,000 31 March 2020: ₹8,000)	40		0	40		0

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Particulars	As at 31 March 2021 No.	As at 31 March 2021 Amount (₹ in Crore)	As at 31 March 2020 No.	As at 31 March 2020 Amount (₹ in Crore)
- Sesa Goa Sirsaim Employees Consumers Co- operative Society Limited, of ₹10 each (31 March 2021: ₹2,000 31 March 2020: ₹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 (31 March 2021: ₹4,680 31 March 2020: ₹4,680)	468	0	468	0
-Sesa Goa Codli Employees Consumers Co-operative Society Limited, of ₹10 each (31 March 2021: ₹4,500 31 March 2020: ₹4,500)	450	0	450	0
- Sesa Goa Shipyard Employees Consumers Co-operative Society Limited, of ₹10 each (31 March 2021: ₹5,000 31 March 2020: ₹5,000)	500	0	500	0
- The Mapusa Urban Cooperative Bank Limited, of ₹25 each (31 March 2021: ₹1,000 31 March 2020: ₹1,000)	40	0	40	0
(f) Investment in Bonds - Unquoted at fair value through profit and loss				
- Infrastructure Leasing & Financial Services Limited		51		51
Less: Provision for diminution in value of investments in:				
Bloom Fountain Limited		(1,536)		(1,536)
Sesa Resources Limited (Note 32)		(750)		(750)
Rampia Coal Mines and Energy Private Limited		(2)		(2)
Cairn India Holdings Limited (CIHL) (Note 32)		(3,339)		(3,339)
Total		**60,887**		**60,787**
Aggregate amount of impairment		(5,627)		(5,627)
Aggregate amount of quoted investments		44,490		44,428
Market value of quoted investments		74,926		42,590
Aggregate carrying amount of unquoted investments		16,397		16,359

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 29 August 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 21 July 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

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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 which is currently pending and is sub-judice. 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 2, 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. 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 9, 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 31 March 2017.

d. During the year, 15 lakh 0.1% compulsorily convertible debentures of ₹1,000 each held by the Company have been fully converted into 1.5 Crore equity shares of Vizag General Cargo Berth Private Limited of face value of ₹10 each at a premium of ₹90 per share.

B) Current Investment

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Investments carried at fair value through profit and loss		
Investment in mutual funds- quoted	-	81
Investment in mutual funds- unquoted	2,016	589
Investment in bonds - quoted	-	1,448
Investment in India Grid Trust - quoted	0	0
Total	**2,016**	**2,118**
Aggregate amount of quoted investments, and market value thereof	-	1,529
Aggregate amount of unquoted investments	2,016	589

Notes

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7 FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in crores)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured	1,896	1,148	3,044	1,859	843	2,702
Less: Provision for expected credit loss	(573)	(12)	(585)	(513)	(11)	(524)
Total	**1,323**	**1,136**	**2,459**	**1,346**	**832**	**2,178**

(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 37.

(c) As at 31 March 2021, trade receivables amounting to ₹1,323 Crore (31 March 2020: ₹ 1,349 Crore) withheld by GRIDCO ('GRIDCO' or 'the Customer') on account of certain disputes relating to computation of power tariffs pending adjudication by Appellate Tribunal for Electricity (APTEL), which the Company is confident of recovering fully. The Customer has also raised claims of ₹413 Crore on the Company in respect of short supply of power for which a provision of ₹218 Crore has been made. Various minutes of meetings were signed with the Customer for computing the short supply claims, which were subject to approval of Odisha State Electricity Regulatory Commission ('OERC'). On 22 June 2020 OERC pronounced its order on computation methodology for short supply claims, basis which both the parties had to recompute the amount of claim and settle the matter in two months from the date of the order. On initial impact assessment of the said Order by the Company, it believes that no further provisioning is required in this regard.

Further, the Company filed an appeal before APTEL against the OERC Order. The matter is now listed before registrar court on 14 July 2021. The Customer has also sought review of the OERC Order. The matter has been posted for order by OERC in due course. In the meanwhile, power supply to GRIDCO has resumed and GRIDCO has been making regular payments against monthly energy invoices.

(d) The total trade receivables as at 01 April 2019 were ₹3,214 Crore (net of provision for expected credit loss).

8 FINANCIAL ASSETS - LOANS

(₹ in crores)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured, considered good						
Loans to related parties (Refer note 37)	180	522	702	183	1,595	1,778
Loans and advances to employees	-	1	1	-	1	1
Unsecured, considered credit impaired						
Loans to related parties (Refer note 37(e))	-	5	5	-	-	-
Less: Provision for expected credit loss	-	(5)	(5)	-	-	-
Total	**180**	**523**	**703**	**183**	**1,596**	**1,779**

Notes

forming part of the financial statements as at and for the year ended March 31, 2021

9 FINANCIAL ASSETS - OTHERS

(₹ in crores)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Non-current	Current	Total	Non-current	Current	Total
Bank Deposits [c]	59	-	59	717	-	717
Site restoration asset [a]	495	-	495	411	-	411
Unsecured, considered good						
Security deposits	70	6	76	76	23	99
Advance recoverable (Oil and Gas Business)	-	4,731	4,731	-	3,038	3,038
Others (Refer note 26 (b))	634	112	746	469	479	948
Receivable from related parties (Refer note 37)	-	222	222	-	286	286
Unsecured, considered credit impaired						
Security deposits	15	1	16	15	1	16
Others [b]	450	253	703	391	264	655
Receivable from related parties (Refer note 37(e))	-	11	11	-	-	-
Less: Provision for expected credit loss	(465)	(265)	(730)	(406)	(265)	(671)
Total	**1,258**	**5,071**	**6,329**	**1,673**	**3,826**	**5,499**

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

(b) A parcel of land amounting to ₹349 Crore relating to Iron Ore business has been reclassified during the previous year, due to existing litigation, from Property, plant and equipment and was later provided for (Refer note 32).

(c) Bank deposits include margin money of ₹4 Crore (31 March 2020: Nil).

10 OTHER ASSETS

(₹ in crores)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Non-current	Current	Total	Non-current	Current	Total
Capital advances	767	-	767	716	-	716
Advances to related party (Refer note 37)	94	166	260	-	-	-
Advances for supplies	42	755	797	95	973	1,068
Others						
Balance with government authorities [a]	512	385	897	453	606	1,059
Loan to employee benefit trust	277	-	277	334	-	334
Others [b]	773	633	1,406	674	455	1,129
Unsecured, considered doubtful						
Capital advances [c]	202	-	202	202	-	202
Balance with government authorities	3	-	3	3	-	3
Advance for supplies	-	37	37	-	37	37
Others [b]	313	4	317	263	4	267
Less: Provision for doubtful advances	(518)	(41)	(559)	(468)	(41)	(509)
Total	**2,371**	**1,939**	**4,404**	**2,272**	**2,034**	**4,306**

(a) Includes ₹30 Crore (31 March 2020: ₹30 Crore), being Company's share of gross amount of ₹86 Crore (31 March 2019: ₹86 Crore) paid under protest on account of Education Cess and Secondary Higher Education Cess for the financial year 2013-14.

(b) Others include claim receivables, advance recoverable (oil and gas business), prepaid expenses and export incentive receivables. This also includes amounts receivable from KCM (Refer note 32).

(c) During the previous year, an impairment charge of ₹196 Crore has been recognised relating to copper business. Refer note 32(b).

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11 INVENTORIES

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw Materials	1,464	1,370
Goods-in transit	871	595
Work-in-progress	1,681	1,835
Finished goods	548	465
Fuel Stock	399	608
Goods-in transit	88	258
Stores and Spares	500	557
Goods-in transit	4	1
Total	**5,555**	**5,689**

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

(b) Inventory held at net realisable value amounted to ₹2,329 Crore (31 March 2020: ₹2,263 Crore).

(c) The write down of inventories amounting to ₹42 Crore (31 March 2020: ₹56 Crore) has been charged to the Statement of Profit and Loss during the year.

12 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks	1,361	1,661
Deposits with original maturity of less than 3 months (including interest accrued thereon) [a]	1,500	185
Cash on hand	0	0
Total	**2,861**	**1,846**

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

13 CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Bank deposits with original maturity of more than 12 months (including interest accrued thereon)	0	0
Bank deposits with original maturity of more than 3 months but less than 12 months (including interest accrued thereon) [a,b]	1,397	271
Earmarked unpaid dividend accounts [d]	76	74
Earmarked escrow account [e]	2	2
Total	**1,475**	**347**

(a) Includes ₹633 Crore (31 March 2020: ₹256 Crore) on lien with banks and margin money ₹12 Crore (31 March 2020: ₹12 Crore).

(b) Restricted funds of ₹460 Crore (31 March 2020: Nil) held as interest reserve created against interest payment on loans from banks and ₹21 Crore (31 March 2020: Nil) on lien with Others.

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

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

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

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14 SHARE CAPITAL

Particulars	As at 31 March 2021 Number (in crores)	As at 31 March 2021 Amount (₹ in crores)	As at 31 March 2020 Number (in crores)	As at 31 March 2020 Amount (₹ in crores)
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				
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 [a,b]	372	372	372	372
	372	**372**	**372**	**372**

(a) Includes 3,08,232 (31 March 2020: 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.

(b) Includes 1,21,93,159 (31 March 2020: 1,43,78,261) 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 31 March 2021 No. of Shares held (in crores)	As at 31 March 2021 % of holding	As at 31 March 2020 No. of Shares held (in crores)	As at 31 March 2020 % of holding
Twin Star Holdings Limited	137.94	37.11	128.01	34.44
Twin Star Holdings Limited [(2)]	-	-	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
Vedanta Holdings Mauritius II Limited[(3)]	18.50	4.98	-	-
Total	**204.84**	**55.11**	**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") which got coverted to equity shares in FY 20-21.

(3) Vedanta Holdings Mauritius II Limited (part of Promoter Group of Vedanta Limited) had purchased 185,000,000 equity shares aggregating to 4.98% of equity share capital of Vedanta Limited, on 24 December 2020 via bulk deal on stock exchange.

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 crores)

Particulars	As at 31 March 2021	As at 31 March 2020
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 27 October 2018.

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares held (in crores)	% of holding	No. of Shares held (in crores)	% of holding
Twin Star Holdings Limited	137.94	37.11	128.01	34.44
Twin Star Holdings Limited #	-	-	9.93	2.67
Finsider International Company Limited	40.15	10.80	40.15	10.80
ICICI Prudential Equity Arbitrage Fund	8.32	2.24	18.69	5.03
Life Insurance Corporation of India	24.40	6.56	23.67	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 which has been converted to equity shares in FY 20-21

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) 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 31 March 2021 - 16,09,03,244 equity shares were held in the form of 4,02,25,811 ADS (31 March 2020: 26,17,80,208 equity shares were held in the form of 6,54,45,052 ADS).

(iii) In terms of Scheme of Arrangement as approved by the Hon'ble High Court of Judicature at Mumbai, vide its order dated 19 April 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 2,01,296 equity shares (31 March 2020: 2,01,711 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 06 September 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 utilized except to redeem debentures.The MCA vide its Notification dated 16 August 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, 2013 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

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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. 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.

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 summarizes the capital of the Company:

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents (Refer note 12)	2,861	1,846
Other bank balances [a] (Refer note 13)	916	271
Non-current bank deposits (Refer note 9)	59	717
Current investments (Refer note 6B)	2,016	2,118
Total cash (a)	**5,852**	**4,952**
Non-current borrowings (Refer note 17A)	20,913	21,629
Current borrowings (Refer note 17B)	1,140	10,819
Current maturities of long term debt (Refer note 19)	10,113	6,489
Total borrowings (b)	**32,166**	**38,937**
Net debt c=(b-a)	**26,314**	**33,985**
Total equity	**76,790**	**69,895**
Total capital (equity + net debt) (d)	**103,104**	**103,880**
Gearing ratio (times) (c/d)	**0.26**	**0.33**

(a) The constituents of 'total cash' for the purpose of capital management disclosure to include only those amounts of restricted funds that are corresponding to liabilities (e.g. margin money deposits). Consequently, restricted funds amounting to ₹76 Crore (As at 31 March 2021: ₹559 Crore) have been excluded from 'total cash' in the capital management disclosures for the comparative year ended 31 March 2020 (Refer note 13(b),13(d) and 13(e)).

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17 FINANCIAL LIABILITIES - BORROWINGS

A) Non- current borrowings

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
At amortised cost		
Secured		
Non convertible debentures	10,909	13,013
Term loans from banks		
- Rupee term loans	18,868	11,724
- Foreign currency term loans	1,137	3,227
Others	48	75
Unsecured		
Deferred sales tax liability	62	77
Redeemable preference shares	2	2
Non current borrowings (A)	**31,026**	**28,118**
Less: Current maturities of long term debt (Refer note 19)	(10,113)	(6,489)
Total Non current borrowings (Net)	**20,913**	**21,629**
Current borrowings (B) (Refer note 17 B)	**1,140**	**10,819**
Total borrowings (A+B)	**32,166**	**38,937**

B) Current borrowings

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
At amortised cost		
Secured		
Working capital loan	300	12
Packing credit in foreign currencies from banks	350	-
Term loans from banks (Foreign currency)	-	1,041
Loans repayable on demand from banks	-	1
Amounts due on factoring of receivables	-	10
Others	-	1,138
Unsecured		
Loans repayable on demand from banks	290	1,077
Loan from Related party	200	-
Commercial paper	-	7,524
Amounts due on factoring of receivables	-	16
Total	**1,140**	**10,819**

In the event Vedanta Resources Limited ceases to be the Company's majority shareholder, the Company will be required to immediately repay some of its outstanding long term debt.

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

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
9.2% due February-2030	2,000	2,000
9.2% due December-2022	749	748
8.75% due June-2022	1,269	1,268
7.5% due March-2022	493	-
8.9% due December-2021	899	898
8.75% due September-2021	250	250
9.18% due July-2021	1,000	1,000
8.5% due June-2021	1,650	1,650
8.75% due April-2021	250	250
8.5% due April-2021	2,349	2,349
9.45% due August-2020	-	2,000
8.7% due April-2020	-	600
Total	**10,909**	**13,013**

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 crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Secured long term borrowings	30,962	28,039
Secured short term borrowings	650	2,202
Total secured borrowings	**31,612**	**30,241**

(₹ in crores)

Facility Category	Security details	As at 31 March 2021	As at 31 March 2020
Working capital loans*	Secured by first pari passu charge on current assets of Vedanta Limited	650	3
	Other secured working capital loans	-	20
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 a 1,215 (9*135) MW CPP at Jharsuguda, Odisha.	5,409	4,914
Non Convertible Debentures	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.	4,000	3,999
	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, Orissa. 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.	500	1,100

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(₹ in crores)

Facility Category	Security details	As at 31 March 2021	As at 31 March 2020
	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 debuntures	-	2,000
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 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, Orissa; aluminium smelter having output of 1.6 MTPA along with a 1215 (9x135) MW CPP at Jharsuguda, Orissa, both present and future	1,883	3,384
	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, Orissa (Power Plant); and (ii) aluminium smelter having output of 1.6 MTPA along with a 1215 (9x135) MW CPP at Jharsuguda, Orissa (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	2,194	2,885
	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 the 1 MTPA alumina refinery of Vedanta Limited along with 90 MW power plant in Lanjigarh and all its related expansions	436	458
Term loans from banks (includes rupee term loans and foreign currency term loans)	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	1,227	1,380
	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	2,801	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, Orissa; aluminium smelter having output of 1.6 MTPA along with a 1215 (9x135) MW CPP at Jharsuguda, Orissa and additional charge on Lanjigarh Expansion project, both present and future	1,092	1,137

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(₹ in crores)

Facility Category	Security details	As at 31 March 2021	As at 31 March 2020
	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	686	736
	Secured by first pari passu charge by the way of whole of the movable fixed assets of (i) Alumina Refinery having output of 1 MTPA along with co-generation captive power plant with an aggregate capacity of 90MW at Lanjigarh, Odisha and (ii) Aluminium Smelter having output of 1.6 MTPA along with a 1,215 (9*135) MW CPP at Jharsuguda, Odisha.	1,148	1,487
Term loans from banks (includes rupee term loans and foreign currency term loans)	Secured by a first pari passu charge on the identified fixed assets of the Vedanta Limited both present and future, pertaining to its Aluminium business (Jharsuguda Plant, Lanjigarh Plant), 2400 MW power plant assets at Jharsuguda, Copper Plant assets at Silvasa, Iron ore business in the states of Karnataka and Goa, dividends receivable from Hindustan Zinc Limited ("HZL") a subsidiary of the Vedanta Limited, and the debt service reserve account to be opened for the Facility along with the amount lying to the credit thereof.	8,538	-
	Other secured term loans	-	1,541
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	48	1,145
	Other secured borrowings	-	68
Total		**31,612**	**30,241**

* 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.

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d) Terms of repayment of total borrowings outstanding as at 31 March 2021 are provided below -

(₹ in crores)

Borrowings	Weighted average of interest as at 31 March 2021	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Foreign Currency term Loan	3.93%	1,137	541	596	-	-	Repayable in 15 quarterly repayments
Rupee term loan	9.12%	18,868	2,647	4,761	5,195	6,400	Repayable in 464 quarterly installments and 1 half yearly payment
Non convertible debentures	8.77%	10,909	6,900	2,020	-	2,000	Repayable in 10 bullet payments
Working capital loan*	7.13%	940	940	-	-	-	Export packing credit, working capital loan and loan repayable on demand are repayable within one year from the date of drawal
Deferred sales tax liability	NA	62	13	46	12	-	Repayable in 67 monthly installments
Redeemable preference shares	NA	2	2	-	-	-	The redemption and dividend paid to the preference shares unclaimed if any, is payable on claim.
Loan from Related party	7.40%	200	200	-	-	-	Repayable in one bullet payment
Others	5.23%	48	48	-	-	-	Repayable in 7 bullet payments
Total		**32,166**	**11,291**	**7,423**	**5,207**	**8,400**	

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 ₹290 Crore.

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

(₹ in crores)

Borrowings	Weighted average of interest as at 31 March 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 installments and 3 half yearly installments
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
Deferred sales tax liability	NA	77	20	42	28	1	Repayable in 78 monthly installments
Redeemable preference shares	NA	2	2	-	-	-	The redemption and dividend paid to the preference shares unclaimed if any, is payable on claim.
Suppliers' credit	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 ₹1078 Crore.

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

(₹ in crores)

Particulars	Short-term borrowing	Long-term borrowing*	Total debt
Opening balance at 01 April 2019	17,180	25,024	42,204
Cash flow	(7,011)	2,955	(4,056)
Other non-cash changes	650	139	789
As at 01 April 2020	**10,819**	**28,118**	**38,937**
Cash flow	(10,135)	3,457	(6,678)
Other non Cash Changes	466	(549)	(83)
Foreign exchange Currency Translation differences	(10)	-	(10)
As at 31 March 2021	**1,140**	**31,026**	**32,166**

*including Current maturities of Long term borrowing

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

18A FINANCIAL LIABILITIES - TRADE PAYABLES [a]

(₹ in crores)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Non-current	Current	Total	Non-current	Current	Total
Total outstanding dues of micro, small and medium enterprises (Refer note 40(b))	-	209	209	-	182	182
Total outstanding dues of creditors other than micro, small and medium enterprises	-	3,499	3,499	-	3,301	3,301
Total outstanding dues of related parties [b]	-	95	95	-	27	27
Total	**-**	**3,803**	**3,803**	**-**	**3,510**	**3,510**

(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 37.

18B Operational Buyers' /Suppliers' Credit is availed in foreign currency from offshore branches of Indian banks or foreign banks at an interest rate ranging from 0.4% to 3.5% per annum and in rupee from domestic banks at interest rate ranging from 4.25-6.65% 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 crores)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Non-current	Current	Total	Non-current	Current	Total
Liability for capital expenditure	190	4,385	4,575	47	5,203	5,250
Security deposits and retentions	-	26	26	-	28	28
Interest accrued but not due	-	859	859	170	911	1,081
Current maturities of long term debt [a]	-	10,113	10,113	-	6,489	6,489
Unpaid/unclaimed dividend [b]	-	76	76	-	74	74
Unpaid matured deposits and interest accrued thereon [c]	-	0	0	-	0	0
Profit petroleum payable	-	862	862	-	396	396

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(₹ in crores)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Non-current	Current	Total	Non-current	Current	Total
Dues to related parties (Refer note 37)	-	1,497	1,497	-	68	68
Lease liabilities [e]	60	73	133	71	231	302
Other liabilities [d]	-	1,464	1,464	-	1,461	1,461
Total	**250**	**19,355**	**19,605**	**288**	**14,861**	**15,149**

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

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-convertible debentures	6,890	2,596
Deferred sales tax liability	12	20
Term loans from banks		
- Rupee term loans	2,620	2,901
- Foreign currency term loans	541	929
Redeemable preference shares	2	2
Others	48	41
Total	**10,113**	**6,489**

(b) Does not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund except ₹0.10 Crore (31 March 2020: ₹0.10 Crore) which is held in abeyance due to a pending legal case.

(c) Matured deposits of ₹0.01 Crore (March 31,2020: ₹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 ₹737 Crore (31 March 2020: ₹765 Crore), reimbursement of expenses, provision for expenses, liabilities related to compensation/claim etc.

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

(₹ in crores)

At 01 April 2019	**191**
Additions during the year	463
Interest on lease liabilities	16
Payments made	159
Deletions	209
At 31 March 2020	**302**
Additions during the year	9
Interest on lease liabilities	14
Payments made	164
Deletions	28
At 31 March 2021	**133**

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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 31 March 2021

(₹ in crores)

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*	2,067	103	-	-	2,170	2,170
Trade receivables	51	-	-	2,408	2,459	2,459
Cash and cash equivalents	-	-	-	2,861	2,861	2,861
Other bank balances	-	-	-	1,475	1,475	1,475
Loans	-	-	-	703	703	703
Derivatives	10	-	56	-	66	66
Other financial assets	-	-	-	6,329	6,329	6,329
Total	**2,128**	**103**	**56**	**13,776**	**16,063**	**16,063**

(₹ in crores)

Financial Liabilities	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Borrowings	-	-	32,166	32,166	32,107
Trade payables	445	-	3,358	3,803	3,803
Operational buyers' credit / suppliers' credit	-	-	6,029	6,029	6,029
Derivatives	40	149		189	189
Other financial liabilities**	-	-	9,492	9,492	9,492
Total	**485**	**149**	**51,045**	**51,679**	**51,620**

As at 31 March 2020

(₹ in crores)

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**

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(₹ in crores)

Financial Liabilities	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	-	3,167	3,510	3,510
Operational buyers' credit / suppliers' credit	-	-	7,129	7,129	7,129
Derivatives	9	38	-	47	47
Other financial liabilities**	-	-	8,660	8,660	8,660
Total	**352**	**38**	**57,893**	**58,283**	**58,258**

* 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.

**Include lease liabilities of ₹133 Crore as at 31 March 2021 (31 March 2020: ₹302 Crore).

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 31 March 2021 and 31 March 2020 measured at fair value:

As at 31 March 2021

(₹ in crores)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
-Investments	2,016	-	51
-Derivative financial assets*	-	10	-
-Trade receivables	-	51	-
At fair value through other comprehensive income			
-Investments	92	-	11
Derivatives designated as hedging instruments			
-Derivative financial assets*	-	56	-
Total	**2,108**	**117**	**62**

(₹ in crores)

Financial Liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
-Derivative financial liabilities*	-	40	-
-Trade payables	-	445	-
Derivatives designated as hedging instruments			
-Derivative financial liabilities*	-	149	-
Total	**-**	**634**	**-**

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As at 31 March 2020

(₹ in crores)

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 crores)

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**	**-**

* Refer "D" below.

The below table summarises the fair value of borrowings which are carried at amortised cost as at 31 March 2021 and 31 March 2020:

As at 31 March 2021

(₹ in crores)

Financial Liabilities	Level 1	Level 2	Level 3
Borrowings	-	32,107	-
Total	**-**	**32,107**	**-**

As at 31 March 2020

(₹ in crores)

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

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.

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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 31 March 2021 have been measured as at that date. As such, the fair values of these financial instruments subsequent to reporting date may be different than the amounts reported at each year-end.

There were no significant transfers between Level 1, Level 2 and Level 3 during the 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 Company uses derivative instruments to manage the exposure in foreign currency exchange rates, interest rates and commodity prices. The Company does not

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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 31 March 2021, the value of net financial liabilities linked to commodities (excluding derivatives) accounted for on provisional prices was ₹394 Crore (31 March 2020: liabilities of ₹334 Crore). These instruments are subject to

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price movements at the time of final settlement and the final price of these instruments will be determined in the financial year beginning 01 April 2021.

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 31 March 2021

(₹ in crores)

	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	(713)	(71)	-

For the year ended 31 March 2020

(₹ in crores)

	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)	-

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 ₹87 Crore loss (31 March 2020: ₹79 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 optimize 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.

During FY2020, Moodys downgraded Corporate Family Rating of Vedanta Resources from Ba3 to B1 (and the rating of senior unsecured notes from B2 to B3) and subsequently placed the rating under review for downgrade in March 2020 on account of expectation of weaker credit metrics in low commodity price environment in wake of Covid-19. On 28 July 2020, Moody's confirmed Vedanta Resources Limited's B1 Corporate Family Rating and B3 rating on the senior unsecured notes of the company and changed the outlook on the rating to negative from ratings under review for downgrade. The confirmation of the ratings is driven by Moody's expectation of stretched credit profile in fiscal year 2021 in wake of Covid 19 pandemic and recovery in credit metrics appropriate for current rating in fiscal year 2022. The negative outlook takes into account heightened refinancing risk in challenging market conditions. Further to the downgrade of VRL by S&P to B / Stable in November 2019, S&P downgraded the ratings to B- with stable outlook in March 2020 on account of weakened liquidity and increased refinancing risk due to volatility in commodity prices.

Anticipated future cash flows, together with undrawn fund based committed facilities of ₹1,084 Crore, and

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cash, bank and current investments of ₹2,994 Crore as at 31 March 2021, 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 its 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 31 March 2021

(₹ in crores)

Payments due by year	<1 year	1-3 years	3-5 years	>5 years	Total
Borrowings *	14,012	10,633	7,353	9,903	41,901
Derivative financial liabilities	139	50	-	-	189
Lease liability	73	27	13	20	133
Trade Payables and other financial liabilities **	18,174	190	-	-	18,364
Total	**32,398**	**10,900**	**7,366**	**9,923**	**60,587**

As at 31 March 2020

(₹ in crores)

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**

*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 31 March 2021

(₹ in crores)

Funding facilities	Total Facility	Drawn	
Fund/non-fund based	37,590	33,923	3,667

As at 31 March 2020

(₹ in crores)

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

Collateral

The Company has pledged financial instruments with carrying amount of ₹13,147 Crore (31 March 2020: ₹11,069 Crore) and inventories with carrying amount of ₹5,555 Crore (31 March 2020: ₹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.

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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 crores)

Currency	As at 31 March 2021		As at 31 March 2020	
	Financial Asset	Financial liabilities	Financial Asset	Financial liabilities
INR	12,319	38,218	8,611	40,961
USD	3,591	13,096	5,648	17,290
Others	153	364	151	32
Total	**16,063**	**51,678**	**14,410**	**58,283**

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 31 March 2021

(₹ in crores)

	Effect of 10% strengthening of functional currency on pre-tax profit/ (loss)	Effect of 10% strengthening of foreign currency on equity
USD	678	-
INR	(282)	-

For the year ended 31 March 2020

(₹ in crores)

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

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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 31 March 2021, the Company's net debt of ₹26,314 Crore (31 March 2020: ₹33,985 Crore) comprises debt of ₹32,166 Crore (31 March 2020: ₹38,937 Crore) offset by cash, bank and investments of ₹5,852 Crore (31 March 2020: ₹4,952 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 31 March 2021 to interest rate risk is as follows:

(₹ in crores)

As at 31 March 2021	Total	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial Assets	16,063	2,016	4,292	9,755

The exposure of the Company's financial liabilities as at 31 March 2021 to interest rate risk is as follows:

(₹ in crores)

As at 31 March 2021	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Financial Liabilities	51,679	18,916	20,795	11,968

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

(₹ in crores)

As at 31 March 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 31 March 2020 to interest rate risk is as follows:

(₹ in crores)

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

Considering the net debt position as at 31 March 2021 and the investment in bank deposits, corporate bonds and debt mutual funds, any increase in interest rates would result in a net loss and any decrease in interest rates would result in a net gain. The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments at the balance sheet date.

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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 crores)

Increase in interest rates	Effect on pre-tax profit/(loss) during the year ended 31 March 2021	Effect on pre-tax profit/(loss) during the year ended 31 March 2020
0.50%	(85)	(90)
1.00%	(169)	(181)
2.00%	(338)	(361)

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 ₹16,063 Crore and ₹14,410 Crore as at 31 March 2021 and 31 March 2020 respectively.

The maximum credit exposure on financial guarantees given by the Company for various financial facilities is described in Note 36 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 31 March 2021, 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 31 March 2021 and 31 March 2020:

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Neither impaired nor past due	6,464	5,792
Past due but not impaired		
- Less than 1 month	150	523
- Between 1–3 months	77	664
- Between 3–12 months	260	195
- Greater than 12 months	1,986	1,154
Total	**8,937**	**8,328**

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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 crores)

Particulars	Trade receivables	Financial assets – Others	Financial assets – Loans
As at 01 April 2019	**525**	**248**	**-**
Allowance made during the year	16	402	-
Reversals/ write-off during the year	(17)	-	-
Exchange differences	0	21	-
As at 31 March 2020	**524**	**671**	**-**
Allowance made during the year	61	61	5
Exploration cost written off	-	3	-
Exchange differences	-	(5)	-
As at 31 March 2021	**585**	**730**	**5**

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 recognized 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 31 March 2021.

The Company uses foreign exchange contracts from time to time to optimize 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 recognized 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

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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 31 March 2022 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 recognized in the statement of profit and loss.

The Company uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions. Fair value changes on such forward contracts are recognized in the 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 recognized 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 crores)

Derivative Financial Instruments	As at 31 March 2021		As at 31 March 2020	
	Assets	Liabilities	Assets	Liabilities
Current				
Cash flow hedge*				
- Commodity contracts	3	38	53	-
- Forward foreign currency contracts	-	-	-	-
- Interest rate swap	-	5	-	-
Fair Value hedge				
- Commodity contracts	39	3	100	11
- Forward foreign currency contracts	14	54	173	19
Non - qualifying hedges/economic hedge				
- Commodity contracts	-	-	-	-
- Forward foreign currency contracts	10	40	221	7
- Cross currency swap	-	-	1	1
Total	**66**	**140**	**548**	**38**
Non-current				
Cash flow hedge				
- Interest rate swap	-	5	-	8
Fair value hedge				
- Forward foreign currency contracts	-	45	3	1
Total	**-**	**50**	**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.

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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 crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Forex forward cover (buy)	10,070	12,220
Forex forward cover (sell)	188	2

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

(₹ in crores)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Purchases	Sales	Purchases	Sales
Forwards / Futures				
Copper (MT)	6,900	24,150	1,950	28,050
Gold (Oz)	-	18,683	-	22,492
Silver (Oz)	17,418	95,596	6,018	100,320
Aluminium (MT)	1,825	67,075	9,575	37,450

21 OTHER LIABILITIES

(₹ in crores)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Non-current	Current	Total	Non-current	Current	Total
Amount payable to owned post-employment benefit trust (Refer note 37)	-	15	15	-	8	8
Other statutory Liabilities [a]	-	883	883	-	977	977
Deferred government grant [b]	2,360	78	2,438	2,369	74	2,443
Advance from customers [c]	-	4,496	4,496	168	6,223	6,391
Advance from related party (Refer note 37) [c]	-	-	-	-	3	3
Other liabilities	-	117	117	2	122	124
Total	**2,360**	**5,589**	**7,949**	**2,539**	**7,407**	**9,946**

(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 01 April 2019: ₹6,787 Crore. During the current year, the Company has refunded ₹Nil Crore (FY 2019-20:₹Nil crore) to the customers and recognised revenue of ₹6,244 Crore (FY 2019-20: ₹6,777 Crore) out of such opening balances. All other changes are either due to receipt of fresh advances or exchange differences.

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22 PROVISIONS

(₹ in crores)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Non-current	Current	Total	Non-current	Current	Total
Provision for employee benefits [a]						
- Retirement Benefit (Refer note 23)	-	42	42	-	44	44
- Others	-	56	56	-	51	51
Provision for restoration, rehabilitation and environmental costs [b,c]	1,169	-	1,169	1,185	-	1,185
Total	**1,169**	**98**	**1,267**	**1,185**	**95**	**1,280**

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 crores)

Particulars	Restoration, rehabilitation and environmental costs (Refer c)
At 01 April 2019	**986**
Unwinding of discount (Refer note 30)	31
Revision in estimates	83
Exchange differences	85
At 31 March 2020	**1,185**
Unwinding of discount (Refer note 30)	23
Revision in estimates	(15)
Exchange differences	(24)
At 31 March 2021	**1,169**

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.

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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 ₹62 Crore for the year ended 31 March 2021 and ₹68 Crore for the year ended 31 March 2020 to the following defined contribution plans.

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Employer's contribution to recognised provident fund and family pension fund	47	50
Employer's contribution to superannuation	15	18
Employer's contribution to National Pension Scheme (NPS)	0	-
Total	**62**	**68**

Central recognised provident fund

In accordance with the 'The Employee's Provident Funds and Miscellaneous Provisions Act, 1952', employees are entitled to receive benefits under the Provident Fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for the year ended 31 March 2020 and 31 March 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 authorized 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 Employee's Provident Funds and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulates that the employer shall make good deficiency, if any, between the return guaranteed by the statute and actual earning of the Fund. Based on actuarial valuation in accordance with 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 31 March 2021 and 31 March 2020. Having

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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 ₹6 Crore for the year ended 31 March 2021 and ₹4 Crore for the year ended 31 March 2020, The present value of obligation and the fair value of plan assets of the trust are summarized below.

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Fair value of plan assets	233	208
Present value of defined benefit obligations	(225)	(202)
Net liability arising from defined benefit obligation of trust	**Nil**	**Nil**

Percentage allocation of plan assets of trust

Assets by category	Year ended 31 March 2021	Year ended 31 March 2020
Government Securities	59%	59%
Debentures / bonds	38%	36%
Equity	3%	5%
Fixed deposits	0%	0%

The remeasurement loss of ₹6 Crore and ₹7 Crore for the year ended 31 March 2021 and 31 March 2020 respectively have been charged to other comprehensive income (OCI).

(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	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate	6.90	6.80%
Expected rate of increase in compensation level of covered employees	2%-10%	2%-10%
In service mortality	IALM (2012-14)	IALM (2012-14)
Post retirement mortality	LIC(1996-98) Ultimate	LIC(1996-98) Ultimate

Amount recognised in the balance sheet consists of:

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Fair value of plan assets	146	145
Present value of defined benefit obligations	(188)	(189)
Net liability arising from defined benefit obligation	**(42)**	**(44)**

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

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	17	18
Net interest cost	3	4
Components of defined benefit costs recognised in profit or loss	**20**	**22**

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

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Re-measurement of the net defined benefit obligation:-		
Actuarial losses / (gains) arising from demographic adjustments	-	(1)
Actuarial losses / (gains) arising from experience adjustments	(8)	(6)
Actuarial losses / (gains) arising from changes in financial assumptions	-	10
Losses / (gains) on plan assets	2	1
Components of defined benefit costs recognised in other comprehensive income	**(6)**	**4**

Movement in present value of the Gratuity plan:

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance	189	178
Current service cost	17	18
Benefits paid	(23)	(24)
Interest cost	13	14
Actuarial losses / (gains) arising from changes in assumptions	(8)	3
Closing balance	**188**	**189**

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

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance	145	131
Contributions received	16	29
Benefits paid	(23)	(24)
Re-measurement loss arising from return on plan assets	(2)	(1)
Interest income	10	10
Closing balance	**146**	**145**

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

The actual return on plan assets was ₹8 Crore for the year ended 31 March 2021 and ₹9 Crore for the year ended 31 March 2020.

The weighted average duration of the defined benefit obligation is 16.36 years and 16.5 years as at 31 March 2021 and 31 March 2020 respectively.

The Company expects to contribute ₹21 Crore to the funded defined benefit plans in during the year ended 31 March 2022.

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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 crores)

Increase/(Decrease) in defined benefit obligation	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate		
Increase by 0.50%	(9)	(8)
Decrease by 0.50%	9	9
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	9	9
Decrease by 0.50%	(9)	(8)

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 recognized in the balance sheet.

Risk analysis

The 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). The 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.

Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

24 EMPLOYEE BENEFITS EXPENSE [a,b]

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and Wages	1,241	1,119
Share based payments (Refer note 25)	36	40
Contributions to provident and other funds (Refer Note 23)	85	90
Staff welfare expenses	71	92
Less: Cost allocated/directly booked in Joint ventures	(530)	(576)
Total	**903**	**765**

a. Net of recoveries of ₹38 Crore (31 March 2020: ₹66 Crore) from subsidiaries.

b. Net of capitalisation of ₹46 Crore (31 March 2020: 59 Crore).

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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 and Cairn India's stock option plan now administered by the Company pursuant to merger with the Company.

The Vedanta Limited Employee Stock Option Scheme (ESOS) 2016

The Company introduced an Employee Stock Option Scheme 2016 (“ESOS”), which was approved by the Vedanta Limited shareholders to provide equity settled incentive to all employees of the Company including subsidiary companies. The ESOS scheme includes tenure based, business performance based (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. The ESOS schemes are administered through VESOS trust and have underlying Vedanta Limited equity shares.

Options granted during the year ended 31 March 2021 includes business performance based, sustained individual performance based, management discretion and fatality multiplier based stock options. Business performances will be measured using Volume, Cost, Net Sales Realisation, EBITDA, ECG & Carbon footprint or a combination of these for the respective business/ SBU entities.

Options granted during the year ended 31 March 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 31 March 2021 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding 01 April 2020	Options granted during the year	Options transferred (to)/ from Parent/ fellow subsidiaries	Options forfeited during the year	Options exercised during the year*	Options outstanding 31 March 2021	Options exercisable 31 March 2021
2016-17	15 December 2019 - 14 June 2020	1,068,516	-	-	8,648	1,059,868	-	-
2017-18	01 September 2020 - 28 February 2021	7,027,925	-	-	5,514,169	1,136,816	376,940	376,940
2017-18	16 October 2020 - 15 April 2021	11,126	-	-	11,126	-	-	-
2018-19	01 November 2021 - 30 April 2022	11,420,046	-	-	1,507,806	-	9,912,240	-
2018-19	Cash settled	178,326	-	(15,360)	63,880	-	99,086	-
2019-20	29 November 2022 - 28 May 2023	15,881,330	-	-	2,309,052	-	13,572,278	-
2019-20	Cash settled	735,370		30,430	685,750		80,050	-
2020-21	06 November 2023 - 05 May 2024	-	12,711,112	-	-	-	12,711,112	-
2020-21	Cash settled	-	87,609	-	-	-	87,609	-
		36,322,639	**12,798,721**	**15,070**	**10,100,431**	**2,196,684**	**36,839,315**	

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The details of share options for the year ended 31 March 2020 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding 01 April 2019	Options granted during the year	Options transferred from Parent/ fellow subsidiaries	Options forfeited during the year	Options exercised during the year*	Options outstanding 31 March 2020	Options exercisable 31 March 2020
2016-17	15 December 2019 - 14 June 2020	6,508,226	-	-	4,819,269	620,441	1,068,516	1,068,516
2017-18	01 September 2020 - 28 February 2021	8,274,393	-	-	1,246,468	-	7,027,925	-
2017-18	16 October 2020 - 15 April 2021	11,126	-	-	-	-	11,126	-
2017-18	01 November 2020 - 30 April 2021	27,638	-	-	27,638	-	-	-
2018-19	01 November 2021 - 30 April 2022	13,566,200	-	-	2,146,154	-	11,420,046	-
2018-19	Cash settled	224,840	-	100,470	146,984	-	178,326	-
2019-20	29 November 2023 - 28 May 2024	-	16,713,640	-	832,310	-	15,881,330	-
2019-20	Cash settled	-	847,830	-	112,460	-	735,370	-
		28,612,424	**17,561,470**	**100,470**	**9,331,283**	**620,441**	**36,322,639**	**1,068,516**

*excludes 58,420 options exercised during the year regarding which the transaction could not be completed before 31 March 2020 and hence, the corresponding shares were were not transferred to the concerned employees.

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.

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The assumptions used in the calculations of the charge in respect of the ESOS options granted during the year ended 31 March 2021 and 31 March 2020 are set out below:

Particulars	Year ended 31 March 2021 ESOS 2020	Year ended 31 March 2020 ESOS 2019
Number of Options	Cash settled - 87,609 equity settled - 1,27,11,112	Cash settled - 847,830 equity settled - 1,67,13,640
Exercise Price	₹1	₹1
Share Price at the date of grant	₹228.75	₹144.60
Contractual Life	2 years and 7 months	3 years
Expected Volatility	49.28%	36.6%
Expected option life	2 years and 7 months	3 years
Expected dividends	6.80%	7.96%
Risk free interest rate	4.84%	5.68%
Expected annual forfeitures	10%p.a.	10%p.a.
Fair value per option granted (Non-market performance based)	₹151	₹102.30
Fair value per option granted (Market performance based)	NA	₹72.12

Weighted average share price at the date of exercise of stock options was ₹131.08 (31 March 2020: 126.02)

The weighted average remaining contractual life for the share options outstanding was 2.03 years (31 March 2020: 2.28 years).

The Company recognised total expenses of ₹58 Crore (31 March 2020: ₹75 Crore) related to equity settled share based payment transactions for the year ended 31 March 2021 out of which ₹19 Crore (31 March 2020: ₹33 Crore) was recovered from group companies. The total expense recognised on account of cash settled share based plan during the year ended 31 March 2021 is ₹1 Crore (31 March 2020: ₹0 Crore) and the carrying value of cash settled share based compensation liability as at 31 March 2021 is ₹1 Crore (31 March 2020: ₹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 31 March 2021		Year ended 31 March 2020	
	Number of options	Weighted average exercise price in ₹	Number of options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	5,341,740	288.23	6,477,059	279.2
Granted during the year	Nil	NA	Nil	NA
Expired during the year	1,082,229	291.25	658,663	200.1
Exercised during the year	Nil	NA	Nil	NA
Forfeited / cancelled during the year	944,337	288.00	476,656	288.1
Outstanding at the end of the year	**3,315,174**	**287.31**	**5,341,740**	**288.2**
Exercisable at the end of the year	3,315,174	287.3	5,341,740	288.2

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Scheme	Range of exercise price in ₹	Weighted average remaining contractual life of options (in years)	Weighted average exercise price in ₹
The details of exercise price for stock options outstanding as at 31 March 2021 are:	286.85-287.75	0.80	287.3
CIESOP Plan			
The details of exercise price for stock options outstanding as at 31 March 2020 are:			
CIESOP Plan	286.85-291.25	1.46	288.2

Out of the total expense of ₹38 Crore (31 March 2020: ₹42 Crore) pertaining to above options for the year ended 31 March 2021, the Company has capitalised ₹2 Crore (31 March 2020: ₹2 Crore) expense for the year ended 31 March 2021.

26 REVENUE FROM OPERATIONS

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	37,019	34,986
Sale of services	101	431
Total	**37,120**	**35,417**

a) Revenue from sale of products and from sale of services for the year ended 31 March 2021 includes revenue from contracts with customers of ₹36,859 Crore (FY 2019-20: ₹35,125 Crore) and a net gain on mark-to-market of ₹261 Crore (FY 2019-20: loss of ₹346 Crore) on account of gains/ losses relating to sales that were provisionally priced as at the beginning of the year 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 the end of the year.

b) Government of India (GoI) vide Office Memorandum ("OM") No. O-19025/10/2005-ONG-DV dated 01 February 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 24 October 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 previous year, the Company had recognized revenue of ₹638 Crore, for past exploration costs, through increased share in the joint operations revenue as the Group 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.

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27 OTHER OPERATING INCOME

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Export incentives	173	291
Scrap sales	55	76
Miscellaneous income	92	74
Total	**320**	**441**

28 OTHER INCOME

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Net gain on investments measured at FVTPL	93	152
Interest income from investments measured at FVTPL	40	119
Interest income from financial assets at amortised cost		
- Bank Deposits	68	71
- Loans	81	102
- Others	123	163
Interest on income tax refund	47	-
Dividend income from		
- Financial Assets at FVTPL	-	15
- Financial Assets at FVOCI	2	2
- Investment in Subsidiaries	10,369	2,125
Deferred government grant income	75	74
Miscellaneous income	50	47
Total	**10,948**	**2,870**

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

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening Stock:		
Finished Goods	465	880
Work in progess	1,836	1,195
Total	**2,301**	**2,075**
Add / (Less): Foreign exchange translation difference	(2)	4
Less: Closing Stock		
Finished Goods	548	465
Work in progess	1,681	1,835
Total	**2,229**	**2,300**
Sub-total	**70**	**(221)**
Add / (Less): Copper Concentrate (raw material) sold during the year	-	1,651
Changes in Inventory	**70**	**1,430**

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30 FINANCE COST

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on financial liabilities at amortised cost [b]	3,293	3,863
Other finance costs	110	111
Net interest on defined benefit arrangement	3	4
Unwinding of discount on provisions (Refer note 22)	23	31
Less: Allocated to Joint venture	(3)	(8)
Less: Capitalisation of finance costs [a] (Refer note 5)	(233)	(673)
Total	**3,193**	**3,328**

a) Interest rate of 6.91% (31 March 2020: 7.71%) was used to determine the amount of general borrowing costs eligible for capitalization in respect of qualifying asset for the year ended 31 March 2021.

b) Includes interest expense on lease liabilities for the year ended 31 March 2021 ₹14 Crore (31 March 2020: ₹16 Crore).

31 OTHER EXPENSES *

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cess on crude oil	906	1,174
Royalty	246	242
Consumption of stores and spare parts	710	720
Repairs to plant and equipment	384	404
Carriage	558	424
Mine Expenses	256	136
Net loss on foreign currency transactions and translation	281	494
Other Selling Expenses	2	2
Repairs to building	43	56
Insurance	80	76
Repairs others	76	77
Loss on sale/ discard of property, plant and equipment (net)	28	77
Rent [d]	26	11
Rates and taxes	8	25
Exploration costs written off (Refer note 5)	6	1
Directors sitting fees and commission	5	8
Remuneration to Auditors [a]	15	12
Provision for doubtful advances/ expected credit loss	125	51
Bad debts written off	4	17
Share of expenses in producing oil & gas blocks	1,149	1,323
Donation	12	115
Miscellaneous expenses [b,c]	2,205	2,045
Less: Cost allocated/directly booked in Joint ventures	(275)	(304)
Total	**6,850**	**7,186**

* Net of recoveries of ₹57 Crore (31 March 2020: ₹56 Crore) from subsidiaries

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(a) Remuneration to auditors comprises:

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Payment to auditors		
For statutory audit (including quarterly reviews and international reporting)	13	9
For parent company reporting	2	2
For certification services	0	1
For other services	0	0
For reimbursement of expenses	0	0
Total	**15**	**12**

(b) Includes Corporate social responsibility expenses of ₹39 Crore (31 March 2020: ₹53 Crore) as detailed in note 40(a).

(c) The Company made contributions through electoral bonds of Nil (31 March 2020: ₹114 Crore) for the year ended 31 March 2021, which is included in Miscellaneous expenses.

(d) Rent represents expense on short term/ low value leases.

32 EXCEPTIONAL ITEMS

(₹ in crores)

Particulars	Year ended 31 March 2021			Year ended 31 March 2020		
	Exceptional Items	Tax effect of exceptional items	Exceptional items after tax	Exceptional Items	Tax effect of exceptional items	Exceptional items after tax
Capital work-in-progress written off/ Impairment charge relating to property, plant and equipment, exploration assets (as applicable) and other assets in following segments:						
- Oil and gas [a]	-	-	-	(8,273)	2,875	(5,398)
- Copper [b]	-	-	-	(669)	234	(435)
- Aluminium [g]	(181)	63	(118)	-	-	-
Provision on receivables subject to litigation [c,d]	(51)	18	(33)	(401)	93	(308)
Impairment charge relating to investments in subsidiaries [e]	-	-	-	(3,393)	-	(3,393)
Revision of Renewable Purchase Obligation pursuant to respective state electricity regulation commission notifications [f]	-	-	-	168	(59)	109
Total	**(232)**	**81**	**(151)**	**(12,568)**	**3,143**	**(9,425)**

a. During the year ended 31 March 2021 and 31 March 2020, the Company has recognized impairment charge of ₹Nil Crore and of ₹8,273 Crore respectively, on its assets in the oil and gas segment comprising of:

i) During the previous year, 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.

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

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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) During the previous year, 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) During the previous year, 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.

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

c. As at 31 March 2021, the Company has an outstanding receivable equivalent to ₹55 Crore (net of provision of ₹103 Crore) (31 March 2020: ₹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 21 May 2019, after ZCCM Investments Holdings Plc ("ZCCM"), an entity majorly owned by the Government of Zambia and a 20.6% shareholder in KCM, filed a winding up petition against KCM. KCM's majority shareholder, Vedanta Resources Holdings Limited ("VRHL"), and its parent company, Vedanta Resources Limited ("VRL"), are contesting the winding up petition in the Zambian courts. The local Court of Appeal ("CAZ") has ruled in favor of VRHL/VRL, ordering a stay of the winding up proceedings and referring the matter for arbitration. In light of the orders from CAZ, VRL has also filed an application in the High Court of Zambia, asking for directions on the powers of the provision liquidator and the matter was argued on March 30, 2021. The ruling has been reserved.

VRHL and VRL had also commenced arbitration proceedings against ZCCM with seat in Johannesburg, South Africa, consistent with their position that arbitration is the agreed dispute resolution process. The procedural timetable for the arbitration envisages an initial hearing of prioritised issues commencing on 31 May 2021, with the substantive dispute being heard in November 2021 and February 2022. Meanwhile, KCM has not been supplying goods to the Group, which it was supposed to as per the terms of the advance.

The Company has recognised provisions for expected credit losses of ₹51 Crore during the current year (31 March 2020: ₹52 Crore) and based on its assessment of the merits of the case backed by legal opinions, the Company is of the view that VRL's contractual position is upheld and continues to be strong on merits.

d. During the previous year, 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 the financial asset was fully provided for and recognized under exceptional items.

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e. During the year ended 31 March 2021 and 31 March 2020 the Company has recognized net impairment charge of ₹Nil Crore and of ₹3,393 Crore respectively, on its investment in subsidiaries, comprising of:

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Impairment charge on investment in Cairn India Holdings Limited (Refer (i) below)	-	(3,339)
Impairment charge on investment in Sesa Resources Limited (Refer (ii) below)	-	(54)
Net Impairment Charge on investment in subsidiaries	**-**	**(3,393)**

(i) During the year ended 31 March 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 31 March 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 07 February 2018.

f. During the previous 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 01 April 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 31 March 2021, the Company has recognised a loss of ₹181 Crore relating to certain items of capital work-in-progress at the aluminium operations, which are no longer expected to be used.

33 TAX EXPENSE

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

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current tax:		
Current tax on profit for the year	104	4
Total Current Tax (a)	**104**	**4**
Deferred tax:		
Origination and reversal of temporary differences	3,138	(592)
Credit in respect of exceptional items (Refer Note 32)	(81)	(3,143)
Total Deferred Tax (b)	**3,057**	**(3,735)**
Net tax charge/ (benefit) (a+b)	**3,161**	**(3,731)**
Profit/(Loss) before tax	**13,664**	**(10,463)**
Effective income tax rate (%)	**23%**	**36%**

Tax expense

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Tax effect on exceptional items	(81)	(3,143)
Tax expense/(benefit) - others	3,242	(588)
Net tax charge/ (benefit)	**3,161**	**(3,731)**

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

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit/(Loss) before tax	**13,664**	**(10,463)**
Indian statutory income tax rate	34.944%	34.944%
Tax at statutory income tax rate	**4,775**	**(3,656)**
Disallowable expenses	18	69
Non-taxable income*	(1,193)	(49)
Tax holidays	(3)	58
Change in deferred tax balances due to change in tax law**	(410)	(865)
Income subject to lower tax rate	-	(372)
Unrecognised tax assets (Net)	-	1,185
Charge transferred to Equity (Refer Note 35)	-	(252)
Other permanent differences	(26)	151
Total	**3,161**	**(3,731)**

*Current year includes dividend income of ₹3,358 crore on which benefit under section 80M of the Income Tax Act, 1961 is availed.

**Deferred tax charge for the year ended 31 March 2020 included deferred tax credit of ₹834 crore on deferred tax balances as at 31 March 2019. Also 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 recognized in the balance sheet are as follows:

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For the year ended 31 March 2021

(₹ in crores)

Significant components of Deferred tax (assets) & liabilities	Opening balance as at 01 April 2020	Charged / (credited) to statement of profit and loss	Charged / (credited) to other comprehensive income	Exchange difference transferred to translation of foreign operation	Charged to equity	Closing balance as at March 31,2021
Property, Plant and Equipment	4,143	(308)	-	13	-	3,848
Voluntary retirement scheme	(1)	1	-	-	-	-
Employee benefits	(21)	2	2	-	32	15
Fair valuation of derivative asset/liability	(16)	-	(7)	-	-	(23)
Fair valuation of other asset/liability	85	(121)	-	-	-	(36)
Unused tax asset MAT credit entitlement	(3,600)	(101)	-	-	-	(3,701)
Unabsorbed depreciation and tax losses	(3,652)	3,652	-	-	-	-
Other temporary differences	(402)	(68)	34	-	-	(436)
Total	**(3,464)**	**3,057**	**29**	**13**	**32**	**(333)**

For the year ended 31 March 2020

(₹ in crores)

Significant components of Deferred tax (assets) & liabilities	Opening balance as at 01 April 2019	Charged / (credited) to statement of profit and loss	Charged / (credited) to other comprehensive income	Exchange difference transferred to translation of foreign operation	Charged 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)**

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 utilized 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 (31 March 2020: ₹3,393 crore) on Impairment of investment in subsidiaries (Refer Note 32 (e)) as the realization of the same is not reasonably certain.

(d) Non- current tax assets

Non- current tax assets of ₹1,787 Crore and ₹1,682 Crore as at 31 March 2021 and 31 March 2020 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.

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34 EARNINGS PER EQUITY SHARE

(₹ in crores except otherwise stated)

Particulars	Year ended 31 March 2021	ended 31 March 2020
Profit/(Loss) after tax attributable to equity share holders for Basic and Diluted EPS	10,503	(6,732)
Weighted Average no. of equity shares outstanding during the year for Basic and Dilutive EPS (in Crore)	372	372
Basic and Diluted Earnings/ (Loss) per share (in ₹)	28.23	(18.10)
Nominal value per share (in ₹)	1.00	1.00

35 DIVIDENDS

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Amounts recognised as distributions to equity shareholders:		
Interim dividend (31 March 2021: ₹9.50 per share, 31 March 2020: ₹3.90 per share)	3,519	1,444
Attributable tax on dividend	-	252
Total	**3,519**	**1,696**

36 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 crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Oil & Gas sector		
Cairn India	855	1,816
Aluminium sector		
Lanjigarh Refinery (Phase II)	1,188	1,573
Jharsuguda 1.25 MTPA smelter	463	414
Copper sector		
Tuticorin Smelter 400 KTPA*	2,995	2,791
Others	705	732
Total	**6,206**	**7,326**

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

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Committed work programme (Other than capital commitment)

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Oil & Gas sector		
Cairn India (OALP - New Oil and Gas blocks)	5,625	5,841

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 ₹16,390 Crore (31 March 2020: ₹16,544 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 ₹632 Crore relating to the export and payment of import duties on purchases of raw material and capital goods (31 March 2020: ₹362 Crore).

b) Guarantees issued for Company's share of minimum work programme commitments of ₹2,889 Crore (31 March 2020: ₹2,906 Crore).

c) Guarantees of ₹79 Crore (31 March 2020: ₹54 Crore) issued under bid bond.

d) Bank guarantees of ₹115 Crore (31 March 2020: ₹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 ₹11,051 Crore (31 March 2020: ₹10,816 Crore). Refer Note 37

f) Other guarantees worth ₹1,624 Crore (31 March 2020: ₹2,291 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 ₹285 Crore (31 March 2020: ₹612 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 ₹46 Crore (31 March 2020: ₹84 Crore) reduced in proportion to actual exports, plus applicable interest.

The Company has given bonds of ₹50 Crore (31 March 2020: ₹88 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

Vedanta Limited (notice was served on Cairn India Limited which subsequently merged with Vedanta Limited, accordingly now referred to as Vedanta Limited/ Company) received a demand totalling ₹20,495 Crore (including interest of ₹10,247 Crore) holding the Company as 'assessee in default' as per Section 201 of Indian Income Tax Act. The Company has challenged the said order and presently pending before the Income Tax Appellate Tribunal (ITAT).

The Company also filed a writ petition before the Delhi High Court wherein it has raised several grounds against the order said order. The matter came up for hearing on 05 February 2020 before Delhi High Court but adjourned and the next date of hearing is 29 July 2021.

Separately, Vedanta Resources Limited has filed a Notice of Claim against the Government of India ('GOI') under the BIT. Hearing already concluded in May 2019 and award awaited.

Separately Cairn UK Holdings Limited ("CUHL"), on whom the primary liability of income tax lies, had received an Order from the ITAT in the financial year 2016-17 holding that the transaction is taxable in view of the clarificatory amendment in the Act but also acknowledged that amendment being a retrospective transaction, interest

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would not be levied. Hence affirming a demand of ₹10,247 Crore excluding the interest portion that had previously been claimed. Against this demand Tax authorities have recovered ₹5,863 Crore from the CUHL. Vedanta has also paid interim dividend of ₹5 Crore to the Tax authorities and thus reducing the liability to ₹4,384 Crore (March 31,2020: ₹4,384 Crore).

In related proceedings, the International Arbitration Tribunal ruled unanimously in the case of Cairn Energy Plc that India had breached its obligations under the UK-India Bilateral Investment Treaty (the BIT). The Company understands that Government of India has challenged the ruling before the International Court of Justice at The Hague. As the Cairn Energy Plc Arbitration award received on 23 December 2020 regarding retrospective tax will have a direct influence upon Company's case, due to the fact that primary liability of paying the income tax is CUHL's and in this case there is expected to be no income tax liability in the hands of CUHL, the claim of amounts assessed as in default against Company should be eliminated. Further going by the recent ruling of Supreme court in an another unrelated matter, it was held that person under sec 195 can't be held responsible to do impossible in case of retrospective act. Thus it was impossible for Vedanta Limited (successor in the business of Cairn India Limited) to deduct income tax and can't be held responsible for default under Section 201. The Company believes that owing to the similarity in the facts of the case it has a good case to argue and accordingly it is unlikely that any liability will devolve upon the Company.

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 28 February 2019 and the Federal Court dismissed GOI's leave to appeal. The Company has also filed for the enforcement of the Partial Award and Final Award before the Hon'ble Delhi High Court. The matter is now listed for hearing on 13 July 2021.

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 ₹946 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 ₹213 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 ₹2,038 Crore (US$278 million) and disallowed over run of ₹161 Crore (US$22 million) spent in respect of BDC along with 50% legal costs. Finally, Supreme Court of India on 16 September 2020 pronounced the order in favour of Vedanta, rejecting all objections of the GOI and allowed enforcement of the Arbitration Award. With the Supreme Court order the Ravva BDC Matter stands closed.

In connection with the above two matters, the Company has received an order dated 22 October 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 ₹2,302 Crore (US$314 million) (the Company's share approximately - ₹682 Crore (US$93 million)) on account of the two disputed issues of ONGC Carry and BDC matters, out of which ₹469 Crore (US$64 million) pertains to ONGC Carry and ₹213 Crore (US$29 million) pertains to BDC Matter. Against an interim application, filed by the Company along with one of its joint venture partner, for seeking stay of such action from GOI, before the Hon'ble Delhi High Court, the Court directed the OMCs to deposit above sums to the Delhi High Court for both BDC and ONGC Carry matters. However, the Company (and other joint venture

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partner) has been given the liberty to seek withdrawal of the amounts from the Court upon furnishing a bank guarantee of commensurate value. On the basis of the above direction, the OMCs have deposited ₹682 Crore (US$93 million) out of which ₹616 Crore (US$84 million) has been withdrawn post submission of bank guarantee. The Hon'ble Delhi High Court vide its order dated 28 May 2020 read with order dated 04 June 2020 has directed that all future sale proceeds of Ravva Crude w.e.f. 05 June 2020 be paid directly to Vedanta Limited by the OMCs. In view of the closure of the BDC matter, the Company has also filed an application in HC on 22 September 2020 seeking refund of remaining ₹66 Crore (US$9 million) and release of bank guarantees submitted in Court pertaining to the BDC matter, out of which ₹147 Crore (US$20 million) have since been received by Vedanta.

During the proceedings of the above matter, GOI has also filed an interim application seeking deposit by the said OMCs of an amount of ₹638 Crore (US$87 million) (Company's share of ₹410 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 matter has been listed for hearing on 13 July 2021 along with ONGC carry case.

While the Company does not believe the GOI will be successful in its challenge, if the Arbitral Awards in above matters are reversed and such reversals are binding, Company would be liable for approximately ₹469 Crore (US$64 million) plus interest. (31 March 2020: ₹479 Crore (US$64 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 09 October 2017, the Supreme Court has held that states have the jurisdiction to levy entry tax on imported goods. With this Supreme Court judgement, imported goods will rank pari-passu with domestic goods for the purpose of levy of Entry tax. The Company has amended its appeal (writ petitions) in Odisha to include imported goods as well.

The issue pertaining to the levy of entry tax on the movement of goods into a Special Economic Zone (SEZ) remains pending before the Odisha High Court. The 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 22 August 2016, exempted the entry tax levy on SEZ operations.

The total claims against the Company are ₹1,158 Crore (31 March 2020: ₹1,112 Crore) net of provisions made.

d) Miscellaneous disputes- Income tax

The Company is involved in various tax disputes amounting to ₹528 Crore (31 March 2020: ₹527 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 ₹2,596 Crore (31 March 2020: ₹2,139 Crore)

Based on evaluations of the matters and legal advice obtained, the Company believes that it has strong merits in its favor. Accordingly, no provision is considered at this stage.

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37 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
Vedanta Holdings Mauritius II Limited [a]

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

Konkola Copper Mines Plc [e]
Sterlite Iron and Steel Company Limited [f]
Sterlite Technologies Limited
Sterlite Power Grid Ventures Limited
Sterlite Power Transmission limited

C) Associates and Joint ventures (Refer note 39)

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 [b]
Cairn Energy Gujarat Block 1 Limited
Cairn Energy Hydrocarbons Limited
Cairn Energy India (Proprietary) Limited [b]
Cairn Exploration (No. 2) Limited [b]
Cairn India Holdings Limited
Cairn Lanka (Private) Limited
Cairn South Africa (Pty) Limited [c]
CIG Mauritius Holdings Private Limited [c]
CIG Mauritius Private Limited [c]
Copper Mines of Tasmania (Proprietary) Limited
ESL Steel 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
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
Vedanta Exploration Ireland Limited
Vedanta Lisheen Holdings Limited
Vedanta Lisheen Mining Limited
Vizag General Cargo Berth Private Limited
Western Cluster Limited
Ferro Alloys Corporation Limited [d]
FACOR Power Limited [d]
Facor Realty and Infrastructure Limited [d]

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)

I) Enterprises over which key management personnel/ their relatives have control or sinificant influence.

Vedanta Foundation
Sesa Community Development Foundation
Vedanta Limited ESOS Trust
Cairn Foundation
Runaya Refinery LLP
Janhit Electoral Trust

II) Enterprises which are Associates/Joint Ventures of entities under common control

India Grid trust [g]

a. On 24 December 2020, Vedanta Holdings Mauritius II Limited purchased shares of Vedanta Limited (Refer note 14(c)(3)).
b. Liquidated during the year.
c. Under liquidation.
d. Acquired during the year.
e. Konkola Copper Mines Plc (KCM) ceased to be a related party w.e.f. 21 May 2019. The Company has total receivable of ₹51 Crore (net of provision of ₹103 Crore) as at 31 March 2021 (As at 31 March 2020: ₹106 Crore (net of provision of ₹52 Crore)).
f. Sterlite Power Grid Ventures Limited (SPGVL) has been amalgamated with Sterlite Power Transmission Limited (SPTL) effective from 15 November 2020.
g. Ceased to be related party during the previous year.

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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 31 March 2021

(₹ in crores)

Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates/ Joint ventures	Others	Total
Income:				
(i) Revenue from operations	660	792	-	1,452
(ii) Other Income				
a) Interest and guarantee commission	14	113	-	126
b) Dividend income	2	10,369	-	10,371
c) Outsourcing service fees	4	-	-	4
Expenditure and other transactions:				
(i) Purchase of goods/ Services	76	592	28	697
(ii) Stock options expenses/(recovery)	-	(21)	-	(21)
(iii) Allocation of Corporate Expenses	-	96	-	96
(iv) Management and Brand Fees paid[c]	766	-	-	766
(v) Reimbursement for other expenses (net of recovery)	(13)	96	(0)	82
(vi) Corporate Social Responsibility expenditure/ Donation	-	-	15	15
(vii) Contribution to Post retirement employee benefit trust	-	-	7	7
(viii) Sale/ (Purchase) of fixed assets	-	(0)	-	(0)
(ix) Dividend paid.				
-To Holding companies	1,770	-	0	1,770
To key management personnel	-	-	0	0
-To relatives of key management personnel	-	-	0	0
(x) Commission/Sitting Fees				
-To Independent directors	-	-	3	3
-To key management personnel	-	-	1	1
(xi) Interest and guarantee commission expense	115	93	-	207
Transactions during the year:				
a) Financial guarantees given	1	2,393	-	2,394
b) Financial guarantees relinquished	-	1,995	-	1,995
c) Banking Limits assigned/utilised/renewed/ (relinquished) to/for group companies	-	(25)	-	(25)
d) Loans given during the year	0	601	-	601
e) Loans repaid during the year [a]	-	(1,672)	(57)	(1,729)
f) Short-term borrowings (taken)/ repaid during the year	-	200	-	200
g) Sale of investments to Hindustan Zinc Limited	-	1,407	-	1,407
h) Security deposits received (Net of repayment of ₹130 crore)	-	1,170	-	1,170
Balances as at year end:				
a) Trade Receivables	46	17	-	63
b) Loans given	-	702	277	979
c) Other receivables and advances	166	220	2	388

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(₹ in crores)

Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates/ Joint ventures	Others	Total
d) Trade Payables	54	27	15	95
e) Other payables (including brand fee payable and security deposit)	96	1,307	15	1,418
f) Financial guarantee given	1	10,988	-	10,989
g) Banking Limits assigned/utilised to/for group companies	115	62	-	177
h) Sitting fee, Commission and consultancy fees payable				
-To Independent directors	-	-	3	3
-To key management personnel	-	-	1	1
i) Short-term borrowings	-	200	-	200

a. The Company reduced its loan receivable from Vedanta Limited ESOS Trust by ₹57 Crore on exercise of stock options by employees during the year ended 31 March 2021.

b. 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.

c. In 2017, the Company had executed a three year brand license agreement ("the Agreement") with Vedanta Resources Ltd ('VRL') for the use of brand 'Vedanta' which envisaged payment of brand fee to VRL at 0.75% of turnover of the Company. During the current year, the Agreement was renewed between the parties and certain additional services were also agreed to be provided by VRL. Based on updated benchmarking analysis conducted by independent experts, the brand and strategic service fee was re-negotiated at 2% of turnover of the Company. Accordingly, the Company has recorded an expense of ₹728 Crore (31 March 2020: ₹259 Crore) for the year ended 31 March 2021. The Company pays such fee in advance at the start of the year, based on its estimated annual turnover.

d. Vedanta Resources Limited ("VRL"), as a parent company, has provided financial and performance guarantee to the Government of India for erstwhile Cairn India group's ("Cairn") obligations under the Production Sharing Contract ('PSC') provided for onshore block RJ-ON-90/1, for making available financial resources equivalent to Cairn's share for its obligations under the PSC, personnel and technical services in accordance with industry practices and any other resources in case Cairn is unable to fulfil its obligations under the PSC.

During the current year, the Board of Directors of the Company has approved a consideration to be paid for this guarantee at an annual charge of 1.2% of net exploration and development spend, subject to a minimum annual fee of ₹37 crore ($5 million), applicable from April 2020 onwards to be paid in ratio of participating interests held equally by the Company and its step-down subsidiary, Cairn Energy Hydrocarbons Ltd ("CEHL").

Similarly, VRL has also provided financial and performance guarantee to the Government of India for the Company's obligations under the Revenue Sharing Contract ('RSC') in respect of 51 Blocks awarded under the Open Acreage Licensing Policy ("OALP") by the Government of India. During the current year, the Board of Directors of the Company has approved a consideration to be paid for this guarantee consisting of one-time charge of ₹183 crore ($25 million), i.e., 2.5% of the total estimated cost of initial exploration phase of approx. ₹7,330 crore ($1 billion) and an annual charge of 1% of spend, subject to a minimum fee of ₹73 crore ($10 million) and maximum fee of ₹147 crore ($20 million) per annum.

Accordingly, the Company has recorded a guarantee commission expense of ₹133 crore ($18 million) [2020: Nil] for the year ended 31 March 2021 and ₹161 crore ($22 million) (PY Nil) is outstanding as a pre-payment.

e. During the year ended 31 March 2021, the Company had renewed loan provided to Sterlite Iron and Steel Company Limited to finance project in earlier years. The loan balance as at 31 March 2021 was ₹5 Crore (March 31,2020: ₹5 Crore). The loan is unsecured in nature and carries an interest rate of 7.15% per annum. The loan was due in March 2021 and the agreement was renewed for a further period of 12 months.

During the year, the Company has recognised a provision of ₹16 Crore (Including accrued interest of ₹11 Crore) against said loan.

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Remuneration of key management personnel

(₹ in crores)

Particulars	For the Year ended 31 March 2021
Short-term employee benefits	27
Post employment benefits [f]	1
Share based payments	0
Total	**28**

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

I) For the year ended 31 March 2020

(₹ in crores)

Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates/ Joint ventures	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	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 [a]	-	(1,403)	(17)	(1,420)

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(₹ in crores)

Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates/ Joint ventures	Others	Total
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 [(b)]	115	290	-	405
i) Commission and consultancy fees payable to KMP and their relatives	-	-	5	5

a. 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 31 March 2020.

b. 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 crores)

Particulars	For the year ended 31 March 2020
Short-term employee benefits [(c)]	40
Post employment benefits [(d)]	8
Share based payments	1
Total	**49**

c. This includes reimbursement to the parent company for remuneration paid to the then CEO and Whole Time Director of the Company aggregating to ₹11 crore for the year ended 31 March 2020.

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

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.

38 SUBSEQUENT EVENTS

As per information received from Vedanta Resources Limited ("VRL" or "Acquirer"), VRL together with Twin Star Holdings Limited, Vedanta Holdings Mauritius Limited and Vedanta Holdings Mauritius II Limited, as persons acting in concert with the Acquirer ("PACs"), have acquired 374,231,161 equity shares of the Company under the voluntary open offer made to the public shareholders of the Company in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and thereby increasing the shareholding of VRL and its subsidiaries in the Company from the current 55.1% to 65.18%.

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

Notes

forming part of the financial statements as at and for the year ended March 31, 2021

39 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.

Sr. No.	Subsidiaries	Principal activities	Country of Incorporation	Immediate holding company	The Company's/Immediate holding company's percentage holding (in %)	
					As at 31 March 2021	As at 31 March 2020
1	Cairn Energy India Pty Limited[2]	Exploration for and development and production of oil & gas	Australia	Cairn India Holdings Limited	-	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	Manufacturing of Steel & DI Pipe	India	Vedanta Limited	95.49	95.49
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	Vizag General Cargo Berth Private Limited	Infrastructure	India	Vedanta Limited	100.00	100.00
16	Killoran Lisheen Finance Limited[(a)]	Investment company	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
17	Killoran Lisheen Mining Limited	Development of a zinc/ lead mine	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
18	Lisheen Milling Limited	Manufacturing[3]	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
19	Lisheen Mine Partnership	Development and operation of a zinc/lead mine	Republic of Ireland	50% each held by Killoran Lisheen Mining Limited & Vedanta Lisheen Mining Limited	100.00	100.00
20	Vedanta Exploration Ireland Limited[(a)]	Exploration company	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
21	Vedanta Lisheen Holdings Limited	Investment company	Netherlands	THL Zinc Holing BV	100.00	100.00
22	Vedanta Lisheen Mining Limited	Zinc and lead mining	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00

Notes

forming part of the financial statements as at and for the year ended March 31, 2021

Sr. No.	Subsidiaries	Principal activities	Country of Incorporation	Immediate holding company	The Company's/Immediate holding company's percentage holding (in %) As at 31 March 2021	As at 31 March 2020
23	AvanStrate Inc. ('ASI')	Holding Company	Japan	Cairn India Holdings Limited	51.63	51.63
24	Cairn India Holdings Limited	Investment company	Jersey	Vedanta Limited	100.00	100.00
25	Western Cluster Limited	Iron ore mining	Liberia	Bloom Fountain Limited	100.00	100.00
26	Bloom Fountain Limited	Operating (Iron ore) and Investment Company	Mauritius	Vedanta Limited	100.00	100.00
27	CIG Mauritius Holdings Private Limited [(a)]	Investment Company	Mauritius	Cairn Energy Hydrocarbons Limited	100.00	100.00
28	CIG Mauritius Private Limited [(a)]	Investment Holding Company and to provide services and resources relevant to oil & gas exploration, production and development	Mauritius	CIG Mauritius Holdings Private Limited	100.00	100.00
29	THL Zinc Ltd	Investment company	Mauritius	THL Zinc Ventures Ltd	100.00	100.00
30	THL Zinc Ventures Limited	Investment company	Mauritius	Vedanta Limited	100.00	100.00
31	Amica Guesthouse (Proprietary) Limited	Accommodation and catering services	Namibia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
32	Namzinc (Proprietary) Limited	Owns and operates zinc refinery	Namibia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
33	Skorpion Mining Company (Proprietary) Limited ('NZ')	Exploration, development, production and sale of zinc ore	Namibia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
34	Skorpion Zinc (Proprietary) Limited ('SZPL')	Operating (Zinc) and Investment Company	Namibia	THL Zinc Namibia Holdings (Proprietary) Limited	100.00	100.00
35	THL Zinc Namibia Holdings (Proprietary) Limited ("VNHL")	Mining and Exploration and Investment company	Namibia	THL Zinc Ltd	100.00	100.00
36	Lakomasko BV	Investment company	Netherlands	THL Zinc Holding BV	100.00	100.00
37	Monte Cello BV ("MCBV")	Holding Company	Netherlands	Vedanta Limited	100.00	100.00
38	THL Zinc Holding BV	Investment company	Netherlands	Vedanta Limited	100.00	100.00
39	Cairn Energy Discovery Limited[2]	Oil and gas exploration, development and production	Scotland	Cairn India Holdings Limited	-	100.00
40	Cairn Energy Gujarat Block 1 Limited	Oil and gas exploration, development and production	Scotland	Cairn India Holdings Limited	100.00	100.00
41	Cairn Energy Hydrocarbons Limited	Oil and gas exploration, development and production	Scotland[(b)]	Cairn India Holdings Limited	100.00	100.00

Notes

forming part of the financial statements as at and for the year ended March 31, 2021

Sr. No.	Subsidiaries	Principal activities	Country of Incorporation	Immediate holding company	The Company's/Immediate holding company's percentage holding (in %)	
					As at 31 March 2021	As at 31 March 2020
42	Cairn Exploration (No. 2) Limited[2]	Oil and gas exploration, development and production	Scotland	Cairn India Holdings Limited	-	100.00
43	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
44	Cairn South Africa Pty Limited[4]	Oil and gas exploration, development and production	South Africa	Cairn Energy Hydrocarbons Limited	100.00	100.00
45	AvanStrate Korea Inc	Manufacturer of LCD glass substrate	South Korea	Avanstrate (Japan) Inc.	100.00	100.00
46	Cairn Lanka Private Limited	Oil and gas exploration, development and production	Sri Lanka	CIG Mauritius Private Limited	100.00	100.00
47	AvanStrate Taiwan Inc	Manufacturer of LCD glass substrate	Taiwan	Avanstrate (Japan) Inc.	100.00	100.00
48	Fujairah Gold FZC	Manufacturing of Copper Rod and Refining of Precious Metals (Gold & Silver)	United Arab Emirates	Malco Energy Limited	100.00	100.00
49	Sterlite (USA) Inc.[(a)]	Investment company	United States of America	Vedanta Limited	100.00	100.00
50	Ferro Alloy Corporation Limited (FACOR)[(c)]	Manufacturing of Ferro Alloys and Mining	India	Vedanta Limited	100.00	-
51	Facor Realty and Infrastructure Limited[(c)]	Real estate	India	FACOR	100.00	-
52	FACOR power Limited[(c)]	Power generation	India	FACOR	90.00	-

(a) Under liquidation (b)Principal place of business is in India (c)Acquired with effect from 21 September 2020

1 The Group also has interest in certain trusts which are neither significant nor material to the Group.

2 Cairn Exploration (No. 2) Limited and Cairn Energy Discovery Limited have been dissolved w.e.f. 22 September 2020 and Cairn Energy India (Pty) Ltd. w.e.f. 26 August 2020.

3 Activity of the company ceased in February 2016

4 Cairn South Africa Pty Limited has been deregistered w.e.f. 06 April 2021.

b) Joint operations

(%) Participating Interest

Oil & Gas blocks/fields Operating Blocks	Area	As at 31 March 2021	As at 31 March 2020
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
KG-OSN-2009/3 – Exploration	Krishna Godavari Offshore	100.00	100.00
Non-Operating Blocks			
KG-ONN-2003/1	Krishna Godavari Onshore	49.00	49.00

(1) South Africa Block1-Exploration was relinquished on 10 September 2019.

Notes

forming part of the financial statements as at and for the year ended March 31, 2021

c) Interest in associates and joint ventures

Set out below are the associates and joint ventures of the Company as at 31 March 2021 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.

% Ownership interest

Sr. No.	Associates	Country of incorporation	As at 31 March 2021	As at 31 March 2020
1	RoshSkor Township (Pty) Limited	Namibia	50.00	50.00
2	Gaurav Overseas Private Limited	India	50.00	50.00
3	Raykal Aluminium Company Private Limited	India	24.50	24.50
4	Rampia Coal Mines and Energy Private Limited[(a)]	India	17.39	17.39

(a) Struck off by the Ministry of Corporate affairs on 19 April 2021

% Ownership interest

Sr. No.	Jointly controlled entities	Country of incorporation	As at 31 March 2021	As at 31 March 2020
1	Madanpur South Coal Company Limited	India	17.62	17.62
2	Goa Maritime Private Limited	India	50.00	50.00
3	Rosh Pinah Health Care (Proprietary) Limited	Namibia	69.00	69.00
4	Gergarub Exploration and Mining (Pty) Limited	Namibia	51.00	51.00

40 (a) The Company has incurred an amount of ₹39 Crore (31 March 2020: ₹53 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 31 March 2021		Year ended 31 March 2020	
		In- Cash	Yet to be Paid in Cash	In- Cash	Yet to be Paid in Cash
(a)	Gross amount required to be spend by the Company during the year	17		13	
(b)	Amount approved by the Board to be spent during the year	45		137	
(c)	Amount spent on: *				
i)	Construction/acquisition of assets	-	-	-	-
ii)	On purposes other than (i) above (for CSR projects)	34	5	39	14
	Total	**34**	**5**	**39**	**14**

* includes ₹15 Crore (31 March 2020: ₹25 Crore) paid to related party (Refer note 37).

Opening Balance	In case of Section 135(5) of Companies Act, 2013		Closing Balance
	Amount required to be spent during the year	Amount spent during the year	
0	17	39	22 *

* Asset has not been recognised on the amount spent in excess of CSR Liability

Notes

forming part of the financial statements as at and for the year ended March 31, 2021

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

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	205	182
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	4	-
(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 (3) and 53 (f) read together with Para A of Schedule V of Listing Obligations & Disclosure Requirements):

(₹ in Crore)

(a)	Name of the Company	Relationship	Balance as at 31 March 2021	Maximum Amount Outstanding during the year	Balance as at 31 March 2020
	Sterlite Iron and Steel Company Limited (Refer note 37(e))	Fellow Subsidiary	-	5	5
	Vizag General Cargo Berth Private Limited	Wholly owned Subsidiary	425	425	-
	Sesa Resources Limited	Wholly owned Subsidiary	68	87	87
	Sterlite Ports Limited	Wholly owned Subsidiary	4	4	4
	Paradip Multi Cargo Berth Private Limited	Wholly owned Subsidiary	0	0	0
	Sesa Mining Corporation Limited	Wholly owned Subsidiary	-	45	45
	ESL Steel Limited	Wholly owned Subsidiary	183	197	197
	Talwandi Sabo Power Limited	Wholly owned Subsidiary	-	1,440	1,440
	Ferro Alloys Corporation Limited	Wholly owned Subsidiary	22	22	-

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

(b) 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

41 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

Notes

forming part of the financial statements as at and for the year ended March 31, 2021

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		Gross proved and probable reserves and resources		Net working interest proved and probable reserves and resources	
		(mmboe)		(mmboe)		(mmboe)	
		As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Rajasthan MBA Fields	India	2,307	2,288	266	317	93	111
Rajasthan MBA EOR	India	-	-	388	317	136	111
Rajasthan Block Other Fields	India	3,603	3,535	470	449	164	157
Ravva Fields	India	704	692	27	28	6	6
CBOS/2 Fields	India	298	292	34	40	14	16
Other fields	India	352	348	44	43	26	25
Total		**7,264**	**7,155**	**1,229**	**1,194**	**439**	**426**

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

Particulars	Proved and probable reserves		Proved and probable reserves (developed)	
	Oil	Gas	Oil	Gas
	(mmstb)	(bscf)	(mmstb)	(bscf)
Reserves as of 31 March 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 31 March 2020**	**156**	**157**	**86**	**78**
Additions / (revision) during the year	(6)	(8)	15	25
Production during the year	(18)	(16)	(18)	(16)
Reserves as of 31 March 2021***	**132**	**133**	**83**	**87**

* 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)

*** Includes probable oil reserves of 56.83 mmstb (of which 12.80 mmstb is developed) and probable gas reserves of 65.39 bscf (of which 27.22 bscf is developed)

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

Notes

forming part of the financial statements as at and for the year ended March 31, 2021

42 OTHER MATTERS

a) The Company is purchasing bauxite under long term linkage arrangement with Orissa Mining Corporation Ltd (hereafter referred as OMC) at provisional price of ₹1,000/MT from October 2020 onwards based on interim order dated 08 October 2020 of the Hon'ble High Court of Odisha, which is subject to final outcome of the writ petition filed by the Company as mentioned below.

The last successful e-auction based price discovery was done by OMC in April 2019 at INR 673/MT and supplied bauxite at this rate from Sep 2019 to Sep 2020 against an undertaking furnished by the Company to compensate any differential price discovered through future successful national e-auctions. Though OMC conducted the next e-auction on 31 August 2020 with floor price of ₹1,707/MT determined on the basis of Rule 45 of Minerals Concession Rules, 2016 (hereafter referred as the Rules), no bidder participated at that floor price and hence the auction was not successful. However, OMC raised demand of ₹281 Crore on the Company towards differential pricing and interest for bauxite supplied till Sep 2020 considering the auction base price of INR 1,707/MT.

The Company had then filed a writ petition before Hon'ble High Court of Odisha in September 2020 for resumption of bauxite supply in accordance with applicable Government of Odisha Gazette notification dated 24 February 2018. Hon'ble High Court has issued interim Order dated 08 October 2020 directing that the petitioner shall be permitted to lift the quantity of bauxite mutually agreed under the terms of the long-term linkage arrangement for the remaining period of the financial year 2020-21 on payment of ₹1,000/MT and furnishing an undertaking for the differential amount, with the floor price arrived at by OMC under the rules, along with applicable interest, subject to final outcome of the writ petition.

OMC re-conducted e-auction on March 9, 2021 with floor price of ₹2,011/MT determined on the basis of the Rules. However, again as no bidder participated at that floor price, the auction was not successful. On 18th Mar-21, Cuttack HC issued an order disposing off the writ petition, directing that the current arrangement of bauxite price @ 1000/T will continue for the FY 2021-22.

Supported by legal opinions obtained, management believes that the provisions of Rule 45 of Minerals Concession Rules, 2016 are not applicable to commercial sale of bauxite ore and hence, it is not probable that the Company will have any financial obligation towards the aforesaid commitments over and above the price of ₹673/MT discovered vide last successful e-auction. Accordingly, the Company has not recognised above referred OMC debit note of ₹281 Crore in respect of bauxite procured till September 2020 and further differential price of ₹130 Crore for subsequent procurements from 01 October 2020 till 31 March 2021.

However, as an abundant precaution, the company has recognised purchase of Bauxite from October 2020 onwards at the at the aforesaid rate of INR 1,000/MT in line with the Odisha High court interim order dated 08 October 2020.

b) 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 side. Consequently, the Company is storing the ash produced in ash dyke in accordance with conditions of the Environmental Clearance & Consent to Operate granted by the MOEF&CC, Office of State Pollution Control Board (OSPCB) & Chhattisgarh Environment Conservation Board (CECB) respectively as well as 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 12 February 2020 has ordered for levy of environmental compensation on generating companies on account of their failure to comply the aforesaid notifications. The Company has filed SLPs before the Hon'ble Supreme Court challenging

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forming part of the financial statements as at and for the year ended March 31, 2021

the order of the NGT and the same was heard by the Court on 11 September 2020 and granted an ad interim stay against recoveries in pursuance of NGT order. Management believes that the outcome of the appeal will not have any significant adverse financial impact on the Company which is supported by a legal opinion obtained.

(c) 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 equipments have to be installed. The regulatory authorities vide notification dated 31 March 2021 have extended the timelines and now power plants of Vedanta Limited is required to comply with the norms by December 2024.

(d) During the current year, the Company entered into a ₹10,000 Crore long-term syndicated loan facility agreement. This loan is secured by the way of pledge over the shares held by the Company in Hindustan Zinc Limited (HZL) representing 14.82% of the paid up share capital of HZL along-with a non-disposal undertaking in respect of its shareholding in HZL to the extent of 50.1% of the paid up share capital of HZL. As at 31 March 2021 the principal amount participated for and outstanding under the facility is ₹8,650 Crore.

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: 13 May 2021

For and on behalf of the Board of Directors

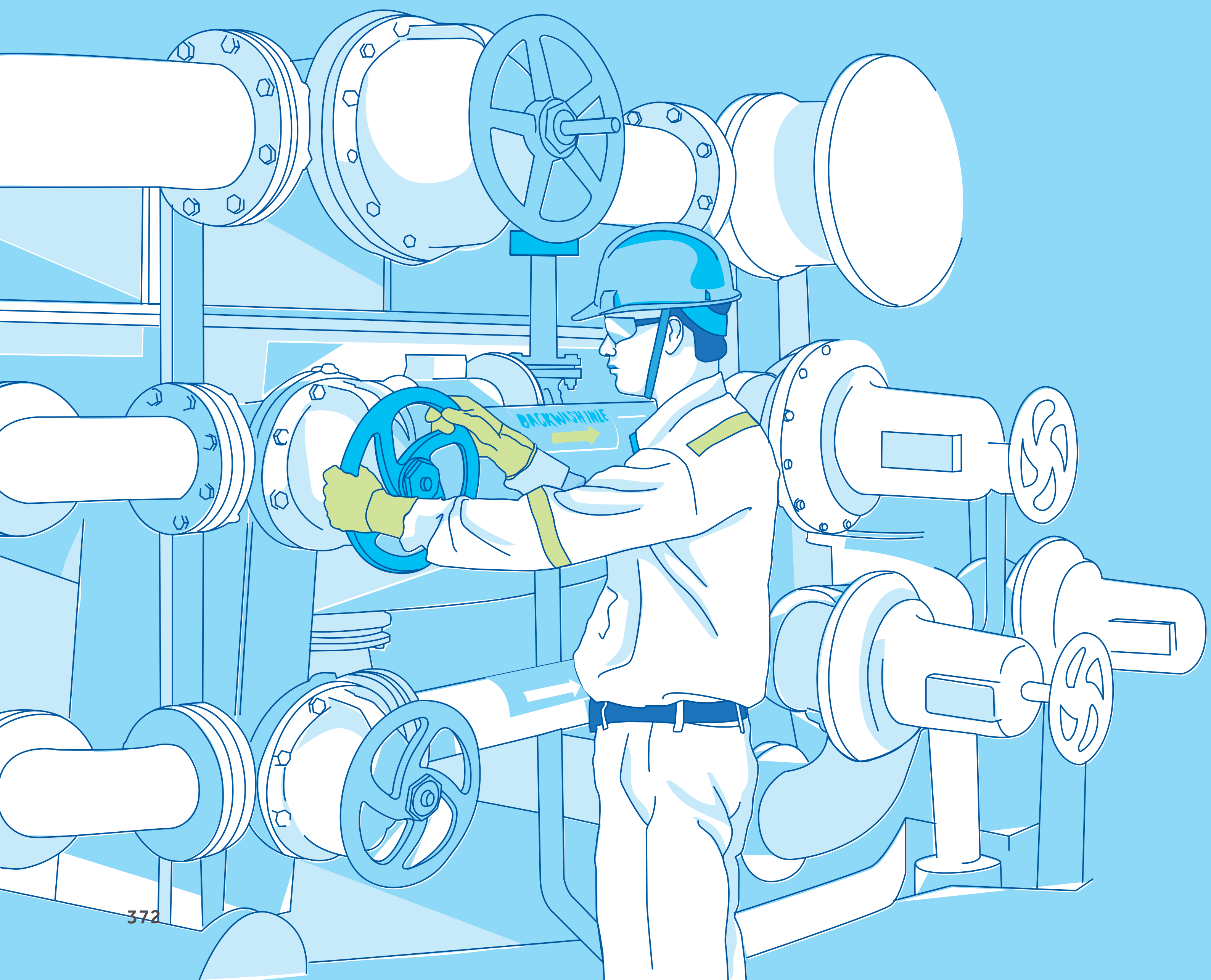
Navin Agarwal
Executive Vice-Chairman and
Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and
Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: New Delhi
Date: 13 May 2021

CONSOLIDATED FINANCIAL STATEMENTS



Independent Auditor's Report

To the Members of Vedanta Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated Ind AS financial statements of Vedanta Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures comprising of the consolidated Balance sheet as at 31 March 2021, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2021, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, its associates and joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

EMPHASIS OF MATTER

We draw attention to note 3(c)(A)(viii) of the accompanying consolidated Ind AS financial statements which describes the uncertainty arising out of the demands that have been raised on the Group, with respect to government's share of profit oil by the Director General of Hydrocarbons and one of the pre-conditions for the extension of the Production Sharing Contract (PSC) for the Rajasthan oil block is the settlement of these demands. While the Government has granted permission to the Group to continue operations in the block till 31 July 2021 or signing of the PSC addendum, whichever is earlier, the Group, based on external legal advice, believes it is in compliance with the necessary conditions to secure an extension of this PSC and that the demands are untenable and hence no provision is required in respect of these demands. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended 31 March 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Recoverability of carrying value of property plant and equipment at Tuticorin (as described in note 3(c)(A)(vii) of the consolidated Ind AS financial statements)</td></tr>
<tr><td>
As at 31 March 2021, the Group had significant amounts of property, plant and equipment, capital work-in-progress and exploration intangible assets under development which were carried at historical cost less depreciation.

We focused our efforts on the Cash Generating Unit ("CGU") at Tuticorin within the copper segment as it had identified impairment indicators and had a total carrying value of ₹2,144 crores.

Recoverability of property plant and equipment has been identified as a key audit matter due to:

The significance of the carrying value of assets being assessed.
The withdrawal of the Holding Company's licenses to operate the copper plant.
The fact that the assessment of the recoverable amount of the Group's CGU involves significant judgements about the future cash flow forecasts, start date of the plant and the discount rate that is applied.

The key judgements and estimates centered on the likely outcome of the litigations, cash flow forecasts and discount rate assumptions.
</td><td>
Audit procedures included the following:

Assessed through an analysis of internal and external factors impacting the Company, whether there were any indicators of impairment in line with Ind AS 36.
Specifically, in relation to the CGU at Tuticorin where impairment indicators were identified, obtained and evaluated the valuation models used to determine the recoverable amount by assessing the key assumptions used by management, which included:

Assessed the basis for estimating the forecasted volumes and the expected start date of the plant.
Tested the inputs used to compute the weighted average cost of capital used to discount the impairment model.
Tested the valuation models for arithmetical accuracy.
Engaged valuation experts to assist in performance of some of the above procedures.
Assessed the implications of withdrawal of Company's license to operate the copper plant including sensitivities of key assumptions. Also, read the court judgement s in respect of the case and external legal opinions in respect of the merits of the appeal filed by the Company and assessed management's position through discussions with the legal counsel to determine the basis of their conclusion.

Assessed the competence and objectivity of the experts engaged by us.
Assessed the disclosures made by the Group in this regard.

</td></tr>
<tr><td colspan="2">Evaluation of Going Concern assumption of accounting (as described in note 3(c)(A)(xii) and 3(c)(A)(viii) of the consolidated Ind AS financial statements)</td></tr>
<tr><td>
The consolidated financial statements of the Group are prepared on the going concern basis of accounting. The evaluation of the appropriateness of adoption of going concern assumption for preparation of these consolidated financial statements performed has been performed by the management of the Group because of uncertainties in the market conditions including future economic outlook on account of the prevailing global pandemic COVID-19 and the uncertainty around the extension of the Production Sharing Contract (PSC) of the Rajasthan oil and gas block.

The Group has prepared a cash flow forecast for next eighteen months from year end which involves judgement and estimation of key variables.

The above has been considered as a key audit matter as auditing the Group's going concern assessment as described above is complex and involves a high degree of judgement to assess the reasonableness of the cash flow forecasts, planned refinancing actions and other assumptions used in the Group's going concern analysis.
</td><td>
Audit procedures in relation to evaluation of going concern included the following:

Obtained an understanding of the process followed by the management and tested the internal controls over the liquidity assessment, compliance with the debt covenants and preparation of the cash flow forecast, and validation of the assumptions and inputs used in the model to estimate the future cash flows.
Tested the inputs and assumptions used by the management in the cash flow forecast against historical performance, budgets, economic and industry indicators, publicly available information, the Group's strategic plans and benchmarking of key market related conditions.
Assessed the key assumptions including those pertaining to revenue and the timing of significant payments in the cash flow forecast for the following eighteen months.
Tested management's sensitivity analysis on key assumptions like input prices, discount rate and selling prices to determine their impact on the projections of future cash flows also on any possible cash outgo for securing the extension of the Rajasthan oil and gas block.
Compared the details of the Group's long-term credit facilities to the supporting documentation.
Assessed the relationship between the parent company and the Group including inspection of various financings agreements to examine whether the same were impacted by the affairs of the parent company. Additionally, we assessed whether there are any pre-existing arrangements between the parent and the Group to alleviate the financial difficulties of the parent.
Assessed the disclosures made by the Group in this regard.

</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
Recoverability of disputed trade receivables in Power segment (as described in note 3(c)(B)(iii) and note 8 of the consolidated Ind AS financial statements)	
As of 31 March 2021 the value of disputed receivables in the power segment aggregated to ₹3,206 crores. Due to disagreements over the quantification or timing of the receivables with customers, the recovery of said receivables are subject to increased risk. Some of these balances are also subject to litigation. The risk is specifically related to receivables from Punjab State Power Corporation Limited (PSPCL), GRIDCO and Tamil Nadu Electricity Board. These receivables include long outstanding balances as well and are also subject to counter party credit risk and hence considered as a key audit matter.	Audit procedures included the following: • Examined the underlying power purchase agreements. • Examined the relevant state regulatory commission, appellate tribunal and court rulings. • Examined external legal opinions in respect of the merits of the case and assessed management's position through discussions with the management's in-house legal team to determine the basis of their conclusion. • Examined management's assessment of recoverability of receivables. • Obtained independent external lawyer confirmation from Legal Counsel of the Group who is contesting the cases. • Assessed the competence and objectivity of the Group's experts. • Assessed the disclosures made by the Group in this regard.
Accounting and disclosure of transactions with the parent company and its affiliates (as described in note 40(H), 40(I), 40(L), 40(M) and 40(N) of the consolidated Ind AS financial statements)	
The Group has undertaken transactions with Vedanta Resources Limited ('VRL'), its parent company and its affiliates pertaining to extension of loans and guarantees; payment of brand and management fee; obtaining guarantees and payment of commission in consideration thereof; and payment of transaction costs associated to the sale of structured investment. Accounting and disclosure of such related party transactions has been identified as a key audit matter due to: • Significance of such related party transactions; • Risk of such transactions being executed without proper authorisations; • Judgments and estimation involved in determination of fair value on initial recognition of loans and guarantees given and expected credit losses on subsequent measurement; and • Risk of material information relating to such transactions not getting disclosed in the financial statements.	Audit procedures included the following: • Obtained and read the Group's policies, processes and procedures in respect of identification of such related parties, obtaining approval, recording and disclosure of related party transactions. • Tested such related party transactions and balances with the underlying contracts, confirmation letters and other supporting documents provided by the Company. • Obtained and assessed the reports issued by experts engaged by the management for estimation of initial fair value of loans and guarantees granted by it to VRL and its affiliates. We also tested the methodology adopted by the Group for determination of subsequent credit losses on such loans. We engaged valuation experts to assist us in performing the said procedures. • Assessed the competence and objectivity of the external experts engagement by the Company and experts engaged by us. • Held discussions and obtained representations from the management in relation to such transactions. • Examined the approvals of the board and/or audit committee for entering into these transactions. • Read the disclosures made in this regard in the financial statements to assess whether relevant and material information have been disclosed.
Claims and exposures relating to taxation and litigation (as described in note 3(c)(B)(ii), 3(c)(A)(viii), 35(e),38(D) and 39 of the consolidated Ind AS financial statements)	
The Group is subject to a large number of tax and legal disputes, including objections raised by auditors appointed by the Director General Hydrocarbons in the oil and gas segment, which have been disclosed/ provided for in the financial statements based on the facts and circumstances of each case. Taxation and litigation exposures have been identified as a key audit matter due to the complexities involved in these matters, timescales involved for resolution and the potential financial impact of these on the financial statements. Further, significant management judgement is involved in assessing the exposure of each case and thus a higher risk involved on adequacy of provision or disclosure of such cases.	Audit procedures included the following:- • Obtained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process. For selected controls we have performed tests of controls. • Obtained the summary of Group's legal and tax cases and critically assessed management's position through discussions with the Legal Counsel, Head of Tax and operational management, on both the probability of success in significant cases, and the magnitude of any potential loss. • Examined external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the legal claims. • Assessed the competence and objectivity of the Company's experts. • Engaged tax specialists to technically appraise the tax positions taken by management with respect to local tax issues.

Key audit matters	How our audit addressed the key audit matter
	• Assessed whether management assessment of similar cases is consistent across the divisions and obtained management's explanations for differences, if any. • Assessed the relevant disclosures made within the financial statements to address whether they reflect the facts and circumstances of the respective tax and legal exposures and the requirements of relevant accounting standards.
Recognition and measurement of Deferred Tax Assets including Minimum Alternate Tax (MAT) (as described in note 3(c)(A)(vi) and 35 of the consolidated Ind AS financial statements)	
Deferred tax assets as at 31 March 2021 includes MAT credits of ₹8,232 crores which is available for utilisation against future tax liabilities. Of the same, we focused our efforts on MAT assets of ₹3,701 crores which belong to the Holding company out of which ₹340 crores is expected to be utilised in the fourteenth year, fifteen years being the maximum permissible time period to utilise the same. Additionally, ESL Steel Limited, one of the constituents of the Group, has recognised deferred tax assets of ₹3,184 crores during the current year. The analysis of the recognition and recoverability of such deferred tax assets has been identified as a key audit matter because the assessment process involves judgement regarding the future profitability and likelihood of the realisation of these assets, in particular whether there will be taxable profits in future periods that support the recognition of these assets. This requires assumptions regarding future profitability, which is inherently uncertain. Accordingly, the same is considered as a key audit matter.	Audit procedures included the following:- • Obtained an understanding of the management's process for estimating the recoverability of deferred tax assets and identified key controls in the process. For selected controls we have performed tests of controls. • Obtained and analysed the future projections of taxable profits estimated by management assessed key assumptions used, including the analysis of the consistency of the actual results obtained by the various segments with those projected in the previous year. We further obtained evidence of the approval of the budgeted results included in the current year's projections, and the future cash flow projections. • Tested the computation of the amounts recognised as deferred tax assets. • Assessed the disclosures made by the Group in this regard.

We have determined that there are no other key audit matters to communicate in our report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and Joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended 31 March 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

(a) We did not audit the financial statements and other financial information, in respect of 16 subsidiaries, whose Ind AS financial statements include total assets of ₹22,617 crores as at 31 March 2021, and total revenues of ₹7,956 crores and net cash outflows of ₹142 crores for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹Nil for the year ended 31 March 2021, as considered in the consolidated Ind AS financial statements, in respect of 1 associate and 1 joint venture whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture our report in terms of sub-Sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and associate, is based solely on the report(s) of such other auditors.

Certain of these subsidiaries, associate and joint venture are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and associate located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, associate and joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The accompanying consolidated Ind AS financial statements include unaudited financial statements and other unaudited financial information in respect of 3 subsidiaries whose financial statements and other financial information reflect total assets of ₹2,108 crores as at 31 March 2021, and total revenues of ₹317 crores and net cash outflows of ₹5 crores for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹Nil for the year ended 31 March 2021, as considered in the consolidated Ind AS financial statements, in respect of 1 associate and 3 joint ventures, whose financial statements other financial information have not been audited and whose unaudited financial statements and other unaudited financial information have been furnished to us by the Management. The consolidated Ind AS financial statements also include the Group's share of total assets of ₹115 crores as at 31 March 2021 in respect of an unincorporated joint venture not operated by the Group. The Ind AS financial statements and other financial information of the said unincorporated joint venture have not been audited and such unaudited financial statements and other unaudited financial information have been furnished to us by the management.

Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, unincorporated joint venture, associate and joint ventures, and our report in terms of sub-Sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, unincorporated joint venture, associate and joint ventures, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the unaudited financial statements and unaudited other financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Group's companies, its associates and joint controlled entities, incorporated in India, is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) The matter described in Qualified opinion paragraph in "Annexure 1" to this report, in our opinion, may have an adverse effect on the functioning of the Company;

(g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures , incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures in India, the managerial remuneration for the year ended 31 March 2021 has been paid/provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated Ind AS financial statements – Refer Note 3(c)(A)(viii), 35(e), 38(D) and 39 to the consolidated Ind AS financial statements;

ii. The Group, its associates and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended 31 March 2021;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures, incorporated in India during the year ended 31 March 2021.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Sudhir Soni**
Partner
Membership Number: 41870
UDIN: 21041870AAAAAQ2392

Place: Mumbai
Date: 13 May 2021

Annexure 1 to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of Vedanta Limted

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of Vedanta Limited as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting of Vedanta Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies (collectively referred to as the "Group"), its associate companies and joint ventures, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company, its 15 subsidiary companies, its 1 associate company and 3 joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Committee of Sponsoring Organisations of the Treadway Commission (2013 Framework) ("COSO 2013 Criteria"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO CONSOLIDATED IND AS FINANCIAL STATEMENTS

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

QUALIFIED OPINION

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the effectiveness of the Company's internal financial controls over financial reporting as at 31 March 2021:

The Group's internal controls for benchmarking the terms and authorisation of loans and guarantees between itself and its controlling shareholders and their affiliates were not effective, which could potentially result in loans being advanced and guarantees being issued in a manner which may impact the recognition, measurement and disclosure of such transactions in the financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Holding Company, its subsidiary companies, its associate company and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the COSO 2013 criterion.

OTHER MATTERS

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to 4 subsidiary companies, which is a company incorporated in India, is based on the corresponding reports of the auditors of such subsidiary.

EXPLANATORY PARAGRAPH

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the consolidated financial statements of the Holding Company, which comprise the Balance Sheet as at 31 March 2021, and the related Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. The above stated material weakness was considered in determining the nature, timing and extent of audit tests applied in our audit of the 31 March 2021 consolidated financial statements of the Holding Company and, this report does not affect our report of even date, which expressed an unmodified opinion on those consolidated financial statements.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Sudhir Soni**
Partner
Membership Number: 41870
UDIN: 21041870AAAAAQ2392

Place: Mumbai
Date: 13 May 2021

Balance Sheet

as at 31 March 2021

(₹ in crores)

Particulars	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, Plant and Equipment	6	89,429	88,022
Capital work-in-progress	6	13,880	16,837
Intangible assets	6	1,041	882
Exploration intangible assets under development	6	2,434	1,748
Financial assets			
Investments	7A	156	95
Trade receivables	8	3,158	3,111
Loans	9	5,069	17
Derivatives		-	3
Others	10	2,520	2,523
Deferred tax assets (net)	35	5,860	6,889
Income tax assets (net)	35	2,748	2,645
Other non-current assets	11	3,210	3,330
Total non-current assets		**1,29,505**	**1,26,102**
Current assets			
Inventories	12	9,923	11,335
Financial assets			
Investments	7B	16,504	24,658
Trade receivables	8	3,491	2,697
Cash and cash equivalents	13	4,854	5,117
Other bank balances	14	11,775	7,385
Loans	9	2,019	85
Derivatives		70	692
Others	10	4,245	2,406
Income tax assets (net)		7	7
Other current assets	11	3,304	3,138
Total current assets		**56,192**	**57,520**
Total Assets		**1,85,697**	**1,83,622**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	15	372	372
Other Equity	16	61,906	54,263
Equity attributable to owners of Vedanta Limited		**62,278**	**54,635**
Non-controlling interests	17	15,138	17,112
Total Equity		**77,416**	**71,747**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19A	37,962	36,724
Derivatives		76	45
Other financial liabilities	21	1,445	1,501
Provisions	23	3,132	2,828
Deferred tax liabilities (net)	35	2,215	2,885
Other non-current liabilities	24	4,327	4,570
Total non-current liabilities		**49,157**	**48,553**
Current liabilities			
Financial liabilities			
Borrowings	19B	3,715	13,076
Operational buyers' credit/suppliers' credit	20B, 2(C)	7,983	8,945
Trade payables	20A, 2(C)	7,892	8,027
Derivatives		279	96
Other financial liabilities	21	28,803	21,162
Provisions	23	353	355
Income tax liabilities (net)		277	188
Other current liabilities	24	9,822	11,473
Total current liabilities		**59,124**	**63,322**
Total Equity and Liabilities		**1,85,697**	**1,83,622**

See accompanying notes to the financial statements

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: 13 May 2021

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and
Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and
Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: New Delhi
Date: 13 May 2021

Statement of Profit and Loss

for the year ended 31 March 2021

(₹ in crores except otherwise stated)

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
Revenue from operations	25	86,863	83,545
Other operating income	26	1,158	902
Other income	27	3,421	2,510
Total Income		**91,442**	**86,957**
EXPENSES			
Cost of materials consumed		22,849	21,261
Purchases of stock-in-trade		41	225
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	792	1,017
Power & fuel charges		13,674	16,606
Employee benefits expense	29	2,861	2,672
Finance costs	32	5,210	4,977
Depreciation, depletion and amortisation expense	6	7,638	9,093
Other expenses	33	20,486	21,979
Total expenses		**73,551**	**77,830**
Profit before exceptional items and tax		17,891	9,127
Net exceptional loss	34	(678)	(17,386)
Profit/(Loss) before tax		**17,213**	**(8,259)**
Tax expense/(benefit):	35		
On other than exceptional items			
Net current tax expense		2,066	1,788
Net deferred tax expense		268	1,217
Deferred tax on intra group profit distribution (including from accumulated profits)		869	1,701
Other deferred tax benefit		(601)	(484)
On exceptional items			
Net Deferred tax benefit		(154)	(6,521)
Net tax expense/(benefit):		**2,180**	**(3,516)**
Profit/(Loss) after tax for the year before share in loss of jointly controlled entities and associates and non-controlling interests		15,033	(4,743)
Add: Share in loss of jointly controlled entities and associates		(1)	(1)
Profit/(Loss) for the year after share in loss of jointly controlled entities and associates (A)		**15,032**	**(4,744)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement loss on defined benefit plans		(1)	(210)
Tax (expense)/credit		(11)	71
Gain/(loss) on FVOCI equity investment		63	(74)
		51	**(213)**
Items that will be reclassified to profit or loss			
Net (loss)/gain on cash flow hedges recognised during the year		(253)	127
Tax credit/(expense)		87	(44)
Net gain/(loss) on cash flow hedges recycled to profit or loss		188	(33)
Tax (expense)/credit		(61)	12
Exchange differences on translation		252	833
Tax (expense)/credit		(61)	34
		152	**929**
Total other comprehensive income (B)		**203**	**716**
Total comprehensive income/(loss) for the year (A+B)		**15,235**	**(4,028)**
Profit/(Loss) attributable to:			
Owners of Vedanta Limited		11,602	(6,664)
Non-controlling interests	17	3,430	1,920
Other comprehensive income attributable to:			
Owners of Vedanta Limited		110	839
Non-controlling interests	17	93	(123)
Total comprehensive income/(loss) attributable to:			
Owners of Vedanta Limited		11,712	(5,825)
Non-controlling interests	17	3,523	1,797
Earnings/(Loss) per equity share (₹):			
- Basic	36	31.32	(18.00)
- Diluted		31.13	(18.00)

See accompanying notes to the financial statements

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: 13 May 2021

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and
Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and
Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: New Delhi
Date: 13 May 2021

Statement of Cash Flows

for the year ended 31 March 2021

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	17,213	(8,259)
Adjustments for:		
Depreciation, depletion and amortisation	7,662	9,152
Capital work-in-progress written off/impairment charge	244	17,080
Other exceptional items	434	306
Provision for doubtful debts/advance/bad debts written off	308	121
Exploration costs written off	7	3
Fair value gain on financial assets held at fair value through profit or loss	(934)	(558)
(Profit)/Loss on sale/discard of property, plant and equipment (net)	(75)	56
Foreign exchange (gain)/loss (net)	(119)	317
Unwinding of discount on decommissioning liability	72	96
Share based payment expense	59	72
Interest and dividend income	(2,107)	(1,683)
Interest expenses	5,123	4,874
Deferred government grant	(228)	(205)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(3,215)	462
Decrease in inventories	1,409	1,990
Increase/(decrease) in trade and other payable	235	(3,389)
Cash generated from operation	**26,088**	**20,435**
Income taxes paid (net of refund)	(2,108)	(1,135)
Net cash generated from operating activities	**23,980**	**19,300**
CASH FLOWS FROM INVESTING ACTIVITIES		
Consideration paid for business acquisition (net of cash and cash equivalents acquired)	(45)	(33)
Purchases of property, plant and equipment (including intangibles)	(6,886)	(7,814)
Proceeds from sale of property, plant and equipment	168	145
Loans repaid by related parties (Refer note 40)	1,112	-
Loans given to related parties (Refer note 40)	(7,660)	-
Short-term deposits made	(18,040)	(11,190)
Proceeds from redemption short-term deposits	14,563	4,564
Short-term investments made	(75,160)	(98,358)
Proceeds from sale of short-term investments	83,330	1,03,339
Interest received	2,035	830
Dividends received	2	18
Payment made to site restoration fund	(169)	(37)
Proceeds on liquidation of structured investments	-	3,077
Payment towards structured investments	-	(435)
Net cash used in investing activities	**(6,750)**	**(5,894)**

Statement of Cash Flows

for the year ended 31 March 2021

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short-term borrowings (net)	(9,593)	(11,264)
Proceeds from current borrowings	11,298	4,473
Repayment of current borrowings	(11,056)	(4,397)
Proceeds from long-term borrowings	16,707	11,826
Repayment of long-term borrowings	(9,577)	(8,996)
Interest paid	(5,348)	(5,322)
Payment of dividends to equity holders of the parent, including dividend distribution tax	(3,519)	(1,444)
Loan given to parent and its affiliates in excess of fair value (Refer note 40(I))	(536)	-
Payment of dividends to non-controlling interests	(5,603)	-
Payment for acquiring non-controlling interest	-	(107)
Payment of lease liabilities	(338)	(316)
Net cash used in financing activities	**(17,565)**	**(15,547)**
Effect of exchange rate changes on cash and cash equivalents	72	(31)
Net decrease in cash and cash equivalents	**(263)**	**(2,172)**
Cash and cash equivalents at the beginning of the year (Refer note 13)	5,117	7,289
Cash and cash equivalents at end of the year (Refer note 13)	**4,854**	**5,117**

Notes:

1. The figures in parentheses indicate outflow.
2. The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 – statement of cash flows

See accompanying notes to the financial statements

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: 13 May 2021

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: New Delhi
Date: 13 May 2021

Statement of Changes in Equity

for the year ended 31 March 2021

A. EQUITY SHARE CAPITAL

Equity shares of ₹1 each issued, subscribed and fully paid	Number of shares (in crores)	Amount (₹ in crores)
As at 31 March 2021 and 31 March 2020	372	372

B. OTHER EQUITY

(₹ in crores)

Particulars	Reserves and surplus				Items of OCI					
	Capital reserve	Securities premium	Retained earnings	Other reserves (Refer note below)	Foreign currency translation reserve	Equity instruments through OCI	Effective portion of cash flow hedges	Total other equity	Non-controlling interests	Total
Balance as at 01 April 2019	**18,768**	**19,009**	**1,711**	**20,395**	**2,011**	**104**	**(73)**	**61,925**	**15,227**	**77,152**
Loss for the year	-	-	(6,664)	-	-	-	-	(6,664)	1,920	(4,744)
Other comprehensive income for the year (net of tax impact)	-	-	(92)	-	959	(74)	46	839	(123)	716
Total comprehensive income for the year	**-**	**-**	**(6,756)**	**-**	**959**	**(74)**	**46**	**(5,825)**	**1,797**	**(4,028)**
Recognition of share based payment	-	-	-	75	-	-	-	75	-	75
Stock options cancelled during the year	-	-	52	(52)	-	-	-	-	-	-
Exercise of stock option	-	-	7	(7)	-	-	-	-	-	-
Transfer from debenture redemption reserve (net)	-	-	191	(191)	-	-	-	-	-	-
Recognition of put option liability/derecognition of non-controlling interest	(343)	-	-	-	-	-	-	(343)	322	(21)
Acquisition of non-controlling interests in Electrosteel Steel Limited	127	-	-	-	-	-	-	127	(234)	(107)
Dividend, including tax on dividend (Refer note 37)	-	-	(1,696)	-	-	-	-	(1,696)	-	(1,696)
Balance as at 31 March 2020	**18,552**	**19,009**	**(6,491)**	**20,220**	**2,970**	**30**	**(27)**	**54,263**	**17,112**	**71,375**
Profit for the year	-	-	11,602	-	-	-	-	11,602	3,430	15,032
Other comprehensive income for the year (net of tax impact)	-	-	(7)	-	75	63	(21)	110	93	203
Total comprehensive income for the year	**-**	**-**	**11,595**	**-**	**75**	**63**	**(21)**	**11,712**	**3,523**	**15,235**
Recognition of share based payment	-	-	-	58	-	-	-	58	-	58
Stock options cancelled during the year	-	-	60	(92)	-	-	-	(32)	-	(32)
Exercise of stock option	-	-	(14)	14	-	-	-	0	-	0
Transfer from debenture redemption reserve (net)	-	-	528	(528)	-	-	-	-	-	-
Recognition of put option liability/derecognition of non-controlling interest	(163)	-	-	-	-	-	-	(163)	137	(26)
Effect of fair valuation of inter-company loan*	-	-	(536)	-	-	-	-	(536)		(536)
Acquisition of FACOR (Refer note 4(a))	123	-	-	-	-	-	-	123	(31)	92
Dividend (Refer note 37)	-	-	(3,519)	-	-	-	-	(3,519)	(5,603)	(9,122)
Balance as at 31 March 2021	**18,512**	**19,009**	**1,623**	**19,672**	**3,045**	**93**	**(48)**	**61,906**	**15,138**	**77,044**

* An amount of US$46 million (₹336 crores) was originally recognised as a transaction with the shareholder and the same was increased by US$79 million (₹581 crores) upon revision in terms. Of the same, US$52 million (₹381 crores) was reversed on a subsequent modification during the year. Refer note 40(l) for further details.

Statement of Changes in Equity

for the year ended 31 March 2021

Note:

Other reserves comprises:

(₹ in crores)

Particulars	Capital redemption reserve	Debenture redemption reserve	Preference share redemption reserve	Capital reserve on consolidation	Share based payment reserve	Legal reserve	Treasury shares	General reserve	Total
Balance as at 01 April 2019	**23**	**1,303**	**3,087**	**10**	**249**	**25**	**(397)**	**16,095**	**20,395**
Recognition of share based payment	-	-	-	-	75	-	-	-	75
Stock options cancelled during the year	-	-	-	-	(52)	-	-	-	(52)
Exercise of stock options	-	-	-	-	(23)	-	16	-	(7)
Transfer to retained earnings	-	(191)	-	-	-	-	-	-	(191)
Balance as at 31 March 2020	**23**	**1,112**	**3,087**	**10**	**249**	**25**	**(381)**	**16,095**	**20,220**
Recognition of share based payment	-	-	-	-	58	-	-	-	58
Stock options cancelled during the year	-	-	-	-	(92)	-	-	-	(92)
Exercise of stock options	-	-	-	-	(44)	-	58	-	14
Transfer to retained earnings	-	(528)	-	-	-	-	-	-	(528)
Balance as at 31 March 2021	**23**	**584**	**3,087**	**10**	**171**	**25**	**(323)**	**16,095**	**19,672**

See accompanying notes to the financial statements

As per our report of even date

For and on behalf of the Board of Directors

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

Navin Agarwal
Executive Vice-Chairman and
Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and
Chief Executive Officer
DIN 07291685

per **Sudhir Soni**
Partner
Membership No: 41870
Place: Mumbai
Date: 13 May 2021

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: New Delhi
Date: 13 May 2021

Notes

forming part of the consolidated financial statements as at and for the year ended 31 March 2021

1 GROUP OVERVIEW

Vedanta Limited ("the Company") and its consolidated subsidiaries (collectively, the "Group") is a diversified natural resource group engaged in exploring, extracting and processing minerals and oil and gas. The Group engages in the exploration, production and sale of zinc, lead, silver, copper, aluminium, iron ore and oil and gas and have a presence across India, South Africa, Namibia, Ireland, Australia, Liberia and UAE. The Group is also in the business of commercial power generation, steel manufacturing and port operations in India and manufacturing of glass substrate in South Korea and Taiwan.

The Company was incorporated on 08 September 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"), Vedanta Holdings Mauritius II Limited ("VHM2L"), West Globe Limited ("West Globe") and Welter Trading Limited ("Welter") which are in turn wholly-owned subsidiaries of Vedanta Resources PLC ("VRPLC"), which was a public limited company incorporated in the United Kingdom and listed on the London Stock Exchange (VRPLC has been delisted from London Stock Exchange on 01 October 2018 and is renamed as "Vedanta Resources Limited" ("VRL") with effect from 29 October 2018). Twin Star, Finsider, VHM2L, West Globe and Welter held 37.1%, 10.8%, 5.0%, 1.2% and 1.0% respectively of the Company's equity as at 31 March 2021.

Details of Group's various businesses are as follows. The Group's percentage holdings in each of the below businesses are disclosed in note 42.

- Zinc India business is owned and operated by Hindustan Zinc Limited ("HZL").
- Zinc international business is comprised of Skorpion mine and refinery in Namibia operated through THL Zinc Namibia Holdings (Proprietary) Limited ("Skorpion"), Lisheen mine in Ireland operated through Vedanta Lisheen Holdings Limited ("Lisheen") (Lisheen mine ceased operations in December 2015) and Black Mountain Mining (Proprietary) Limited ("BMM"), whose assets include the operational Black Mountain mine and the Gamsberg mine project located in South Africa.
- The Group's oil and gas business is owned and operated by the Company and its subsidiary, Cairn Energy Hydrocarbons Limited and consists of exploration and development and production of oil and gas.
- The Group's iron ore business is owned by the Company, and by two wholly-owned subsidiaries of the Company i.e. Sesa Resources Limited and Sesa Mining Corporation Limited and consists of exploration, mining and processing of iron ore, pig iron and metallurgical coke and generation of power for captive use. Pursuant to Honourable Supreme Court of India order, mining operations in the state of Goa are currently suspended. The Group's iron ore business includes Western Cluster Limited ("WCL") in Liberia which has iron ore assets and is wholly-owned by the Group. WCL's assets include development rights to Western Cluster and a network of iron ore deposits in West Africa. WCL's assets have been fully impaired.
- The Group's copper business is owned and operated by the Company, Copper Mines of Tasmania Pty Ltd. ("CMT") and Fujairah Gold FZC and is principally one of custom smelting and includes captive power plants at Tuticorin in Southern India.

The Group's copper business in Tamil Nadu, India has received an order from the Tamil Nadu Pollution Control Board ("TNPCB") on 09 April 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 23 May 2018 ordered for disconnection of electricity supply and closure of copper smelter plant. Post such order, the state government on 28 May 2018 ordered the permanent closure of the plant. We continue to engage with the Government of India and relevant authorities to enable the restart of operations at Copper India. [Refer note 3(c)(A)(vii)].

Further, the Company's copper business includes refinery and rod plant Silvassa consisting of a 133,000 MT of blister/secondary material processing plant, a 216,000 tpa copper refinery plant and a copper rod mill with an installed capacity of 258,000 tpa. The plant continues to operate as usual, catering to the domestic market.

Notes

forming part of the consolidated financial statements as at and for the year ended 31 March 2021

In addition, the Group owns and operates the Mt. Lyell copper mine in Tasmania, Australia through its subsidiary, CMT and a precious metal refinery and copper rod plant in Fujairah, UAE through its subsidiary Fujairah Gold FZC. The operations of Mt Lyell copper mine were suspended in January 2014 following a mud slide incident and were put into care and maintenance since 09 July 2014 following a rock fall incident in June 2014.

- The Group's Aluminium business is owned and operated by the Company and by Bharat Aluminium Company Limited ("BALCO"). The aluminium operations include a refinery and captive power plant at Lanjigarh and a smelter and captive power plants at Jharsuguda both situated in the State of Odisha in Eastern India. BALCO's partially integrated aluminium operations are comprised of two bauxite mines, captive power plants, smelting and fabrication facilities in the State of Chhattisgarh in central India.
- The Group's power business is owned and operated by the Company, BALCO, and Talwandi Sabo Power Limited ("TSPL"), a wholly-owned subsidiary of the Company, which are engaged in the power generation business in India. The Company's power operations include a thermal coal- based commercial power facility of 600 MW at Jharsuguda in the State of Odisha in Eastern India. BALCO power operations included 600 MW (2 units of 300 MW each) thermal coal based power plant at Korba, of which a unit of 300 MW was converted to be used for captive consumption vide order from Central Electricity Regulatory Commission (CERC) dated 01 January 2019. Talwandi Sabo Power Limited ("TSPL") power operations include 1,980 MW (three units of 660 MW each) thermal coal- based commercial power facilities. Power business also includes the wind power plants commissioned by HZL and a power plant at MALCO Energy Limited ("MEL") (under care and maintenance) situated at Mettur Dam in the State of Tamil Nadu in southern India.
- The Group's other activities include ESL Steel Limited ("ESL") (formerly known as Electrosteel Steels Limited). ESL is engaged in the manufacturing and supply of billets, TMT bars, wire rods and ductile iron pipes in India.

The Group's other activities also include Vizag General Cargo Berth Private Limited ("VGCB") and Maritime Ventures Private Limited ("MVPL"). Vizag port project includes mechanisation of coal handling facilities and upgradation of general cargo berth for handling coal at the outer harbour of Visakhapatnam Port on the east coast of India. MVPL is engaged in the business of rendering logistics and other allied services *inter alia* rendering stevedoring, and other allied services in ports and other allied sectors. VGCB commenced operations in the fourth quarter of fiscal 2013. The Group's other activities also include AvanStrate Inc. ("ASI") and Ferro Alloys Corporation Limited ("FACOR"). ASI is involved in the manufacturing of glass substrate in South Korea and Taiwan. FACOR is involved in business of producing Ferro Alloys and owns a Ferro Chrome plant with capacity of 72,000 TPA, two operational Chrome mines and 100 MW of Captive Power Plant through its subsidiary, FACOR Power Limited (FPL).

Delisting of Vedanta Limited

The Company vide letter dated 12 May 2020 had informed the stock exchanges that it has received a letter dated 12 May 2020 from its Holding Company, Vedanta Resources Ltd. ("VRL"), wherein VRL had expressed its intention to, either individually or along with one or more subsidiaries, acquire all fully paid-up equity shares of the Company ("Equity Shares") that are held by the public shareholders of the Company (as defined under the Delisting Regulations, to be referred to as "Public Shareholders") and consequently voluntarily delist the Equity Shares from BSE Limited and National Stock Exchange of India Limited, the 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.

After obtaining due approvals, the Public Shareholders holding Equity Shares were invited to submit Bids pursuant to the reverse book building process conducted through the Stock Exchange Mechanism made available by BSE during the bid period (29 October 2020 to 09 October 2020), in accordance with the Delisting Regulations.

The total number of Offer Shares validly tendered by the Public Shareholders in the Delisting Offer was 1,25,47,16,610 Offer Shares, which was less than the minimum number of Offer Shares required to be accepted by the Acquirers in order for the Delisting Offer to be successful in terms of Regulation 17(1)(a) of the Delisting Regulations. Thus, the Delisting Offer is deemed to have failed in terms of Regulation 19(1) of the Delisting Regulations.

2 BASIS OF PREPARATION AND BASIS OF MEASUREMENT OF FINANCIAL STATEMENTS

(A) Basis of preparation

i) These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting

Notes

forming part of the consolidated financial statements as at and for the year ended 31 March 2021

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 consolidated financial statements have been prepared in accordance with the accounting policies, set out below and were consistently applied to all periods presented unless otherwise stated.

These financial statements are approved for issue by the Board of Directors on 13 May 2021.

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

ii) Certain comparative figures appearing in these consolidated financial statements have been regrouped and/or reclassified to better reflect the nature of those items (Refer note 2(C) below).

(B) Basis of measurement

The consolidated financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which are measured at fair value as explained in the accounting policies below.

(C) Reclassifications

On an ongoing basis, the management reviews the changes in the nature of the Group's operations, selection and application of accounting policies and recent accounting pronouncements to assess appropriateness of presentation or classifications of items in the financial statements. For the year ended 31 March 2021, the Group has revised the presentation of the following items, neither of which has any material impact, individually or in the aggregate, on the financial statements:

i) Fly ash disposal expenses amounting to ₹214 crores (Year ended 31 March 2021: ₹406 crores) has been reclassified from 'Other Expenses' to 'Power and Fuel expense' for the comparative year ended 31 March 2020.

ii) The Group from the current year has decided to present liabilities with respect to operational buyer's/ suppliers credit and vendor financing (Refer note 20(B)) on the face of the balance sheet, which were previously included under trade payables to enhance the understanding of the financial statements. The value of such liabilities as at 01 April 2019 and 01 April 2020 was ₹8,116 crores and ₹8,945 crores respectively (As at 31 March 2021: ₹7,983 crores).

iii) The constituents of cash and cash equivalents for the purpose of cash flow statement to not consider the earmarked unpaid dividend accounts hitherto included in other bank balance. Consequently, such accounts amounting to ₹96 crores and ₹94 crores as at 31 March 2019 and 31 March 2020 respectively have been excluded from opening and closing cash and cash equivalents in the statement of cash flows for the comparative year ended 31 March 2020.

3(a) SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Consolidation

i) Subsidiaries:

The consolidated financial statements incorporate the results of the Company and all its subsidiaries (the "Group"), being the entities that it controls. Control is evidenced where the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity's returns.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Group.

For non-wholly-owned subsidiaries, a share of the profit/(loss) for the financial year and net assets is attributed to the non-controlling interests as shown in the consolidated statement of profit and loss and consolidated balance sheet.

Liability for put option issued to non-controlling interests which do not grant present access to ownership interest to the Group is recognised at present value of the redemption amount and is reclassified from equity. At the end of each reporting period, the non-controlling interests subject to put option is derecognised and the difference between the amount derecognised and present value of the redemption amount, which is recorded as a financial liability, is accounted for as an equity transaction.

For acquisitions of additional interests in subsidiaries, where there is no change in control, the Group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. Similarly, upon dilution of controlling interests the difference between the cash received from sale or listing of the subsidiary shares and

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the increase to non-controlling interest is also recognised in equity. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Intra-Group balances and transactions, and any unrealised profit arising from intra-Group transactions, are eliminated. Unrealised losses are eliminated unless costs cannot be recovered.

ii) Joint arrangements

A Joint arrangement is an arrangement of which two or more parties have joint control. Joint control is considered when there is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint venture. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby, the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group has both joint operations and joint ventures.

Joint operations

The Group has joint operations within its Oil and gas segment. It participates in several unincorporated joint operations which involve the joint control of assets used in oil and gas exploration and producing activities. The Group accounts for its share of assets, liabilities, income and expenditure of joint operations in which the Group holds an interest. Liabilities in unincorporated joint operations, where the Group is the operator, is accounted for at gross values (including share of other partners) with a corresponding receivable from the venture partner. These have been included in the consolidated financial statements under the appropriate headings. Details of joint operations are set out in Note 42.

Joint venture

The Group accounts for its interest in joint venture using the equity method (see (iv) below), after initially being recognised at cost in the consolidated balance sheet. Goodwill arising on the acquisition of joint venture is included in the carrying value of investments in joint venture.

iii) Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investments in associates are accounted for using the equity method (see (iv) below). Goodwill arising on the acquisition of associate is included in the carrying value of investments in associate.

iv) Equity method of accounting

Under the equity method of accounting applicable for investments in associates and joint ventures, investments are initially recorded at the cost to the Group and then, in subsequent periods, the carrying value is adjusted to reflect the Group's share of the post-acquisition profits or losses of the investee, and the Group's share of other comprehensive income of the investee, other changes to the investee's net assets and is further adjusted for impairment losses, if any. Dividend received or receivable from associates and joint-ventures are recognised as a reduction in carrying amount of the investment.

The consolidated statement of profit and loss include the Group's share of investee's results, except where the investee is generating losses, share of such losses in excess of the Group's interest in that investee are not recognised. Losses recognised under the equity method in excess of the Group's investment in ordinary shares are applied to the other components of the Group's interest that forms part of Group's net investment in the investee in the reverse order of their seniority (i.e. priority in liquidation).

If the Group's share of losses in an associate or joint venture equals or exceeds its interests in the associate or joint venture, the Group discontinues the recognition of further losses. Additional losses are provided for, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate/joint venture.

Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in these entities. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment of the asset transferred. Accounting policies of equity accounted investees is changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in Note below 3(a)(H).

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(B) Business combination

Business combinations are accounted for under the purchase method. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under Ind AS 103 'Business Combinations' are recognised at their fair value at the acquisition date, except certain assets and liabilities required to be measured as per the applicable standards.

Excess of fair value of purchase consideration and the acquisition date non-controlling interest over the acquisition date fair value of identifiable assets acquired and liabilities assumed is recognised as goodwill. Goodwill arising on acquisitions is reviewed for impairment annually. Where the fair values of the identifiable assets and liabilities exceed the purchase consideration, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

Where it is not possible to complete the determination of fair values by the date on which the first post-acquisition financial statements are approved, a provisional assessment of fair value is made and any adjustments required to those provisional fair values are finalised within 12 months of the acquisition date.

Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed twelve months from the acquisition date.

Any non-controlling interest in an acquiree is measured at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets. This accounting choice is made on a transaction by transaction basis.

Acquisition expenses are charged to the consolidated statement of profit and loss.

If the Group acquires a group of assets in a company that does not constitute a business combination in accordance with Ind AS 103 'Business Combinations', the cost of the acquired group of assets is allocated to the individual identifiable assets acquired based on their relative fair value.

Common control transactions

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are 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 Group 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 and is presented separately from other capital reserves. The Company's shares issued in consideration for the acquired companies are recognised at face value from the moment the acquired companies are included in these financial statements and the financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented. However, the prior year comparative information is only adjusted for periods during which entities were under common control.

(C) Revenue recognition

- **Sale of goods/rendering of services (Including Revenue from contracts with customers)**

The Group's revenue from contracts with customers is mainly from the sale of copper, aluminium, iron ore, zinc, oil and gas, power, steel, glass substrate and port operations. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer which usually is on delivery of the goods to the shipping agent at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognised net of discounts, volume rebates, outgoing sales taxes/goods and service tax and other indirect taxes. Revenues from sale of by-products are included in revenue.

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Certain of the Group's sales contracts provide for provisional pricing based on the price on the London Metal Exchange (LME) and crude index, as specified in the contract. Revenue in respect of such contracts is recognised when control passes to the customer and is measured at the amount the entity expects to be entitled – being the estimate of the price expected to be received at the end of the measurement period. Post transfer of control of goods, provisional pricing features are accounted in accordance with 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 consolidated 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 Group's provisionally priced sales are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

Revenue from oil, gas and condensate sales represent the Group's share in the revenue from sale of such products, by the joint operations, and is recognised as and when control in these products gets transferred to the customers. In computing its share of revenue, the Group excludes government's share of profit oil which gets accounted for when the obligation in respect of the same arises.

Revenue from sale of power is recognised when delivered and measured based on rates as per bilateral contractual agreements with buyers and at a rate arrived at based on the principles laid down under the relevant Tariff Regulations as notified by the regulatory bodies, as applicable.

Where the Group acts as a port operator, revenues relating to operating and maintenance phase of the port contract are measured at the amount that Group expects to be entitled to for the services provided.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs part of its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on the Group's future performance.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is received. The advance payments received plus a specified rate of return/discount, at the prevailing market rates, is settled by supplying respective goods over a period of up to twenty four months under an agreed delivery schedule as per the terms of the respective agreements. As these are contracts that the Group expects, and has the ability, to fulfil through delivery of a non-financial item, these are presented as advance from customers and are recognised as revenue as and when control of respective commodities is transferred to customers under the agreements. The fixed rate of return/discount is treated as finance cost. The portion of the advance where either the Group does not have a unilateral right to defer settlement beyond 12 months or expects settlement within 12 months from the balance sheet date is classified as current liability.

• Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

• Dividends

Dividend income is recognised in the consolidated 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 Group, and the amount of the dividend can be measured reliably.

(D) Property, Plant and Equipment

i) Mining properties and leases

When a decision is taken that a mining property is viable for commercial production (i.e. when the Group determines that the mining property will provide sufficient and sustainable return relative to the risks and the Group decided to proceed with the mine development), all further pre-production primary development expenditure other than that on land, buildings, plant, equipment and capital work-in-progress is capitalised as property, plant and equipment under the heading "Mining properties and leases" together with any amount transferred from "Exploration and evaluation" assets. The costs of mining properties and leases include the costs of acquiring and developing mining properties and mineral rights.

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The stripping cost incurred during the production phase of a surface mine is deferred to the extent the current period stripping cost exceeds the average period stripping cost over the life of mine and recognised as an asset if such cost provides a benefit in terms of improved access to ore in future periods and certain criteria are met. When the benefit from the stripping costs are realised in the current period, the stripping costs are accounted for as the cost of inventory. If the costs of inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. The Group uses the expected volume of waste compared with the actual volume of waste extracted for a given value of ore/mineral production for the purpose of determining the cost of the stripping activity asset.

Deferred stripping costs are included in mining properties within property, plant and equipment and disclosed as a part of mining properties. After initial recognition, the stripping activity asset is depreciated on a unit of production method over the expected useful life of the identified component of the ore body.

In circumstances where a mining property is abandoned, the cumulative capitalised costs relating to the property are written off in the period in which it occurs i.e. when the Group determines that the mining property will not provide sufficient and sustainable returns relative to the risks and the Group decides not to proceed with the mine development.

Commercial reserves are proved and probable reserves as defined by the 'JORC' Code, 'MORC' code or 'SAMREC' Code. Changes in the commercial reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

ii) Oil and gas assets – (developing/producing assets)

For oil and gas assets, a "successful efforts" based accounting policy is followed. Costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the consolidated 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 consolidated 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 consolidated 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 consolidated 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 and goodwill are not depreciated or amortised.

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• 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 life 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 consolidated statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

The Group reviews the residual value and useful life of an asset at least at each financial year-end and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

(E) 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.

The Group recognises port concession rights as "Intangible Assets" arising from a service concession arrangements, in which the grantor controls or regulates the services provided and the prices charged, and also controls any significant residual interest in the infrastructure such as property, plant and equipment, irrespective whether the infrastructure is existing infrastructure of the grantor or the infrastructure is constructed or purchased by the Group as part of the service concession arrangement. Such an intangible asset is recognised by the Group initially at cost determined as the fair value of the consideration received or receivable for the construction service delivered and is capitalised when the project is complete in all respects. Port concession rights are amortised on straight line basis over the balance of license period. The concession period is 30 years from the date of the award. Any addition to the port concession rights are measured at fair value on recognition. Port concession rights also include certain property, plant and equipment in accordance with Appendix C of Ind AS 115 "service concession arrangements."

Intangible assets are amortised over their estimated useful life on a straight line basis. Software is amortised over the estimated useful life ranging from 2-5 years. Amounts paid for securing mining rights are amortised over the period of the mining lease ranging from 16-25 years. Technological know-how and acquired brand are amortised over the estimated useful life of ten years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated 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.

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(F) 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 consolidated 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 consolidated statement of profit and loss.

(G) Non-current assets held for sale
Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Such assets and disposal groups are presented separately on the face of the consolidated balance sheet.

(H) 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 Group assesses at each reporting date, whether there is an indication that an asset may be impaired. The Group conducts an internal review of asset values annually, which is used as a source of information to assess for any indications of impairment or reversal of previously recognised impairment losses. Internal and external factors, such as worse economic performance than expected, changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognised impairment losses.

If any such indication exists or in case of goodwill where annual testing of impairment is required, then an impairment review is undertaken and the recoverable

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amount is calculated, as the higher of fair value less costs of disposal and the asset's value in use.

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the Group and not applicable to entities in general. Fair value for mineral and oil and gas assets is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted at an appropriate post tax discount rate to arrive at the net present value.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use is determined by applying assumptions specific to the Group's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined. The carrying value is net of deferred tax liability recognised in the fair value of assets acquired in the business combination.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the consolidated 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 except if initially attributed to goodwill.

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

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area;
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale; and
- reserve information prepared annually by external experts.

When a potential impairment is identified, an assessment is performed for each area of interest in conjunction with the group of operating assets (representing a cash-generating unit) to which the exploration and evaluation assets is attributed. Exploration areas in which reserves have been discovered but require major capital expenditure before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway or planned. To the extent that capitalised expenditure is no longer expected to be recovered, it is charged to the consolidated statement of profit and loss.

(I) 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 Group commits to purchase or sell the asset.

For purposes of subsequent measurement, financial assets are classified in four categories:

• **Debt instruments at amortised cost**
A 'debt instrument' is measured at amortised cost if both the following conditions are met:

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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 consolidated statement of profit and loss. The losses arising from impairment are recognised in consolidated 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 consolidated 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 consolidated 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 Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes being recognised in consolidated 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 Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. For equity instruments which are classified as FVTPL, all subsequent fair value changes are recognised in the consolidated statement of profit and loss.

(ii) Financial Assets – derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

(iii) Impairment of financial assets

In accordance with Ind AS 109, the Group 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 Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, contract assets and lease receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR.

ECL impairment loss allowance (or reversal) during the year is recognised as income/expense in consolidated 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 Group 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 Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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

(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 and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value, and in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

• **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by 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 consolidated 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 consolidated income statement. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statement of profit and loss. The Group has not designated any financial liability as at fair value through profit or loss.

• **Financial liabilities at amortised cost (Loans and Borrowings and Trade and Other payables)**

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated 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 consolidated statement of profit and loss.

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(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 consolidated 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 stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group 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 consolidated 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 Group 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 consolidated 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.

(J) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Group enters into forward, option, swap contracts and other derivative financial instruments. The Group does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to consolidated statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to consolidated 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 Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged

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item or transaction, the nature of the risk being hedged, hedge ratio and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in consolidated 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 consolidated statement of profit and loss. Hedge accounting is discontinued when the group revokes the hedge relationship, the hedging instrument or hedged item expires or is sold, terminated, or exercised or no longer meets the criteria for hedge accounting.

(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 consolidated statement of profit and loss.

Amounts recognised in OCI are transferred to consolidated 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.

(iii) Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in OCI while any gains or losses relating to the ineffective portion are recognised in the consolidated statement of profit and loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the consolidated statement of profit and loss (as a reclassification adjustment).

(K) Leases

The Group assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(b) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities towards future lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as described in 'D' above.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (and, in some instances, in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Other Financial Liabilities.

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

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(L) Inventories

Inventories and work-in-progress are stated at the lower of cost and net realisable value.

Cost is determined on the following basis:

- Purchased copper concentrate is recorded at cost on a first-in, first-out ("FIFO") basis;
  all other materials including stores and spares are valued on weighted average basis except in Oil and Gas business where stores and spares are valued on FIFO basis.
- Finished products are valued at raw material cost plus costs of conversion, comprising labour costs and an attributable proportion of manufacturing overheads based on normal levels of activity and are moved out of inventory on a weighted average basis (except in copper business where FIFO basis is followed) and
- By-products and scrap are valued at net realisable value.

Net realisable value is determined based on estimated selling price, less further costs expected to be incurred for completion and disposal.

(M) Government grants

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the consolidated 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 Group 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

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value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

(N) Taxation

Tax expense represents the sum of current tax and deferred tax.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years.

Subject to the exceptions below, deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and on carry forward of unused tax credits and unused tax losses:

- tax payable on the future remittance of the past earnings of subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future;
- deferred income tax is not recognised on initial recognition as well as on the impairment of goodwill which is not deductible for tax purposes or on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (tax loss); and
- deferred tax assets (including MAT credit entitlement) are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised outside consolidated statement of profit and loss is recognised outside consolidated 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.

Deferred tax is provided on temporary differences arising on acquisitions that are categorised as Business Combinations. Deferred tax is recognised at acquisition as part of the assessment of the fair value of assets and liabilities acquired. Subsequently deferred tax is charged or credited in the consolidated statement of profit and loss/other comprehensive income as the underlying temporary difference is reversed.
Further, management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

(O) Retirement benefit schemes

The Group operates or participates in a number of defined benefits and defined contribution schemes, the assets of which (where funded) are held in separately administered funds. For defined benefit schemes, the cost of providing benefits under the plans is determined by actuarial valuation each year separately for each plan using the projected unit credit method by third party qualified actuaries.

Remeasurement including, effects of asset ceiling and return on plan assets (excluding amounts included in interest on the net defined benefit liability) and actuarial gains and losses arising in the year are recognised in full in other comprehensive income and are not recycled to the consolidated statement of profit and loss.

Past service costs are recognised in the consolidated statement of profit and loss on the earlier of:

- the date of the plan amendment or curtailment, and

- the date that the Group recognises related restructuring costs.

Net interest is calculated by applying a discount rate to the net defined benefit liability or asset at the beginning of the period. Defined benefit costs are split into current service cost, past service cost, net interest expense or income and remeasurement and gains and losses on curtailments and settlements. Current service cost and past service 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 consolidated statement of profit and loss in respect of pension costs and other post retirement benefits is the

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contributions payable in the year, recognised as and when the employee renders related services.

(P) Share-based payments

Certain employees (including executive directors) of the Group receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of equity-settled transactions with employees is measured at fair value of share awards at the date at which they are granted. The fair value of share awards is determined with the assistance of an external valuer and the fair value at the grant date is expensed on a proportionate basis over the vesting period based on the Group's estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each 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.

(Q) 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 Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in consolidated 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 Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated balance sheet.

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

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

(R) Restoration, rehabilitation and environmental costs

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of a mine or oil fields. Such costs, discounted to net present value, are provided for and a corresponding amount is capitalised at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to the consolidated 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 consolidated 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 consolidated 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.

(S) Accounting for foreign currency transactions and translations

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. For all principal

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operating subsidiaries, the functional currency is normally the local currency of the country in which it operates with the exception of oil and gas business operations which have a US dollar functional currency as that is the currency of the primary economic environment in which it operates. The financial statements are presented in Indian rupee (₹).

In the financial statements of individual group companies, transactions in currencies other than the respective functional currencies are translated into their functional currencies at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into functional currencies at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the consolidated statement of profit and loss except those where the monetary item is designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognised in the other comprehensive income.

Exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalised as part of borrowing costs in qualifying assets.

For the purposes of the consolidation of financial statements, items in the consolidated statement of profit and loss of those businesses for which the Indian Rupees is not the functional currency are translated into Indian Rupees at the average rates of exchange during the year/exchange rates as on the date of transaction. The related consolidated balance sheet is translated into Indian rupees at the rates as at the reporting date. Exchange differences arising on translation are recognised in consolidated statements of other comprehensive income. On disposal of such entities the deferred cumulative exchange differences recognised in equity relating to that particular foreign operation are recognised in the consolidated statement of profit and loss.

The Group had applied paragraph 46A of AS 11 under Previous GAAP. Ind AS 101 gives an option, which has been exercised by the Group, 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 up to 31 March 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 01 April 2016, pertaining to the acquisition of a depreciable asset are charged to the consolidated statement of profit and loss.

(T) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

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

The Group enters into arrangements whereby banks and financial institutions make direct payments to suppliers for raw materials and project materials. The banks and financial institutions are subsequently repaid by the Group at a later date providing working capital timing benefits. These are normally settled up to twelve months (for raw materials) and up to 36 months (for project and materials). Where these arrangements are with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/suppliers' credit and disclosed on the face of the balance sheet (Refer note 2(C)(ii)). Interest expense on these are recognised in the finance cost. Payments made by banks and financial institutions to the operating vendors are treated as a non-cash item and settlement of operational buyer's credit/suppliers' credit by the Group is treated as cash flows from operating activity reflecting the subtsance of the payment.

Where such arrangements are with a maturity beyond twelve months and up to thirty six months, the economic substance of the transaction is determined to be financing in nature, and these are presented within borrowings in the consolidated balance sheet. Payments made to vendors are treated as cash item and disclosed as cash flows from operating/investing activity depending on the nature of the underlying transaction. Settlement of dues to banks and financial institution are treated as cash flows from financing activity.

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(V) Current and non-current classification

The Group presents assets and liabilities in the consolidated 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 Group'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 Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non current only.

(W) Borrowing costs

Borrowing cost includes interest expense as per effective interest rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time that the assets are substantially ready for their intended use, i.e. when they are capable of commercial production. Borrowing costs relating to the construction phase of a service concession arrangement is capitalised as part of the cost of the intangible asset. Where funds are borrowed specifically to finance a qualifying capital project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a qualifying capital project, the income generated from such short-term investments is deducted from the total capitalised borrowing cost. If any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing then becomes part of general borrowing. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the year.

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

(X) Treasury shares

The Group has created an Employee Benefit Trust (EBT) for providing share-based payment to its employees. The Group uses EBT as a vehicle for distributing shares to employees under the employee remuneration schemes. The EBT buys shares of the Company from the market, for giving shares to employees. The shares held by EBT are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity. Share options whenever exercised, would be satisfied with treasury shares.

(Y) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits which have 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.

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For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(Z) 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 AND AMENDED STANDARDS

(A) The Group has adopted, with effect from 01 April 2020, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the consolidated financial statements.

1. Amendments to Ind AS 103 regarding definition of a Business
2. Amendments to Ind AS 107 and 109 regarding Interest Rate Benchmark Reform
3. Amendments to Ind AS 1 and Ind AS 8 regarding definition of Material
4. Amendments to Ind AS 116 regarding COVID-19 related rent concessions

Other Amendments

A number of other minor amendments to existing standards also became effective on 01 April 2020 and have been adopted by the Group. 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 Group.

(B) Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, up to the date of issuance of the Group's financial statements.

3(c) SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated 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 consolidated 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 Group is in the business of metals and mining, Oil & gas and generation of power which are considered as either essential goods and services or were generally allowed to continue to carry out the operations with adequate safety measures. The Group has taken proactive measures to comply with various regulations/ guidelines issued by the Government and local bodies to ensure safety of its workforce and the society in general. The Group has considered possible effects of Covid-19 on the recoverability of its investments, property, plant and equipment (PPE), inventories, loans and receivables, etc in accordance with Ind AS. The Group has considered forecast consensus, industry reports, economic indicators and general business conditions to make an assessment of the implications of the Pandemic. The Group has also performed sensitivity analysis on the assumptions used basis the internal and external information/indicators of future economic condition. Based on the assessment, the Group had recorded necessary adjustments, including impairment to the extent the carrying amount exceeds the recoverable amount and has disclosed the same as exceptional item during the previous year ended 31 March 2020. No such impairments were identified during the current year. The actual effects of COVID-19 could be different from what is presently assessed and would be known only in

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due course of time, however no further adjustments are considered necessary at this stage.

ii) Oil and gas reserves

Significant technical and commercial judgements are required to determine the Group's estimated oil and natural gas reserves. 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 43.

Changes in reserves as a result of change in management assumptions could impact the depreciation rates and the carrying value of assets (refer note 6).

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 Group's accounting policies on this are set out in accounting policy above. The amounts for exploration and evaluation assets represent active exploration projects. These amounts will be written off to the consolidated 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 are disclosed in note 6.

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 or impairment reversal of previously recorded impairment are identified in accordance with Ind AS 36.

In the current year, the management has reviewed the key assumptions i.e. future production, oil prices, discount to price, Production sharing contract (PSC) life, discount rates, etc. for all of its oil and gas assets. Based on analysis of events that have occurred since then, there did not exist any indication that the assets may be impaired or previously recorded impairment charge may reverse. Hence, detailed impairment analysis has not been conducted in the current financial year. However during the year ended 31 March 2020, management had performed impairment tests on the Company's developing/producing oil and gas assets and the impairment assessments were 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

Details of carrying values are disclosed in note 6.

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 & developed 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

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There is no impairment recognised during the year. For the year ended 31 March 2020, details of impairment charge and the assumptions used and carrying value are disclosed in note 34 and 6 respectively.

vi) Recoverability of deferred tax and other income tax assets

The Group has carry forward tax losses, unabsorbed depreciation and MAT credit that are available for offset against future taxable profit. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the unused tax losses or tax credits can be 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 consolidated statement of profit and loss.

The total deferred tax assets recognised in these financial statement (refer note 35) includes MAT credit entitlements of ₹8,232 crores (FY19-20: ₹9,122 crores), of which ₹340 crores is expected to be utilised in the fourteenth year (FY19-20: ₹3,600 crores was expected to be utilised in fourteenth and fifteenth year), fifteen years being the maximum permissible time period to utilise the MAT credits.

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

(vii) Copper operations in Tamil Nadu, India

In an appeal filed by the Group against the closure order of the Tuticorin Copper smelter by Tamil Nadu Pollution Control Board ("TNPCB"), the appellate authority National Green Tribunal ("NGT") passed an interim order on 31 May 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 23 June 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 08 August 2013 that the Copper smelter could continue its operations and recommendations made by the Expert Committee be implemented in a time bound manner. The Group has implemented all of the recommendations. TNPCB has filed an appeal against the order of the NGT before the Supreme Court of India.

In the meanwhile, the application for renewal of Consent to Operate (CTO) for existing copper smelter, required as per procedure established by law was rejected by TNPCB in April 2018. Vedanta Limited has filed an appeal before the TNPCB Appellate Authority challenging the Rejection Order. During the pendency of the appeal, there were protests by a section of local community raising environmental concerns and TNPCB vide its order dated 23 May 2018 ordered closure of existing copper smelter plant with immediate effect. Further, the Government of Tamil Nadu, issued orders dated 28 May 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 30 May 2018, directing the immediate suspension and revocation of the Factory License and the Registration Certificate for the existing smelter plant.

The Company appealed this before the National Green Tribunal (NGT). NGT vide its order on 15 December 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 02 January 2019 challenging the judgement of NGT dated 15 December 2018 and the previously passed judgement of NGT dated 08 August 2013. The Supreme Court vide its judgement dated 18 February 2019 set aside the judgements of NGT dated 15 December 2018 and 08 August 2013 solely on the basis of maintainability 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. On 18 August 2020, the Madras High Court delivered the judgement wherein it dismissed all the Writ Petitions filed by the Company. The Company has approached the Supreme Court and challenged the said High Court order by way of a Special Leave Petition (SLP) to Appeal and also filed an interim relief for care & maintenance of the plant. The matter was then listed on 02 December 2020 before Supreme

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Court Bench. The Bench after having heard both the sides concluded that at this stage the interim relief in terms of trial run could not be allowed. Further, considering the voluminous nature of documents and pleadings, the matter shall be finally heard on merits.The matter was again mentioned before the bench on 17 March 2021, wherein the matter was posted for hearing on 17 August 2021.

However, subsequent to the year end, the Company approached the Supreme Court offering to supply medical oxygen from the said facility in view of prevailing COVID-19 situation, which was allowed by the Supreme Court, under supervision of a committee constituted by the Government of Tamil Nadu.

As per the Company's assessment, it is in compliance with the applicable regulations and expects to get the necessary approvals in relation to the existing operations and hence the Company does not expect any material adjustments to these financial statements as a consequence of above actions.

The Company has carried out an impairment analysis for existing plant assets during the period ended 31 March 2021 considering the key variables and concluded that there exists no impairment. The Company has done an additional sensitivity analysis with commencement of operations of the existing plant w.e.f. 01 April 2024 and noted that the recoverable amount of the assets would still be in excess of their carrying values.

The carrying value of the assets as at 31 March 2020 is ₹2,328 crores and 31 March 2021 is ₹2,144 crores.

Expansion Project:
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 MoEFCC 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 23 May 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, Forests and Climate Change (MoEFCC) has delisted the Expansion Project since the matter is sub-judice. Separately, SIPCOT vide its letter dated 29 May 2018, cancelled 342.22 acres of the land allotted for the proposed Expansion Project. Further, the TNPCB issued orders on 07 June 2018 directing the withdrawal of the Consent to Establish (CTE) which was valid till 31 March 2023.

The Company has approached Madras High Court by way of writ petition challenging the cancellation of lease deeds by SIPCOT pursuant to which an interim stay has been granted. The Company has also filed Appeals before the TNPCB Appellate Authority challenging withdrawal of CTE by the TNPCB, the matter is pending for adjudication. Considering the delay in existing plant matter and accordingly delay in getting the required approval for Expansion Project, management considered to make provision for impairment for Expansion Project basis fair value less cost of disposal and accordingly made impairment provision of ₹669 crores in March 2020. During the current period, there are no updates in the expansion matter and impairment provision of ₹669 crores is adequate and the net carrying value of ₹97 crores as at 31 March 2021 approximates its recoverable value.

Impairment recognised during the year ended 31 March 2020
For the expansion plant, the project activities are on halt since May 2018. Further, the project EC for the expansion plant got expired on 31 December 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 crores, the Company has recognised an impairment of ₹669 crores (comprising of CWIP balances of ₹435 crores, capital advances of ₹196 crores and other assets of ₹38 crores) during the year.

Property, plant and equipment of ₹1,337 crores and inventories of ₹284 crores, 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
The Company operates an oil and gas production facility in Rajasthan under a Production Sharing Contract ("PSC"). The management is of the opinion that the Company is eligible for automatic extension of the PSC for Rajasthan ("RJ") block on same terms w.e.f. 15 May 2020, while Government of India ("GoI") in October 2018,

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accorded its approval for extension of the PSC, under the Pre-NELP Extension policy as per notification dated 07 April 2017 ("Pre-NELP Policy"), for RJ block by a period of 10 years, w.e.f. 15 May 2020. As per the said policy and extension letter, the Company is required to comply with certain conditions and pay an additional 10% profit oil to GoI. The Company had challenged the applicability of Pre NELP Policy to the RJ block. The Division Bench of the Delhi High Court in March 2021 set aside the single judge order of May 2018 which allowed automatic extension of PSC. The Company is studying the order and all available legal remedies are being evaluated for further action as appropriate.

One of the conditions for extension of PSC relates to notification of certain audit exceptions raised for FY16-17 as per PSC provisions and provides for payment of amounts, if such audit exceptions result into any creation of liability.

The Directorate General of Hydrocarbons ("DGH") in May 2018 raised a demand on the Company and its subsidiary for the period up to 31 March 2017 for Government's additional share of Profit oil based on its computation of disallowance of costs incurred in excess of the initially approved Field Development Plan ("FDP") of the pipeline project for ₹1,477 crores (US$202 million) and retrospective re-allocation of certain common costs between Development Areas ("DAs") of RJ block aggregating to ₹2,669 crores (US$364 million). The DGH vide its letter dated 12 May 2020, reiterated its demand only with respect to the retrospective re-allocation of certain common costs between DAs of the RJ block of ₹2,669 crores (US$364 million towards contractor share for the period up to 31 March 2017. This amount was subsequently revised to ₹3,360 crores (US$458 million) till March 2018 vide DGH letter dated 24 December 2020.

The Company in January 2020 received notifications from the DGH on audit exceptions arising out of its audit for the FY2017-18, which comprises the consequential effects on profit oil due to the aforesaid matters and certain new matters on cost allowability plus interest aggregating to US$645 million, representing share of the Company and its subsidiary, CEHL ("the Claimants"), which have been suitably responded to by the Company.

The Company believes that it has sufficient as well as reasonable basis pursuant to the PSC provisions and related approvals, supported by legal advice, for having claimed such costs and for allocating common costs between different DAs. In the Company's opinion, these computations of the aforesaid demand/audit exceptions are not appropriate, and the accounting adjustments sought for issues pertaining to Year 2007 and onwards are based on assumptions that are not in consonance with the approvals already in place. The Company's view is also supported by independent legal opinion and the Company has been following the process set out in PSC to resolve these aforesaid matters. The Company has also invoked the PSC process for resolution of disputed exceptions and has issued notice for arbitration and the tribunal stands constituted. Further, on 23 September 2020, the GoI had filed an application for interim relief before Delhi High Court seeking payment of all disputed dues. This matter is now scheduled for hearing on 20 May 2021.

Also, on Vedanta's application under Section 17 of the Arbitration and Conciliation Act, 1996, the tribunal in December 2020 ordered that GoI should not take any action to enforce any of the amounts at issue in this arbitration against the Claimants during the arbitral period. The GoI has challenged the said order before the Delhi High Court under the said Act. This matter is also scheduled for hearing on 20 May 2021.

In management's view, the above mentioned condition on demand raised by the DGH for additional petroleum linked to PSC extension is untenable and has not resulted in creation of any liability and cannot be a ground for non-extension. In addition, all necessary procedures prescribed in the PSC including invocation of arbitration, in respect of the stated audit observation have also been fulfilled. Accordingly, the PSC extension approval granted vide DGH letter dated 26 October 2018 upholds with all conditions addressed and no material liability would devolve upon the Group.

Simultaneously, the Company is also pursuing with the GoI for executing the RJ PSC addendum at the earliest. In view of extenuating circumstances surrounding COVID-19 and pending signing of the PSC addendum for extension after complying with all stipulated conditions, the GoI has been granting interim permission to the Company to continue Petroleum operations in the RJ block. The latest permission is valid up to 31 July 2021 or signing of the PSC addendum, whichever is earlier.

Ravva Block

The Government of India (GoI) has granted its approval for a ten-year extension of PSC for Ravva Block with effect from 28 October 2019, in terms of the provision of the "Policy on the Grant of the extension to Production Sharing Contract Signed by Government awarding small, medium-sized and discovered field to private joint ventures" dated 28 March 2016. The PSC addendum recording this extension has been executed by all parties. The Ravva Extension Policy, amongst others, provides for an increased share of profit petroleum of 10% for the GoI during the extended term of the Ravva PSC and payment of royalty and cess as per prevailing rate in accordance with the PNG Rules, 1959 and OIDB Act. Under the Ravva PSC, –the Company's oil and gas business is

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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 Income Tax Act, 1961 which is effective 01 April 2019, companies in India have the option to pay corporate income tax at the rate of 22% plus applicable surcharge and cess as against the earlier rate of 30% plus applicable surcharge and cess, subject to certain conditions like, the Company has to forego all benefits like tax holidays, brought forward losses generated through tax incentives/additional depreciation and outstanding MAT credit. Considering all the provisions under Section 115BAA and based on the expected timing of exercising of the option under Section 115BAA, the Group has re-measured its deferred tax balances as at 31 March 2021. This computation required assessment of assumptions regarding future profitability, which is inherently uncertain. To the extent assumptions regarding future profitability change, there can be increase or decrease in the amounts recognised. Refer note 35(b) for details.

(x) ESL Steel Limited (formerly known as Electrosteel Steels Limited) (ESL), had filed application for renewal of Consent to Operate ('CTO') on 24 August 2017 for the period of five years which was denied by Jharkhand State Pollution Control Board ('JSPCB') on 23 August 2018, as JSPBC awaited response from MoEFCC over a 2012 show-cause notice. After a personal hearing towards the show cause notice, the Ministry of Environment, Forests and Climate Change revoked the Environmental Clearance (EC) on 20 September 2018. The Hon'ble High Court of Jharkhand granted stay against both revocation orders, and allowed the continuous running of the plant operations under regulatory supervision of the JSPCB. Jharkhand High Court on 16 September 2020 passed an order vacating the interim stay in place beyond 23 September 2020, while listed the matter for final hearing. ESL filed an Special Leave Petition (SLP) in the Supreme Court, and on 22 September 2020, ESL was granted permission to run the plant till further orders. Next date of High Court hearing is 25 June 2021 and Supreme Court hearing is yet to be listed.

The Forest Advisory Committee (FAC) of MoEFCC granted the Stage 1 clearance and the MoEF&CC approved the related Terms of Reference (TOR) on 25 August 2020. As per Stage 1 clearance, the Company is required to provide non-forest land in addition to the afforestation cost. The Company, based on the report of an EIA consultant, has recognised a provision of ₹213 crores as an exceptional item in these financial statement with respect to the costs to be incurred by the Company for obtaining Enviornment Clearance.

(xi) Assessment of impairment of assets at Aluminium division

During year ended 31 March 2020, considering lower sales realisation, an impairment trigger was identified in the aluminium division of the Group. 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 rates	cost of capital risk-adjusted for the risk specific to the asset/CGU

During the previous year, the Group had carried out an impairment analysis, based on value in use approach, considering the key variables and concluded that there existed no impairment. The Group had carried out sensitivity analysis on key assumptions including commodity price, discount rate and delay in expansion of refinery. Based on sensitivity analysis, the recoverable amount was expected to exceed the carrying value as at 31 March 2020 of ₹36,992 crores. No negative developments have occurred since the previous year, while the commodity price have increased. Accordingly, it is not expected that the carrying amount would exceed the recoverable amount and hence the recoverable value for the year ended 31 March 2021 was not re-determined.

(xii) Going Concern

Considering the uncertainties caused due to Covid-19, the Group prepared its cash flow forecasts under various scenarios and has performed additional sensitivities on certain key assumptions. Based on such an analysis and assessment of its ability to raise additional capital, the Group continues to prepare its financial statements on a going concern basis.

(B) Significant judgements

(i) Determining whether an arrangement contains a lease:

The Group has ascertained that the Power Purchase Agreement (PPA) entered into between one of the subsidiaries and a State grid qualifies to be an operating lease under Ind AS 116 "Leases". Accordingly, the consideration receivable under the PPA relating to recovery of capacity charges towards capital cost have been recognised as operating lease rentals and in respect

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of variable cost that includes fuel costs, operations and maintenance, etc. is considered as revenue from sale of products/services.

Significant judgement is required in segregating the capacity charges due from the State grid, between fixed and contingent payments. The Group has determined that since the capacity charges under the PPA are based on the number of units of electricity made available by its Subsidiary which would be subject to variation on account of various factors like availability of coal and water for the plant, there are no fixed minimum payments under the PPA, which requires it to be accounted for on a straight line basis. The contingent rents recognised are disclosed in Note 25.

(ii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Group. A provision is recognised when the Group has a present obligation as a result of past events and it is probable that the Group will be required to settle that obligation.

Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

When considering the classification of legal or tax cases as probable, possible or remote, there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific applicable law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to make informed decision. Although there can be no assurance regarding the final outcome of the legal proceedings, the Group does not expect them to have a materially adverse impact on the Group's financial position or profitability. These are set out in note 38.

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

In certain cases, the Group's power customers are disputing various contractual provisions of Power Purchase Agreements (PPA). Significant judgement is required in both assessing the tariff to be charged under the PPA in accordance with 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 that the Group 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 8(c)).

(iv) 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 34.

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4 BUSINESS COMBINATION AND OTHERS

a) Ferro Alloys Corporation Limited - Business Combination

On 21 September 2020, the Company acquired control over Ferro Alloys Corporation Limited ("FACOR"). FACOR was admitted under Corporate insolvency resolution process in terms of the Insolvency and Bankruptcy Code, 2016 of India. The National Company Law Tribunal (NCLT) vide its order dated 30 January 2020 approved the resolution plan for acquiring controlling stake in FACOR. Pursuant to the approved resolution plan, FACOR has become a wholly-owned subsidiary of the Company. FACOR holds 90% equity in its subsidiary, Facor Power Limited (FPL).

FACOR is in the business of producing Ferro Alloys and owns a Ferro Chrome plant with capacity of 72,000 TPA, two operational Chrome mines and 100 MW of Captive Power Plant through its subsidiary, FACOR Power Limited (FPL). The acquisition will complement the Group's existing steel business as the vertical integration of ferro manufacturing capabilities has the potential to generate significant efficiencies.

The fair value of the identifiable assets and liabilities of FACOR as at the date of the acquisition were as follows:

(₹ in crores)

Particulars	Fair Value at Acquisition
Property, Plant and Equipment including Capital work-in-progress	134
Intangible assets	220
Bank deposits	9
Non-current assets	**363**
Inventories	46
Trade and other receivables	5
Cash and cash equivalents	11
Other bank balances	69
Other financial assets	1
Other current assets	31
Current assets	**163**
Total Assets (A)	**526**
Borrowings	9
Deferred tax liabilities	60
Trade payables	10
Other financial liabilities	19
Provisions	7
Other current liabilities	37
Total Liabilities (B)	**142**
Net Assets (C = A-B)	**384**
Satisfied by:	
Cash Consideration Paid for Equity acquired	34
Cash Consideration Paid for Debt acquired	22
Zero coupon Non-Convertible Debentures issued by FACOR repayable equally over 4 years commencing March 2021 (Nominal value ₹287 crores)*	236
Total Purchase consideration (D)	**292**
Non-Controlling interest on acquisition (10% of net liabilities of FPL) (E)	(31)
Bargain Gain recognised directly in equity (capital reserve) (C-D-E)	**123**

*Includes NCDs of nominal value ₹3 crores yet to be issued as part of purchase consideration.

Since the date of acquisition, FACOR has contributed ₹274 crores and ₹40 crores to the Group revenue and profit before taxation respectively for the year ended 31 March 2021.

If FACOR had been acquired at the beginning of the year, the Group revenue would have been ₹87,087 crores and the profit before exceptional items and tax of the Group would have been ₹17,823 crores.

Notes

forming part of the consolidated financial statements as at and for the year ended 31 March 2021

The carrying amount of all assets and liabilities within the working capital equals their fair value. None of the Trade receivables was impaired and the full contractual amount were expected to be realised. Mining Rights have been valued considering the With or Without method, i.e. based on the cost savings resulting from the usage of the mines vis a vis procurement of raw material (chrome ore) from external vendors. Land has been valued based on the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act. Buildings, Plant & Machinery, Other Tangible Assets, Capital Work-in-Progress and Capital Advances pertaining to the Tangible Assets together have been estimated based on the Value in Use of FACOR under the Income Approach.

Non-controlling interest has been measured at the non-controlling interest's proportionate share of FPL's identifiable net assets.

Acquisition costs of ₹3 crores have been charged to the consolidated statement of profit and loss.

b) Acquisition of Global coke plant

On 28 July 2019, the Group 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 crores. The assets acquired mainly included Land, Building and Plant & Machinery of similar value as the cash consideration. The acquisition complements backward integration opportunity for the Group's existing pig iron division and also increase Group's footprint in met coke market in south western part of India. Detailed disclosure of fair value of the identifiable assets and liabilities of Sindhudurg plant has not been provided as the same is not material.

Acquisition costs related to the same were not material.

5 SEGMENT INFORMATION

A) Description of segment and principal activities

The Group is a diversified natural resource group engaged in exploring, extracting and processing minerals and oil and gas. The Group produces zinc, lead, silver, copper, aluminium, iron ore, oil and gas, ferro alloys and steel and commercial power and has a presence across India, South Africa, Namibia, U.A.E, Ireland, Australia, Japan, South Korea, Taiwan and Liberia. The Group is also in the business of port operations and manufacturing of glass substrate. The Group has seven reportable segments: copper, aluminium, iron ore, power, Zinc India (comprises of zinc and lead India), Zinc international, oil and gas and others. The management of the Group is organised by its main products: copper, Zinc (comprises of zinc and lead India, silver India and zinc international), aluminium, iron ore, oil and gas, power and others. "Others" segment mainly comprises of port/berth, steel, glass substrate and ferro alloys business and those segments which do not meet the quantitative threshold for separate reporting. Each of the reportable segments derives its revenues from these main products and hence these have been identified as reportable segments by the Group's chief operating decision maker ("CODM").

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 Group's accounting policies described in Note 3. The operating segments reported are the segments of the Group for which separate financial information is available. Earnings before interest, depreciation and amortisation and tax (EBITDA) are evaluated regularly by the CODM in deciding how to allocate resources and in assessing performance. The Group'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 Group's business segments as at and for the year ended 31 March 2021 and 31 March 2020 respectively.

Notes

forming part of the consolidated financial statements as at and for the year ended 31 March 2021

For the year ended 31 March 2021

(₹ in crores)

Particulars	Business Segments									
	Zinc India	Zinc International	Oil & Gas	Aluminium	Copper	Iron Ore	Power	Others	Eliminations	Total
Revenue										
External Revenue	21,932	2,729	7,531	28,575	10,888	4,487	5,375	5,346	-	86,863
Inter segment revenue	-	-	-	69	2	41	-	31	(143)	-
Segment revenue	**21,932**	**2,729**	**7,531**	**28,644**	**10,890**	**4,528**	**5,375**	**5,377**	**(143)**	**86,863**
Results										
EBITDA*	11,620	811	3,206	7,751	(177)	1,804	1,407	919	-	27,341
Depreciation, depletion and amortisation	2,592	320	1,223	1,928	218	96	693	568	-	7,638
Other income **	125	-	-	75	3	8	17	1	-	229
Segment Results	**9,153**	**491**	**1,983**	**5,898**	**(392)**	**1,716**	**731**	**352**	**-**	**19,932**
Less: Unallocated expenses										129
Less: Finance costs										5,210
Add: Other income (excluding exchange difference and those included in segment results)										3,040
Add: Net exceptional loss										(678)
Net profit/(loss) before tax										17,213
Other information										
Segment assets	**21,302**	**6,065**	**18,915**	**54,764**	**6,273**	**2,722**	**17,565**	**7,862**	**-**	**1,35,468**
Financial Assets investments										16,660
Deferred tax Assets										5,860
Income tax Assets										2,755
Cash and bank balances (Including restricted cash and bank balances)										16,744
Others										8,210
Total assets										**1,85,697**
Segment liabilities	**5,929**	**1,067**	**11,178**	**18,565**	**4,388**	**1,319**	**2,123**	**2,126**	**-**	**46,695**
Deferred tax liabilities										2,215
Borrowing										57,028
Income tax liabilities (net of payments)										277
Others										2,066
Total liabilities										**1,08,281**
Capital expenditure* **	**2,333**	**390**	**1,523**	**1,782**	**58**	**112**	**57**	**598**	**-**	**6,855**
Capital work-in-progress written off/Impairment charge – net/provision	**-**		**-**	**(181)**	**-**			**(63)**	**-**	**(244)**

* EBITDA is a non-GAAP measure.

** Amortisation of duty benefits relating to assets recognised as government grant.

*** Total of capital expenditure includes capital expenditure of ₹2 crores which is not allocable to any segment. It also includes ₹354 crores acquired through business combination.

Notes

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For the year ended 31 March 2020

(₹ in crores)

Particulars	Business Segments									
	Zinc India	Zinc International	Oil & Gas	Aluminium	Copper	Iron Ore	Power	Others	Eliminations	Total
Revenue										
External Revenue	18,159	3,128	12,661	26,544	9,053	3,450	5,860	4,690	-	83,545
Inter segment revenue	-	-	-	33	-	13	-	92	(138)	-
Segment revenue	**18,159**	**3,128**	**12,661**	**26,577**	**9,053**	**3,463**	**5,860**	**4,782**	**(138)**	**83,545**
Results										
EBITDA*	8,714	380	7,271	1,998	(300)	878	1,649	471	-	21,061
Depreciation, depletion and amortisation	2,367	633	2,714	1,896	214	109	687	473	-	9,093
Other income **	101	-	-	73	5	8	17	1	-	205
Segment Results	**6,448**	**(253)**	**4,557**	**175**	**(509)**	**777**	**979**	**(1)**	**-**	**12,173**
Less: Unallocated expenses										(307)
Less: Finance costs										4,977
Add: Other income (excluding exchange difference and those included in segment results)										2,238
Add: Net exceptional gain										(17,386)
Net profit/(loss) before tax										(8,259)
Other information										
Segment assets	**21,989**	**5,175**	**15,474**	**55,876**	**6,867**	**2,738**	**18,712**	**8,087**	**-**	**1,34,918**
Financial Assets investments										24,753
Deferred tax Assets										6,889
Income tax Assets										2,652
Cash and bank balances (Including restricted cash and bank balances)										13,256
Others										1,154
Total assets										**1,83,622**
Segment liabilities	5,996	1,226	10,206	20,811	4,599	1,268	1,942	1,574	-	47,622
Deferred tax liabilities										2,885
Borrowing										59,187
Income tax liabilities (net of payments)										188
Others										1,993
Total liabilities										**1,11,875**
Capital expenditure* **	**4,220**	**721**	**4,610**	**1,406**	**61**	**105**	**66**	**238**	**-**	**11,430**
Impairment reversal/ (charge) - net/provision	**-**	**-**	**(15,907)**	**-**	**(669)**	**-**		**(504)**	**-**	**(17,080)**

* EBITDA is a non-GAAP measure.

** Amortisation of duty benefits relating to assets recognised as government grant.

*** Total of capital expenditure includes capital expenditure of ₹3 crores which is not allocable to any segment. It also includes acquisition through business combination.

Notes

forming part of the consolidated financial statements as at and for the year ended 31 March 2021

B) Geographical segment analysis

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

(₹ in crores)

Geographical Segments	Year ended 31 March 2021	Year ended 31 March 2020
Revenue by geographical segment		
India	53,621	54,226
China	5,221	2,694
UAE	698	820
Malaysia	7,109	7,648
Others	20,214	18,157
Total	**86,863**	**83,545**

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 crores)

Geographical Segments	As at 31 March 2021	As at 31 March 2020
Carrying amount of non-current assets		
India	1,05,615	1,06,844
South Africa	4,449	3,723
Namibia	887	750
Taiwan	1,002	1,162
Other	789	985
Total	**1,12,742**	**1,13,464**

C) Information about major customer

Revenue from one customer amounted to ₹10,477 crores for the year ended 31 March 2021 (31 March 2020: No customer), arising from sales made in the Aluminium, Zinc and Copper segment. No other customer contributed to more than 10% of revenues.

D) Disaggregation of Revenue

Below table summarises the disaggregated revenue from contracts with customers:

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Oil	6,480	10,906
Gas	684	795
Zinc Metal	16,634	15,756
Lead Metal	3,880	3,470
Silver Metals and bars	4,395	2,476
Iron Ore	2,173	1,482
Metallurgical coke	257	55
Pig Iron	2,425	2,239
Copper products	10,205	7,349
Aluminium products	28,394	25,429
Power	3,651	4,406
Steel products	3,966	3,785
Ferro Alloys	274	-
Others	2,126	3,748
Revenue from contracts with customers*	**85,544**	**81,896**
Revenue from contingent rents	1,515	1,673
Loss on provisionally priced contracts under Ind AS 109	(196)	(1,300)
JV partner's share of the exploration costs approved under the OM (Refer note 25)	-	1,276
Total revenue	**86,863**	**83,545**

*includes revenues from sale of services aggregating to ₹224 crores (FY2019-20: ₹216 crores) which is recorded over a period of time. The balance revenue from contracts with customers is recognised at a point in time.

Notes

forming part of the consolidated financial statements as at and for the year ended 31 March 2021

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

(₹ in crores)

Particulars	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 development	Total including capital work-in-progress and Exploration intangible assets under development
Property, Plant & equipment													
Gross Block													
As at 01 April 2019	2,558	14,030	99,853	12,737	82,434	384	359	831	-	2,13,186	44,495	7,906	2,65,587
ROU Assets as at 01 April 2019	-	-	(16)	-	-	-	-	-	577	561	-	-	561
Additions	10	357	2,335	1,491	186	12	41	123	1,021	5,576	5,800	509	11,885
Acquisition through business combination	12	7	14	-	-	-	-	-	-	33	-	-	33
Transfers/Reclassifications [n]	(330)	61	1,545	693	1,400	2	26	10	-	3,407	(3,812)	18	(387)
Disposals/Adjustments	-	(6)	(724)	(126)	(14)	(4)	(22)	(8)	(224)	(1,128)	(3)	(84)	(1,215)
Unsuccessful Exploration cost (Refer note 33)	-	-	-	-	-	-	-	-	-	-	-	(3)	(3)
Exchange differences	28	175	773	(526)	6,812	16	(10)	18	46	7,332	2,588	663	10,583
As at 31 March 2020	**2,278**	**14,624**	**1,03,780**	**14,269**	**90,818**	**410**	**394**	**974**	**1,420**	**2,28,967**	**49,068**	**9,009**	**2,87,044**
Additions	7	153	1,780	1,301	-	40	27	95	107	3,510	2,270	723	6,503
Acquisition through business combination (Refer note 4(a))	132	-	-	-	-	-	-	-	-	132	2	-	134
Transfers/Reclassifications	(252)	105	3,882	457	1,009	21	(32)	10	253	5,453	(5,465)	8	(4)
Disposals/Adjustments	(20)	(13)	(543)	(5)	(7)	(10)	(21)	(8)	(3)	(630)	-	-	(630)
Unsuccessful Exploration cost (Refer note 33)	-	-	-	-	-	-	-	-	-	-	-	(7)	(7)
Exchange differences	(7)	31	234	747	(1,852)	(5)	8	7	(17)	(854)	(645)	(185)	(1,684)
As at 31 March 2021	**2,138**	**14,900**	**1,09,133**	**16,769**	**89,968**	**456**	**376**	**1,078**	**1,760**	**2,36,578**	**45,230**	**9,548**	**2,91,356**
Accumulated depreciation, depletion, amortisation and impairment													
As at 01 April 2019	322	5,513	31,808	6,667	72,364	273	87	637	-	1,17,671	22,259	5,183	1,45,113
ROU Assets as at 01 April 2019	-	-	(1)	-	-	-	-	-	1	-	-	-	-
Charge for the year	10	547	4,181	1,634	2,359	46	37	116	133	9,063	-	-	9,063
Disposals/Adjustments	-	(1)	(407)	-	-	(3)	(16)	(7)	(28)	(462)	-	-	(462)
Impairment charge/(reversal) for the year (Refer note 34)	-	17	507	-	6,912	-	-	-	22	7,458	7,857	1,569	16,884
Transfers/Reclassification	-	-	(6)	-	-	-	6	-	-	-	-	-	-
Exchange differences	21	166	805	(216)	6,406	14	(6)	20	5	7,215	2,115	509	9,839
As at 31 March 2020	**353**	**6,242**	**36,887**	**8,085**	**88,041**	**330**	**108**	**766**	**133**	**1,40,945**	**32,231**	**7,261**	**1,80,437**
Charge for the year	6	535	4,395	1,516	772	32	38	122	194	7,610	-	-	7,610
Disposals/Adjustments	(9)	(13)	(418)	-	(7)	(9)	(17)	(5)	(1)	(479)	-	-	(479)
Capital work-in-progress written off/ Impairment charge for the year (Refer note 34)	-	-	-	-	-	-	-	-	-	-	244	-	244
Transfers/Reclassification	-	-	35	-	490	-	(7)	-	-	518	(518)	-	-
Exchange differences	(5)	(6)	25	335	(1,796)	(5)	5	5	(3)	(1,445)	(607)	(147)	(2,199)
As at 31 March 2021	**345**	**6,758**	**40,924**	**9,936**	**87,500**	**348**	**127**	**888**	**323**	**1,47,149**	**31,350**	**7,114**	**1,85,613**
Net Book Value/Carrying Amount													
As at 01 April 2019	2,236	8,517	68,045	6,070	10,070	111	272	194	-	95,515	22,236	2,723	1,20,474
As at 31 March 2020	1,925	8,382	66,893	6,184	2,777	80	286	208	1,287	88,022	16,837	1,748	1,06,607
As at 31 March 2021	**1,793**	**8,142**	**68,209**	**6,833**	**2,468**	**108**	**249**	**190**	**1,437**	**89,429**	**13,880**	**2,434**	**1,05,743**

Notes

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6 RIGHT OF USE (ROU) ASSETS

	ROU Land	ROU Building	ROU Plant and Equipment	Total
Gross Block				
As at 01 April 2019	-	-	-	-
ROU Assets as at 01 April 2019	311	239	27	577
Additions	302	40	679	1,021
Disposals/Adjustments	-	(224)	-	(224)
Exchange differences	9	9	28	46
As at 31 March 2020	**622**	**64**	**734**	**1,420**
Additions	91	-	16	107
Transfers/Reclassification	253	-	-	253
Disposals/Adjustments	-	(2)	(1)	(3)
Exchange differences	(4)	(1)	(12)	(17)
As at 31 March 2021	**962**	**61**	**737**	**1,760**
Accumulated depreciation & impairment				
As at 01 April 2019				
ROU Assets as at 01 April 2019	-	-	1	1
Charge for the year	51	42	40	133
Disposals/Adjustments	-	(28)	-	(28)
Impairment charge/(reversal) for the year	22	-	-	22
Exchange differences	1	2	2	5
As at 31 March 2020	**74**	**16**	**43**	**133**
ROU Assets as at 01 April 2019				
Charge for the year	48	14	132	194
Disposals/Adjustments	-	(1)	0	(1)
Exchange differences	(2)	-	(1)	(3)
As at 31 March 2021	**120**	**29**	**174**	**323**
Net Book Value				
As at 01 April 2019	-	-	-	-
As at 31 March 2020	548	48	691	1,287
As at 31 March 2021	**842**	**32**	**563**	**1,437**

(₹ in crores)

Particulars	Software License	Right to use*	Mining Rights	Port concession rights (refer note k)	Brand & Technological know-how	Total
Intangible assets						
Gross Block						
As at 01 April 2019	342	69	381	678	224	1,694
Additions	21	6	-	6	-	33
Transfers from Property, Plant and Equipment	1	37	-	-	-	38
Disposals/Adjustments	-	-	-	(1)	-	(1)
Exchange differences	15	-	-	-	23	38
As at 31 March 2020	**379**	**112**	**381**	**683**	**247**	**1,802**
Additions	9	32	-	1	-	42
Acquisition through business combination (Refer note 4(a))	-	-	220	-	-	220
Transfers from Property, Plant and Equipment	4	-	-	-	-	4

Notes

forming part of the consolidated financial statements as at and for the year ended 31 March 2021

(₹ in crores)

Particulars	Software License	Right to use*	Mining Rights	Port concession rights (refer note k)	Brand & Technological know-how	Total
Disposals/Adjustments	(6)	-	-	-	-	(6)
Exchange differences	(2)	-	-	-	(11)	(13)
As at 31 March 2021	**384**	**144**	**601**	**684**	**236**	**2,049**
Accumulated amortisation and impairment						
As at 01 April 2019	302	14	324	145	27	812
Charge for the year	32	5	4	25	23	89
Disposals/Adjustments	-	-	-	-	-	-
Transfers from Property, Plant and Equipment	0	-	-	-	-	0
Exchange differences	15	-	-	-	4	19
As at 31 March 2020	**349**	**19**	**328**	**170**	**54**	**920**
Charge for the year	16	6	32	25	23	102
Disposals/Adjustments	(6)	-	-	-	-	(6)
Transfers from Property, Plant and Equipment	-	-	-	-	-	-
Exchange differences	(4)	-	-	-	(4)	(8)
As at 31 March 2021	**355**	**25**	**360**	**195**	**73**	**1,008**
Net Book Value/Carrying Amount						
As at 01 April 2019	40	55	57	533	197	882
As at 31 March 2020	30	93	53	513	193	882
As at 31 March 2021	**29**	**119**	**241**	**489**	**163**	**1,041**

*Corporate social responsibility asset.

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

b) During the year ended 31 March 2021, interest capitalised was ₹316 crores (31 March 2020: ₹1,017 crores).

c) Freehold land includes ₹289 crores (31 March 2020: ₹293 crores), accumulated depreciation ₹255 crores (31 March 2020: ₹254 crores), which is available for use during the lifetime of the Production Sharing Contract of the respective Oil and Gas blocks and title deed for the same is in the name of the licensee of the block.

d) Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in Note 19 on "Borrowings".

e) Freehold land includes 40 quarters at Bidhan Bagh Unit and 300.88 acres of land at Korba and Bidhan Bagh which have been occupied without authorisation for which Group is evaluating evacuation options and the Group has filed the civil suits for the same.

f) The land transferred to BALCO by National Thermal Power Corporation Ltd. (NTPC) vide agreement dated 20 June 2002 comprising of 171.44 acres land for BALCO's 270 MW captive power plant and its allied facilities and 34.74 acres land for staff quarters of the said captive power plant is yet to be registered in favour of BALCO due to non-availability of title deeds from NTPC. The arbitration is pending between Balco and NTPC (presently in appeal before Delhi High Court), in which transfer of title deeds is also sub-judice and is posted for hearing on 27 July 2021.

g) The Division Bench of the Hon'ble High Court of Chhattisgarh has vide its order dated 25 February 2010, upheld that BALCO is in legal possession of 1,804.67 acres of Government land. Subsequent to the said order, the State Government has decided to issue the lease deed in favour of BALCO after the issue of forest land is decided by the Hon'ble Supreme Court. In the proceedings before the Hon'ble Supreme Court, pursuant to public interest litigations filed, it has been alleged that land in possession of BALCO is being used in contravention of the Forest Conservation Act, 1980 even though the said land has been in its possession prior to the promulgation of the Forest Conservation Act, 1980 on which its Aluminium complex, allied facilities and township were constructed between 1971-76. The Central Empowered Committee of the Supreme Court has already recommended ex-post facto diversion of the forest land in possession of BALCO. BALCO has also filed two IA before the Supreme Court, 1st challenging the order of the Tehsildar Korba whereby he rejected BALCO'S applications for eviction of illegal encroachers on BALCO'S land on the ground that land matter is subjudice before the Supreme Court and the other application whereby BALCO has challenged the state government's action for allotment of land to illegal encroachers under the Rajiv Ashray Yojna. No next date is there and the matter is to be listed in due course.

h) 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 ₹11,327 crores (31 March 2020: ₹11,154 crores).

i) In accordance with the exemption given under Ind AS 101, which has been exercised by the Group, 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. 01 April 2016.

Accordingly, foreign currency exchange loss arising on translation/settlement of long-term foreign currency monetary items acquired before 01 April 2016 pertaining to the acquisition of a depreciable asset amounting to ₹56 crores (31 March 2020: ₹65 crores) are adjusted to the cost of respective item of property, plant and equipment.

j) Reconciliation of depreciation, depletion and amortisation expense

(₹ in crores)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation/ Depletion/ Amortisation expense on:		
Property, Plant and equipment	7,610	9,063
Intangible assets	102	89
As per Property, Plant and Equipment and Intangibles schedule	**7,712**	**9,152**
Less: Depreciation capitalised	(50)	-
Less: Cost allocated to joint ventures	(24)	(59)
As per Consolidated Statement of Profit and Loss	**7,638**	**9,093**

k) Vizag General Cargo Berth Private Limited (VGCB), a special purpose vehicle and wholly-owned by the Company, was incorporated for the coal berth mechanisation and upgradation at Visakhapatnam port. The project was to be carried out on a design, build, finance, operate, transfer basis and the concession agreement between Visakhapatnam Port Trust ('VPT') and the Company was signed in June 2010. In October 2010, the Company was awarded with the concession after fulfilling conditions stipulated as a precedent to the concession agreement. Visakhapatnam port trust has provided, in lieu of license fee an exclusive license to the Company for designing, engineering, financing, constructing, equipping, operating, maintaining, and replacing the project/project facilities and services. The concession period is 30 years from the date of the award. The upgraded capacity is 10.18 mmtpa and the Visakhapatnam port trust would be entitled to receive 38.10% share of the gross revenue as royalty. The Company is entitled to recover a tariff from the user(s) of the project facilities and services as per its Tariff Authority for Major Ports(TAMP) notification. The tariff rates are linked to the Wholesale Price Index (WPI) and would accordingly be adjusted as specified in the concession agreement every year. The ownership of all infrastructure assets, buildings, structures, berths, wharfs, equipment and other immovable and movable assets constructed, installed, located, created or provided by the Company at the project site and/or in the port's assets pursuant to concession agreement would be with the Company until expiry of this concession agreement. The cost of any repair, replacement or restoration of the project facilities and services shall be borne by the Company during the concession period. The Company has to transfer all its rights, titles and interest in the project facilities and services free of cost to VPT at the end of the concession period. Intangible asset port concession rights represents consideration for construction

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services. No Revenue from construction contract of service concession arrangments on exchanging construction services for the port concession rights was recognised for the year ended 31 March 2021 and 31 March 2020.

l) Title deed of freehold land of 264 acres relating to ESL Steel Limited was not available with the Group up to previous year. During the year the Group has got it regularised.

m) As at 31 March 2021, TSPL's assets consisting of land (including ROU land), building and plant and machinery having net carrying value of ₹394 crores (31 March 2020: ₹397 crores), ₹183 crores (31 March 2020: ₹200 crores) and ₹9,026 crores (31 March 2020: ₹9,435 crores) respectively have been given on operating lease (Refer note 3(c)(B)(i)).

n) A parcel of land aggregating to ₹349 croress relating to Iron Ore business was reclassified during the previous year, due to existence of litigation, to Financial Assets and later impaired (Refer note 33) and ₹4 crores transferred to intangible assets from CWIP (31 March 2020: ₹38 croress).

7 FINANCIAL ASSETS – INVESTMENTS

A) Non-current Investments

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
(I) Investments at fair value through other comprehensive income		
Investment in Equity Shares – Quoted		
Sterlite Technologies Limited – 47,64,295 shares of ₹2 each (including 60 shares held jointly with nominees)	92	30
Investment in Equity Shares – unquoted		
Sterlite Power Transmission Limited – 9,52,859 equity shares of ₹2 each (including 12 shares held jointly with nominees)	11	11
Other Investments	0	0
(II) Investments at fair value through profit and loss		
Investment in Bonds – Quoted – Infrastructure Leasing & Financial Services Limited	51	51
(III) Investment in Equity Shares (fully paid)		
Associate Companies – Unquoted		
Gaurav Overseas Private Limited – 3,23,000 equity shares of ₹10 each	0	0
RoshSkor Township (Proprietary) Limited – 50 equity shares of NAD 1 each	2	3
Rampia Coal Mines and Energy Private Limited – 2,72,29,539 equity shares of ₹1 each	3	3
Raykal Aluminium Company Private Limited – 12,250 shares of ₹10 each	0	0
Joint ventures – Unquoted		
Madanpur South Coal Company Limited – 1,14,421 equity shares of ₹10 each	2	2
Goa Maritime Private Limited – 5,000 equity shares of ₹10 each	0	0
Rosh Pinah Health Care (Proprietary) Limited – 69 equity shares of NAD 1 each	0	0
Gergarub Exploration and Mining (Pty) Limited – 51 equity shares of NAD 1 each	0	0
Less: Impairment in the value of investment in joint ventures	(5)	(5)
Total	**156**	**95**

(₹ in crores)

a) Particulars	As at 31 March 2021	As at 31 March 2020
Aggregate amount of quoted investments, and market value thereof	143	81
Aggregate amount of unquoted investments	18	19
Aggregate amount of impairment in the value of investments	(5)	(5)
Total	**156**	**95**

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B) Current Investments

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Investments carried at fair value through profit and loss (fully paid)		
Investment in mutual funds – quoted	5,419	5,149
Investment in mutual funds – unquoted	6,318	7,597
Investment in bonds – quoted[b]	4,767	11,911
Investment in India Grid trust – quoted[b]	0	1
Total	**16,504**	**24,658**

(₹ in crores)

a) Particulars	As at 31 March 2021	As at 31 March 2020
Aggregate amount of quoted investments, and market value thereof	10,186	17,061
Aggregate amount of unquoted investments	6,318	7,597
Total	**16,504**	**24,658**

b) Investment in related parties are sold during the year. Refer note 40(J).

8 FINANCIAL ASSETS – TRADE RECEIVABLES

(₹ in crores)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured	3,799	3,515	7,314	3,658	2,720	6,378
Less: Provision for expected credit loss	(641)	(24)	(665)	(547)	(23)	(570)
Total	**3,158**	**3,491**	**6,649**	**3,111**	**2,697**	**5,808**

a) The credit period given to customer is up to 180 days. Also refer note 22(C)(d).

b) For amount due and terms and conditions of related party receivables refer note 40.

c) In July 2017, the Appellate Tribunal for Electricity dismissed the appeal filed by one of the Group's subsidiaries, Talwandi Sabo Power Limited (TSPL) with respect to the interpretation of how the calorific value of coal and costs associated with it should be determined. However, APTEL had allowed payment of shunting and unloading charges. TSPL filed an appeal before the Honourable Supreme Court (SC), which by an order dated March 07, 2018 has decided the matter in favour of TSPL. Consequently, PSPCL has paid majority of the dues. The outstanding dues (included in trade receivables) and interest receivable in relation to this dispute as at 31 March 2021 is ₹17 crores (31 March 2020: ₹247 crores) and ₹65 crores (31 March 2020: ₹139 crores) respectively.

In another matter relating to assessment of whether there has been a change in law following the execution of the Power Purchase Agreement, the Appellate Tribunal for Electricity has dismissed the appeal in July 2017 filed by TSPL. TSPL filed an appeal before the Honourable Supreme Court to seek relief which is yet to be listed. The outstanding trade receivables in relation to this dispute and other matters is ₹1,605 crores as at 31 March 2021 (31 March 2020: ₹1,298 crores). The Group, based on external legal opinion and its own assessment of the merits of the case, remains confident that it is highly probable that the Supreme court will uphold TSPL's appeal and has thus continued to treat these balances as recoverable.

Additionally, as at 31 March 2021, trade receivables amounting to ₹1,323 crores (31 March 2020: ₹1,349 crores) withheld by GRIDCO ('GRIDCO' or 'the Customer') on account of certain disputes relating to computation of power tariffs pending adjudication by Appellate Tribunal for Electricity (APTEL), which the Company is confident of recovering fully. The Customer has also raised claims of ₹413 crores on the Company in respect of short supply of power for which a provision of ₹218 crores has been made. Various minutes of meetings were signed with the Customer for computing the short supply claims, which were subject to approval of Odisha State Electricity

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Regulatory Commission ('OERC'). On 22 June 2020 OERC pronounced its order on computation methodology for short supply claims, basis which both the parties had to recompute the amount of claim and settle the matter in two months from the date of the order. On initial impact assessment of the said Order by the Company, it believes that no further provisioning is required in this regard.

Further, the Company filed an appeal before APTEL against the OERC Order. The matter is now listed before registrar court on 14 July 2021. The Customer has also sought review of the OERC Order. The matter has been posted for order by OERC in due course. In the meanwhile, power supply to GRIDCO has resumed and GRIDCO has been making regular payments against monthly energy invoices.

d) The total trade receivables as at 01 April 2019 were ₹7,670 crores (net of provision for expected credit loss).

9 FINANCIAL ASSETS – LOANS

(₹ in crores)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured, considered good						
Loans to related parties (Refer note 40)	5,056	2,015	7,071	4	80	84
Loans and advances to employees	1	4	5	1	5	6
Security Deposit	12	-	12	12	-	12
Unsecured, considered credit impaired						
Loans to related parties (Refer note 40(N))	-	78	78	-	-	-
Less: Provision for expected credit loss	-	(78)	(78)	-	-	-
Total	**5,069**	**2,019**	**7,088**	**17**	**85**	**102**

10 FINANCIAL ASSETS – OTHERS

(₹ in crores)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Non-current	Current	Total	Non-current	Current	Total
Bank deposits [a,b]	115	-	115	754	-	754
Site Restoration asset [b]	822	-	822	617	-	617
Unsecured, considered good						
Receivables from related parties (Refer note 40)	-	101	101	-	115	115
Security deposits	169	16	185	157	28	185
Others						
Advance recoverable (oil and gas business)	-	3,908	3,908	-	1,371	1,371
Others (Refer note 25(b))	1,414	220	1,634	995	892	1,887
Unsecured, considered credit impaired						
Security deposits	42	1	43	42	1	43
Balance with government authorities	-	3	3	-	2	2
Receivables from related parties (Refer note 40(N))	-	20	20	-	-	-
Others [c]	558	396	954	444	477	921
Less: Provision for expected credit loss	(600)	(420)	(1,020)	(486)	(480)	(966)
Total	**2,520**	**4,245**	**6,765**	**2,523**	**2,406**	**4,929**

a) Bank deposits includes fixed deposit with maturity more than twelve months of ₹30 crores (31 March 2020: ₹25 crores) under lien with bank, ₹5 crores (31 March 2020: Nil) fixed deposit under lien with Others, ₹21 crores (31 March 2020: Nil) reserve created against principal payment on loans from banks and margin money of ₹4 crores (31 March 2020: ₹5 crores).

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b) Bank deposits and site restoration asset earns interest at fixed rate based on respective deposit rate.

c) A parcel of land amounting to ₹349 crores relating to Iron Ore business has been reclassified during the previous year, due to existing litigation, from Property, plant and equipment and was later provided for (Refer note 34(d)).

11 OTHER ASSETS

(₹ in crores)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured, considered good						
Capital advances	1,186	-	1,186	1,230	-	1,230
Advances other than capital advances						
Security deposits	0	-	0	0	-	0
Advances to related party (Refer note 40)	94	227	321	-	21	21
Advances for supplies	-	1,221	1,221	-	1,400	1,400
Others						
Balance with government authorities [a]	610	729	1,339	553	976	1,529
Others [b]	1,320	1,127	2,447	1,547	741	2,288
Unsecured, considered doubtful						
Capital advances [c]	220	-	220	208	-	208
Advance for supplies	-	51	51	-	48	48
Balance with government authorities	3	5	8	3	-	3
Others [b]	799	5	804	602	5	607
Less: Provision for doubtful advances	(1,022)	(61)	(1,083)	(813)	(53)	(866)
Total	**3,210**	**3,304**	**6,514**	**3,330**	**3,138**	**6,468**

a) Includes ₹58 crores (31 March 2020: ₹58 crores), being Company's share of gross amount of ₹86 crores (31 March 2020: ₹86 crores) paid under protest on account of Education Cess and Secondary Higher Education Cess for the year ended 2013-14.

b) Others include claim receivables, advance recoverable (oil and gas business), prepaid expenses and export incentive receivables. This also includes amounts receivable from KCM (Refer note 34(e)).

c) During the previous year, an impairment charge of ₹196 crores has been recognised relating to copper business (Refer note 34(c)).

12 INVENTORIES

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Raw materials	2,070	2,013
Goods-in transit	1,303	1,010
Work-in-progress	3,012	3,319
Goods-in transit	1	4
Finished good	823	1,222
Goods-in transit	32	48
Fuel stock	798	1,386
Goods-in transit	190	352
Stores and spares	1,668	1,955
Goods-in transit	26	26
Total	**9,923**	**11,335**

a) Inventory held at net realisable value ₹2,399 crores (31 March 2020: ₹2,358 crores) as at 31 March 2021.

b) The write down of inventories amounting to ₹159 crores (31 March 2020: ₹118 crores) has been charged to the consolidated statement of profit and loss during the year.

c) For method of valuation for each class of inventories, refer Note 3(a)(L).

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13 CASH AND CASH EQUIVALENTS

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks	2,661	2,392
Bank deposits with original maturity of less than 3 months (including interest accrued thereon) [a,b]	2,193	2,725
Cash on Hand	0	0
Total	**4,854**	**5,117**

a) Bank deposits include restricted funds of Nil (31 March 2020: ₹57 crores) held as collateral in respect of closure costs.

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

14 OTHER BANK BALANCES

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Bank deposits with original maturity of more than 3 months but less than 12 months (including interest accrued thereon) [a,b]	11,212	7,249
Bank deposits with original maturity of more than 12 months (including interest accrued thereon) [c]	461	40
Earmarked unpaid dividend accounts [e]	100	94
Earmarked escrow account [f]	2	2
Total	**11,775**	**7,385**

a) The above bank deposits includes ₹657 crores (31 March 2020: ₹256 crores) on lien with banks and margin money of ₹272 crores (31 March 2020: ₹99 crores).

b) Restricted funds of ₹460 crores (31 March 2020: Nil) held as interest reserve created against interest payment on loans from banks, ₹46 crores (31 March 2020: ₹57 crores) held as collateral in respect of closure costs and ₹21 crores (31 March 2020: Nil) held as lien with Others.

c) Includes ₹1 crores (31 March 2020: ₹40 crores) margin money with banks.

d) Bank deposits earn interest at fixed rate based on respective deposit rate.

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

f) Earmarked escrow account includes amount restricted in use as it relates to unclaimed redeemable preference shares.

15 SHARE CAPITAL

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number (in crores)	Amount (₹ in crores)	Number (in crores)	Amount (₹ in crores)
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				
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 [a,b]	372	372	372	372
Total	**372**	**372**	**372**	**372**

a) Includes 3,08,232 (31 March 2020: 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.

b) Includes 1,21,93,159 (31 March 2020: 1,43,78,261) equity shares held by Vedanta Limited ESOS Trust (Refer Note 16).

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C) Shares held by ultimate holding company and its subsidiaries/associates *

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares held (in crores)	% of holding	No. of Shares held (in crores)	% of holding
Twin Star Holdings Limited	137.94	37.11	128.01	34.44
Twin Star Holdings Limited(2)	-	-	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
Vedanta Holdings Mauritius II Limited(3)	18.50	4.98	-	-
Total	**204.84**	**55.11**	**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") which got coverted to equity shares in FY2020-21.

(3) Vedanta Holdings Mauritius II Limited (part of Promoter Group of Vedanta Limited) had purchased 185,000,000 equity shares aggregating to 4.98% of equity share capital of Vedanta Limited, on 24 December 2020 via bulk deal on stock exchange.

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 crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Equity shares issued pursuant to Scheme of Amalgamation (in FY2017-18)	75	75
Preference shares issued pursuant to Scheme of Amalgamation (in FY2017-18)*	301	301

* These were redeemed on 27 October 2018.

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares held (in crores)	% of holding	No. of Shares held (in crores)	% of holding
Twin Star Holdings Limited	137.94	37.11	128.01	34.44
Twin Star Holdings Limited #	-	-	9.93	2.67
Finsider International Company Limited	40.15	10.80	40.15	10.80
ICICI Prudential Equity Arbitrage Fund	8.32	2.24	18.69	5.03
Life Insurance Corporation of India	24.40	6.56	23.67	6.37

\# 2,48,23,177 ADS, held by CITI Bank N.A. New York as a depository which has been converted to equity shares in FY2020-21.

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

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) 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 31 March 2021 – 16,09,03,244 equity shares were held in the form of 4,02,25,811 ADS (31 March 2020: 26,17,80,208 equity shares were held in the form of 6,54,45,052 ADS).

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iii) In terms of Scheme of Arrangement as approved by the Hon'ble High Court of Judicature at Mumbai, vide its order dated 19 April 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 crores. There are 2,01,296 equity shares (31 March 2020: 2,01,711 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 06 September 2002 restrained any transaction with respect to subject shares.

16 OTHER EQUITY (REFER CONSOLIDATED STATEMENT OF CHANGES IN EQUITY)

a) **General reserve:** Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10.0% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn.

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 16 August 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, 2013 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. 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.

d) **Capital reserve:** The balance in capital reserve has mainly arisen pursuant to extinguishment of non-controlling interests of erstwhile Cairn India Limited and acquisition of ASI. Further, changes in capital reserve are due to recognition/derecognition of put option liability and non-controlling interests pertaining to ASI. Furthemore, acquisition of FACOR Group during the year has also resulted in capital reserves of ₹123 crores.

e) Legal reserve is created at Fujairah Gold FZC in accordance with free zone regulations.

f) **Treasury share represents 1,21,93,159 (31 March 2020:** 1,43,78,261) equity shares (face value of ₹1 each) of the Company purchased by Vedanta Limited ESOP Trust pursuant to the Company's stock option scheme as detailed in note 30.

17 NON-CONTROLLING INTERESTS (NCI)

The Non-controlling interests that are material to the Group relate to Hindustan Zinc Limited (HZL) and Bharat Aluminium Company Limited ("BALCO").

As at 31 March 2021, NCIs hold an economic interest by virtue of their shareholding of 35.08%, 49.00%, 26.00%, 48.37%, 4.51% and 10% in Hindustan Zinc Limited (HZL), Bharat Aluminium Company Limited (BALCO), Black Mountain Mining (BMM), Avanstrate Inc. (ASI), Electrosteel Steels Limited (ESL) and Facor Power Limited (FPL) respectively (Refer Note 4(a)). As at 31 March 2020, NCIs hold an economic interest by virtue of their shareholding of 35.08%, 49.00%, 26.00% ,48.37% and 4.51% in HZL, BALCO, BMM, ASI and Electrosteel Steels Limited (ESL) respectively.

The principal place of business of HZL, BALCO, ESL and FPL is in India, that of BMM is in South Africa, that of Avanstrate Inc. is in Japan, South Korea and Taiwan.

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The table below shows summarised financial information of subsidiaries of the Group that have non-controlling interests. The amounts are presented before inter-company elimination.

(₹ in crores)

Particulars	As at 31 March 2021			
	HZL	BALCO	Others	Total
Non-current assets	21,596	12,376	13,983	47,955
Current assets	24,570	2,875	4,160	31,605
Non-current liabilities	5,590	3,854	8,501	17,945
Current liabilities	7,873	5,425	3,757	17,055
Equity attributable to owners of the Group	21,231	3,046	5,679	29,956
Non-controlling interests [a]	11,472	2,926	740	15,138

a) ₹534 crores loss attributable to NCI of ASI transferred to put option liability. Refer note 21.

(₹ in crores)

Particulars	As at 31 March 2020			
	HZL	BALCO	Others	Total
Non-current assets	22,665	12,617	9,963	45,245
Current assets	24,815	2,724	3,389	30,928
Non-current liabilities	1,306	4,201	7,380	12,887
Current liabilities	5,413	6,229	3,155	14,797
Equity attributable to owners of the Group	26,462	2,505	2,807	31,774
Non-controlling interests [a]	14,299	2,406	407	17,112

a) ₹397 crores loss attributable to NCI of ASI transferred to put option liability. Refer note 21.

(₹ in crores)

Particulars	For the year ended 31 March 2021			
	HZL	BALCO	Others	Total
Total Income	24,452	9,868	8,287	42,607
Profit/(loss) after tax for the year	7,918	1,108	3,378	12,404
Profit/(loss) attributable to the equity shareholders of the Company	5,140	565	3,269	8,974
Profit/(loss) attributable to the non-controlling interests	2,778	543	109	3,430
Other comprehensive income during the year	(4)	(46)	402	352
Other comprehensive income attributable to the equity shareholders of the Company	(2)	(23)	284	259
Other comprehensive income attributable to non-controlling interests	(2)	(23)	118	93
Total comprehensive income during the year	7,914	1,062	3,781	12,757
Total comprehensive income attributable to the equity shareholders of the Company	5,138	542	3,553	9,233
Total comprehensive income attributable to non-controlling interests	2,776	520	227	3,523
Dividends paid/payable to non-controlling interests, including dividend tax	5,603	-	-	5,603
Net cash inflow/(outflow) from operating activities	10,579	2,621	766	13,966
Net cash (outflow)/inflow from investing activities	(2,446)	(1,030)	225	(3,251)
Net cash (outflow)/inflow from financing activities	(9,699)	(1,646)	(930)	(12,275)
Net cash (outflow)/inflow	(1,566)	(55)	61	(1,560)

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(₹ in crores)

Particulars	For the year ended 31 March 2020			
	HZL	BALCO	Others	Total
Total Income	20,499	8,926	7,170	36,595
Profit after tax for the year	6,771	(171)	(846)	5,754
Profit attributable to the equity shareholders of the Company	4,396	(87)	(475)	3,834
Profit attributable to the non-controlling interests	2,375	(84)	(371)	1,920
Other comprehensive income during the year	(100)	4	(299)	(395)
Other comprehensive income attributable to the equity shareholders of the Company	(65)	2	(209)	(272)
Other comprehensive income attributable to non-controlling interests	(35)	2	(90)	(123)
Total comprehensive income during the year	6,671	(167)	(1,145)	5,359
Total comprehensive income attributable to the equity shareholders of the Company	4,331	(85)	(684)	3,562
Total comprehensive income attributable to non-controlling interests	2,340	(82)	(461)	1,797
Dividends paid/payable to non-controlling interests, including dividend tax	-	-	-	-
Net cash inflow from operating activities	6,957	155	2,568	9,680
Net cash outflow from investing activities	(3,154)	(339)	(3,000)	(6,493)
Net cash inflow/(outflow) from financing activities	(1,928)	13	3	(1,912)
Net cash (outflow)/inflow	1,875	(171)	(429)	1,275

The effect of changes in ownership interests in subsidiaries that did not result in a loss of control is as follows:

(₹ in crores)

Particulars	For the year ended 31 March 2021			
	HZL	BALCO	Others	Total
Changes in NCI	-	-	-	-

(₹ in crores)

Particulars	For the year ended 31 March 2020			
	HZL	BALCO	Others	Total
Changes in NCI	-	-	(234)	(234)

18 CAPITAL MANAGEMENT

The Group's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Group's overall strategy remains unchanged from previous year.

The Group sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through a mixture of equity, internal fund generation and borrowings. The Group's policy is to use current and non-current borrowings to meet anticipated funding requirements.

The Group monitors capital on the basis of the net gearing ratio which is Net debt/Total Capital (equity + net debt). The Group is not subject to any externally imposed capital requirements.

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

Notes

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The following table summarises the capital of the Group:

(₹ in crores except otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents [a] (Refer note 13)	4,854	5,060
Other bank balances [a] (including interest accrued)(Refer note 14)	11,146	7,289
Non-current Bank deposits [a] (Refer note 10)	110	754
Current investments (Refer note 7B)	16,504	24,658
Total cash (a)	**32,614**	**37,761**
Non-current borrowings (Note 19)	37,962	36,724
Current borrowings (Note 19)	3,715	13,076
Current maturities of long-term debt (Note 21)	15,351	9,387
Total borrowings (b)	**57,028**	**59,187**
Net debt (c=(b-a))	**24,414**	**21,426**
Total equity (d)	**77,416**	**71,747**
Total capital (e = equity + net debt)	**1,01,830**	**93,173**
Gearing ratio (times) (c/e)	0.24	0.23

a) The constituents of 'total cash' for the purpose of capital management disclosure to include only those amounts of restricted funds that are corresponding to liabilities (e.g. margin money deposits). Consequently, restricted funds amounting to ₹153 crores (As at 31 March 2021: ₹635 crores) have been excluded from 'total cash' in the capital management disclosures for the comparative year ended 31 March 2020. (Refer note 13(a), 14(b), 14(e) and 14(f)).

19 FINANCIAL LIABILITIES – BORROWINGS

A) Non-current borrowings

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
At amortised cost		
Secured		
Non-convertible debentures	13,076	16,387
Term loans from banks		
- Rupee term loans	29,393	20,918
- Foreign currency term loans	4,563	7,824
- External commercial borrowings	388	611
Others	584	75
Unsecured		
Non-convertible debentures	3,516	-
Deferred sales tax liability	62	77
Non-convertible bonds	156	146
Term loans from banks		
- Rupee term loans	1,501	-
- Foreign currency term loans	72	71
Redeemable preference shares	2	2
Non-current Borrowings (A)	53,313	46,111
Less: Current maturities of long-term debt (Refer note 21(b))	(15,351)	(9,387)
Total non-current Borrowings (Net)	**37,962**	**36,724**
Current Borrowings (Refer Note 19B)	**3,715**	**13,076**
Total Borrowings (A+B)	**57,028**	**59,187**

Notes

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B) Current borrowings

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
At amortised cost		
Secured		
Working capital loan	349	513
Packing credit in foreign currencies from banks	350	-
Term loans from banks (Foreign currency)	-	1,041
Amounts due on factoring of receivables	-	14
Loans repayable on demand from banks	-	1
Others	106	1,884
Unsecured		
Loans repayable on demand from banks	298	1,077
Commercial paper	2,162	7,524
Working capital loan	318	918
Amounts due on factoring of receivables	27	16
Others	105	88
Total	**3,715**	**13,076**

In the event Vedanta Resources Limited ceases to be the Company's majority shareholder, the Group will be required to immediately repay some of its outstanding long-term debt.

a) Details of Non-convertible debentures issued by Group have been provided below (Carrying value) –

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
9.2% due February-2030	2,000	2,000
9.2% due December-2022	749	748
8.75% due June-2022	1,269	1,268
7.5% due March-2022	493	-
8.9% due December-2021	899	898
8.75% due September-2021	250	250
5.35% due September-2021	3,516	-
9.18% due July-2021	1,000	1,000
9.27% due July-2021	1,000	999
8.5% due June-2021	1,650	1,650
8.75% due April-2021	250	250
8.5% due April-2021	2,349	2,349
8.55% due April-2021	1,000	1,000
0% due March-2021	167	-
9% due November-2020	-	150
8.25% due september-2020	-	425
7.85% due August-2020	-	500
9.45% due August-2020	-	2,000
7.9% due July-2020	-	300
8.7% due April-2020	-	600
Total	**16,592**	**16,387**

Notes

forming part of the consolidated financial statements as at and for the year ended 31 March 2021

b) The Group has taken borrowings in various countries towards funding of its acquisitions, capital expenditure and working capital requirements. The borrowings comprises funding arrangements from various banks and financial institutions taken by the parent and subsidiaries. The details of security provided by the Group in various countries, to various lenders on the asset of the parent and subsidiaries are as follows -

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Secured long-term borrowings	48,004	45,815
Secured short-term borrowings	805	3,453
Total	**48,809**	**49,268**

(₹ in crores)

Facility Category	Security details	As at 31 March 2021	As at 31 March 2020
Working capital loans*	Secured by first pari passu charge on current assets of Vedanta Limited	650	3
	Secured by second pari passu charge on fixed assets of TSPL and first pari passu charge on current assets of the Company, both present and future#	49	247
	Other secured working capital loans	-	278
External Commercial Borrowings	The facility is secured by first pari passu charge on all movable property, plant and equipments related to power plants and aluminium smelters of BALCO located at Korba both present and future along with secured lenders	219	335
	The facility is secured by first pari passu charge on all movable project assets related to 1200 MW power project and 3.25 LTPA smelter project both present and future along with secured lenders at BALCO	169	276
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 a 1,215 (9*135) MW CPP at Jharsuguda, Odisha	5,409	4,914
	Secured by way of charge against all existing assets of FACOR	167	-
	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	4,000	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 up to 6 MTPA) situated at Lanjigarh, Orissa. 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	500	1,100
	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

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(₹ in crores)

Facility Category	Security details	As at 31 March 2021	As at 31 March 2020
	Secured by first pari passu charge on movable and/or immovable fixed assets of TSPL with a minimum asset cover of 1 times during the tenure of NCD	2,000	2,650
	Other secured non-convertible debuntures	-	2,725
Term loans from banks (Includes rupee term loans and foreign currency term loans)	Secured by first pari passu charge on fixed assets of TSPL and second pari passu charge on current assets of TSPL, both present and future#	5,140	3,190
	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, Orissa; aluminium smelter having output of 1.6 MTPA along with a 1215 (9x135) MW CPP at Jharsuguda, Orissa, both present and future	1,883	3,384
	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, Orissa (Power Plant); and (ii) aluminium smelter having output of 1.6 MTPA along with a 1215 (9x135) MW CPP at Jharsuguda, Orissa (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	2,194	2,885
	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 the 1 MTPA alumina refinery of Vedanta Limited along with 90 MW power plant in Lanjigarh and all its related expansions	436	458
	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	1,227	1,379
	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, Orissa; aluminium smelter having output of 1.6 MTPA along with a 1215 (9x135) MW CPP at Jharsuguda, Orissa and additional charge on Lanjigarh Expansion project, both present and future	1,092	1,137
	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	2,801	2,985

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(₹ in crores)

Facility Category	Security details	As at 31 March 2021	As at 31 March 2020
	Secured by (i) floating charge on borrower collection account and associated permitted investments and (ii) corporate guarantee from CEHL and floating charge on collection account and current assets of CEHL	2,810	3,692
	Pledge of 49% of shares & other securities and rights to any claims held by THL Zinc Limited in and against BMM	220	404
	The facility is secured by first pari passu charge on all movable property, plant and equipments related to power plants and aluminium smelters of BALCO located at Korba both present and future along with secured lenders	147	224
	Secured by first pari passu charge on all present and future moveable fixed assets including but not limited to plant & machinery ,spares, tools and accessories of BALCO by way of a deed of hypothecation	1,053	1,293
	Secured by first pari passu charge on all present and future movable fixed assets including but not limited to plant & machinery ,spares, tools and accessories of BALCO (excluding of coal block assets) by way of a deed of hypothecation	1,447	1,615
	First ranking pari passu charge by way of hypothecation/ mortgage on all fixed/immovable assets of ESL Steel Limited but excluding any current assets or pledge over any shares.	3,134	3,373
	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 up to 1.7 MTPA of the Company along with 90 MW power plant in Lanjigarh and all its related expansions	686	736
	Secured by first pari passu charge by the way of whole of the movable fixed assets of (i) Alumina Refinery having output of 1 MTPA along with co-generation captive power plant with an aggregate capacity of 90MW at Lanjigarh, Odisha and (ii) Aluminium Smelter having output of 1.6 MTPA along with a 1,215 (9*135) MW CPP at Jharsuguda, Odisha	1,148	1,487
	Secured by a first pari passu charge on the identified fixed assets of the Vedanta Limited both present and future, pertaining to its Aluminium business (Jharsuguda Plant, Lanjigarh Plant), 2400 MW power plant assets at Jharsuguda, Copper Plant assets at Silvasa, Iron ore business in the states of Karnataka and Goa, dividends receivable from Hindustan Zinc Limited ("HZL") a subsidiary of Vedanta Limited, and the DSRA to be opened for the Facility along with the amount lying to the credit thereof.	8,538	-
	Other secured term loans	-	1,541

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(₹ in crores)

Facility Category	Security details	As at 31 March 2021	As at 31 March 2020
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	48	1,146
	Secured by hypothecation of stock of raw materials, work-in-progress, semi-finished, finished products, consumable stores and spares, bills receivables, book debts and all other movables, both present and future in BALCO. The charges rank pari passu among banks under the multiple banking arrangements, for fund based facilities	106	179
	Secured by Fixed asset (platinum) of AvanStrate	536	566
	Other secured borrowings	-	68
		48,809	**49,268**

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

As compared to previous year, TSPL has given an additional charge i.e. second pari passu charge on its current assets on all the working capital loan and and second pari passu charge on its fixed assets on ruppee term loans outstanding as on 31 March 2021.

c) The Company facilities are subject to certain financial and non- financial convenants. The primary convenants 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, debt to EBITDA ratio and return on fixed assets. The Group has complied with the covenants as per the terms of the loan agreement.

d) Term of repayment of total borrowings outstanding as at 31 March 2021 are provided below –

(₹ in crores)

Borrowings	Weighted average of interest as at 31 March 2021	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Foreign Currency term Loan	3.85%	4,635	1,098	2,655	701	209	Repayable in 69 quarterly installments and 12 annual installments
Rupee Term Loan	9.00%	30,894	3,754	9,181	7,772	10,352	Repayable in 177 monthly repayments, 663 quarterly installments, 1 half yearly installments and 1 bullet payments
External Commercial Borrowings	4.34%	388	279	110	-	-	Repayable in 2 annual installments
Non-convertible debentures	7.97%	16,592	9,675	4,978	-	2,000	Repayable in 12 bullet payments and 6 annual installments
Commercial paper	4.21%	2,161	2,161	-	-	-	Repayable in 1 bullet payments
Working capital loan *	6.06%	1,315	1,315	-	-	-	Export packing credit and working capital loan are repayable within one year from the date of drawal, cash credit can be repaid anytime as per the availability of business surplus during the validity of the facility
Amounts due on factoring	4.65%	27	27	-	-	-	Repayable within one month
Deferred sales tax liability	NA	62	13	46	12	-	Repayable in 67 monthly installments

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(₹ in crores)

Borrowings	Weighted average of interest as at 31 March 2021	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Redeemable Preference shares	NA	2	2	-	-	-	The redemption and dividend paid to the preference shares unclaimed if any, is payable on claim.
Non-convertible bonds	0.00%**	156	-	17	20	119	Repayable in 10 annual installment starting from FY2023-24
Others	5.10%	796	796	-	-	-	Suppliers credit is repayable in seven bullet payments and one annual repayments; Loan repayable on demand and others payable in one annual payment
Total		**57,028**	**19,120**	**16,987**	**8,505**	**12,680**	

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 of ₹298 crores and packing credit in foreign currency from banks of ₹350 crores.
** Increasing interest rate from 0.00% to 0.50% till maturity.

e) Term of repayment of total borrowings outstanding as at 31 March 2020 are provided below –

(₹ in crores)

Borrowings	Weighted average of interest as at 31 March 2020	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Foreign Currency term Loan	4.49%	8,936	2,169	3,135	2,903	779	Repayable in 130 quarterly installments , 13 annual installments and one bullet payment
Rupee Term Loan	9.00%	20,918	3,839	6,081	4,795	6,256	Repayable in 724 quarterly installments, 3 half yearly installments and 2 bullet payments
External Commercial Borrowings	4.34%	611	217	396	-	-	Repayable in 8 annual installments for three external commercial borrowings
Non-convertible debentures	8.85%	16,387	3,975	10,420	-	2,000	Repayable in 17 bullet payments
Commercial paper	6.20%	7,524	7,524	-	-	-	Repayable in 29 bullet payments
Working capital loan *	7.45%	2,509	2,509	-	-	-	Export packing credit and loan repayable on demand is repayable within 1-6 months from the date of drawal, overdraft can be paid anytime as per the availability of business surplus during the validity of the facility and working capital loan is repayable in 5 bullet payment.
Amounts due on factoring	4.50%	30	30	-	-	-	Repayable within one month
Deferred sales tax liability	NA	77	20	42	28	1	Repayable in 78 monthly installments
Redeemable Preference shares	NA	2	2	-	-	-	The redemption and dividend paid to the preference shares unclaimed if any, is payable on claim.
Non-convertible bonds	0.00%**	146	-	7	28	111	Repayable in 10 annual installment starting from FY2023-24
Others	7.09%	2,047	2,013	34	-	-	Suppliers credit is repayable within 6-12 months ,6 suppliers credit LC repayable in more than 12 months up to 36 months; Loan repayable within one year on demand and others repayable within one month
Total		**59,187**	**22,299**	**20,115**	**7,754**	**9,147**	

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 crores and packing credit in foreign currency from banks.
** Increasing interest rate from 0.00% to 0.50% till maturity.

Notes

forming part of the consolidated financial statements as at and for the year ended 31 March 2021

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

(₹ in crores)

Particulars	Short-term borrowing	Long-term borrowing*	Total
Opening balance at 01 April 2019	22,982	43,244	66,226
Cash flow	(11,188)	2,830	(8,358)
Other non-cash changes	1,211	(206)	1,005
Foreign exchange Currency Translation differences	71	243	314
As at 01 April 2020	**13,076**	**46,111**	**59,187**
Cash flow	(9,351)	7,130	(2,221)
Debt on acquisition through business combination	8	-	8
Other non-cash Changes	(7)	126	119
Foreign exchange Currency Translation differences	(11)	(54)	(65)
As at 31 March 2021	**3,715**	**53,313**	**57,028**

*including Current maturities of Long-term borrowing.

Other non-cash changes comprises amortisation of borrowing costs, foreign exchange difference on borrowings.

20 A) FINANCIAL LIABILITIES – TRADE PAYABLES [a]

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Trade Payables	7,773	7,906
Trade Payables to related party	119	121
Total	**7,892**	**8,027**

a) Trade Payables are majorly non-interest bearing and are normally settled up to 180 days terms.

b) For amount due and terms and conditions of related party payables refer note 40.

20 B) Operational Buyers'/Suppliers' Credit is availed in foreign currency from offshore branches of Indian banks or foreign banks at an interest rate ranging from 0.4% to 3.5% per annum and in rupee from domestic banks at interest rate ranging from 4.25% - 6.65% 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 Group.

21 FINANCIAL LIABILITIES – OTHERS

(₹ in crores)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Non-current	Current	Total	Non-current	Current	Total
Liabilities for capital expenditure	936	7,009	7,945	811	5,910	6,721
Security deposits from vendors and others	-	218	218	-	202	202
Interest Accrued but not due	-	1,217	1,217	171	1,277	1,448
Put option liability with non-controlling interest [a]	263	-	263	247	-	247
Current maturities of long-term debt [b]	-	15,351	15,351	-	9,387	9,387
Unpaid/unclaimed dividend	-	101	101	-	94	94
Profit petroleum payable	-	1,468	1,468	-	689	689
Dues to related parties (Refer note 40)	-	294	294	-	56	56
Lease liabilitiesd	160	481	641	203	457	660
Other Liabilities [c]	86	2,664	2,750	69	3,090	3,159
Total	**1,445**	**28,803**	**30,248**	**1,501**	**21,162**	**22,663**

Notes

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a) The non-controlling shareholders of ASI have an option to offload their shareholding to the Group. The option is exercisable at any time within the period of three years following the fifth anniversary of the date of shareholders' agreement (22 December 2017) at a price higher of ₹52 (US$0.757) per share and the fair market value of the share. Therefore, the liability is carried at higher of the two. Subsequent changes to the put option liability are treated as equity transaction and hence accounted for in equity.

b) Current maturities of long-term debt consist of:

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred sales tax liability	12	20
Term loans from banks		
- Rupee term loans	3,724	3,829
- Foreign currency term loans	1,097	1,307
External commercial borrowings	279	217
Non-convertible debentures	9,653	3,971
Others	584	41
Redeemable preference shares	2	2
Total	**15,351**	**9,387**

c) Includes revenue received in excess of entitlement interest of ₹1,482 crores (31 March 2020: ₹1,594 crores) and reimbursement of expenses, interest accrued on other than borrowings, liabilities related to claim, liability for stock options etc.

d) Movement in Lease liabilites is as follows:

(₹ in crores)

Particulars	Amount
At 01 April 2019	**139**
Additions during the year	1,021
Interest on Lease Liabilities	25
Payments made	(316)
Deletions	(209)
As at 31 March 2020	**660**
Additions during the year	360
Interest on Lease Liabilities	28
Payments made	(338)
Deletions	(69)
As at 31 March 2021	**641**

22 FINANCIAL INSTRUMENTS

A. Financial assets and liabilities:

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

As at 31 March 2021

(₹ in crores)

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*	16,555	103	-	-	16,658	16,658
Trade receivables	163	-	-	6,486	6,649	6,649
Loans	-	-	-	7,088	7,088	7,609
Other financial assets	-	-	-	6,765	6,765	6,765
Derivatives	13	-	57	-	70	70
Cash and cash equivalents	-	-	-	4,854	4,854	4,854
Other bank balances	-	-	-	11,775	11,775	11,775
Total	**16,731**	**103**	**57**	**36,968**	**53,859**	**54,380**

Notes

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(₹ in crores)

Financial Liabilities	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
Borrowings	-	-	57,028	-	57,028	56,700
Trade payables	707	-	7,185	-	7,892	7,892
Operational buyers' credit/ suppliers' credit	-	-	7,983	-	7,983	7,983
Derivatives	93	262	-	-	355	355
Other financial liabilities**	-	-	14,634	263	14,897	14,897
Total	**800**	**262**	**86,830**	**263**	**88,155**	**87,827**

As at 31 March 2020

(₹ in crores)

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*	24,709	41	-	-	24,750	24,750
Trade receivables	51	-	-	5,757	5,808	5,808
Loans	-	-	-	102	102	102
Other financial assets	-	-	-	4,929	4,929	4,929
Derivatives	279	-	416	-	695	695
Cash and cash equivalents	-	-	-	5,117	5,117	5,117
Other bank balances	-	-	-	7,385	7,385	7,385
Total	**25,039**	**41**	**416**	**23,290**	**48,786**	**48,786**

(₹ in crores)

Financial Liabilities	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
Borrowings	-	-	59,187	-	59,187	59,292
Trade payables	517	-	7,510	-	8,027	8,027
Operational buyers' credit/ suppliers' credit	-	-	8,945	-	8,945	8,945
Derivatives	83	58	-	-	141	141
Other financial liabilities**	-	-	13,029	247	13,276	13,276
Total	**600**	**58**	**88,671**	**247**	**89,576**	**89,681**

* Investments exclude equity investment in associates and joint ventures which are accounted as per the equity method of accounting and hence not considered.

**includes lease liability of ₹641 crores (31 March 2020: ₹660 crores).

*** Represents net put option liability with non-controlling interests accounted for at fair value. (Refer note 21).

B. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

(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 31 March 2021 and 31 March 2020 measured at fair value:

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As at 31 March 2021

(₹ in crores)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
Investments	6,318	10,186	51
Derivative financial assets**	-	13	-
Trade receivables	-	163	-
At fair value through other comprehensive income			
Investments	92	-	11
Derivatives designated as hedging instruments			
Derivative financial assets**	-	57	-
Total	**6,410**	**10,419**	**62**

(₹ in crores)

Financial Liabilities		Level 2	Level 3
At fair value through profit or loss			
Derivative financial liabilities**	-	93	-
Trade payables	-	707	-
Derivatives designated as hedging instruments			
Derivative financial liabilities**	-	262	-
Other financial liabilities - Net put option liability with non-controlling interests accounted for at fair value. (Refer note 21).	-	-	263
Total	**-**	**1,062**	**263**

As at 31 March 2020

(₹ in crores)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
Investments	7,598	17,060	51
Derivative financial assets**	-	279	-
Trade receivables	-	51	-
At fair value through other comprehensive income			
Investments	30	-	11
Derivatives designated as hedging instruments			
Derivative financial assets**	-	416	-
Total	**7,628**	**17,806**	**62**

(₹ in crores)

Financial Liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
Derivative financial liabilities**	-	83	-
Trade payable	-	517	-
Derivatives designated as hedging instruments			
Derivative financial liabilities**	-	58	-
Other financial liabilities – Net put option liability with non-controlling interests accounted for at fair value. (Refer note 21).	-	-	247
Total	**-**	**658**	**247**

** Refer D below.

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The below table summarises the fair value of loans and borrowings which are carried at amortised cost as at 31 March 2021 and 31 March 2020

As at 31 March 2021

(₹ in crores)

Financial Assets	Level 1	Level 2	Level 3
Loans*	-	7,609	-
Total	**-**	**7,609**	**-**

(₹ in crores)

Financial Liabilities	Level 1	Level 2	Level 3
Borrowings	-	56,700	-
Total	**-**	**56,700**	**-**

As at 31 March 2020

(₹ in crores)

Financial Liabilities	Level 1	Level 2	Level 3
Borrowings	-	59,292	-
Total	**-**	**59,292**	**-**

*Refer Note 40(I).

The fair value of the financial assets and liabilities are at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house. For other listed securities traded in markets which are not active, the quoted price is used wherever the pricing mechanism is same as for other marketable securities traded in active markets. Other current investments and structured investments are valued by referring to market inputs including quotes, trades, poll, primary issuances for securities and /or underlying securities issued by the same or similar issuer for similar maturities and movement in benchmark security etc.
- Trade receivables, cash and cash equivalents, other bank balances, other financial assets, current borrowings, trade payables, operational buyers' credit and other current financial liabilities: Fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Non-current fixed-rate and variable-rate borrowings: Fair value has been determined by the Group based on parameters such as interest rates, specific country risk factors, and the risk characteristics of the financed project.
- Derivative financial assets/liabilities: The Group enters into derivative financial instruments with various counterparties. Interest rate swaps, foreign exchange forward contracts and commodity forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques 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.).
- 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.

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 31 March 2021 and 31 March 2020 have been measured as at respective date.

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

The Group's documented risk management policies act as an effective tool in mitigating the various financial risks to which the businesses are exposed in the course of their daily operations. The risk management policies cover areas such as liquidity risk, commodity price risk, foreign exchange risk, interest rate risk, counterparty credit risk and capital management. Risks are identified at both the corporate and individual subsidiary level with active involvement of senior management. Each operating subsidiary in the Group has in place risk management processes which are in line with the Group's policy. Each significant risk has a designated 'owner' within the Group at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Group's Audit Committee. The Audit Committee is aided by the other Committees of the Board including the Risk Management Committee, which meets regularly to review risks as well as the progress against the planned actions. Key business decisions are discussed at the periodic meetings of the Executive Committee. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

The risk management framework aims to:
- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Group's risk situation
- improve financial returns

Treasury management

Treasury management focuses on liability management, capital protection, liquidity maintenance and yield maximisation. The treasury policies are approved by the Committee of the Board. Daily treasury operations of the subsidiary companies are managed by their respective finance teams within the framework of the overall Group treasury policies. Long-term fund raising including strategic treasury initiatives are managed jointly by the business treasury team and the central team at corporate treasury while short-term funding for routine working capital requirements is delegated to subsidiary companies. A monthly reporting system exists to inform senior management of the Group's investments and debt position, exposure to currency, commodity and interest rate risk and their mitigants including the derivative position. The Group has a strong system of internal control which enables effective monitoring of adherence to Group's policies. The internal control measures are effectively supplemented by regular internal audits.

The Group uses derivative instruments to manage the exposure in foreign currency exchange rates, interest rates and commodity prices. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage the treasury and commodity risks. Both treasury and commodities derivative transactions are normally in the form of forward contracts, interest rate and currency swaps and these are in line with the Group's policies.

Commodity price risk

The Group is exposed to the movement of base metal commodity prices on the London Metal Exchange. Any decline in the prices of the base metals that the Group produces and sells will have an immediate and direct impact on the profitability of the businesses. As a general policy, the Group aims to sell the products at prevailing market prices. The commodity price risk in imported input commodity such as 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 Group aims to achieve average LME prices for a month or a year, average realised prices may not necessarily reflect the LME price movements because of a variety of reasons such as uneven sales during the year and timing of shipments.

Group is also exposed to the movement of international crude oil price and the discount in the price of Rajasthan crude oil to Brent price.

Financial instruments with commodity price risk are entered into in relation to following activities:

- economic hedging of prices realised on commodity contracts

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

Copper

The Group'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 Group'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 Group 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 Group's copper business has a strategy of securing a majority of its anodes/blisters feed requirement under long-term contracts with smelters/traders.

Zinc, lead and silver

The sales prices are linked to the LME prices. The Group also enters into hedging arrangements for its Zinc, Lead and Silver sales to realise average month of sale LME prices.

Zinc International

Raw material for zinc and lead is mined in Namibia and South Africa with sales prices linked to the LME prices.

Iron ore

The Group sells its Iron Ore production from Goa on the prevailing market prices and from Karnataka through e-auction route as mandated by State Government of Karnataka in India.

Oil and gas

The prices of various crude oils are based upon the price of the key physical benchmark crude oil such as Dated Brent, West Texas Intermediate, and Dubai/Oman etc. The crude oil prices move based upon market factors like supply and demand. The regional producers price their crude basis these benchmark crude with a premium or discount over the benchmark based upon quality differential and competitiveness of various grades.

Natural gas markets are evolving differently in important geographical markets. There is no single global market for natural gas. This could be owing to difficulties in large-scale transportation over long distances as compared to crude oil. Globally, there are three main regional hubs for pricing of natural gas, which are USA (Henry Hub Prices), UK (NBP Price) and Japan (imported gas price, mostly linked to crude oil).

Provisionally priced financial instruments

On 31 March 2021, the value of net financial liabilities linked to commodities (excluding derivatives) accounted for on provisional prices was ₹544 crores (31 March 2020: ₹466 crores). 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 01 April 2021.

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

(₹ in crores)

For the year ended 31 March 2021	Total Exposure	Effect on pre-tax profit/(loss) of a 10% increase in the LME	Effect on equity of a 10% increase in the LME
Copper	(1,002)	(100)	-

(₹ in crores)

For the year ended 31 March 2020	Total Exposure	Effect on pre-tax profit/(loss) of a 10% increase in the LME	Effect on equity of a 10% increase in the LME
Copper	(1,028)	(103)	-

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The above sensitivities are based on volumes, costs, exchange rates and other variables and provide the estimated impact of a change in LME prices on profit and equity assuming that all other variables remain constant. A 10% decrease in LME prices would have an equal and opposite effect on the Group's financial statements.

The impact on pre-tax profit/(loss) mentioned above includes the impact of a 10% increase in closing copper LME for provisionally priced copper concentrate purchased at Copper division custom smelting operations in India of ₹87 crores loss (31 March 2020: ₹79 crores loss), which is pass through in nature and as such will not have any impact on the profitability.

(a) Financial risk

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

Liquidity risk

The Group requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Group generates sufficient cash flows from the current operations which together with the available cash and cash equivalents, short-term investments and structured investment net of deferred consideration payable for such investments provide liquidity both in the short-term as well as in the long-term. The Group has been rated by CRISIL Limited (CRISIL) and India Ratings and Research Private Limited (India Rating) for its capital market issuance in the form of CPs and NCDs and for its banking facilities in line with Basel II norms.

In May 2020, India Ratings downgraded its ratings on the Company's long-term facilities to 'IND AA-' from 'IND AA' with a negative outlook on account of higher expected balance sheet leverage and elevated refinancing risk in risk averse debt markets in COVID environment. CRISIL also downgraded its rating on the Company's long-term facilities and its Non-current Debentures (NCD) programme to 'CRISIL AA-' from 'CRISIL AA' in October 2020 while revising the outlook to 'Stable' from 'Negative' on expectation of higher financial leverage and cash outflow from VEDL towards debt maturities at VRL post failure of take private transaction.

In February 2021, India Ratings revised its outlook to 'Stable' from 'Negative' while affirming the long-term issuer ratings at 'IND AA-'. The Outlook revision reflects the VDL group's improved liquidity position, supported by the moderated refinancing risks at VRL.

Vedanta Limited has the highest short-term rating on its working capital and Commercial Paper Programme at A1+ from CRISIL and India Ratings.

Anticipated future cash flows, together with undrawn fund based committed facilities of ₹11,412 crores, and cash, bank and current investments of ₹32,614 crores as at 31 March 2021, are expected to be sufficient to meet the liquidity requirement of the Group in the near future.

The Group remains committed to maintaining a healthy liquidity, a low gearing ratio, deleveraging and strengthening its balance sheet. The maturity profile of the Group'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 Group.

As at 31 March 2021

(₹ in crores)

Payments due by year	<1 year	1-3 years	3-5 years	>5 years	Total
Borrowings*	23,571	22,088	11,673	15,503	72,835
Derivative financial liabilities	279	76	-	-	355
Lease liability	481	60	22	78	641
Trade Payables, Operational Buyers' Credit and Other financial liabilities**	27,848	1,114	0	-	28,962
	52,179	**23,338**	**11,695**	**15,581**	**1,02,793**

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As at 31 March 2020

(₹ in crores)

Payments due by year	<1 year	1-3 years	3-5 years	>5 years	Total
Borrowings*	27,156	24,482	9,547	11,536	72,721
Derivative financial liabilities	96	45	-	-	141
Lease liability	457	95	40	68	660
Trade Payables, Operational Buyers' Credit and Other financial liabilities**	27,100	1,132	0	-	28,232
	54,809	**25,754**	**9,587**	**11,604**	**1,01,754**

*Includes Non-current borrowings, current borrowings, current maturities of non-current borrowings, 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 Group had access to following funding facilities:

As at 31 March 2021

(₹ in crores)

Funding facility	Total Facility	Drawn	Undrawn
Fund/non-fund based	72,752	56,232	16,520

As at 31 March 2020

(₹ in crores)

Funding facility	Total Facility	Drawn	Undrawn
Fund/non-fund based	63,726	52,611	11,115

Collateral

The Group has pledged financial instruments with carrying amount of ₹21,990 crores (31 March 2020: ₹21,595 crores) and inventories with carrying amount of ₹7,654 crores (31 March 2020: ₹8,514 crores) as per the requirements specified in various financial facilities in place. The counterparties have an obligation to release the securities to the Group when financial facilities are surrendered.

(b) Foreign exchange risk

Fluctuations in foreign currency exchange rates may have an impact on the consolidated statement of profit and loss, the consolidated statement of change in equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from the fluctuations primarily in the US dollar, Australian dollar, Namibian dollar, AED, ZAR, GBP, JPY, INR and Euro against the functional currencies of Vedanta Limited and its subsidiaries.

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

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

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

(₹ in crores)

Currency	As at 31 March 2021		As at 31 March 2020	
	Financial Asset	Financial liabilities	Financial Asset	Financial liabilities
INR	40,236	63,657	35,298	60,539
USD	12,802	21,982	12,762	26,764
Others	821	2,516	726	2,273
Total	**53,859**	**88,155**	**48,786**	**89,576**

The Group's exposure to foreign currency arises where a Group 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 entities.

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 Group's foreign currency monetary financial assets/liabilities:

For the year ended 31 March 2021

(₹ in crores)

	Effect of 10% strengthening of functional currency on pre-tax profit/(loss)	Effect of 10% strengthening of functional currency on equity
USD	1,132	-
INR	(307)	-

For the year ended 31 March 2020

(₹ in crores)

	Effect of 10% strengthening of functional currency on pre-tax profit/(loss)	Effect of 10% strengthening of functional currency on equity
USD	1,321	-
INR	28	-

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

(c) Interest rate risk

At 31 March 2021, the Group's net debt of ₹24,414 crores (31 March 2020: ₹21,426 crores) comprises debt of ₹57,028 crores (31 March 2020: ₹59,187 crores) offset by cash, bank and current investments of ₹32,614 crores (31 March 2020: ₹37,761 crores).

The Group is exposed to interest rate risk on short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Group's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Group are principally denominated in Indian Rupees and US dollars with mix of fixed and floating rates of interest. The USD floating rate debt is linked to US dollar LIBOR and INR Floating rate debt to Bank's base rate. The Group has a policy of selectively using interest rate swaps, option contracts and other derivative instruments to manage its exposure to interest rate movements. These exposures are reviewed by appropriate levels of management on a monthly basis. The

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Group invests cash and liquid investments in short-term deposits and debt mutual funds, some of which generate a tax-free return, to achieve the Group's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

Floating rate financial assets are largely mutual fund investments which have debt securities as underlying assets. The returns from these financial assets are linked to market interest rate movements; however the counterparty invests in the agreed securities with known maturity tenure and return and hence has manageable risk.

The exposure of the Group's financial assets as at 31 March 2021 to interest rate risk is as follows:

(₹ in crores)

	Total	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial Assets	**53,859**	11,332	27,060	15,467

The exposure of the Group's financial liabilities as at 31 March 2021 to interest rate risk is as follows:

(₹ in crores)

	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Financial Liabilities	**88,155**	32,391	32,857	22,907

The exposure of the Group's financial assets as at 31 March 2020 to interest rate risk is as follows:

(₹ in crores)

	Total	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial Assets	**48,786**	12,106	24,434	12,246

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

(₹ in crores)

	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Financial Liabilities	**89,576**	31,354	37,415	20,807

Considering the net debt position as at 31 March 2021 and the investment in Bank deposits, corporate bonds and debt mutual funds, any increase in interest rates would result in a net loss and any decrease in interest rates would result in a net gain. The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments at the balance sheet date.

The table below illustrates the impact of a 0.5% to 2.0% movement in interest rates on floating rate financial assets/ liabilities (net) on profit/(loss) and equity assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of 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 crores)

Increase in interest rates	Effect on pre-tax profit/(loss) during the year ended 31 March 2021	Effect on pre-tax profit/(loss) during the year ended 31 March 2020
0.50%	(105)	(96)
1.00%	(211)	(192)
2.00%	(421)	(385)

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An equivalent reduction in interest rates would have an equal and opposite effect on the Group'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 Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group is exposed to credit risk from trade receivables, contract assets, 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 Group's businesses, trade receivables are spread over a number of customers with no significant concentration of credit risk. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Group does not expect any material risk on account of non-performance by any of the Group's counterparties.

The Group has clearly defined policies to mitigate counterparty risks. For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. This, therefore, results in diversification of credit risk for our mutual fund and bond investments. For derivative and financial instruments, the Group attempts to limit the credit risk by only dealing with reputable banks and financial institutions.

The carrying value of the financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk as at 31 March 2021 and 31 March 2020 is ₹53,859 crores and ₹48,786 crores respectively.

The maximum credit exposure on financial guarantees given by the Group for various financial facilities is described in Note 37 on "Contingent liability and capital commitments".

None of the Group'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 31 March 2021, that defaults in payment obligations will occur except as described in Note 8 and 10 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 31 March 2021 and 31 March 2020:

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Neither impaired nor past due	13,433	2,964
Past due but not impaired		
- Less than 1 month	612	794
- Between 1–3 months	276	1,427
- Between 3–12 months	842	1,686
- Greater than 12 months	4,402	2,597
Total	**19,565**	**9,468**

Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer. The Group based on past experiences does not expect any material loss on its receivables.

The credit quality of the Group's customers is monitored on an ongoing basis. Where receivables have been impaired, the Group actively seeks to recover the amounts in question and enforce compliance with credit terms.

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Movement in allowances for Financial Assets (Trade receivables and Financial assets – others)

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

(₹ in crores)

Particulars	Trade receivables	Financial assets – Others	Financial assets – Loans
As at 01 April 2019	**569**	**476**	**-**
Allowance made during the year	18	470	-
Reversals/write-off during the year	(17)	(18)	-
Exchange differences	0	38	-
As at 31 March 2020	**570**	**966**	**0**
Allowance made during the year	95	122	78
Reversals/write-off during the year	(0)	(58)	-
Exploration cost written off	0	2	-
Exchange differences	(0)	(12)	-
As at 31 March 2021	**665**	**1,020**	**78**

D. Derivative financial instruments

The Group uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage the treasury and commodity risks. Both treasury and commodities derivative transactions are normally in the form of forward contracts and these are subject to the Group guidelines and policies.

The fair values of all derivatives are separately recorded in the consolidated 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 Group tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Cash flow hedges

The Group enters into forward exchange and commodity price contracts for hedging highly probable forecast transaction and account for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are 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 31 March 2021 and 31 March 2020.

The Group uses foreign exchange contracts from time to time to optimise currency risk exposure on its foreign currency transactions. The Group hedged part of its foreign currency exposure on capital commitments during the year ended 2021. Fair value changes on such forward contracts are recognised in other comprehensive income.

The majority of cash flow hedges taken out by the Group during the year comprise non-derivative hedging instruments for hedging the foreign exchange rate of highly probable forecast transactions and commodity price contracts for hedging the commodity price risk of highly probable forecast transactions.

The cash flows related to above are expected to occur during the year ending 31 March 2022 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.

Fair value hedges

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

The Group's sales are on a quotational period basis, generally one month to three months after the date of delivery at a customer's facility. The Group enters into forward contracts for the respective quotational period

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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 consolidated statement of profit and loss.

The Group 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 consolidated statement of profit and loss.

Non-designated economic hedges

The Group enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Hedging instruments include copper, aluminium future contracts on the LME and certain other derivative instruments. Fair value changes on such derivative instruments are recognised in the consolidated statement of profit and loss.

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

(₹ in crores)

Derivative Financial Instruments	As at 31 March 2021		As at 31 March 2020	
	Assets	Liabilities	Assets	Liabilities
Current				
Cash flow hedge*				
- Commodity contracts	3	55	104	-
- Forward foreign currency contracts	-	-	-	-
- Interest rate swap	-	5	-	3
Fair Value hedge				
- Commodity contracts	41	9	100	11
- Forward foreign currency contracts	14	116	212	36
Non-qualifying hedges/economic hedge				
- Commodity contracts	1	3	6	20
- Forward foreign currency contracts	12	91	269	25
- Cross currency swap	-	-	1	1
Total	**70**	**279**	**692**	**96**
Non-current				
Cash flow hedge*				
- Interest rate swap	-	5	-	8
Fair Value hedge				
- Forward foreign currency contracts	-	71	-	-
Non-qualifying hedges				
- Forward foreign currency contracts	-	-	3	37
Total	**-**	**76**	**3**	**45**

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

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23 PROVISIONS

(₹ in crores)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Non-current	Current	Total	Non-current	Current	Total
Provision for employee benefits [a] (Refer note 31)						
- Retirement benefit	146	115	261	156	112	268
- Others	12	154	166	14	170	184
Provision for restoration, rehabilitation and environmental costs [b]	2,974	28	3,002	2,658	19	2,677
Other provisions [b]	-	56	56	-	54	54
Total	**3,132**	**353**	**3,485**	**2,828**	**355**	**3,183**

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

(₹ in crores)

b) Particulars	Restoration, rehabilitation and environmental costs (Refer c)	Others (Refer d)
As at 01 April 2019	**2,454**	**52**
Additions	69	2
Amounts Utilised	(14)	-
Unused amounts reversed	-	-
Unwinding of discount (Refer note 31)	96	-
Revision in estimates	(50)	-
Exchange differences	122	-
As at 31 March 2020	**2,677**	**54**
Additions	270	2
Amounts Utilised	(2)	-
Unused amounts reversed	(24)	-
Unwinding of discount (Refer note 31)	72	-
Revision in estimates	(12)	-
Exchange differences	21	-
As at 31 March 2021	**3,002**	**56**

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 Group's obligations under existing Indian, Australian, Namibian, South African and Irish law and the terms of the Group's exploration and other licences and contractual arrangements.

Within India, the principal restoration and rehabilitation provisions are recorded within Oil & Gas 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 Group recognises the full cost of site restoration as a liability when the obligation to rectify environmental damage arises.

These amounts are calculated by considering discount rates within the range of 2% to 10%, and become payable on closure of mines and are expected to be incurred over a period of one to thirty years . The lower range of discount rate is at Cairn India & Zinc International operations in Ireland and higher range is at Zinc International operations in African Countries.

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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.

d) Other provisions

Other provisions include provision for disputed cases and claims.

24 OTHER LIABILITIES

(₹ in crores)

Particulars	As at 31 March 2021			As at 31 March 2020		
	Non-current	Current	Total	Non-current	Current	Total
Amount payable to owned post – employment benefit trust (Refer note 40)	-	32	32	-	28	28
Other Statutory Liabilities [a]	-	3,144	3,144	-	3,155	3,155
Deferred government grants [b]	4,327	229	4,556	4,399	213	4,612
Advance from customer [c]	-	6,233	6,233	168	7,887	8,055
Advance from related party	-	-	-	-	21	21
Other liabilities	-	184	184	3	169	172
Total	**4,327**	**9,822**	**14,149**	**4,570**	**11,473**	**16,043**

a) Statutory liabilities mainly includes contribution to Provident fund, ESIC, withholding taxes, goods & services tax, VAT, service tax etc.

b) Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme and SEZ scheme on purchase of property, plant and equipment 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 01 April 2019: ₹9,196 crores. During the current year, the Group has refunded ₹5 crores (FY2019-20 ₹650 crores) to the customers and recognised revenue of ₹7,878 crores (FY2019-20: ₹8,489 crores) out of such opening balances. All other changes are either due to receipt of fresh advances or exchange differences.

25 REVENUE FROM OPERATIONS

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Sale of products	85,124	81,656
Sale of services	224	216
Revenue from contingent rents	1,515	1,673
Total	**86,863**	**83,545**

a) Revenue from sale of products and from sale of services for the year ended 31 March 2021 includes revenue from contracts with customers of ₹85,544 crores (31 March 2020: ₹81,896 crores) and a net loss on mark-to-market of ₹196 crores (31 March 2020: ₹1,300 crores) on account of gains/losses relating to sales that were provisionally priced as at 31 March 2020 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 31 March 2021.

b) Government of India (GoI) vide Office Memorandum ("OM") No. O-19025/10/2005-ONG-DV dated 01 February 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 24 October 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 previous year, the Group had recognised revenue of ₹1,276 crores, for past exploration costs, through increased share in the joint operations revenue as the Group believes that cost recovery mechanism prescribed under OM for profit petroleum payable to GOI is not applicable to its Joint operation partner, view which

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is also supported by an independent legal opinion. However, the Joint operation partner carries a different understanding and the matter is pending resolution.

c) Majority of the Group's sales are against advance or are against letters of credit/cash against documents/guarantees of banks of national standing. Where sales are made on credit, the amount of consideration does not contain any significant financing component as payment terms are within three months.

As per the terms of the contract with its customers, either all performance obligations are to be completed within one year from the date of such contracts or the Group has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Group has availed the practical expedient available under paragraph 121 of 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, in all material respects, there are no elements of transaction price which have not been included in the revenue recognised in the financial statements.

Further, there is no material difference between the contract price and the revenue from contract with customers.

26 OTHER OPERATING INCOME

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Export incentives	303	409
Scrap sales	527	316
Miscellaneous income	328	177
Total	**1,158**	**902**

27 OTHER INCOME

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Net gain on investment measured at FVTPL	934	558
Interest income from investments measured at FVTPL	478	1,015
Interest income from financial assets at amortised cost		
- Bank deposits	565	218
- Loans (Refer note 40)	629	2
- Others	351	367
Interest on income tax refund	80	29
Dividend Income from		
- financial assets at FVTPL	1	48
- financial assets at FVOCI	2	4
Profit on sale of assets	75	-
Deferred government grant income (Refer note 24)	229	205
Miscellaneous income	77	64
Total	**3,421**	**2,510**

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28 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS*

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening Stock:		
Finished Goods	1,270	1,438
Work-in-Progress	3,323	2,527
	4,593	**3,965**
Add: Foreign exchange translation	40	(6)
Add: Acquired as part of business combination	23	-
Add: Capitalisation	4	-
Less: Closing Stock		
Finished Goods	855	1,270
Work-in-Progress	3,013	3,323
	3,868	**4,593**
Sub-total	**792**	**(634)**
Total	**792**	**1,017**

* Inventories include goods-in-transit

29 EMPLOYEE BENEFITS EXPENSEA

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and Wages	2,895	2,760
Share based payments (Refer note 30)	60	73
Contributions to provident and other funds (Refer note 31)	208	173
Staff welfare expenses	228	242
Less: Cost allocated/directly booked in joint ventures	(530)	(576)
Total	**2,861**	**2,672**

(a) net of capitalisation of ₹127 crores (31 March 2020: ₹159 crores).

30 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 and Cairn India's stock option plan now administered by the Company pursuant to merger with the Company.

The Vedanta Limited Employee Stock Option Scheme (ESOS) 2016

The Company introduced an Employee Stock Option Scheme 2016 (“ESOS”), which was approved by the Vedanta Limited shareholders to provide equity settled incentive to all employees of the Company including subsidiary companies. The ESOS scheme includes tenure based, business performance based (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. The ESOS schemes are administered through VESOS trust and have underlying Vedanta Limited equity shares.

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Options granted during the year ended 31 March 2021 includes business performance based, sustained individual performance based, management discretion and fatality multiplier based stock options. Business performances will be measured using Volume, Cost, Net Sales Realisation, EBITDA, ECG & Carbon footprint or a combination of these for the respective business/SBU entities.

Options granted during the year ended 31 March 2020 includes business performance based, sustained individual performance based and market performance based stock options. Business performances will be measured using Volume, Cost, Net Sales Realisation, EBITDA, free cash flow or a combination of these for the respective business/SBU entities.

The exercise price of the options is ₹1 per share and the performance period is three years, with no re-testing being allowed.

The details of share options for the year ended 31 March 2021 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding 01 April 2020	Options granted during the year	Options transferred rom Parent/ fellow subsidiaries	Options forfeited during the year	Options exercised during the year*	Options expired during the year	Options outstanding 31 March 2021	Options exercisable 31 March 2021
2016-17	15 December 2019 – 14 June 2020	10,68,516	-	-	8,648	10,59,868	-	-	-
2017-18	01 September 2020 – 28 February 2021	70,27,925	-	-	55,14,169	11,36,816	-	3,76,940	3,76,940
2017-18	16 October 2020 – 15 April 2021	11,126	-	-	11,126	-	-	-	-
2018-19	01 November 2021 – 30 April 2022	1,14,20,046	-	-	15,07,806	-	-	99,12,240	-
2018-19	Cash settled	10,69,156	-	-	3,40,300	-	-	7,28,856	-
2019-20	29 November 2022 – 28 May 2023	1,58,81,330	-	-	23,09,052	-	-	1,35,72,278	-
2019-20	Cash settled	18,96,700	-		10,19,249		-	8,77,451	-
2020-21	06 November 2023 – 05 May 2024	-	1,27,11,112	-	-	-	-	1,27,11,112	-
2020-21	Cash settled	-	8,80,000	-	-	-	-	8,80,000	-
		3,83,74,799	**1,35,91,112**	**-**	**1,07,10,350**	**21,96,684**	**-**	**3,90,58,877**	**3,76,940**

The details of share options for the year ended 31 March 2020 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding 01 April 2019	Options granted during the year	Options transferred rom Parent/ fellow subsidiaries	Options forfeited during the year	Options exercised during the year*	Options expired during the year	Options outstanding 31 March 2020	Options exercisable 31 March 2020
2016-17	15 December 2019 – 14 June 2020	65,08,226	-	-	48,19,269	6,20,441	-	10,68,516	10,68,516
2017-18	01 September 2020 – 28 February 2021	82,74,393	-	-	12,46,468	-	-	70,27,925	-
2017-18	16 October 2020 – 15 April 2021	11,126	-	-	-	-	-	11,126	-
2017-18	01 November 2020 – 30 April 2021	27,638	-	-	27,638	-	-	-	-
2018-19	01 November 2021 – 30 April 2022	1,35,66,200	-	-	21,46,154	-	-	1,14,20,046	-
2018-19	Cash settled	10,47,660	-	2,11,170	1,89,674	-	-	10,69,156	-
2019-20	29 November 2023 – 28 May 2024	-	1,67,13,640	-	8,32,310	-	-	1,58,81,330	-
2019-20	Cash settled	-	20,37,690	-	1,40,990	-	-	18,96,700	-
		2,94,35,243	**1,87,51,330**	**2,11,170**	**94,02,503**	**6,20,441**	**-**	**3,83,74,799**	**10,68,516**

*excludes 58,420 options exercised during the year regarding which the transaction could not be completed before 31 March 2020 and hence, the corresponding shares were were not transferred to the concerned employees.

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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 31 March 2021 and 31 March 2020 are set out below:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	ESOS 2020	ESOS 2019
Number of Options	Cash settled – 8,80,000 equity settled – 1,27,11,112	Cash settled – 20,37,690 Equity settled – 1,67,13,640
Exercise Price	₹1	₹1
Share Price at the date of grant	₹228.75	₹144.60
Contractual Life	2 years and 7 months	3 years
Expected Volatility	49.28%	36.64%
Expected option life	2 years and 7 months	3 years
Expected dividends	6.80%	7.96%
Risk free interest rate	4.84%	5.68%
Expected annual forfeitures	10% p.a.	10% p.a.
Fair value per option granted (Non-market performance based)	150.73	₹102.30
Fair value per option granted (Market performance based)	NA	₹72.12

Weighted average share price at the date of exercise of stock options was ₹131.08 (31 March 2020: ₹126.02)

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The weighted average remaining contractual life for the share options outstanding was 2.03 years (31 March 2020: 2.28 years).

The Group recognised total expenses of ₹58 crores (31 March 2020 ₹75 crores) related to equity settled share-based payment transactions for the year ended 31 March 2021. The total expense recognised on account of cash settled share based plan during the year ended 31 March 2021 is ₹6 crores (31 March 2020: ₹2 crores) and the carrying value of cash settled share based compensation liability as at 31 March 2021 is ₹7 crores (31 March 2020: 1 crores).

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 31 March 2021		Year ended 31 March 2020	
	Number of options	Weighted average exercise price in ₹	Number of options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	53,41,740	288.2	64,77,059	279.2
Granted during the year	Nil	NA	Nil	NA
Expired during the year	10,82,229	291.3	6,58,663	200.1
Exercised during the year	Nil	NA	Nil	NA
Forfeited/cancelled during the year	9,44,337	288.0	4,76,656	288.1
Outstanding at the end of the year	**33,15,174**	**287.3**	**53,41,740**	**288.2**
Exercisable at the end of the year	33,15,174	287.3	53,41,740	288.2

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 31 March 2021 are:			
CIESOP Plan	286.85-287.75	0.80	287.3
The details of exercise price for stock options outstanding as at 31 March 2020 are:			
CIESOP Plan	286.85-291.25	1.46	288.2

The Group has awarded certain cash settled share based options indexed to Parents' shares (Vedanta Resources Limited shares) and shares of any of its subsidiaries. The total expense recognised on account of cash settled share based plan during the year ended 31 March 2021 is ₹22 crores (31 March 2020: ₹21 crores) and the carrying value of cash settled share based compensation liability as at 31 March 2021 is ₹86 crores (31 March 2020: ₹51 crores).

Out of the total expense of ₹86 crores (31 March 2020: ₹98 crores) pertaining to equity settled and cash settled options for the year ended 31 March 2021 the Group has capitalised ₹26 crores (31 March 2020: ₹25 crores) expense for the year ended 31 March 2021.

31 EMPLOYEE BENEFIT PLANS

The Group participates in defined contribution and benefit plans, the assets of which are held (where funded) in separately administered funds.

For defined contribution plans the amount charged to the consolidated statement of profit and loss is the total amount of contributions payable in the year.

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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 Group contributed a total of ₹119 crores and ₹84 crores for the year ended 31 March 2021 and 31 March 2020 respectively to the following defined contribution plans.

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Employer's contribution to recognised provident fund and family pension fund	98	63
Employer's contribution to superannuation	21	21
Employer's contribution to National Pension Scheme	0	-
	119	**84**

Indian pension plans

Central recognised provident fund

In accordance with the 'The Employee's Provident Funds and Miscellaneous Provisions Act, 1952', employees are entitled to receive benefits under the Provident Fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for 2021 and 2020) of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI) or to independently managed and approved funds. The Group has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the consolidated statement of profit and loss in the year they are incurred.

Family pension fund

The Pension Fund was established in 1995 and is managed by the Government of India. The employee makes no contribution to this fund but the employer makes a contribution of 8.33% of salary each month subject to a specified ceiling per employee. This is provided for every permanent employee on the payroll.

At the age of superannuation, contributions 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 Group has no additional liability beyond the contributions that it makes, regardless of whether the central fund is in surplus or deficit.

Superannuation

Superannuation, another pension scheme, is applicable only to executives above certain grade. However, in case of the oil & gas business (applicable from the second year of employment) and Iron Ore Segment, the benefit is applicable to all executives. Vedanta Limited and each relevant Indian subsidiary holds a policy with Life Insurance Corporation of India ("LIC"), to which each of these entities contributes a fixed amount relating to superannuation and the pension annuity is met by LIC as required, taking into consideration the contributions made. The Group has no further obligations under the scheme beyond its monthly contributions which are charged to the consolidated 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 and each relevant Indian subsidiary, on a choice basis. It was introduced to enable employees to select the treatment of superannuation component of their fixed salaries and avail the benefits offered by National Pension Scheme launched by Government of India. Vedanta Limited and each relevant entity holds a corporate account with one of the pension fund managers authorized by the Government of India to which each of the entity contributes a fixed amount relating to superannuation and the pension annuity will be met by the fund manager as per rules of National Pension Scheme. The Group has no further obligations under the scheme beyond its monthly contributions which are charged to the consolidated statement of profit and loss in the year they are incurred.

Australian pension scheme

The Group also participates in defined contribution superannuation schemes in Australia. The contribution of a proportion of an employee's salary in a superannuation fund is a compulsory legal requirement in Australia. The employer contributes, into the employee's fund of choice, 9.50% of an employee's gross remuneration where the employee is covered by an industrial agreement

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and 12.50% of the basic remuneration for all other employees. All employees have an option to make additional voluntary contributions. The Group has no further obligations under the scheme beyond its monthly contributions which are charged to the consolidated statement of profit and loss in the year they are incurred.

Skorpion Zinc Provident Fund, Namibia

The Skorpion Zinc Provident Fund is a defined contribution fund and is compulsory to all full time employees under the age of 60. The Group contribution to the fund is a fixed percentage of 9% per month of pensionable salary, whilst the employee contributes 7% with the option of making additional contributions, over and above the normal contribution, up to a maximum of 12%.

Normal retirement age is 60 years and benefit payable is the member's fund credit which is equal to all employer and employee contributions plus interest. The same applies when an employee resigns from Skorpion Zinc. The Fund provides disability cover which is equal to the member's fund credit and a death cover of two times annual salary in the event of death before retirement.

The Group has no additional liability beyond the contributions that it makes. Accordingly, this scheme has been accounted for on a defined contribution basis and contributions are charged directly to the consolidated statement of profit and loss in the year they are incurred.

Black Mountain (Pty) Limited, South Africa Pension and Provident Funds

Black Mountain Mining (Pty) Ltd. has two retirement funds, both administered by Alexander Forbes, a registered financial service provider. The purpose of the funds is to provide retirement and death benefits to all eligible employees.

Group contributes at a fixed percentage of 10.5% for up to supervisor grade and 15% for others.

Membership of both funds is compulsory for all permanent employees under the age of 60.

The Group has no additional liability beyond the contributions that it makes. Accordingly, this scheme has been accounted for on a defined contribution basis and contributions are charged directly to the consolidated statement of profit and loss in the year they are incurred.

ii) Defined benefit plans

(a) Contribution to provident fund trust (the "trusts") of Iron ore division, Bharat Aluminium Company Limited (BALCO), Hindustan Zinc Limited (HZL), Sesa Resources Limited (SRL) and Sesa Mining Corporation Limited (SMCL)

The provident funds of Iron ore division, BALCO, HZL, SRL and SMCL are exempted under Section 17 of The Employees Provident 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 that is required to be met by Iron ore division, BALCO, HZL, SRL and SMCL as of 31 March 2021 and 31 March 2020. Having regard to the assets of the fund and the return on the investments, the Group does not expect any deficiency in the foreseeable future.

The Group contributed a total of ₹48 crores for the year ended 31 March 2021 and ₹47 crores for the year ended 31 March 2020 in relation to the independently managed and approved funds. The present value of obligation and the fair value of plan assets of the trust are summarised below.

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Fair value of plan assets of trusts	2,421	2,344
Present value of defined benefit obligation	(2,375)	(2,299)
Net liability arising from defined benefit obligation	**NIL**	**NIL**

(₹ in crores)

Percentage allocation of plan assets of the trust	Year ended 31 March 2021	Year ended 31 March 2020
Assets by category		
Government Securities	63.19%	61.68%
Debentures/bonds	34.36%	36.66%
Equity	1.63%	1.65%
Money Market Instruments	0.83%	0.00%
Fixed deposits	0.00%	0.00%

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The remeasurement loss of ₹6 crores and ₹152 crores have been charged to Other Comprehensive Income (OCI) during the year ended 31 March 2021 and 31 March 2020 respectively.

(b) Post-Retirement Medical Benefits:

The Group has a scheme of medical benefits for employees at BMM and BALCO subsequent to their retirement on completion of tenure including retirement on medical grounds and voluntary retirement on contributory basis. The scheme includes employee's spouses as well. Based on an actuarial valuation conducted as at year-end, a provision is recognised in full for the benefit obligation. The obligation relating to post-retirement medical benefits as at 31 March 2021 was ₹86 crores (31 March 2020: ₹79 crores). The obligation under this plan is unfunded. The Group considers these amounts as not material and accordingly has not provided further disclosures as required by Ind AS 19 'Employee benefits'. The current service cost for the year ending 31 March 2021 of ₹1 crores (31 March 2020: ₹1 crores) has been recognised in consolidated statement of profit and loss. The remeasurement (gains)/losses and net interest on the obligation of post-retirement medical benefits of ₹2 crores gain (31 March 2020: ₹14 crores loss) and ₹7 crores (31 March 2020: ₹6 crores) for the year ended 31 March 2021 have been recognised in other comprehensive income and finance cost respectively.

(c) Other Post-employment Benefits:

India – Gratuity plan

In accordance with the Payment of Gratuity Act of 1972, Vedanta Limited and its Indian subsidiaries contribute to a defined benefit plan (the "Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Group.

Based on actuarial valuations conducted as at year end using the projected unit credit method, a provision is recognised in full for the benefit obligation over and above the funds held in the Gratuity Plan. For entities where the plan is unfunded, full provision is recognised in the consolidated balance sheet.

The iron ore and oil & gas division of Vedanta Limited, SRL, SMCL, HZL and FACOR have constituted a trust recognised by Income Tax Authorities for gratuity to employees and contributions to the trust are funded with Life Insurance Corporation of India (LIC), ICICI Prudential Life Insurance Company Limited and HDFC Life Insurance Company Limited.

Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the Other post-employment benefit Plan obligation are as follows:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate	6.90%	6.80%
Expected rate of increase in compensation level of covered employees	2%-15%	2%-15%
Mortality table	IALM (2012-14)	IALM (2012-14)

Amount recognised in the consolidated balance sheet consists of:

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Fair value of plan assets	401	442
Present value of defined benefit obligations	(576)	(631)
Net liability arising from defined benefit obligation	**(175)**	**(189)**

Amounts recognised in consolidated statement of profit and loss in respect of Other post-employment benefit plan are as follows:

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	40	41
Net interest cost	13	15
Components of defined benefit costs recognised in consolidated statement of profit and loss	**53**	**56**

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Amounts recognised in other comprehensive income in respect of Other post-employment benefit plan are as follows:

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Re-measurement of the net defined benefit obligation:-		
Actuarial losses arising from changes in financial assumptions	1	28
Actuarial (gains)/losses arising from experience adjustments	(10)	16
Actuarial gains arising from changes in demographic assumptions	-	(1)
Actuarial losses on plan assets (excluding amounts included in net interest cost)	6	1
Components of defined benefit costs recognised in Other comprehensive income	**(3)**	**44**

The movement of the present value of the Other post-employment benefit plan obligation is as follows:

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance	631	589
Acquired in business combination	18	-
Current service cost	40	41
Benefits paid	(148)	(87)
Interest cost	44	45
Actuarial losses/(gains) arising from changes in assumptions	(9)	43
Closing balance	**576**	**631**

The movement in the fair value of Other post-employment benefit plan assets is as follows:

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening balance	442	387
Acquired in business combination	16	-
Contributions received	18	86
Benefits paid	(100)	(60)
Re-measurement gain/(loss) arising from return on plan assets	(6)	(1)
Interest income	31	30
Closing balance	**401**	**442**

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

The actual return on plan assets was ₹25 crores for the year ended 31 March 2021 and ₹29 crores for the year ended 31 March 2020.

The weighted average duration of the defined benefit obligation is 14 years and 14.3 years as at 31 March 2021 and 31 March 2020 respectively.

The Group expects to contribute ₹52 crores to the funded defined benefit plans during the year ending 31 March 2022.

Sensitivity analysis for Defined Benefit Plan

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

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(₹ in crores)

Particulars	Increase/(Decrease) in defined benefit obligation	
	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate		
Increase by 0.50%	(21)	(21)
Decrease by 0.50%	23	23
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	21	20
Decrease by 0.50%	(20)	(20)

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognised in the consolidated balance sheet.

Risk analysis

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

Investment risk

Most of the Indian defined benefit plans are funded with Life Insurance Corporation of India (LIC), ICICI Prudential Life (ICICI) and HDFC Standard Life. Group does not have any liberty to manage the fund provided to LIC, ICICI prudential and HDFC Standard Life.

The present value of the defined benefit plan obligation is calculated using a discount rate determined by reference to Government of India bonds for Group's Indian operations. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the interest rate on plan assets will increase the net plan obligation.

Longevity risk/Life expectancy

The present value of the defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan obligation.

Salary growth risk

The present value of the defined benefit plan obligation is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan obligation.

Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

32 FINANCE COST

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on financial liabilities at amortised cost [b]	5,185	5,617
Other finance costs	238	261
Net interest on defined benefit arrangement	19	21
Unwinding of discount on provisions (Refer note 23)	72	96
Exchange difference regarded as an adjustment to borrowing cost	15	7
Less: Capitalisation of finance cost/borrowing cost [a] (Refer note 6)	(316)	(1,017)
Less: Cost allocated/directly booked in joint ventures	(3)	(8)
Total	**5,210**	**4,977**

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a) Interest rate of 6.91 % (31 March 2020: 7.49%) was used to determine the amount of general borrowing costs eligible for capitalisation in respect of qualifying asset for the year ended 31 March 2021.

b) Interest expense on lease liabilities for the year ended 31 March 2021 is ₹28 crores (31 March 2020: ₹25 crores)

33 OTHER EXPENSES

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cess on crude oil	1,743	2,315
Royalty	3,090	2,670
Consumption of stores and spare parts	2,387	2,601
Share of expenses in producing oil and gas blocks	2,118	2,471
Repairs to Plant and equipment	2,357	2,505
Repairs to building	161	196
Repairs others	161	161
Carriage	1,600	1,539
Mine Expenses	2,064	2,242
Net loss on foreign currency transactions and translation	65	733
Other Selling Expenses	18	16
Insurance	219	193
Loss on sale/disposal of fixed asset (net)	-	56
Rent*	47	42
Rates and taxes	58	80
Exploration costs written off (Refer note 6)	7	3
Bad trade receivables and advances written off	12	17
Provision for doubtful advances/expected credit loss	296	104
Miscellaneous expenses	4,358	4,340
Less: Cost allocated/directly booked in joint ventures	(275)	(305)
Total	**20,486**	**21,979**

*Rent represents expense on short-term/low value leases.

34 EXCEPTIONAL ITEMS

(₹ in crores)

Particulars	Year ended 31 March 2021			Year ended 31 March 2020		
	Exceptional items	Tax effect of Exceptional items	Exceptional items after tax	Exceptional items	Tax effect of Exceptional items	Exceptional items after tax
Capital work-in-progress written off and impairment charge relating to property, plant and equipment, exploration assets (as applicable) and other assets in following segments:						
- Oil & gas [a]	-	-	-	(15,907)	6,197	(9,710)
- Copper [c]	-	-	-	(669)	234	(435)
- Aluminium[j]	(181)	63	(118)	-	-	-
- Other segment [b,k]	(63)	22	(41)	(504)	77	(427)
Provision on receivables subject to Litigation [d,e]	(213)	18	(195)	(556)	93	(463)
Revision of Renewable Purchase Obligation pursuant to respective state electricity regulation commission notifications [f]	95	(24)	71	168	(59)	109

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(₹ in crores)

Particulars	Year ended 31 March 2021			Year ended 31 March 2020		
	Exceptional items	Tax effect of Exceptional items	Exceptional items after tax	Exceptional items	Tax effect of Exceptional items	Exceptional items after tax
Provision for settlement of dispute regarding environmental clearance [h]	(213)	75	(138)	-	-	-
Transaction costs paid to the ultimate parent company on structured investment sold in previous year[i]	(103)	-	(103)	-	-	-
Interest income on claims based on Supreme Court order [g]	-	-	-	82	(21)	61
Total	**(678)**	**154**	**(524)**	**(17,386)**	**6,521**	**(10,926)**

a) During the year ended 31 March 2021 and 31 March 2020, the Group had recognised impairment charge of Nil and ₹15,907 crores on its assets in the oil and gas segment comprising of:

(i) During the year ended 31 March 2020, impairment charge of ₹15,150 crores relating to Rajasthan oil and gas block ("RJ CGU") triggered by the significant fall in the crude oil prices. Of this charge, ₹14,113 crores impairment charge had been recorded against oil and gas producing facilities and ₹1,037 crores impairment charge had been recorded against exploration intangible assets under development.

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 ₹10,514 crores (US$1,405 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 up to 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 the successful implementation of key growth projects. Additionally, in computing the recoverable value, the effects of market participant's response on production sharing contract matters have also been appropriately considered. Based on the sensitivities carried out by the Group, change in crude price assumptions by US$1/bbl and changes to discount rate by 1% would lead to a change in recoverable value by ₹337 crores (US$45 million) and ₹494 crores (US$66 million) respectively.

(ii) During the year ended 31 March 2020, impairment charge of ₹225 crores relating to KG-ONN-2003/1 CGU mainly due to the reduction in crude oil price forecast.

The recoverable amount of the CGU, ₹147 crores (US$20 million) were determined 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 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.

(iii) During the year ended 31 March 2020, impairment charge of ₹532 crores, in exploration block KG-OSN-2009/3, were provided for as the Government of India approval on extension and grant of excusable delay is awaited for.

b) During the year ended 31 March 2020, the Group had recognised impairment charge of ₹504 crores

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on the assets of AvanStrate Inc (ASI) mainly due to the significant changes in the market and economic enviroment in which ASI operates leading to decrease in demand and profitability in the glass substrate business. The charge relates to ASI business in Japan, Taiwan and Korea classified in the 'others' segment. Given the significant interdependence of these entities on each other, these were considered as a single cash-generating unit.

The net recoverable value of assets and liabilities had been assessed at ₹1,536 crores based on the value in use approach. Based on the sensitivities carried out by the Group, decrease in volume assumptions by 1% would lead to decrease in recoverable value by ₹17 crores and increase in discount rate by 1% would lead to a decrease in recoverable value by ₹48 crores.

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

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

e) As at 31 March 2021, the Company and its subsidiaries have an outstanding receivable equivalent to ₹211 crores (net of provision of ₹423 crores) (31 March 2020: ₹437 crores (net of provision of ₹207 crores)) 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 21 May 2019, after ZCCM Investments Holdings Plc ("ZCCM"), an entity majorly owned by the Government of Zambia and a 20.6% shareholder in KCM, filed a winding up petition against KCM. KCM's majority shareholder, Vedanta Resources Holdings Limited ("VRHL"), and its parent company, Vedanta Resources Limited ("VRL"), are contesting the winding up petition in the Zambian courts. The local Court of Appeal ("CAZ") has ruled in favour of VRHL/VRL, ordering a stay of the winding up proceedings and referring the matter for arbitration. In light of the orders from CAZ, VRL has also filed an application in the High Court of Zambia, asking for directions on the powers of the provision liquidator and the matter was argued on March 30, 2021. The ruling has been reserved.

VRHL and VRL had also commenced arbitration proceedings against ZCCM with seat in Johannesburg, South Africa, consistent with their position that arbitration is the agreed dispute resolution process. The procedural timetable for the arbitration envisages an initial hearing of prioritised issues commencing on 31 May 2021, with the substantive dispute being heard in November 2021 and February 2022. Meanwhile, KCM has not been supplying goods to the Group, which it was supposed to as per the terms of the advance.

During the year, the Group has recognised provisions for expected credit losses of ₹213 crores (31 March 2020: ₹207 crores) and based on its assessment of the merits of the case backed by legal opinions, the Group is of the view that VRL's contractual position is upheld and continues to be strong on merits.

f) During the year, the Company has recomputed its Renewable Power Obligation (RPO) pursuant to Chhattisgarh State Electricity Regulatory Commission (CSERC) notification dated 13 July 2020 (published on 22 July 2020) which clarified that for Captive Power Plants commissioned before 01 April 2016, RPO should be pegged at the RPO obligation percentage rates (both for solar and non-solar) applicable for FY2015-16. Consequent to the aforesaid notification, the Company's obligation towards RPO relating to the period up to 31 March 2020 has been reversed to the extent of ₹95 crores during this year.

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

g) On the contempt petition filed by TSPL, the Hon'ble Supreme Court of India vide its order dated 07 August 2019 allowed gross calorific value (GCV) on as received basis (ARB) and actual cost of coal in the Energy Charge Formula and directed Punjab State Power Corporation Limited (PSPCL) to make the payments within 8 weeks. Pursuant to the order, PSPCL has paid ₹1,002 crores in September 2019 and October 2019. TSPL has booked an interest of ₹140 crores due to the delay in receipt of payment as

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per the Supreme Court order dated March 07, 2018 allowing the interest on delay in payment. Of this interest ₹82 crores pertaining to period prior to 31 March 2019 is booked under exceptional items and amount of ₹58 crores for the year ended 31 March 2020 was booked in Other income.

h) Refer note 3(c)(A)(x).

i) Refer note 40(M).

j) During the year ended 31 March 2021, the Company has recognised a loss of ₹181 crores relating to certain items of capital work-in-progress at the aluminium operations, which are no longer expected to be used.

k) During the year ended 31 March 2021, ESL Steel Limited conducted a detailed physical verification and evaluation of project equipment and material being carried forward as capital work-in-progress at a carrying value of ₹835 crores. Pending completion of entire exercise, an interim provision of ₹63 crores has been recognised relating to certain items of capital work-in-progress, which are no longer expected to be used.

35 TAX

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

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current tax:		
Current tax on profit for the year	2,067	1,791
Credit in respect of current tax for earlier years	(1)	(3)
Total Current Tax (a)	**2,066**	**1,788**
Deferred tax:		
Reversal of temporary differences	(598)	(475)
Credit in respect of deferred tax for earlier years	(3)	(9)
Credit in respect of exceptional items (Refer note 34)	(154)	(6,521)
Deferred Tax (b)	**(755)**	**(7,005)**
Deferred Tax on distributable reserve of/dividend from subsidiary (c)	**869**	**1,701**
Total Deferred Tax [(d)=(b+c)]	**114**	**(5,304)**
Total income tax expense/(benefit) for the year (a+d)	**2,180**	**(3,516)**
Profit/(Loss) before tax	**17,213**	**(8,259)**
Effective income tax rate (%)	**13%**	**43%**

Tax expense/(benefit)

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Tax effect on exceptional items	(154)	(6,521)
Tax expense – others	2,334	3,005
Net tax expense/(benefit)	**2,180**	**(3,516)**

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

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit/(Loss) before tax	**17,213**	**(8,259)**
Indian statutory income tax rate	34.944%	34.944%
Tax at statutory income tax rate	**6,015**	**(2,886)**
Disallowable expenses	128	189

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(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Non-taxable income	(123)	(141)
Tax holidays and similar exemptions	(771)	(501)
Effect of tax rate differences of subsidiaries operating at other tax rates	(326)	(107)
Deferred Tax on distributable reserve of/dividend from subsidiary	869	1,701
Unrecognised tax assets (net)**	(3,193)	(70)
Change in deferred tax balances due to change in tax law*	(335)	(1,912)
Capital Gains/Other Income subject to lower tax rate	(176)	(273)
Credit in respect of earlier years	(4)	(12)
Other permanent differences	96	496
Total	**2,180**	**(3,516)**

* Deferred tax for the year ended 31 March 2020 includes a credit of ₹1,774 crores on remeasurement of deferred tax balances as at 31 March 2019. Also refer note 3(c)(A)(ix).

**In June 2018, the Company acquired majority stake in ESL Steel Limited ("ESL"), which has since been focusing on operational turnaround. Based on management's estimate of future outlook, financial projections and requirements of Ind AS 12 – Income taxes, ESL has recognised deferred tax assets of ₹3,184 crores during the year ended 31 March 2021.

Certain businesses of the Group within India are eligible for specified tax incentives which are included in the table above as tax holidays and similar exemptions. Most of such tax exemptions are relevant for the companies operating in India. These are briefly described as under:

The location based exemption

In order to boost industrial and economic development in undeveloped regions, provided certain conditions are met, profits of newly established undertakings located in certain areas in India may benefit from tax holiday under Section 80IC of the Income Tax Act, 1961. Such tax holiday works to exempt 100% of the profits for the first five years from the commencement of the tax holiday, and 30% of profits for the subsequent five years. This deduction is available only for units established up to 31 March 2012. However, such undertaking would continue to be subject to the Minimum Alternative tax ('MAT').

In the current year, undertaking at Pantnagar, which is part of Hindustan Zinc Limited (Zinc India), is the only unit eligible for deduction at 30% of taxable profit.

The location based exemption: SEZ Operations

In order to boost industrial development and exports, provided certain conditions are met, profits of undertaking located in Special Economic Zone ('SEZ') may benefit from tax holiday. Such tax holiday works to exempt 100% of the profits for the first five years from the commencement of the tax holiday, 50% of profits for five years thereafter and 50% of the profits for further five years provided the amount allowable in respect of deduction is credited to Special Economic Zone Re-Investment Reserve account. However, such undertaking would continue to be subject to the Minimum Alternative tax ('MAT').

The Group has setup SEZ Operations in its aluminium division of Vedanta Limited (where no benefit has been drawn).

Sectoral Benefit – Power Plants and Port Operations

To encourage the establishment of infrastructure certain power plants and ports have been offered income tax exemptions of up to 100% of profits and gains for any ten consecutive years within the 15 year period following commencement of operations subject to certain conditions under Section 80IA of the Income Tax Act, 1961. The Group currently has total operational capacity of 8.4 Giga Watts (GW) of thermal based power generation facilities and wind power capacity of 274 Mega Watts (MW) and port facilities. However, such undertakings would continue to be subject to MAT provisions.

The Group has power plants which benefit from such deductions, at various locations of Hindustan Zinc Limited (where such benefits has been drawn), Talwandi Sabo Power Limited, Vedanta Limited and Bharat Aluminium Company Limited (where no benefit has been drawn).

The Group operates a zinc refinery in Export Processing Zone, Namibia which has been granted tax exempt status by the Namibian government.

In addition, the subsidiaries incorporated in Mauritius are eligible for tax credit to the extent of 80% of the applicable tax rate on foreign source income.

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The total effect of such tax holidays and exemptions was ₹771 crores for the year ended 31 March 2021 (31 March 2020: ₹501 crores)

(c) Deferred tax assets/liabilities

The Group 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, the depreciation of mining reserves and the fair value uplifts created on acquisitions, net of losses carried forward by the Group and unused tax credits in the form of MAT credits carried forward in the Group. Significant components of Deferred tax (assets) and liabilities recognised in the consolidated balance sheet are as follows:

For the year ended 31 March 2021

(₹ in crores)

Significant components of Deferred tax (assets) and liabilities	Opening balance as at 01 April 2020	Charged/ (credited) to statement of profit or loss	Charged/ (credited) to other comprehensive income	Charged to equity	Deferred tax on Acquisition through business combination (Refer Note 4)	Exchange difference transferred to translation of foreign operation	Closing balance as at 31 March 2021
Property, Plant and Equipment	9,182	279	-	-	50	172	9,683
Voluntary retirement scheme	(29)	(25)	-	-	-	-	(54)
Employee benefits	(186)	(22)	11	32	-	(9)	(174)
Fair valuation of derivative asset/ liability	(20)	9	(26)	-	-	-	(37)
Fair valuation of other asset/ liability	970	(242)	1	-	-	(28)	701
MAT credit entitlement	(9,122)	862	25	-	-	3	(8,232)
Unabsorbed depreciation and business losses	(5,482)	784	-	-	-	-	(4,698)
Taxes on distributable reserve of subsidiary	1,582	(1,582)	-	-	-	-	-
Other temporary differences	(899)	51	35	-	10	(31)	(834)
Total	**(4,004)**	**114**	**46**	**32**	**60**	**107**	**(3,645)**

For the year ended 31 March 2020

(₹ in crores)

Significant components of Deferred tax (assets) and liabilities	Opening balance as at 01 April 2019	Charged/ (credited) to statement of profit or loss	Charged/ (credited) to other comprehensive income	Charged/ (credited) to equity	Deferred tax on Acquisition through business combination	Exchange difference transferred to translation of foreign operation	Closing balance as at 31 March 2020
Property, Plant and Equipment	15,958	(6,783)	-	-	-	7	9,182
Voluntary retirement scheme	(40)	11	-	-	-	-	(29)
Employee benefits	(120)	1	(71)	-	-	4	(186)
Fair valuation of derivative asset/ liability	(45)	(7)	32	-	-	-	(20)
Fair valuation of other asset/ liability	820	91	1	-	-	58	970
MAT credit entitlement	(10,321)	910	23	252	-	14	(9,122)
Unabsorbed depreciation and tax losses	(4,560)	(922)	-	-	-	-	(5,482)
Taxes on distributable reserve of subsidiary	-	1,582	-	-	-	-	1,582
Other temporary differences	(683)	(187)	(58)	-	-	29	(899)
Total	**1,009**	**(5,304)**	**(73)**	**252**	**-**	**112**	**(4,004)**

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Deferred tax assets and liabilities have been offset where they arise in the same taxing jurisdiction with a legal right to offset current income tax assets against current income tax liabilities but not otherwise. Accordingly the net deferred tax (assets)/liability has been disclosed in the Consolidated Balance Sheet as follows:

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets	(5,860)	(6,889)
Deferred tax liabilities	2,215	2,885
Net Deferred tax (assets)/Liabilities	**(3,645)**	**(4,004)**

Recognition of deferred tax assets on MAT credit entitlement is based on the respective legal entity'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)).

Deferred tax assets in the Group have been recognised to the extent there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse. For certain components of the Group, deferred tax assets on carry forward unused tax losses have been recognised to the extent of deferred tax liabilities on taxable temporary differences available. It is expected that any reversals of the deferred tax liability would be offset against the reversal of the deferred tax asset at respective entities.

Unused tax losses/unused tax credit for which no deferred tax asset has been recognised amount to ₹10,153 crores and ₹17,658 crores as at 31 March 2021 and 31 March 2020 respectively.

As at 31 March 2021

(₹ in crores)

Unused tax losses/unused tax credit	Within one year	Greater than one year, less than five years	Greater than five years	No expiry date	Total
Unutilised business losses	197	2,222	3,075	1,887	7,381
Unabsorbed depreciation	10	101	298	2,353	2,762
Unutilised R&D credit	-	-	-	10	10
Total	**207**	**2,323**	**3,373**	**4,250**	**10,153**

As at 31 March 2020

(₹ in crores)

Unused tax losses/unused tax credit	Within one year	Greater than one year, less than five years	Greater than five years	No expiry date	Total
Unutilised business losses	555	2,588	4,916	1,574	9,633
Unabsorbed depreciation	-	-	-	8,016	8,016
Unutilised R&D credit	-	-	-	9	9
Total	**555**	**2,588**	**4,916**	**9,599**	**17,658**

No deferred tax assets has been recognised on these unused tax losses/unused tax credit as there is no evidence that sufficient taxable profit will be available in future against which these can be utilised by the respective entities.

MAT credits are taxes paid to Indian tax authorities which can be offset against future tax liabilities, subject to certain restrictions, within a period of 15 years from the year of origination. The Group recognises MAT assets only to the extent it expects to realise the same within the prescribed period.

Further, the Group had unused MAT credit amounting to ₹400 crores as at 31 March 2020. Such tax credits were not been recognised on the basis that recovery is not probable in the foreseeable future. However, As per the amendments to the tax laws in September, 2019, a new tax provision has been introduced whereby a company can claim the benefits

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of reduced tax rates, provided it forgoes certain incentives/exemptions under Income Tax Act, 1961. One of the subsidiaries of the group has opted for the same and foregoes the unrecognised MAT Credit for the earlier years.

Unrecognised MAT credit expires, if unutilised, based on the year of origination was as follows:

(₹ in crores)

Year of Expiry	As at 31 March 2021	As at 31 March 2020
2022	-	104
2023	-	14
2024	-	52
2025	-	52
2026	-	103
2027	-	63
2028	-	8
2029	-	4
Total	**-**	**400**

The Group has not recognised any deferred tax liabilities for taxes that would be payable on the Group's share in unremitted earnings of certain of its subsidiaries because the Group controls when the liability will be incurred and it is probable that the liability will not be incurred in the foreseeable future. The amount of unremitted earnings are ₹32,240 crores and ₹33,618 crores as at 31 March 2021 and 31 March 2020 respectively.

(d) Non-current tax assets
Non-current tax assets of ₹2,748 crores (31 March 2020: ₹2,645 crores) mainly represents income tax receivable from Indian tax authorities by Vedanta Limited relating to the refund arising consequent to the Scheme of Amalgamation & Arrangement made effective in August 2013 pursuant to approval by the jurisdiction High Court and receivables relating to matters in tax disputes in Group companies including tax holiday claim.

(e) The tax department had raised demands on account of remeasurement of certain tax incentives, as described above, under Section 80IA and 80 IC of the Income tax Act. During the current year, based on the favourable orders from Income Tax Appellate Tribunal relating to AY 09-10 to AY 12-13, the Commissioner of Income Tax (Appeals) has allowed these claims for AY 14-15 to AY 15-16, which were earlier disallowed and has granted refund of amounts deposited under protest. Against the Tribunal order, department had filed an appeal in Hon'ble Rajasthan High Court in financial year 17-18 which is yet to be admitted. As per the view of external legal counsel, Department's appeal seeks re-examination of facts rather than raising any substantial question of law and hence it is unlikely that appeal will be admitted by the High Court. Due to this there is a strong prima facie case that ITAT order will stand confirmed and department's appeal would be dismissed. The amount involved in this dispute as of 31 March 2021 is ₹11,271 crores (31 March 2020: ₹10,566 crores) plus applicable interest up to the date of settlement of the dispute.

36 EARNINGS PER EQUITY SHARE (EPS)

(₹ in crores except otherwise stated)

Particulars		Year ended 31 March 2021	ended 31 March 2020
Profit/(Loss) after tax attributable to equity share holders for Basic and Diluted EPS	A	11,602	(6,664)
Computation of weighted average number of shares (in crores)			
Weighted average number of ordinary shares outstanding during the year excluding shares acquired for ESOP for basic earnings per share	B	370.42	370.26
Effect of dilution:			
Potential ordinary shares relating to share option awards *		2.33	2.12
Adjusted weighted average number of shares of the Company in issue	C	372.75	370.26
Basic earnings/(loss) per equity share (₹)	A/B	31.32	(18.00)
Diluted earnings/(loss) per equity share (₹)	A/C	31.13	(18.00)
Nominal Value per Share (in ₹)		1.00	1.00

*Potential dilutive shares have been considered as anti dilutive for year ended 31 March 2020.

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37 DISTRIBUTIONS MADE AND PROPOSED

(₹ in crores)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Amounts recognised as distributions to equity share holders:		
Interim dividend (31 March 2021: ₹9.50/- per share, 31 March 2020: ₹3.90/- per share)	3,519	1,444
Dividend distribution tax (DDT) on above	-	252
	3,519	**1,696**

38 COMMITMENTS, CONTINGENCIES AND GUARANTEES

A) Commitments

The Group has a number of continuing operational and financial commitments in the normal course of business including:

- Exploratory mining commitments;
- Oil & gas commitments;
- Mining commitments arising under production sharing agreements; and
- Completion of the construction of certain assets.

a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for:

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Oil & Gas sector		
Cairn India	1,555	3,360
Aluminium sector		
Lanjigarh Refinery (Phase II)	1,188	1,573
Jharsuguda 1.25 MTPA smelter	463	414
Zinc sector		
Zinc India (mines expansion and smelter)	362	912
Gamsberg mining & milling project	94	131
Copper sector		
Tuticorin Smelter 400 KTPA*	2,995	2,791
Others	1,872	1,611
Total	**8,529**	**10,792**

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

b) Committed work programme (Other than capital commitment):

(₹ in crores)

Particulars	As at 31 March 2021	As at 31 March 2020
Oil & Gas sector		
Cairn India (OALP – New Oil and Gas blocks)	5,625	5,841

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c) Other Commitments

(i) Power Division of the Company has signed a long-term power purchase agreement (PPA) with Gridco Limited for supply of 25% of power generated from the power station with additional right to purchase power (5%/7%) at variable cost as per the conditions referred to in PPA . The PPA has a tenure of twenty five years, expiring in FY2037.

(ii) TSPL has signed a long-term power purchase agreement (PPA) with Punjab State Power Corporation Limited (PSPCL) for supply of power generated from the power plant. The PPA has tenure of twenty five years, expring in FY2042.

B) Guarantees

The aggregate amount of indemnities and other guarantees on which the Group does not expect any material losses, was ₹6,281 crores (31 March 2020: ₹6,487 crores).

a) Guarantees and bonds advanced to the customs authorities in India of ₹648 crores relating to the export and payment of import duties on purchases of raw material and capital goods (31 March 2020: ₹471 crores).

b) Guarantees issued for Group's share of minimum work programme commitments of ₹2,889 crores (31 March 2020: ₹2,906 crores).

c) Guarantees of ₹79 crores issued under bid bond (31 March 2020: ₹54 crores).

d) Bank guarantees of ₹115 crores (31 March 2020: ₹115 crores) has been provided by the Group on behalf of Volcan Investments Limited to Income tax department, India as a collateral in respect of certain tax disputes.

e) Other guarantees worth ₹2,550 crores (31 March 2020: ₹2,941 crores) issued for securing supplies of materials and services, in lieu of advances received from customers, litigation, for provisional valuation of custom duty and also to various agencies, suppliers and government authorities for various purposes. The Group does not anticipate any liability on these guarantees.

C) Export Obligations

The Indian entities of the Group have export obligations of ₹2,165 crores (31 March 2020: ₹3,827 crores) on account of concessional rates of import duty paid on capital goods under the Export Promotion Capital Goods Scheme and under the Advance Licence Scheme for the import of raw material laid down by the Government of India.

In the event of the Group's inability to meet its obligations, the Group's liability would be ₹353 crores (31 March 2020: ₹607 crores) reduced in proportion to actual exports, plus applicable interest.

The Group has given bonds of ₹1,775 crores (31 March 2020: ₹1,695 crores) to custom authorities against these export obligations.

D) Contingent Liabilities

a) Hindustan Zinc Limited (HZL): Department of Mines and Geology

The Department of Mines and Geology of the State of Rajasthan issued several show cause notices to HZL in August, September and October 2006 aggregating ₹334 crores claiming unlawful occupation and unauthorised mining of associated minerals other than zinc and lead at HZL's Rampura Agucha, Rajpura Dariba and Zawar mines in Rajasthan during the period from July 1968 to March 2006. In response, HZL filed a writ petition against these show cause notices before the High Court of Rajasthan in Jodhpur. In October 2006, the High Court issued an order granting a stay and restrained the Department of Mines and Geology from undertaking any coercive measures to recover the penalty. In January 2007, the High Court issued another order granting the Department of Mines and Geology additional time to file their reply and also ordered the Department of Mines and Geology not to issue any orders cancelling the lease. The State Government filed for an early hearing application in the High Court. The High Court has passed an order rejecting the application stating that Central Government should file their replies. HZL believes it is unlikely that the claim will lead to a future obligation and thus no provision has been made in the financial statements.

b) Vedanta Limited: Income tax

Vedanta Limited (notice was served on Cairn India Limited which subsequently merged with Vedanta Limited, accordingly now referred to as Vedanta Limited/ Company) received a demand totalling ₹20,495 crores (including interest of ₹10,247 crores) holding the Company as 'assessee in default' as per Section 201 of Indian Income Tax Act. The Group has challenged the said order and presently pending before the Income Tax Appellate Tribunal (ITAT).

The Group also filed a writ petition before the Delhi High Court wherein it has raised several grounds against the order said order. The matter came up for hearing on 05 February 2020 before Delhi High Court but adjourned and the next date of hearing is 29 July 2021.

Separately, Vedanta Resources Limited has filed a Notice of Claim against the Government of India ('GOI') under the BIT. Hearing already concluded in May 2019 and award awaited.

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Separately Cairn UK Holdings Limited ("CUHL"), on whom the primary liability of income tax lies, had received an Order from the ITAT in the financial year 2016-17 holding that the transaction is taxable in view of the clarificatory amendment in the Act but also acknowledged that amendment being a retrospective transaction, interest would not be levied. Hence affirming a demand of ₹10,247 crores excluding the interest portion that had previously been claimed. Against this demand Tax authorities have recovered ₹5,863 crores from the CUHL and thus reducing the liability to ₹4,389 crores. Vedanta has also paid interim dividend of ₹5 crores to the Tax authorities and thus reducing the liability to ₹4,384 crores (31 March 2020: ₹4,384 crores).

In related proceedings, the International Arbitration Tribunal ruled unanimously in the case of Cairn Energy Plc that India had breached its obligations under the UK-India Bilateral Investment Treaty (the BIT). The Group understands that Government of India has challenged the ruling before the International Court of Justice at The Hague. As the Cairn Energy Plc Arbitration award received on 23 December 2020 regarding retrospective tax will have a direct influence upon the Group's case, due to the fact that primary liability of paying the income tax is CUHL's and in this case there is expected to be no income tax liability in the hands of CUHL, the claim of amounts assessed as in default against the Group should be eliminated. Further going by the recent ruling of Supreme court in an another unrelated matter, it was held that person under sec 195 can't be held responsible to do impossible in case of retrospective act. Thus it was impossible for Vedanta Limited (successor in the business of Cairn India Limited) to deduct income tax and can't be held responsible for default under Section 201. The Group believes that owing to the similarity in the facts of the case it has a good case to argue and accordingly it is unlikely that any liability will devolve upon the group.

c) 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 28 February 2019 and the Federal Court dismissed GOI's leave to appeal. The Company has also filed for the enforcement of the Partial Award and Final Award before the Hon'ble Delhi High Court. The matter is now listed for hearing on 13 July 2021.

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 ₹946 crores (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 ₹213 crores (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 ₹2,038 crores (US$278 million) and disallowed over run of ₹161 crores (US$22 million) spent in respect of BDC along with 50% legal costs. Finally, Supreme Court of India on 16 September 2020 pronounced the order in favour of Vedanta, rejecting all objections of the GOI and allowed enforcement of the Arbitration Award. With the Supreme Court order the Ravva BDC Matter stands closed.

In connection with the above two matters, the Company has received an order dated 22 October 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 ₹2,302 crores (US$314 million) (the Company's share approximately - ₹682 crores (US$93 million)) on account of the two disputed

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issues of ONGC Carry and BDC matters, out of which ₹469 crores (US$64 million) pertains to ONGC Carry and ₹213 crores (US$29 million) pertains to BDC Matter. Against an interim application filed by the Company along with one of its joint venture partner for seeking stay of such action from GOI before the Hon'ble Delhi High Court, the Court directed the OMCs to deposit above sums to the Delhi High Court for both BDC and ONGC Carry matters. However, the Company (and other joint venture partner) has been given the liberty to seek withdrawal of the amounts from the Court upon furnishing a bank guarantee of commensurate value. On the basis of the above direction, the OMC's have deposited ₹682 crores (US$93 million) out of which ₹616 crores (US$84 million) has been withdrawn post submission of bank guarantee. The Hon'ble Delhi High Court vide its order dated 28 May 2020 read with order dated 04 June 2020 has directed that all future sale proceeds of Ravva Crude w.e.f. 05 June 2020 be paid directly to Vedanta Limited by the OMCs. In view of the closure of the BDC matter, the Company has also filed an application in HC on 22 September 2020 seeking refund of remaining ₹66 crores (US$9 million) and release of bank guarantees submitted in Court pertaining to the BDC matter, out of which ₹147 crores (US$20 million) have since been received by Vedanta.

During the proceedings of the above matter, GOI has also filed an interim application seeking deposit by the said OMCs of an amount of ₹638 crores (US$87 million) (Company's share of ₹410 crores (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 matter has been listed for hearing on 13 July 2021 along with ONGC carry case.

While the Company does not believe the GOI will be successful in its challenge, if the Arbitral Awards in above matters are reversed and such reversals are binding, Company would be liable for approximately ₹469 crores (US$64 million) plus interest. (31 March 2020: ₹479 crores (US$64 million) plus interest).

d) Proceedings related to the imposition of entry tax

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

Post some contradictory orders of High Courts across India adjudicating on similar challenges, the Supreme Court referred the matters to a nine judge bench. Post a detailed hearing, although the bench rejected the compensatory nature of tax as a ground of challenge, it maintained status quo with respect to all other issues which have been left open for adjudication by regular benches hearing the matters.

Following the order of the nine judge bench, the regular bench of the Supreme Court proceeded with hearing the matters. The regular bench remanded the entry tax matters relating to the issue of discrimination against domestic goods bought from other States to the respective High Courts for final determination but retained the issue of jurisdiction for levy on imported goods, for determination by the regular bench of the Supreme Court. Following the order of the Supreme Court, the Group filed writ petitions in respective High Courts.

On 09 October 2017, the Supreme Court has held that states have the jurisdiction to levy entry tax on imported goods. With this Supreme Court judgement, imported goods will rank pari-passu with domestic goods for the purpose of levy of Entry tax. Vedanta Limited and its subsidiaries have amended their appeals (writ petitions) in Odisha and Chhattisgarh to include imported goods as well.

The issue pertaining to the levy of entry tax on the movement of goods into a Special Economic Zone (SEZ) remains pending before the Odisha High Court. The Group has challenged the levy of entry tax on any movement of goods into SEZ based on the definition of 'local area' under the Odisha Entry Tax Act which is very clear and does not include a SEZ. In addition, the Government of Odisha further through its SEZ Policy 2015 and the operational guidelines for administration of this policy dated 22 August 2016, exempted the entry tax levy on SEZ operations.

The total claims against Vedanta Limited and its subsidiaries are ₹1,412 crores (31 March 2020: ₹1,366 crores) net of provisions made.

e) BALCO: Challenge against imposition of Energy Development Cess

BALCO challenged the imposition of Energy Development Cess levied on generators and distributors of electrical energy @ 10 paise per unit on the electrical energy sold or supplied before the High Court on the grounds that the Cess is effectively on production and not on consumption or sale since the figures of consumption are not taken into account and the Cess is discriminatory since captive power plants are required to pay @ 10 paise while the State Electricity Board is required to pay @ 5 paise. The High Court of Chhattisgarh by order dated 15 December 2006 declared the provisions imposing ED Cess on CPPs as discriminatory and therefore ultra vires the Constitution. BALCO has

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sought refund of ED Cess paid till March 2006 amounting to ₹35 crores.

The State of Chhattisgarh moved an SLP in the Supreme Court and whilst issuing notice has stayed the refund of the Cess already deposited and the Supreme Court has also directed the State of Chhattisgarh to raise the bills but no coercive action be taken for recovery for the same. Final argument in this matter started before the Supreme Court. In case the Supreme Court overturns the decision of the High Court, the Group would be liable to pay an additional amount of ₹930 crores (31 March 2020: ₹841 crores). Accordingly the total exposure on the Group would be ₹965 crores (31 March 2020: ₹876 crores).

f) Miscellaneous disputes – Income tax

The Group is involved in various tax disputes amounting to ₹1,966 crores (31 March 2020: ₹1,909 crores) relating to income tax. It also includes similar matters where initial assessment is pending for subsequent periods and where the Group has made claims and assessments are in progress. These mainly relate to the disallowance of tax holiday for 100% Export Oriented Undertaking under Section 10B of the Income Tax Act, 1961, disallowance of tax holiday benefit on production of gas under Section 80IB of the Income Tax Act, 1961, on account of depreciation disallowances under the Income Tax Act and interest thereon which are pending at various appellate levels. Interest and penalty, if any would be additional. Refer note 35 for other income tax disputes.

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

g) Miscellaneous disputes – Others

The Group is subject to various claims and exposures which arise in the ordinary course of conducting and financing its business from the excise, indirect tax authorities and others. These claims and exposures mostly relate to the assessable values of sales and purchases or to incomplete documentation supporting the companies' returns or other claims.

The approximate value of claims (excluding the items as set out separately above) against the Group companies total ₹4,782 crores (31 March 2020: ₹3,996 crores).

Based on evaluations of the matters and legal advice obtained, the Group believes that it has strong merits in its favour. Accordingly, no provision is considered at this stage.

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

39 OTHER MATTERS

a) The Company is purchasing bauxite under long-term linkage arrangement with Orissa Mining Corporation Ltd. (hereafter referred as OMC) at provisional price of ₹1,000/MT from October 2020 onwards based on interim order dated 08 October 2020 of the Hon'ble High Court of Odisha, which is subject to final outcome of the writ petition filed by the Company as mentioned below.

The last successful e-auction based price discovery was done by OMC in April 2019 at INR 673/MT and supplied bauxite at this rate from Sep 2019 to Sep 2020 against an undertaking furnished by the Company to compensate any differential price discovered through future successful national e-auctions. Though OMC conducted the next e-auction on 31 August 2020 with floor price of ₹1,707/MT determined on the basis of Rule 45 of Minerals Concession Rules, 2016 (hereafter referred as the Rules), no bidder participated at that floor price and hence the auction was not successful. However, OMC raised demand of ₹281 crores on the Company towards differential pricing and interest for bauxite supplied till Sep 2020 considering the auction base price of INR 1,707/MT.

The Company had then filed a writ petition before Hon'ble High Court of Odisha in September 2020 for resumption of bauxite supply in accordance with applicable Government of Odisha Gazette notification dated 24 February 2018. Hon'ble High Court has issued interim Order dated 08 October 2020 directing that the petitioner shall be permitted to lift the quantity of bauxite mutually agreed under the terms of the long-term linkage arrangement for the remaining period of the financial year 2020-21 on payment of ₹1,000/MT and furnishing an undertaking for the differential amount, with the floor price arrived at by OMC under the rules, along with applicable interest, subject to final outcome of the writ petition.

OMC re-conducted e-auction on March 9, 2021 with floor price of ₹2,011/MT determined on the basis of the Rules. However, again as no bidder participated at that floor price, the auction was not successful. On 18 March 2021, Cuttack HC issued an order disposing off the writ petition, directing that the current arrangement of bauxite price @ 1000/T will continue for the FY2021-22.

Supported by legal opinions obtained, management believes that the provisions of Rule 45 of Minerals Concession Rules, 2016 are not applicable to commercial

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sale of bauxite ore and hence, it is not probable that the Company will have any financial obligation towards the aforesaid commitments over and above the price of ₹673/MT discovered vide last successful e-auction. Accordingly, the Company has not recognised above referred OMC debit note of ₹281 crores in respect of bauxite procured till September 2020 and further differential price of ₹130 crores for subsequent procurements from 01 October 2020 till 31 March 2021.

However, as an abundant precaution, the Company has recognised purchase of Bauxite from October 2020 onwards at the at the aforesaid rate of INR 1,000/MT in line with the Odisha High court interim order dated 08 October 2020.

b) In terms of various notifications issued by the Ministry of Environment, Forest and Climate Change (MoEF&CC), ash produced from thermal power plant is required to be disposed of by the Group in the manner specified in those notifications. However compliance with manner of disposal as specified in those notifications is not fully achieved due to lack of demand from user agencies. Consequently, the Group is storing some of the ash produced in ash dyke in accordance with conditions of the Environmental Clearance & Consent to Operate granted by the MOEF&CC & Odisha State Pollution Control Board & Chhattisgarh Environment Conservation Board (OSPCB & CECB) respectively while giving preference to supplying the same to user agencies. Management believes storage of ash in ash dykes/ash pond in accordance with environmental clearances received by the Group are sufficient compliance with the applicable notifications issued by MoEF&CC which is supported by a legal opinion obtained. The National Green Tribunal (NGT) has also taken cognisance of the matter and vide its order dated 12 February 2020 has ordered for levy of environmental compensation on generating companies on account of their failure to comply the aforesaid notifications. The Group has filed SLPs before the Hon'ble Supreme Court challenging the order of the NGT and the same was heard by the Court on 11 September 2020 and granted an ad interim stay against recoveries in pursuance of NGT order. Management believes that the outcome of the appeal will not have any significant adverse financial impact on the Group which is supported by a legal opinion obtained.

c) The Department of Mines and Geology (DMG) of the State of Rajasthan initiated the royalty assessment process from January 2008 to 2019 and issued a show cause notice vide an office order dated 31 January 2020 amounting to ₹1,925 croress, further an additional demand was issued vide an office order dated 14 December 2020 for ₹311 croress on similar questions of law. The Company has challenged the show cause notice and computation mechanism of the royalty on the ground that the state has not complied with the previous orders of Rajasthan High court where a similar computation mechanism was challenged and court had directed DMG to reassess basis the judicial precedents and mining concession rules. Pending compliance of previous orders, High court has granted a stay on the notice and directed DMG not to take any coercive action. State Government has also been directed to not take any coercive action in order to recover such miscomputed dues. Based on the opinion of external counsel, the Company believes that it has strong grounds of a successful appeal, and the chances of an outcome which is not if favour of the Company is remote.

d) During the current year, the Company entered into a ₹10,000 crores long-term syndicated loan facility agreement. This loan is secured by the way of pledge over the shares held by the Company in Hindustan Zinc Limited (HZL) representing 14.82% of the paid up share capital of HZL along-with a non-disposal undertaking in respect of its shareholding in HZL to the extent of 50.1% of the paid up share capital of HZL. As at 31 March 2021, the principal amount participated for and outstanding under the facility is ₹8,650 crores.

e) The Scheme of Amalgamation and Arrangement amongst Sterlite Energy Limited ('SEL'), Sterlite Industries (India) Limited ('Sterlite'), Vedanta Aluminium Limited ('VAL'), Ekaterina Limited ('Ekaterina'), Madras Aluminium Company Limited ('Malco') and the Company (the "Scheme") had been sanctioned by the Honourable High Court of Madras and the Honourable High Court of Judicature of Bombay at Goa and was given effect to in the year ended 31 March 2014.

Subsequently the above orders of the honourable High Court of Bombay and Madras have been challenged by Commissioner of Income Tax, Goa and Ministry of Corporate Affairs through a Special Leave Petition before the honourable Supreme Court and also by a creditor and a shareholder of the Company. The said petitions are currently pending for hearing.

f) i) Pursuant to the Government of India's policy of disinvestment, the Company in April 2002 acquired 26% equity interest in Hindustan Zinc Limited (HZL) from the Government of India. Under the terms of the Shareholder's Agreement ('SHA'),the Company had two call options to purchase all of the Government of India's shares in HZL at fair market value. The Company exercised the first call option on 29 August 2003 and acquired an additional 18.9% of HZL's issued share capital. The Company also acquired an additional 20% of the equity capital in HZL through an open offer, increasing its shareholding to 64.9%. The second call option provides the Company the right to acquire the

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Government of India's remaining 29.5% share in HZL. This call option was subject to the right of the Government of India to sell 3.5% of HZL shares to HZL employees.

The Company exercised the second call option on 21 July 2009.The Government of India disputed the validity of the call option and refused to act upon the second call option. Consequently the Company invoked arbitration which is in the early stages. The next date of hearing is to be notified. The Government of India without prejudice to the position on the Put/Call option issue has received approval from the Cabinet for divestment and the Government is looking to divest through the auction route. Meanwhile, the Supreme Court has, in January 2016, directed status quo pertaining to disinvestment of Government of India's residual shareholding in a public interest petition filed which is currently pending and sub-judice.

ii) Pursuant to the Government of India's policy of divestment, the Company in March 2001 acquired 51% equity interest in BALCO from the Government of India. Under the terms of the SHA, the Company had a call option to purchase the Government of India's remaining ownership interest in BALCO at any point from March 2, 2004. The Company exercised this option on March 19, 2004. However, the Government of India contested the valuation and validity of the option and contended that the clauses of the SHA violate the erstwhile Companies Act, 1956 by restricting the rights of the Government of India to transfer its shares and that as a result such provisions of the SHA were null and void. In the arbitration filed by the Company, the arbitral tribunal by a majority award rejected the claims of the Company on the ground that the clauses relating to the call option, the right of first refusal, the "tag along" rights and the restriction on the transfer of shares violate the erstwhile Companies Act, 1956 and are not enforceable.

The Company has challenged the validity of the majority award before the Hon'ble High Court at Delhi and sought for setting aside the arbitration award to the extent that it holds these clauses ineffective and inoperative. The Government of India also filed an application before the High Court to partially set aside the arbitral award in respect of certain matters involving valuation. The matter is currently scheduled for hearing by the Delhi High Court on 11 August 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 9 January 2012, the Company offered to acquire the Government of India's interests in HZL and BALCO for ₹15,492 crores and ₹1,782 crores 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.

g) Flue-gas desulfurisation (FGD) implementation: Ministry of Environment, Forest and Climate Change (MOEF&CC) has revised emission norms for coal-based power plants in India. Accordingly, both captive and independent coal-based power plants in India are required to comply with these revised norms for reduction of sulphur oxide (SOx) emissions for which the current plant infrastructure is to be modified or new equipment have to be installed. Timelines for compliance to the revised norm for various plants in the Group range from December 2023 to December 2024. Different power plants are at different stages of the implementation process.

Ministry of Power issued notification dated 02 July 2020 to restrict imports from China. Power China SEPCO1 has communicated their inability to execute the FGD project quoting aforementioned MOP notification and prevailing COVID situation in India. TSPL is proceeding with further steps for retendering the FGD project.

TSPL filed a petition before Punjab State Electricity Regulatory Commission (PSERC) for approval of MoEF notification as change in law in terms of Article 13 of PPA on 30 June 2017. PSERC vide its order dated 21 December 2018 has held that MoEF notification is not a change in law as it does not impose any new requirements. TSPL had filed an appeal before Hon'ble Appellate Tribunal for Electricity (APTEL) challenging the said order of PSERC. APTEL has pronounced the order 28 August 2020 in favour of TSPL allowing the cost pass through. PSPCL has filed an appeal against this order in Supreme Court.

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40 RELATED PARTY DISCLOSURES

List of related parties and relationships

A) Entities controlling the Company (Holding Companies)

Volcan Investments Limited (Volcan)
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 (formerly Vedanta Resources Plc)
Welter Trading Limited
Westglobe Limited
Vedanta Holdings Mauritius II Limited[c]

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

Konkola Copper Mines Plc [a]
Sterlite Iron and Steel Company Limited
Sterlite Power Transmission limited
Sterlite Technologies Limited
Sterlite Power Grid Ventures Limited
Twin Star Technologies Limited

C) Post retirement benefit plan

BALCO Employees Provident Fund Trust
HZL Employee Group Gratuity Trust
HZL Superannuation Trust
Hindustan Zinc Ltd. Employees Contributory Provident Fund Trust
Sesa Group Employees Gratuity Fund and Sesa Group Executives Gratuity Fund
Sesa Group Employees Provident Fund
Sesa Group Executives Superannuation Scheme Fund
Sesa Mining Corporation Limited Employees Gratuity Fund
Sesa Mining Corporation Limited Employees Provident Fund Trust
Sesa Resources Limited Employees Gratuity Fund
Sesa Resources Limited and Sesa Mining Corporation Limited Employees Superannuation Fund
Sesa Resources Limited Employees Provident Fund Trust
FACOR Superannuation Trust [d]
FACOR Employees Gratuity Scheme [d]

D) Associates and Joint Ventures (with whom transactions have taken place)

RoshSkor Township (Pty) Limited
Goa Maritime Private Limited

E) Others (with whom transactions have taken place)

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

Cairn Foundation
Fujairah Gold Ghana
Janhit Electoral Trust
Sesa Community Development Foundation
Runaya Refinery LLP
Vedanta Foundation
Vedanta Medical Research Foundation
Minova Runaya Private Limited

ii) Enterprises which are Associates/Joint Ventures of entities under common control

India Grid trust [b]

(a) Konkola Copper Mines Plc (KCM) ceased to be a related party w.e.f. 21 May 2019. The Company has total receivable of ₹211 crores (net of provision of ₹420 crores) as at 31 March 2021 (As at 31 March 2020 - ₹437 crores (net of provision of ₹207 crores)).
(b) Ceased to be related party during the year ended 31 March 2020.
(c) On 24 December 2020, Vedanta Holdings Mauritius II Limited purchased shares of Vedanta Limited (Refer note 15(c)(3).
(d) Acquired during the year.

Ultimate Controlling party

Vedanta Limited is a majority-owned and controlled subsidiary of Vedanta Resources Limited ('VRL'). Volcan Investments Limited ('Volcan') and its wholly-owned subsidiary together hold 100 % of the share capital and 100 % of the voting rights of VRL. Volcan is 100 % beneficially owned and controlled by the Anil Agarwal Discretionary Trust ('Trust'). Volcan Investments Limited, Volcan Investments Cyprus Limited and other intermediate holding companies except VRL do not produce Group financial statements.

F) The Group enters into transactions with its related parties, including its parent Vedanta Resources Limited, and the companies over which it has significant influence. A summary of significant related party transactions for the year ended 31 March 2021 are noted below.

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Transactions and balances with own subsidiaries are eliminated on consolidation.

(₹ in crores)

Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates/ Joint ventures	Others	Total
Income:				
(i) Revenue from operations	736	-	4	739
(ii) Other income				
a) Interest and guarantee commission (40(I))	670	-	-	670
b) Outsourcing service fees	4	-	-	4
c) Dividend income	2	-	-	2
Expenditure and other transactions:				
(i) Purchase of goods/services	76	-	55	131
(ii) Stock options (recovery)	-	-	-	-
(iii) Management fees and Brand fees charged (40 (L))	985	-	-	985
(iv) Reimbursement for other expenses (net of recovery)	90	-	(0)	90
(v) Corporate Social Responsibility expenditure/Donation	-	-	63	63
(vi) Contribution to Post retirement employee benefit trust/fund	-	-	59	59
vii) Remuneration to relatives of key management personnel	-	-	13	13
(viii) Commission/Sitting Fees				
- To Independent directors	-	-	3	3
- To Key management personnel	-	-	1	1
- To relatives of key management personnel	-	-	0	0
(ix) Dividend paid				
- To Holding companies	1,770	-	-	1,770
- To Key management personnel	-	-	0	0
- To relatives of key management personnel	-	-	0	0
(x) Guarantee Commission Expense (40(H))	133	-	-	133
Other Transactions during the year:				
(i) Loans given (Net of repayment of ₹1,117 crores) (40(I))	7,165	-	-	7,165
(ii) Financial Guarantees (taken)/given during the year (40(I))	3,147	-	-	3,147
(iii) Financial Guarantees relinquished during the year (40(I))	3,146	-	11	3,157
Balances as at year end:				
(i) Trade receivables	47	-	-	47
(ii) Loan Given (40(I))	7,066	5	-	7,071
(iii) Other receivables and advances (including brand fee prepaid) (40(H,M,L))	927	1	2	930
(iv) Trade payables	97	-	21	119
(v) Other payables (including brand fee payable) (40(L))	208	-	87	294
(vi) Investments (40(J))	-	-	-	-
(vii) Financial guarantee given (40(I))	1	-	5	6
(viii) Bank guarantee given (40(K))	115	-	-	115
(ix) Sitting fee, Remuneration, Commission and consultancy fees payable to KMP and their relatives	-	-	6	6

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Remuneration of key management personnel

(₹ in crores)

Particulars	For the Year ended 31 March 2021
Short-term employee benefits	28
Post employment benefits *	1
Share based payments	0
	29

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

G) The Group enters into transactions with its related parties, including its parent Vedanta Resources Limited, and the companies over which it has significant influence. A summary of significant related party transactions for the year ended March 31, 2020 are noted below.

Transactions and balances with own subsidiaries are eliminated on consolidation.

(₹ in crores)

Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates/ Joint ventures	Others	Total
Income:				
(i) Revenue from operations	855	-	2	857
(ii) Other income				
a) Interest and guarantee commission	42	-	-	42
b) Outsourcing service fees	3	-	-	3
c) Dividend income	2	-	4	6
Expenditure and other transactions:				
(i) Purchase of goods/services	58	-	7	65
(ii) Stock options (recovery)	(0)	-	(0)	(0)
(iii) Management fees and Brand fees charged	526	-	-	526
(iv) Reimbursement for other expenses (net of recovery)	48	-	0	48
(v) Corporate Social Responsibility expenditure/Donation	-	-	111	111
(vi) Contribution to Post retirement employee benefit trust/fund	-	-	112	112
(vii) Remuneration to relatives of key management personnel	-	-	17	17
(viii) Commission/Sitting Fees				
- To Independent directors	-	-	4	4
- To Key management personnel	-	-	4	4
- To relatives of key management personnel	-	-	0	0
(ix) Dividend paid				
- To Holding companies	727	-	-	727
- To Key management personnel	-	-	0	0
- To relatives of key management personnel	-	-	0	0
Other Transactions during the year:				
(i) Loans given/(repayment thereof)	0	(0)	-	(0)
(ii) Financial Guarantees (taken)/given during the year	-	-	0	0
(iii) Financial Guarantees relinquished during the year	-	-	25	25
(iv) Investments (redeemed) during the year (40(M))	(4,485)	-	-	(4,485)
Balances as at year end:				

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(₹ in crores)

Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates/ Joint ventures	Others	Total
(i) Trade receivables	3	-	-	3
(ii) Loans given	80	4	-	84
(iii) Other receivables and advances	133	1	2	136
(iv) Trade payables	114	-	7	121
(v) Other payables	60	-	68	128
(vi) Investments	101	-	-	101
(vii) Financial guarantee given	-	-	26	26
(viii) Bank guarantee given (40(K))	115	-	-	115
(ix) Remuneration, Commission and consultancy fees payable to KMP and their relatives	-	-	6	6

Remuneration of key management personnel

(₹ in crores)

Particulars	For the year ended 31 March 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 then CEO and Whole Time Director of the Company aggregating to ₹11 crores for the year ended 31 March 2020.

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

H) Cairn PSC and OALP guarantee to Government

Vedanta Resources Limited ("VRL"), as a parent company, has provided financial and performance guarantee to the Government of India for erstwhile Cairn India group's ("Cairn") obligations under the Production Sharing Contract ('PSC') provided for onshore block RJ-ON-90/1, for making available financial resources equivalent to Cairn's share for its obligations under the PSC, personnel and technical services in accordance with industry practices and any other resources in case Cairn is unable to fulfil its obligations under the PSC.

During the current year, the Board of Directors of the Company has approved a consideration to be paid for this guarantee at an annual charge of 1.2% of net exploration and development spend, subject to a minimum annual fee of ₹37 crores ($5 million), applicable from April 2020 onwards to be paid in ratio of participating interests held equally by the Company and its step-down subsidiary, Cairn Energy Hydrocarbons Ltd. ("CEHL").

Similarly, VRL has also provided financial and performance guarantee to the Government of India for the Company's obligations under the Revenue Sharing Contract ('RSC') in respect of 51 Blocks awarded under the Open Acreage Licensing Policy ("OALP") by the Government of India. During the current year, the Board of Directors of the Company has approved a consideration to be paid for this guarantee consisting of one-time charge of ₹183 crores ($25 million), i.e. 2.5% of the total estimated cost of initial exploration phase of approx. ₹7,330 crores ($1 billion) and an annual charge of 1% of spend, subject to a minimum fee of ₹73 crores ($10 million) and maximum fee of ₹147 crores ($20 million) per annum.

Accordingly, the Company has recorded a guarantee commission expense of ₹133 crores ($18 million) [2020: Nil] for the year ended 31 March 2021 and ₹161 crores ($22 million) (PY Nil) is outstanding as a pre-payment.

I) In June 2020, as part of its cash management activities, the Company through its overseas subsidiaries extended certain loans and guarantee facilities, for a period up to 12 months, to Vedanta Resources Limited ("VRL") and its subsidiaries (collectively "the VRL group") which were drawn over a period of time carrying interest ranging from 3% to 7% and guarantee fee at 1%. In October 2020, certain terms of the facilities were modified primarily comprising extension of the tenor and making it repayable in instalments by December

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2023, which resulted in substantial modification of the instruments. Further, the guarantee was also extinguished. The difference in the fair value of the loan was debited to equity as a transaction with the shareholder. The provisions of Ind AS 109 – 'Financial Instruments' as applicable for assets which are credit impaired on initial recognition were applicable to loans aggregating to US$122 million (₹894 crores) to one of the subsidiaries of VRL.

Subsequently, the contractual rate of interest on these instruments were increased with retrospective effect to 14% to 17.5% to enable the Group to earn the fair market rate of interest, as was determined on the date of the origination of the transaction.

Thereafter, in March 2021, since the credit default swap rates had stabilised, the Group revised the interest rate to 9.6% using a level 2 valuation approach by applying the prevailing US Dollar treasury rates and the Company specific credit default swaps. The Group also benchmarked the said rate to the coupon rate on bonds issued to non-related third parties by the VRL group during the same period. As per the accounting requirements of Ind AS 109 with respect to modification of loans, the net excess of loan amount over the present value of the modified contractual cash flows discounted at the original effective interest rate aggregating to US$73 million (₹536 crores) is reflected in the statements of changes in equity and cash flow as a transaction with the shareholder.

As of 31 March 2021, loans of US$966 million (approx. ₹7,081 crores) are outstanding. The loans are now entirely held by a single subsidiary of VRL, which holds 37.1% shares (increased to 43.6% subsequent to the year-end) in the Company and is required to maintain the said level of shareholding during the tenure of the loans. The said entity also has a contractual ceiling on its borrowings, which is lower than the market value of its investments and other assets. Further, an accretive interest of US$2 million (₹15 crores) over and above the contractual interest has been accounted for in the statement of profit and loss. Subsequent to the year end, the VRL group has repaid US$207 million (₹1,534 crores) of the aforesaid loans.

J) Cairn India Holdings Limited held bonds issued by Vedanta Resources Limited, the carrying value of which at the start of the year was ₹228 crores (US$31 million), which had maturities ranging from June 2021 to May 2023 at coupon ranging from 7.13% to 8.25% p.a. During the year, investments in bonds of Vedanta Resources Limited have been disposed off in the open market for a consideration of ₹215 crores (US $29 million).

K) Bank guarantee given by Vedanta Limited on behalf of Volcan Investments Limited in favour of Income Tax department, India as collateral in respect of certain tax disputes of Volcan Investments Limited.

L) In 2017, the Group had executed a three-year brand license agreement ("the Agreement") with Vedanta Resources Ltd. ('VRL') for the use of brand 'Vedanta' which envisaged payment of brand fee to VRL at 0.75% of turnover of the Company. Later, certain subsidiaries of the Company executed similar agreements with VRL to pay brand fee ranging between 0.75% - 1.50 % of their respective turnover. During the current year, the Agreement with the Company and some of its subsidiaries was renewed and certain additional services were also agreed to be provided by VRL. Based on updated benchmarking analysis conducted by independent experts, the brand and strategic service fee was re-negotiated at 2% of the turnover, while for the remaining subsidiaries the previous rates remain unchanged. Accordingly, the Group has recorded an expense of ₹939 crores (2020: ₹313 crores) for the year ended 31 March 2021. The Group pays such fee in advance, at the start of the year based on estimated annual turnover.

M) During the financial year ended 31 March 2019, as part of its cash management activities, CIHL purchased an economic interest in a structured investment for the equity shares of Anglo American Plc ("AA Plc"), a company listed on the London Stock Exchange, from Volcan for a total consideration of ₹3,812 crores (GBP 428 million, USD 541 million) determined based on an independent third-party valuation. In July 2019, the transaction was unwound and the investments were redeemed for a total consideration of ₹4,485 crores (GBP 519 million, USD 639 million), representing the actual price Volcan realised from selling the shares of AA Plc. CIHL was informed that the said realisation was net of applicable transaction costs of ₹93 crores (GBP 10 million, USD 12 million), which in January 2021, CIHL agreed to bear. Accordingly, this amount has been recorded in the statement of profit and loss in the current year as exceptional item.

N) During the year ended 31 March 2021, the Group had renewed loan provided to Sterlite Iron and Steel Company Limited to finance project in earlier years. The loan balance as at 31 March 2021 was ₹5 crores (March 31,2020: ₹5 crores). The loan is unsecured in nature and carries an interest rate of 7.15% per annum. The loan was due in March 2021 and the agreement was renewed for a further period of 12 months.

In 2016, a subsidiary of the Company had executed an agreement with Twin Star Holding Limited, the intermediate parent of the Group, to provide an

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unsecured loan of ₹67 crores (US $10 million) at an interest rate of 2.1% per annum. The loan balance of the loan as at 31 March 2021 and 31 March 2020 is ₹73 crores and ₹75 crores respectively.

During the year, these companies have recognised a provision of ₹98 crores (Including accrued interest of ₹20 crores) against said loans.

41 SUBSEQUENT EVENTS

As per information received from Vedanta Resources Limited ("VRL" or "Acquirer"), VRL together with Twin Star Holdings Limited, Vedanta Holdings Mauritius Limited and Vedanta Holdings Mauritius II Limited, as persons acting in concert with the Acquirer ("PACs"), have acquired 374,231,161 equity shares of the Company under the voluntary open offer made to the public shareholders of the Company in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and thereby increasing their shareholding in the Company from the current 55.1% to 65.18%.

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

42 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.

Sr. No.	Subsidiaries	Principal activities	Country of Incorporation	Immediate holding company	The Company's/Immediate holding company's percentage holding (in %)	
					As at 31 March 2021	As at 31 March 2020
1	Cairn Energy India Pty Limited[2]	Exploration for and development and production of oil & gas	Australia	Cairn India Holdings Limited	-	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	Manufacturing of Steel & DI Pipe	INDIA	Vedanta Limited	95.49	95.49
6	Goa Sea Port Private Limited	Infrastructure	India	Sterlite Ports Limited	100.00	100.00
7	Hindustan Zinc Limited ("HZL")	Zinc Mining & 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	Vizag General Cargo Berth Private Limited	Infrastructure	India	Vedanta Limited	100.00	100.00
16	Killoran Lisheen Finance Limited[(a)]	Investment company	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
17	Killoran Lisheen Mining Limited	Development of a zinc/lead mine	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00

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Sr. No.	Subsidiaries	Principal activities	Country of Incorporation	Immediate holding company	The Company's/Immediate holding company's percentage holding (in %)	
					As at 31 March 2021	As at 31 March 2020
18	Lisheen Milling Limited	Manufacturing3	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
19	Lisheen Mine Partnership	Development and operation of a zinc/lead mine	Republic of Ireland	50% each held by Killoran Lisheen Mining Limited & Vedanta Lisheen Mining Limited	100.00	100.00
20	Vedanta Exploration Ireland Limited[(a)]	Exploration activities	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
21	Vedanta Lisheen Holdings Limited	Investment company	Netherlands	THL Zinc Holding BV	100.00	100.00
22	Vedanta Lisheen Mining Limited	Zinc and lead mining	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
23	AvanStrate Inc. ('ASI')	Holding Company	Japan	Cairn India Holdings Limited	51.63	51.63
24	Cairn India Holdings Limited	Investment company	Jersey	Vedanta Limited	100.00	100.00
25	Western Cluster Limited	Iron ore mining	Liberia	Bloom Fountain Limited	100.00	100.00
26	Bloom Fountain Limited	Operating (Iron ore) and Investment Company	Mauritius	Vedanta Limited	100.00	100.00
27	CIG Mauritius Holdings Private Limited [(a)]	Investment Company	Republic of Mauritius	Cairn Energy Hydrocarbons Ltd.	100.00	100.00
28	CIG Mauritius Private Limited [(a)]	Investment Holding Company and to provide services and resources relevant to oil & gas exploration, production and development	Republic of Mauritius	CIG Mauritius Holding Private Ltd.	100.00	100.00
29	THL Zinc Ltd.	Investment Company	Mauritius	THL Zinc Ventures Limited	100.00	100.00
30	THL Zinc Ventures Limited	Investment Company	Mauritius	Vedanta Limited	100.00	100.00
31	Amica Guesthouse (Proprietary) Limited	Accomodation and catering services	Nambia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
32	Namzinc (Proprietary) Limited	Owns and operates a zinc refinery	Nambia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
33	Skorpion Mining Company (Proprietary) Limited ('NZ')	Exploration, development, treatment, production and sale of zinc ore	Nambia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
34	Skorpion Zinc (Proprietary) Limited ('SZPL')	Operates (zinc) and investing company	Nambia	THL Zinc Namibia Holdings (Proprietary) Ltd.	100.00	100.00
35	THL Zinc Namibia Holdings (Proprietary) Limited ("VNHL")	Mining and Exploration and Investment company	Nambia	THLZ Zinc Ltd.	100.00	100.00
36	Lakomasko BV	Investment company	Netherlands	THL Zinc Holding BV	100.00	100.00

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forming part of the consolidated financial statements as at and for the year ended 31 March 2021

Sr. No.	Subsidiaries	Principal activities	Country of Incorporation	Immediate holding company	The Company's/Immediate holding company's percentage holding (in %) As at 31 March 2021	As at 31 March 2020
37	Monte Cello BV ("MCBV")	Holding company	Netherlands	Vedanta Limited	100.00	100.00
38	THL Zinc Holding BV	Investment company	Netherlands	Vedanta Limited	100.00	100.00
39	Cairn Energy Discovery Limited[2]	Oil and gas exploration, development and production	Scotland	Cairn India Holdings Limited	-	100.00
40	Cairn Energy Gujarat Block 1 Limited	Oil and gas exploration, development and production	Scotland	Cairn India Holdings Limited	100.00	100.00
41	Cairn Energy Hydrocarbons Limited	Oil and gas exploration, development and production	Scotland(b)	Cairn India Holdings Limited	100.00	100.00
42	Cairn Exploration (No. 2) Limited[2]	Oil and gas exploration, development and production	Scotland	Cairn India Holdings Limited	-	100.00
43	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
44	Cairn South Africa Pty Limited[4]	Oil and gas exploration, development and production	South Africa	Cairn Energy Hydrocarbons Ltd.	100.00	100.00
45	AvanStrate Korea Inc	Manufacturing of LCG Glass Substrate	Korea	Avanstrate (Japan) Inc.	100.00	100.00
46	Cairn Lanka Private Limited	Oil and gas exploration, development and production	Sri Lanka	CIG Mauritius Private Ltd.	100.00	100.00
47	AvanStrate Taiwan Inc	Manufacturing of LCG Glass Substrate	Taiwan	Avanstrate (Japan) Inc.	100.00	100.00
48	Fujairah Gold FZC	Manufacturing of Copper Rod and Refining of Precious Metals (Gold & Silver)	United Arab Emirates	Malco Energy Limited	100.00	100.00
49	Sterlite (USA) Inc.[(a)]	Investment company	United States of America	Vedanta Limited	100.00	100.00
50	Ferro Alloy Corporation Limited (FACOR)[(c)]	Manufacturing of Ferro Alloys and Mining	India	Vedanta Limited	100.00	-
51	FACOR Alloys corporation Ltd.[(c)]	Real estate	India	FACOR	100.00	-
52	FACOR power Ltd.[(c)]	Power Generation	India	FACOR	90.00	-

(a) Under liquidation (b) Principal place of business is in India (c) Acquired with effect from 21 September 2020

1 The Group also has interest in certain trusts which are neither significant nor material to the Group.

2 Cairn Exploration (No. 2) Limited and Cairn Energy Discovery Limited have been dissolved w.e.f. 22 September 2020 and Cairn Energy India (Pty) Ltd. w.e.f. 26 August 2020.

3 Activity of the Company ceased in February 2016.

4 Cairn South Africa Pty Limited has been deregistered w.e.f. 06 April 2021.

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b) Joint operations

The Group participates in several unincorporated joint operations which involve the joint control of assets used in oil and gas exploration and producing activities which are as follows:

Oil & Gas blocks/fields Operating Blocks	Area	(%) Participating Interest As at 31 March 2021	As at 31 March 2020
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	100.00	100.00
RJ-ON-90/1 – Development & production	Rajasthan Onshore	70.00	70.00
KG-OSN-2009/3 – Exploration	Krishna Godavari Offshore	100.00	100.00
Non-Operating Blocks			
KG-ONN-2003/1	Krishna Godavari Onshore	49.00	49.00

(1) South Africa Block1-Exploration was relinquished on 10 September 2019.

c) Interest in associates and joint ventures

Set out below are the associates and joint ventures of the Group as at 31 March 2021 which, in the opinion of the management, are not material to the Group. 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 31 March 2021	As at 31 March 2020
1	RoshSkor Township (Pty) Limited	Namibia	50.00	50.00
2	Gaurav Overseas Private Limited	India	50.00	50.00
3	Raykal Aluminium Company Private Limited	India	24.50	24.50
4	Rampia Coal Mines and Energy Private Limited[(a)]	India	17.39	17.39

(a) Struck off by the Ministry of Corporate affairs on 19 April 2021

Sr. No.	Jointly controlled entities	Country of incorporation	% Ownership interest As at 31 March 2021	As at 31 March 2020
1	Madanpur South Coal Company Limited	India	17.62	17.62
2	Goa Maritime Private Limited	India	50.00	50.00
3	Rosh Pinah Health Care (Proprietary) Limited	Namibia	69.00	69.00
4	Gergarub Exploration and Mining (Pty) Limited	Namibia	51.00	51.00

43 OIL & GAS RESERVES AND RESOURCES

The Group'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

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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 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Rajasthan MBA Fields	India	2,307	2,288	266	317	186	222
Rajasthan MBA EOR	India	-	-	388	317	271	222
Rajasthan Block Other Fields	India	3,603	3,535	470	449	329	314
Ravva Fields	India	704	692	27	28	6	6
CBOS/2 Fields	India	298	292	34	40	14	16
Other fields	India	352	348	44	43	26	25
Total		**7,264**	**7,155**	**1,229**	**1,194**	**832**	**805**

The Group'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 01 April 2019*	315	264	178	129
Additions/revision during the year	25	61	22	38
Production during the year	(36)	(24)	(36)	(24)
Reserves as of 31 March 2020**	**304**	**301**	**164**	**143**
Additions/revision during the year	(11)	(14)	30	51
Production during the year	(32)	(28)	(32)	(28)
Reserves as of 31 March 2021***	**261**	**259**	**162**	**166**

* Includes probable oil reserves of 116.21 mmstb (of which 16.03 mmstb is developed) and probable gas reserves of 89.00 bscf (of which 24.19 bscf is developed).

** Includes probable oil reserves of 132.23 mmstb (of which 21.94 mmstb is developed) and probable gas reserves of 114.73 bscf (of which 42.64 bscf is developed).

*** Includes probable oil reserves of 111.14 mmstb (of which 23.08 mmstb is developed) and probable gas reserves of 128.41 bscf (of which 52.06 bscf is developed).

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

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44 FINANCIAL INFORMATION PURSUANT TO SCHEDULE III OF COMPANIES ACT, 2013

Sr. No.	Name of the entity	Net Assets (Total assets less total liabilities)		Share in profit and loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		As at 31 March 2021		Year ended 31 March 2021		Year ended 31 March 2021		Year ended 31 March 2021	
		As % of consolidated net assets	Amount (₹ in crores)	As % of consolidated profit	Amount (₹ in crores)	As % of consolidated OCI	Amount (₹ in crores)	As % of consolidated TCI	Amount (₹ in crores)
	Parent								
	Vedanta Limited	123.30%	76,790	90.53%	10,503	(51.82%)	(57)	89.19%	10,446
	Indian Subsidiaries								
1	Hindustan Zinc Limited	51.89%	32,313	68.78%	7,980	(4.55%)	(5)	68.09%	7,975
2	Bharat Aluminium Company Limited	7.95%	4,952	9.05%	1,050	(41.77%)	(46)	8.57%	1,004
3	MALCO Energy Limited	0.44%	275	0.39%	45	0.05%	0	0.38%	45
4	Talwandi Sabo Power Limited	5.16%	3,213	(0.63%)	(73)	0.00%	-	(0.62%)	(73)
5	Sesa Resources Limited	0.04%	28	0.16%	18	0.00%	-	0.15%	18
6	Sesa Mining Corporation Limited	(0.26%)	(165)	0.59%	69	(3.10%)	(3)	0.56%	66
7	Sterlite Ports Limited	(0.01%)	(5)	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
8	Vizag General Cargo Berth Private Limited	0.02%	11	(0.08%)	(9)	0.11%	0	(0.08%)	(9)
9	Paradip Multi Cargo Berth Private Limited	(0.00%)	(2)	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
10	Maritime Ventures Private Limited	0.03%	20	0.10%	12	0.00%	-	0.10%	12
11	Goa Sea Port Private Limited	(0.00%)	(3)	(0.02%)	(2)	0.00%	-	(0.02%)	(2)
12	Vedanta Limited ESOS Trust	0.08%	47	0.00%	-	0.01%	0	0.00%	0
13	Electrosteel Steels Limited	10.00%	6,225	23.55%	2,732	(0.48%)	(1)	23.32%	2,731
	Foreign Subsidiaries								
1	Copper Mines of Tasmania Pty Limited	(0.85%)	(531)	0.19%	22	0.00%	-	0.19%	22
2	Thalanga copper mines Pty Limited	(0.05%)	(30)	(0.08%)	(9)	0.00%	-	(0.08%)	(9)
3	Monte Cello BV	0.30%	188	0.03%	3	0.00%	-	0.03%	3
4	Bloom Fountain Limited	(12.49%)	(7,780)	(2.01%)	(233)	0.00%	-	(1.99%)	(233)
5	Western Cluster Limited	(1.43%)	(891)	(0.19%)	(22)	0.00%	-	(0.19%)	(22)
6	Sterlite (USA) Inc. [(b)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
7	Fujairah Gold FZC	(0.57%)	(355)	(1.76%)	(204)	12.73%	14	(1.62%)	(190)
8	THL Zinc Ventures Limited	2.41%	1,501	0.00%	-	0.00%	-	0.00%	-
9	THL Zinc Limited	5.74%	3,572	(0.02%)	(2)	0.00%	-	(0.02%)	(2)
10	THL Zinc Holding BV	2.54%	1,581	0.05%	6	0.00%	-	0.05%	6
11	THL Zinc Namibia Holdings (Proprietary) Limited	0.99%	615	3.69%	428	0.00%	-	3.65%	428
12	Skorpion Zinc (Proprietary) Limited	0.01%	9	3.78%	439	0.00%	-	3.75%	439
13	Skorpion Mining Company (Proprietary) Limited	(2.43%)	(1,511)	(0.40%)	(46)	0.00%	-	(0.39%)	(46)
14	Namzinc (Proprietary) Limited	1.12%	699	(0.91%)	(106)	0.00%	-	(0.91%)	(106)
15	Amica Guesthouse (Proprietary) Limited	0.00%	2	0.01%	1	0.00%	-	0.01%	1

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Sr. No.	Name of the entity	Net Assets (Total assets less total liabilities)		Share in profit and loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		As at 31 March 2021		Year ended 31 March 2021		Year ended 31 March 2021		Year ended 31 March 2021	
		As % of consolidated net assets	Amount (₹ in crores)	As % of consolidated profit	Amount (₹ in crores)	As % of consolidated OCI	Amount (₹ in crores)	As % of consolidated TCI	Amount (₹ in crores)
16	Black Mountain Mining Proprietary Limited	3.30%	2,058	4.86%	564	2.63%	3	4.84%	567
17	Vedanta Lisheen Holdings Limited	0.04%	24	0.00%	-	0.00%	-	0.00%	-
18	Vedanta Lisheen Mining Limited	0.11%	67	0.03%	3	0.00%	-	0.03%	3
19	Killoran Lisheen Mining Limited	0.02%	14	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
20	Killoran Lisheen Finance Limited[(b)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
21	Lisheen Milling Limited	0.13%	82	(0.56%)	(65)	0.00%	-	(0.55%)	(65)
22	Lisheen Mine Partnership	0.00%	-	(0.13%)	(15)	0.00%	-	(0.13%)	(15)
23	Lakomasko BV	(0.00%)	(0)	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
24	Vedanta Exploration Ireland Limited[(b)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
25	Cairn India Holdings Limited	20.16%	12,557	7.64%	886	0.00%	-	7.56%	886
26	Cairn Energy Hydrocarbons Limited	7.13%	4,441	2.86%	332	0.00%	-	2.83%	332
27	Cairn Lanka (Private) Limited	(0.76%)	(476)	0.01%	1	0.00%	-	0.01%	1
28	Cairn South Africa (Pty) Limited	0.00%	-	0.01%	1	0.00%	-	0.01%	1
29	CIG Mauritius Holding Private Limited[(b)]	0.00%	0	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
30	CIG Mauritius Private Limited[(b)]	0.00%	0	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
31	Cairn Energy Discovery Limited[(d)]	0.00%	0	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
32	Cairn Exploration (No. 2) Limited[(d)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
33	Cairn Energy Gujarat Block 1 Limited	0.00%	2	0.00%	0	0.00%	-	0.00%	0
34	Cairn Energy India Pty Limited[(d)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
35	AvanStrate Inc	(3.36%)	(2,095)	0.40%	46	0.00%	-	0.39%	46
36	AvanStrate Korea Inc	(3.11%)	(1,934)	(1.20%)	(139)	0.00%	-	(1.19%)	(139)
37	AvanStrate Taiwan Inc	4.57%	2,845	(0.88%)	(102)	0.00%	-	(0.87%)	(102)
38	Ferro Alloy Corporation Limited (FACOR)[(c)]	0.61%	378	(6.80%)	(789)	2.73%	3	(6.71%)	(786)
39	Facor Realty and Infrastructure Limited [(c)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
40	FACOR power Ltd. [(c)]	(1.05%)	(654)	(0.97%)	(113)	0.00%	-	(0.96%)	(113)
	Non-controlling interests in all subsidiaries	(24.31%)	(15,138)	(29.56%)	(3,430)	(84.55%)	(93)	(30.08%)	(3,523)
	Associates (per Equity method)								
	Indian								
1	Gaurav Overseas Private Limited	0.00%	0	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
2	Raykal Aluminium Company Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
3	Rampia Coal Mines & Energy Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Foreign								
1	RoshSkor Township (Pty) Ltd.	0.00%	3	(0.00%)	(0)	0.00%	-	(0.00%)	(0)

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Sr. No.	Name of the entity	Net Assets (Total assets less total liabilities)		Share in profit and loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		As at 31 March 2021		Year ended 31 March 2021		Year ended 31 March 2021		Year ended 31 March 2021	
		As % of consolidated net assets	Amount (₹ in crores)	As % of consolidated profit	Amount (₹ in crores)	As % of consolidated OCI	Amount (₹ in crores)	As % of consolidated TCI	Amount (₹ in crores)
	Joint ventures (per Equity method)								
	Indian								
1	Madanpur South Coal Company Limited	0.00%	1	0.00%	0	0.00%	-	0.00%	0
2	Goa Maritime Private Limited	(0.00%)	(0)	0.00%	0	0.00%	-	0.00%	0
	Foreign								
1	Rosh Pinah Health Care (Proprietary) Limited	0.00%	1	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
2	Gergarub Exploration and Mining (Pty) Limited	0.00%	0	0.00%	-	0.00%	-	0.00%	-
	Consolidation Adjustments/Eliminations [(a)]	(97.41%)	(60,666)	(70.48%)	(8,177)	268.01%	295	(67.30%)	(7,883)
	Total	**100.00%**	**62,278**	**100.00%**	**11,602**	**100.00%**	**110**	**100.00%**	**11,712**

[(a)] Consolidation adjustments/eliminations include intercompany eliminations , consolidation adjustments and GAAP differences.

[(b)] Under liquidation (c)Acquired during the year (d)liquidated during the year

Exchange Rates as at 31 March 2021: 1 AUD= ₹55.7611, 1 USD = ₹73.2973, 1 AED = ₹19.953, 1 NAD = ₹4.9432, 1 ZAR = ₹4.9432, 1 JPY = ₹0.662126

Average Exchange Rates for the year ended 31 March 2021: 1 AUD= ₹53.2235, 1 USD = ₹74.1056, 1 AED = ₹20.173, 1 NAD = ₹4.5269, 1 ZAR = ₹4.5269, 1 JPY = ₹0.699023

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Sr. No.	Name of the entity	Net Assets (Total assets less total liabilities)		Share in profit and loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		As at 31 March 2020		Year ended 31 March 2020		Year ended 31 March 2020		Year ended 31 March 2020	
		As % of consolidated net assets	Amount (₹ in crores)	As % of consolidated profit	Amount (₹ in crores)	As % of consolidated OCI	Amount (₹ in crores)	As % of consolidated TCI	Amount (₹ in crores)
Parent									
	Vedanta Limited	127.93%	69,895	101.02%	(6,732)	45.77%	384	108.98%	(6,348)
Indian Subsidiaries									
1	Hindustan Zinc Limited	73.78%	40,311	(102.12%)	6,805	(11.92%)	(100)	(115.11%)	6,705
2	Bharat Aluminium Company Limited	7.23%	3,948	1.77%	(118)	0.44%	4	1.96%	(114)
3	MALCO Energy Limited	0.42%	230	3.47%	(231)	0.00%	0	3.96%	(231)
4	Talwandi Sabo Power Limited	6.01%	3,285	(10.95%)	730	(0.05%)	(0)	(12.53%)	730
5	Sesa Resources Limited	0.02%	10	0.72%	(48)	(0.15%)	(1)	0.85%	(49)
6	Sesa Mining Corporation Limited	(0.43%)	(233)	0.57%	(38)	(0.41%)	(3)	0.71%	(41)
7	Sterlite Ports Limited	(0.01%)	(5)	0.01%	(0)	0.00%	-	0.01%	(0)
8	Vizag General Cargo Berth Private Limited	0.04%	20	(0.48%)	32	(0.03%)	(0)	(0.54%)	32
9	Paradip Multi Cargo Berth Private Limited	(0.00%)	(2)	0.00%	(0)	0.00%	-	0.00%	(0)
10	Maritime Ventures Private Limited	0.01%	8	(0.15%)	10	0.00%	-	(0.17%)	10
11	Goa Sea Port Private Limited	(0.00%)	(1)	0.00%	-	0.00%	-	0.00%	-
12	Vedanta Limited ESOS Trust	0.09%	47	0.00%	-	0.00%	-	0.00%	-
13	Electrosteel Steels Limited**	6.39%	3,493	0.33%	(22)	(0.06%)	(1)	0.38%	(22)
Foreign Subsidiaries									
1	Copper Mines of Tasmania Pty Limited	(0.83%)	(456)	1.68%	(112)	0.00%	-	1.92%	(112)
2	Thalanga copper mines Pty Limited	(0.03%)	(17)	0.06%	(4)	0.00%	-	0.07%	(4)
3	Monte Cello BV	0.35%	189	(0.03%)	2	0.00%	-	(0.03%)	2
4	Bloom Fountain Limited	(14.11%)	(7,710)	3.12%	(208)	0.00%	-	3.57%	(208)
5	Western Cluster Limited	(1.62%)	(886)	0.35%	(23)	0.00%	-	0.39%	(23)
6	Sterlite (USA) Inc. ***	0.00%	-	0.00%	-	0.00%	-	0.00%	-
7	Fujairah Gold FZC	(0.31%)	(170)	3.23%	(215)	0.00%	-	3.69%	(215)
8	THL Zinc Ventures Limited	2.81%	1,533	0.00%	-	0.00%	-	0.00%	-
9	THL Zinc Limited	6.68%	3,649	0.06%	(4)	0.00%	-	0.07%	(4)
10	THL Zinc Holding BV	3.10%	1,692	(0.03%)	2	0.00%	-	(0.03%)	2
11	THL Zinc Namibia Holdings (Proprietary) Limited	0.95%	520	0.00%	-	0.00%	-	0.00%	-
12	Skorpion Zinc (Proprietary) Limited	(0.00%)	(2)	0.00%	-	0.00%	-	0.00%	-
13	Skorpion Mining Company (Proprietary) Limited	(2.26%)	(1,236)	4.47%	(298)	0.00%	-	5.12%	(298)
14	Namzinc (Proprietary) Limited	2.00%	1,094	0.78%	(52)	0.00%	-	0.89%	(52)
15	Amica Guesthouse (Proprietary) Limited	0.00%	1	(0.02%)	1	0.00%	-	(0.02%)	1

Notes

forming part of the consolidated financial statements as at and for the year ended 31 March 2021

Sr. No.	Name of the entity	Net Assets (Total assets less total liabilities)		Share in profit and loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		As at 31 March 2020		Year ended 31 March 2020		Year ended 31 March 2020		Year ended 31 March 2020	
		As % of consolidated net assets	Amount (₹ in crores)	As % of consolidated profit	Amount (₹ in crores)	As % of consolidated OCI	Amount (₹ in crores)	As % of consolidated TCI	Amount (₹ in crores)
16	Black Mountain Mining Proprietary Limited	2.23%	1,218	3.23%	(215)	0.16%	1	3.67%	(214)
17	Vedanta Lisheen Holdings Limited	0.05%	25	(0.26%)	17	0.00%	-	(0.29%)	17
18	Vedanta Lisheen Mining Limited	0.12%	64	0.06%	(4)	0.00%	-	0.07%	(4)
19	Killoran Lisheen Mining Limited	0.03%	15	0.02%	(1)	0.00%	-	0.02%	(1)
20	Killoran Lisheen Finance Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
21	Lisheen Milling Limited	0.27%	148	0.08%	(5)	0.00%	-	0.09%	(5)
22	Lisheen Mine Partnership	(0.01%)	(8)	0.09%	(6)	0.00%	-	0.10%	(6)
23	Lakomasko BV	0.00%	-	0.00%	-	0.00%	-	0.00%	-
24	Vedanta Exploration Ireland Limited	0.00%	0	0.00%	-	0.00%	-	0.00%	-
25	Cairn India Holdings Limited	18.23%	9,961	(12.58%)	838	0.00%	-	(14.39%)	838
26	Cairn Energy Hydrocarbons Limited	11.53%	6,297	(11.61%)	774	0.00%	-	(13.29%)	774
27	Cairn Lanka (Private) Limited	(0.90%)	(492)	0.02%	(1)	0.00%	-	0.02%	(1)
28	Cairn South Africa (Pty) Limited	(0.00%)	(1)	0.00%	-	0.00%	-	0.00%	-
29	CIG Mauritius Holding Private Limited	0.00%	-	0.02%	(1)	0.00%	-	0.02%	(1)
30	CIG Mauritius Private Limited	0.00%	1	0.00%	-	0.00%	-	0.00%	-
31	Cairn Energy Discovery Limited	0.00%	0	0.00%	(0)	0.00%	-	0.00%	(0)
32	Cairn Exploration (No. 2) Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
33	Cairn Energy Gujarat Block 1 Limited	0.00%	2	0.00%	-	0.00%	-	0.00%	-
34	Cairn Energy India Pty Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
35	AvanStrate Inc	(4.09%)	(2,235)	1.05%	(70)	0.00%	-	1.20%	(70)
36	AvanStrate Korea Inc	(3.53%)	(1,926)	(6.60%)	440	0.00%	-	(7.55%)	440
37	AvanStrate Taiwan Inc	6.08%	3,321	5.19%	(346)	0.00%	-	5.94%	(346)
	Non-controlling interests in all subsidiaries	(31.32%)	(17,112)	28.81%	(1,920)	14.66%	123	30.85%	(1,797)
	Associates (per Equity method)								
	Indian								
1	Gaurav Overseas Private Limited	0.00%	0	0.00%	(0)	0.00%	-	0.00%	(0)
2	Rampia Coal Mines & Energy Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Foreign								
1	RoshSkor Township (Pty) Ltd.	0.00%	3	0.00%	(0)	0.00%	-	0.00%	(0)
	Joint ventures (per Equity method)								
	Indian								
1	Madanpur South Coal Company Limited	0.00%	1	0.00%	(0)	(0.00%)	(0)	0.00%	(0)
2	Goa Maritime Private Limited	(0.00%)	(0)	(0.00%)	0	0.00%	-	(0.00%)	0

Notes

forming part of the consolidated financial statements as at and for the year ended 31 March 2021

Sr. No.	Name of the entity	Net Assets (Total assets less total liabilities)		Share in profit and loss		Share in other comprehensive income (OCI)		Share in total comprehensive income (TCI)	
		As at 31 March 2020		Year ended 31 March 2020		Year ended 31 March 2020		Year ended 31 March 2020	
		As % of consolidated net assets	Amount (₹ in crores)	As % of consolidated profit	Amount (₹ in crores)	As % of consolidated OCI	Amount (₹ in crores)	As % of consolidated TCI	Amount (₹ in crores)
	Foreign								
1	Rosh Pinah Health Care (Proprietary) Limited	0.00%	1	(0.01%)	0	0.00%	-	(0.01%)	0
	Consolidation Adjustments/Eliminations a	(116.88%)	(63,859)	84.71%	(5,645)	51.61%	433	89.48%	(5,212)
	Total	**100.00%**	**54,635**	**100.00%**	**(6,664)**	**100.00%**	**839**	**100.00%**	**(5,825)**

*Incorporated during the current year **Purchased during the year ***Under liquidation

a Consolidation adjustments/eliminations include intercompany eliminations , consolidation adjustments and GAAP differences.

Exchange Rates as at 31 March 2020: 1 AUD= ₹45.9423, 1 USD = ₹74.8109, 1 AED = ₹20.365, 1 NAD = ₹4.1812, 1 ZAR = ₹4.1812, 1 JPY = ₹0.691972

Average Exchange Rates for the year ended 31 March 2020: 1 AUD= ₹48.3013, 1 USD = ₹70.8601, 1 AED = ₹19.2895, 1 NAD = ₹4.7931, 1 ZAR = ₹4.7931, 1 JPY = ₹0.651998

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: 13 May 2021

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: New Delhi
Date: 13 May 2021

Notes

forming part of the consolidated financial statements as at and for the year ended 31 March 2021

FORM AOC-I

Salient features of Subsidiaries pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

(₹ in crores)

Sl. No.	Name of the Subsidiary	Reporting Period	Reporting currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding Investment in Subsidiary)	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation/ (credit)	Profit/ (Loss) After Taxation	Proposed Dividend - Proposed Final Dividend	% of shareholding
1	Bharat Aluminium Company Limited	April to March	INR - INDIAN RUPEE	221	4,731	13,742	8,790	1,025	9,784	1,767	717	1,050	0.00	51
2	Copper Mines of Tasmania Pty Limited	April to March	AUD - Australian Dollar	0	(531)	98	629	-	-	23	1	22	0.00	100
3	Thalanga Copper Mines Pty Limited	April to March	AUD - Australian Dollar	3	(33)	5	35	-	-	(10)	(1)	(9)	0.00	100
4	Monte Cello BV	April to March	USD - United States Dollar	0	188	208	20	-	-	3	-	3	0.00	100
5	Hindustan Zinc Limited	April to March	INR - INDIAN RUPEE	845	31,468	45,727	13,414	-	22,629	10,574	2,594	7,980	0.00	64.92
6	MALCO Energy Limited	April to March	INR - INDIAN RUPEE	5	270	332	57	2	-	45	-	45	0.00	100
7	Fujairah Gold FZC	April to March	AED - Emirati Dirham	6,702	(7,057)	920	1,275	-	3,267	(204)	-	(204)	0.00	100
8	Talwandi Sabo Power Limited	April to March	INR - INDIAN RUPEE	3,207	6	12,278	9,065	-	3,853	(97)	(24)	(73)	0.00	100
9	Sterlite (USA) Inc.[1]	April to March	USD - United States Dollar	0.00	0.00	-	-	-	-	-	-	-	0.00	100
10	THL Zinc Ventures Limited	April to March	USD - United States Dollar	125	1,376	1,503	2	-	-	-	-	-	0.00	100
11	THL Zinc Ltd.	April to March	USD - United States Dollar	132	3,440	3,638	66	-	-	(2)	-	(2)	0.00	100
12	THL Zinc Holding BV	April to March	USD - United States Dollar	93	1,489	3,096	1,515	-	-	7	1	6	0.00	100
13	THL Zinc Namibia Holdings (Proprietary) Ltd.	April to March	NAD - Namibian Dollar	7	607	622	7	-	-	428	-	428	0.00	100
14	Skorpion Zinc (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	10	495	486	7	-	439	-	439	0.00	100
15	Skorpion Mining Company (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	(1,511)	1,580	3,091	-	13	(46)	-	(46)	0.00	100
16	Namzinc (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	698	2,300	1,601	-	27	(106)	-	(106)	0.00	100
17	Amica Guesthouse (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	2	3	1	-	4	1	-	1	0.00	100
18	Black Mountain Mining (Proprietary) Limited	April to March	ZAR - South African Rand	0	2,058	4,715	2,657	-	2,686	790	226	564	0.00	74

Notes

forming part of the consolidated financial statements as at and for the year ended 31 March 2021

FORM AOC-I

Salient features of Subsidiaries pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

(₹ in crores)

Sl. No.	Name of the Subsidiary	Reporting Period	Reporting currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding Investment in Subsidiary)	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation/ (credit)	Profit/ (Loss) After Taxation	Proposed Dividend - Proposed Final Dividend	% of shareholding
19	Vedanta Lisheen Holdings Limited	April to March	USD - United States Dollar	0	25	25	1	-	-	-	-	-	0.00	100
20	Vedanta Lisheen Mining Limited	April to March	USD - United States Dollar	0	67	67	-	-	-	3	0	3	0.00	100
21	Killoran Lisheen Mining Limited	April to March	USD - United States Dollar	0	14	14	-	-	-	(0)	0	(1)	0.00	100
22	Killoran Lisheen Finance Limited[1]	April to March	USD - United States Dollar	-	-	-	-	-	-	-	-	-	0.00	100
23	Lisheen Milling Limited	April to March	USD - United States Dollar	0	81	96	14	-	-	(64)	1	(65)	0.00	100
24	Lisheen Mine Partnership	April to March	USD - United States Dollar	-	-	45	45	-	-	(15)	-	(15)	0.00	100
25	Sterlite Ports Limited	April to March	INR - INDIAN RUPEE	0	(5)	0	5	-	-	(0)	-	(0)	0.00	100
26	Vizag General Cargo Berth Private Limited	April to March	INR - INDIAN RUPEE	47	(36)	528	517	10	109	(24)	(15)	(9)	0.00	100
27	Cairn India Holdings Limited	April to March	USD - United States Dollar	5,538	7,019	15,568	3,011	56	-	892	7	886	0.00	100
28	Cairn Energy Hydrocarbons Limited	April to March	USD - United States Dollar	2,522	1,919	9,995	5,554	913	3,445	609	276	332	0.00	100
29	Cairn Lanka (Private) Limited	April to March	USD - United States Dollar	1,249	(1,725)	(457)	19	-	-	1	0	1	0.00	100
30	Cairn South Africa (Pty) Limited	April to March	USD - United States Dollar	282	(282)	-	-	-	-	1	-	1	0.00	100
31	CIG Mauritius Holding Private Limited 1	April to March	USD - United States Dollar	1,720	(1,720)	0	-	-	-	(0)	-	(0)	0.00	100
32	CIG Mauritius Private Limited [1]	April to March	USD - United States Dollar	1,717	(1,717)	0	-	-	-	(0)	-	(0)	0.00	100
33	Cairn Energy Discovery Limited[3]	April to March	USD - United States Dollar	0	(0)	0	(0)	-	-	(0)	-	(0)	0.00	100
34	Cairn Exploration (No. 2) Limited[3]	April to March	USD - United States Dollar	4	(4)	0	(0)	-	-	-	-	-	0.00	100
35	Cairn Energy Gujarat Block 1 Limited	April to March	USD - United States Dollar	2	0	2	(0)	2	-	0	-	0	0.00	100
36	Cairn Energy India Pty Limited[3]	January to December	USD - United States Dollar	(0)	(0)	(0)	0	-	-	0	-	0	0.00	100

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forming part of the consolidated financial statements as at and for the year ended 31 March 2021

FORM AOC-I

Salient features of Subsidiaries pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

(₹ in crores)

Sl. No.	Name of the Subsidiary	Reporting Period	Reporting currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding Investment in Subsidiary)	Turnover	Profit/ (Loss) Before Taxation	Provision for Taxation/ (credit)	Profit/ (Loss) After Taxation	Proposed Dividend - Proposed Final Dividend	% of shareholding
37	Paradip Multi Cargo Berth Private Limited	April to March	INR - INDIAN RUPEE	0	(2)	4	6	-	-	(0)	-	(0)	0.00	100
38	Bloom Fountain Limited	April to March	USD - United States Dollar	16,411	(24,190)	1	7,781	-	-	(233)	-	(233)	0.00	100
39	Western Cluster Limited	April to March	USD - United States Dollar	-	(891)	1	892	-	-	(22)	-	(22)	0.00	100
40	Sesa Resources Limited	April to March	INR - INDIAN RUPEE	1	27	127	99	-	58	18	-	18	0.00	100
41	Sesa Mining Corporation Limited	April to March	INR - INDIAN RUPEE	12	(176)	147	312	-	145	69	-	69	0.00	100
42	Vedanta Exploration Ireland Limited[1]	April to March	USD - United States Dollar	0	-	-	-	-	-	-	-	-	0.00	100
43	Maritime Ventures Private Limited	April to March	INR - INDIAN RUPEE	0	20	29	9	18	42	17	5	12	0.00	100
44	Lakomasko BV	April to March	USD - United States Dollar	0	(0)	0	0	-	-	(0)	-	(0)	0.00	100
45	Goa Sea Port Private Limited	April to March	INR - INDIAN RUPEE	0	(3)	-	3	-	-	(2)	-	(2)	0.00	100
46	Vedanta Limited ESOS Trust	April to March	INR - INDIAN RUPEE	0	47	324	277	0.00	-	0	-	0	0.00	100
47	AvanStrate Inc	April to March	JPY - Japanese Yen	7	(2,101)	3,000	5,095	-	-	42	(4)	46	0.00	51.63
48	AvanStrate Korea Inc	April to March	JPY - Japanese Yen	848	(2,782)	479	2,413	-	80	(139)	-	(139)	0.00	51.63
49	AvanStrate Taiwan Inc	April to March	JPY - Japanese Yen	346	2,499	3,402	557	-	225	(102)	-	(102)	0.00	51.63
50	Ferro Alloy Corporation Limited (FACOR)[2]	April to March	INR - INDIAN RUPEE	34	343	661	283	-	503	(753)	36	(789)	0.00	100
51	Facor Realty and Infrastructure Limited [2]	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	0.00	100
52	FACOR power Ltd.[2]	April to March	INR - INDIAN RUPEE	241	(895)	632	1,286	-	(122)	(113)	-	(113)	0.00	100
53	Electrosteel Steels Limited	April to March	INR - INDIAN RUPEE	1,849	4,375	11,331	5,106	409	4,771	(22)	(2,754)	2,732	0.00	95.74

a) Exchange Rates as at 31 March 2021: 1 AUD= ₹55.7611, 1 USD = ₹73.2973, 1 AED = ₹19.953, 1 NAD = ₹4.9432, 1 ZAR = ₹4.9432, 1 JPY = ₹0.662126

b) Average Exchange Rates for the year ended 31 March 2021: 1 AUD= ₹53.2235, 1 USD = ₹74.1056, 1 AED = ₹20.173, 1 NAD = ₹4.5269, 1 ZAR = ₹4.5269, 1 JPY = ₹0.699023

[1] Under liquidation

[2] Acquired during the year.

[3] liquidated during the year.

Notes

forming part of the consolidated financial statements as at and for the year ended 31 March 2021

FORM AOC-I

Salient features of Associate companies and Joint Ventures pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

(₹ in crores)

Sr. No.	Name of Associates/Joint Ventures	RoshSkor Township (Pty) Ltd.	Gaurav Overseas Private Limited	Madanpur South Coal Company Limited	Goa Maritime Private Limited	Rampia Coal Mines & Energy Private Limited[a]	Raykal Aluminium Company Private Limited	Rosh Pinah Health Care (Proprietary) Limited	Gergarub Exploration and Mining (Pty) Limited
1	Latest audited Balance sheet date	30 June 2020	31 March 2021	31 March 2021	31 March 2021	31 March 2021	31 March 2016	31 December 2020	30 April 2021
2	Shares of Associate/Joint Ventures held by the Company at the year end								
	- Number	50	3,23,000	114420.756	5,000	2,72,29,539	12,250	69	51
	- Amount of investment (₹ crores)	0.00	0.32	1.96	0	3	0	0.00	0.00
	- % of holding	50.00%	50.00%	17.62%	50.00%	17.39%	24.50%	69.00%	51.00%
3	Description of how there is significant influence	By way of ownership	By way of ownership	N.A.	N.A.	N.A.	N.A.	Joint control of the entity	Joint control of the entity
4	Networth attributable to shareholding as per latest audited Balance sheet (₹ crores)	2.98	0	1.21	-0.06	-	-	1.05	0.00
5	Profit/(Loss) for the year (₹ crores)	-0.12	(0)	0.03	0.12	-	-	-0.09	0.00

(a) Struck off by the Ministry of Corporate affairs on 19 April 2021.

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice-Chairman and Whole-Time Director
DIN 00006303

Sunil Duggal
Whole-Time Director and Chief Executive Officer
DIN 07291685

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856

Place: New Delhi
Date: 13 May 2021