FINANCIAL STATEMENTS

Standalone

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 31 March 2023, 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 31 March 2023, 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.

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 31 March 2023. 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.

Key audit matters	How our audit addressed the key audit matter
Accounting and disclosure of related party transactions (as described in note 39 of the Standalone Ind AS financial statements)	
The Company has undertaken transactions with related party, Vedanta Resources Limited ('VRL'), its intermediated holding company and its affiliates including among others payment of brand and strategic management fee, agency commission, obtaining guarantees and payment of consideration thereof. Accounting and disclosure of such related party transactions has been identified as a key audit matter due to a) Significance of such related party transactions; b) Risk of such transactions being executed without proper authorizations; and c) Risk of material information relating to aforesaid 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 in accordance with relevant laws and standards, obtaining approval, recording and disclosure of related party transactions and identified key controls. For selected controls we have performed tests of controls. • Tested such related party transactions and balances with the underlying contracts, confirmation letters and other supporting documents provided by the Company. • Examined the approvals of the board and/or audit committee of these transactions. • Obtained and assessed the legal and accounting opinion issued by experts engaged by the management for the accounting of agency commission with the parent company. • Obtained and assessed the benchmarking report issued by the experts engaged by the management for the brand and strategic management fee. • Assessed the competence and objectivity of the external experts • Engaged transfer pricing experts to assist us in corroborating the arms-length assessment carried out by the management for brand and strategic fee. • Held discussions and obtained representations from the management in relation to such transactions. • Read the disclosures made in this regard in the financial statements and assessed whether relevant and material information have been disclosed.

Key audit matters	How our audit addressed the key audit matter
Recoverability of carrying value of property plant and equipment capital work in progress and exploration intangible assets under development and Non-current Investments (as described in note 3(a)(F), 3(a)(G)(iii), 3(c)(A)(i), 3(c)(A)(iii), 3(c)(A)(v), 5 and 34 of the Standalone Ind AS financial statements)	
As at 31 March 2023, the Company 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 (a) Tuticorin within the copper segment; (b) Rajasthan block within the oil & gas segment; (c) Investments made in Western Cluster Limited (WCL) in Liberia within the Iron Ore segment through the wholly owned subsidiary Bloom Fountain Limited and d) Investments made in Optionally Convertible Redeemable Preference Shares (OCRPS) of THL Zinc Ventures Limited (THLZVL), a wholly owned subsidiary within the Zinc International segment; as it had identified impairment (charge) / reversal indicators. Recoverability of property plant and equipment, capital work in progress and exploration intangible assets being carried at cost has been identified as a key audit matter due to: • The significance of the carrying value of assets being assessed. • The fact that the assessment of the recoverable amount of the Company's CGU involves significant judgements about the future cash flow forecasts, start date of the plant and the discount rate that is applied. • The withdrawal of the Company's licenses to operate the copper plant. • The revision to brent oil assumptions up to 2040 due to increased demand. • Changes in production forecasts due to adjustments in the future reserve estimates • Levy of Special Additional Excise Duty ('SAED') on oil producers due to significant increase in crude prices resulting windfall gains to domestic crude producers. • The fact that the Company's subsidiary WCL obtained the mining license and has started the mining activity at Bomi mine in Liberia, which were suspended since 2015 due to outbreak of Ebola. • The fact that THLZVL has generated profitability owing to increase in reserves and production at Zinc International. The key judgements and estimates centered on the likely outcome of the litigations with respect to withdrawal of license to operate the Copper plant, cash flow forecasts, likelihood of license extension, interpretations on mechanism of levy of SAED, discount rate assumptions and related disclosures as given in note 5 (Property, plant and equipment) / 34 (Exceptional items) of the accompanying financial statements.	Our audit procedures included the following: • Obtained and read the Company's policies, processes and procedures in respect of identification of impairment indicators, recording and disclosure of impairment charge / (reversal) and identified key controls. For selected controls we have performed tests of controls. • 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 and Ind AS 109. • In relation to the CGU at (a) Tuticorin within the copper segment; (b) Rajasthan block within the oil & gas segment; (c) Investment made in WCL through wholly owned subsidiary Bloom Fountain Limited within the Iron Ore segment and d) Investments made in Optionally Convertible Redeemable Preference Shares (OCRPS) of THL Zinc Ventures Limited (THLZVL), a wholly owned subsidiary within the Zinc International segment where impairment (charge) / reversal 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 implications of withdrawal of Company's license to operate the copper plant at Tuticorin. Read the external legal opinions in respect of the merits of the case and assessed management's position through discussions with the legal counsel to determine the basis of their conclusion and its consequential impact on the reopening of the plant. – Evaluated the valuation methodology adopted by the management i.e. determination of Value In Use in light of the facts and circumstances of the matter. – Assessed management's forecasting accuracy by comparing prior year forecasts to actual results and assessed the potential impact of any variances. – Corroborated the sales price assumptions used in the models against analyst consensus and assessing the reasonableness of costs. – Compared the production forecasts used in the impairment tests with management's approved reserves and resources estimates, – Compared the SAED forecast used in the impairment tests with actual levy of current year and obtained external legal opinion for the interpretations made over the determination of amount due to the levy of SAED. – Tested the weighted average cost of capital used to discount the impairment models. – Tested the integrity of the models together with their clerical accuracy. – Tested the classification of expenses incurred in respect of the Bomi mines in Liberia to evaluate whether these are eligible for reversal. – Tested arithmetical accuracy of bifurcation of expenses between the 3 mines in Western cluster. – Compared assumptions used by management in respect of price forecast and ore grade against the consensus report and reserve and resource report. – Assessed the production and profitability trend in the Zinc International segment and compared the same with the projected cash flows for reasonableness. – Assessed reserves and resources estimation methods and policies and reading reports provided by management's external reserves experts for the oil and gas assets of the Company and the assets located in the subsidiary companies i.e. WCL and THLZBVL and assessed the scope of work and findings of these third parties; – Assessed the competence, capability and objectivity of experts engaged by management; through understanding their relevant professional qualifications and experience. – Engaged valuation experts to assist in performance of the above procedures. • Assessed the disclosures made by the Company in this regard and evaluated the considerations leading to disclosure of above impairment (charge) / reversal as exceptional items.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Recoverability of disputed trade receivables in Power segment (as described in note 3(c)(B)(ii) and 7 of the Standalone Ind AS financial statements)</td></tr>
<tr><td>As of 31 March 2023 the value of disputed receivables in the power segment aggregated to ₹ 878 crore.

Due to short supply or non-supply of power due to transmission line constraints, order received from Orissa State Electricity Regulatory Commission (OERC) and disagreements over the quantification relating to aforementioned disputes or timing of the recovery of receivables, 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 GRIDCO. 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.</td><td>Our audit procedures included the following:
• Examined the underlying power purchase agreements.
• Examined the relevant state regulatory commission, appellate tribunal and court rulings.
• Obtained and assessed the model prepared by the management for computation of Expected credit loss on the disputed receivables, including testing of key assumptions.
• Engaged valuation experts to assist in performing above procedures.
• Tested arithmetical accuracy of the models prepared by the management.
• Obtained independent external lawyer confirmation from Legal Counsel of the Company who is contesting the cases.
• 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.
• Assessed the competence and objectivity of the Company's experts.
• Assessed the disclosures made by the Company in this regard.</td></tr>
<tr><td colspan="2">Claims and exposures relating to taxation and litigation (as described in note 3(c)(B)(i), 38D and 44 of the Standalone Ind AS financial statements)</td></tr>
<tr><td>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, vendor arbitrations, income tax disallowances and various indirect tax disputes 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 risk that such cases and thus a higher risk involved on adequacy of provision or disclosure of such cases.</td><td>Our audit procedures included the following:-
• Obtained an understanding of the process of identification of claims, litigations and its classification as probable, possible or remote 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 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.
• Obtained independent external lawyer confirmation from Legal Counsel of the Company who is contesting the cases.
• Examined external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the risk profile in respect of 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 subsidiaries or that differences in positions are adequately justified.
• Assessed whether management assessment of similar cases is consistent with the positions taken in earlier periods or that difference in positions are adequately justified.
• Assessed the relevant disclosures made within the financial statements to address accuracy of the amounts and whether they reflect the facts and circumstances of the respective tax and legal exposures and the requirements of relevant accounting standards.</td></tr>
<tr><td colspan="2">Recognition and measurement of Deferred Tax Assets including Minimum Alternate Tax (MAT) (as described in note 3(c)(A)(ii) and 35 of the Standalone Ind AS financial statements)</td></tr>
<tr><td>Deferred tax assets as at 31 March 2023 includes MAT credits of ₹ 9,184 crore which is available for utilization against future tax liabilities. Of the aforesaid, we focused our effort on MAT assets of ₹ 2,689 Crore which is expected to be utilised in the fourteenth year and fifteenth year, fifteen years being the maximum permissible time period to utilize the same.

The analysis of the recoverability of such deferred tax assets has been identified as a key audit matter because the assessment process involves judgement regarding the future profitability, allowability of tax positions / deductions claimed by the management in the tax computations and likelihood of the realization of these assets, in particular whether there will be taxable profits in future periods that support the recognition of these assets. This requires assumptions regarding future profitability, which is inherently uncertain. Accordingly, the same is considered as a key audit matter.</td><td>Our audit procedures included the following:-
• Obtained an understanding of the management's process for estimating the recoverability of the 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, assessing the 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 reasonableness of the future cash flow projections.
• Assessed management's forecasting accuracy by comparing prior year forecasts to actual results and assessed the potential impact of any variances.
• Tested the accuracy of the deductions availed under the Income Tax Act included in the tax computation.
• Tested the computation of the amounts recognized as deferred tax assets.
• Engaged valuation experts to assist in performance of the above procedures.
• Assessed the competence and objectivity of the experts engaged by us.
• Assessed the disclosures made by the Company in this regard.</td></tr>
</table>

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 Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS 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 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 31 March 2023 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, whose financial statements include total assets of ₹ 149 as at 31 March 2023, and total revenues of ₹ 100 Crore, total net profit after tax of ₹ 32 Crore, total comprehensive income of ₹ 32 Crore for the year ended 31 March 2023, and net cash inflows of ₹ 0 Crore for the year ended 31 March 2023. These financial statements and other financial information of the said unincorporated joint venture have not been audited by other auditors, whose unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion on the standalone Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the said unincorporated joint venture and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid unincorporated joint venture, is based solely on the unaudited information furnished to us by the management. 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, 2020 ("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 account 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 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls 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;

   (g) In our opinion, the managerial remuneration for the year ended 31 March 2023 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;

   (h) 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 38 and Note 44 to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 39 (H) to the standalone Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 39(H) to the standalone Ind AS financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. 01 April 2023 for the company, hence the reporting under this clause is not applicable.

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

per **Vikas Pansari**
Partner
Membership Number: 093649
UDIN: 23093649BGXPKQ3436

Place of Signature: Mumbai
Date: 12 May 2023

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**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) Property, Plant and Equipment have been physically verified by the management in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets, except for Property, Plant and Equipment located at Tuticorin Plant amounting to ₹ 1,033 Crore due to suspension of operations since April 2018 (refer Note 3(c)(A)(iii)). No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company except for the title deeds of immovable properties as per table below:

Particulars	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in name of company
Land	53	Erstwhile Company Sterlite Industries (India) Limited that merged with the Company	No	1965-2012	The title deeds are in the names of erstwhile Companies that merged with the Company under Section 391 to 394 of the Companies Act, 1956 pursuant to Schemes of Amalgamation and Arrangement as approved by the Honourable High Courts.
ROU Land	50	Erstwhile Company Sterlite Industries (India) Limited that merged with the Company	No	1993-2009	
Land	20	Erstwhile Company Vedanta Aluminium Limited that merged with the Company	No	2008-2012	
Land & Building	1,749	Oil and Natural Gas Corporation Limited & Cairn India Limited (now a division of the company)	No	10 April 2009	The title deeds of Oil & Gas exploration blocks are jointly owned by the JV partners and are in the name of ONGC the licensee of these exploration blocks

The original title deeds amounting to ₹ 68 Crore pertaining to immovable properties have been pledged with lenders, which have been confirmed by the lenders/trustees.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended 31 March 2023

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories aggregating ₹ 269 Crore lying at Tuticorin plant which is under suspension (refer note 3(c)(A)(iii)) and inventories lying with third parties amounting to ₹ 623 Crore. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at 31 March 2023 and no discrepancies were noticed in respect of such confirmations. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such verification.

(b) As disclosed in note 17B to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five Crores in aggregate from banks and financial institutions during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the audited books of accounts of the Company.

(iii) (a) During the year the Company has provided loans and stood guarantee to companies as follows:

Particulars (₹ In Crores)	Guarantees	Loans
Aggregate amount granted/ provided during the year		
- Subsidiaries	1,174	543
Balance outstanding as at balance sheet date (including opening balances)		
- Subsidiaries	9,541	630
- Ultimate parent company	115	-
- Other Parties	-	53

The Company has not provided any security and advances in the nature of loans during the year.

(b) During the year the investments made, guarantees provided, and the terms and conditions of the grant of all loans and guarantees provided to companies or any other party are not prejudicial to the Company's interest. The Company has not given any security and has not granted any advances in nature of loans during the year.

(c) The Company has granted loans during the year to its wholly owned subsidiaries where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular. The Company has not granted any advances in nature of loans during the year.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) During the year, the Company had renewed loans to its wholly owned subsidiaries to settle the loans which had fallen due during the year.

The aggregate amount of such dues renewed by fresh loans and the percentage of the aggregate to the total loans or advances in the nature of loans granted during the year are as follows:

Name of the parties	Aggregate amount of loans or advances in the nature of loans granted during the year (in INR Crore)*	Aggregate overdue amount settled by renewal or extension or by fresh loans granted to same parties (INR Crore)	Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year
Malco Energy Limited (MEL)	503	147	29%
Sesa Mining Corporation Limited (SMCL)	4	4	100%
Vizag General Cargo Berth Private limited (VGCB)	19	19	100%

* loan renewed/ extended is considered as new loan granted during the year for the purpose of reporting under this clause

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable. and hence not commented upon. Loans, investments, guarantees and security in respect of which provisions of Section 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits during the year. However, in regard to the unclaimed deposits the Company has complied with the provisions of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.

(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 Companies Act, 2013, 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) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed dues in respect of goods and services tax, provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute as listed in Appendix-1 at the end of this report.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained

(d) On an overall examination of the financial statements of the Company, the Company has used funds raised on short-term basis in the form of working capital and short term borrowings from banks aggregating to ₹ 4,645 Crore for long-term purposes representing acquisition of property plant and equipment.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor and secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) & (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a), (b), (c) & (d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company

(xix) On the basis of the financial ratios disclosed in note 42 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 41 (a) to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 41 (a) to the financial statements.

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

per **Vikas Pansari**
Partner
Membership Number: 093649
UDIN: 23093649BGXPKQ3436

Place of Signature: Mumbai
Date: 12 May 2023

APPENDIX-1

Dues not deposited on account of dispute

(Amount in INR Crore)

Name of the statute	Nature of the dues	31 March 2023	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	729.11	AY 2006-07 ; 2008-09 to 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	30.35	1999-00, 2008-09, 2009-10	Not applicable as application filed for rectification
Income Tax Act, 1961	Income tax	2,014.30	2002-03; 2004-05 to 2009-10; 2014-15, 2015-16	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	1,493.06	2007-08 to 2013-14; 2019-20	High Court
Income Tax Act, 1961	Income tax	205.82	2007-08	Supreme Court
Custom Act, 1962	Customs duty on exports	47.99	FY 2017-18: FY 2018; 2004-05 to 2009-10 and 2013-14 and 2019-20	Commissioner of Customs
Custom Act, 1962	Customs duty on exports	116.99	FY 2004-05 to 2013-14	CESTAT
Custom Act, 1962	Customs duty on exports	89.4	FY 2015-16 to FY 2019-20	Assistant Commissioner
Custom Act, 1962	Customs Duty	0.18	1996-97, 2005-10, 2015	Supreme Court
Custom Act, 1962	Customs Duty	47.34	2005-06 to 2006-07	High Court
Custom Act, 1962	Customs Duty	-	2012-13	Deputy Commissioner, Customs
Custom Act, 1962	Customs Duty	-	2012-13 to 2016-17; 2018-19; 2019-20	CESTAT
Custom Act, 1962	Customs Duty	7.67	2012-13	Commissioner, Appeals
Central Excise Act, 1944	Cess Demand - Excess quantity of Crude Oil	0.04	02 June to 03 August	CESTAT
Central Excise Act, 1944	Demand of Edu.Cess & Hr. Sec. Cess on Oil Cess	49.5	December 2013 to February 2015	CESTAT
Central Excise Act, 1944	Excise duty	142	1997-98 to 2012-13; FY 2014-15; 2017-18 and 2018-19	CESTAT
Central Excise Act, 1944	Excise Duty	21.73	2017-18	Assistant Commissioner
Central Excise Act, 1944	Penalty for Non payment of NCCD in time	0.4	November 2007 to July 2008	Additional Commissioner
Central Excise Act, 1944	Excise duty	8.34	FY 1997-2013	Commissioner of Central Excise /Jt.Commisioner
Central Excise Act, 1944	Excise duty	-	FY 2020-21	Commissioner Appeals
Central Excise Act, 1944	Excise duty	4.53	2000-2006	High Court
Central Sales Tax, 1956	Sales tax	13.56	FY 2004-17; 2019-20	Additional Commissioner
Central Sales Tax, 1956	Sales Tax	1.69	2012-2020	Assistant Commissioner
Central Sales Tax, 1956	Sales Tax	0.02	2019-20	Assistant CTO
Central Sales Tax Act / Gujarat VAT Act	Sales Tax	0.03	FY 14-15 & 15-16	Joint Commissioner of Commercial Tax
Central Sales Tax Act / Andhra Pradesh VAT Act	Sales Tax	0.11	2012-2015	Dy. Commissioner Appeals/Tribunal
Central Sales Tax, 1956	Sales tax	1.84	FY 2008-12	VAT Tribunal
Central Sales Tax, 1956	Sales tax	18.39	98-99(CST); FY 2009-10; FY 2010-11	High Court
Central Sales Tax, 1956	Sales tax	16.15	2007-08 to 2014-15	Tamil Nadu Sales tax Tribunal

Name of the statute	Nature of the dues	31 March 2023	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax, 1956	Sales Tax	5.35	October 2015 to June 2017	Dy. Commissioner
Central Sales Tax, 1956	Sales Tax	-	2014-15	Commercial tax board, Rajasthan
Electricity Duty	Electricity Duty	-	2017-18 to 2020-21	High Court
Entry Tax Act, 1976	Entry Tax	475.32	April 2007 to June 2017	High Court
Entry Tax Act, 1976	Entry Tax	0.93	18 August 2013-31 March 2015	Additional commissioner of commercial taxes
Entry Tax Act, 1976	Entry Tax	-	October 2015 to June 2017	Dy. Commissioner
Entry Tax Act, 1976	Entry Tax	-	FY 2008-12	Joint Commissioner of Commercial Tax
Energy Cess	Energy Cess	38.28	2014-19	High Court
Finance Act, 1994	Service tax	27.84	FY 2015-2016 to FY 2016-18	Assistant Commissioner (Central Tax) Audit
Finance Act, 1994	Service tax	209.22	2006-2017 and 2017-18 (Till 30 June 2017)	CESTAT
Finance Act, 1994	Service tax	18.55	FY 2016-17	Directorate General of Goods & Service Tax Intelligance
Finance Act, 1994	Service Tax	-	2007-13	Commissioner of Central Excise/Jt.Commissioner
Finance Act, 1994	Service Tax	23.51	FY 2006-07, 2007-08; FY 2016-17	High Court
Foreign Development Tax & Foreign Development Fund	Forest Development tax	394.75	FY 2008 to till date	Supreme Court
Goa Rural Improvement & Welfare Cess Act,2000	Cess	126.52	FY 2010 to till date	High court
Goods and Service tax , 2017	GST	0.51	2018-19	Appellate authority
Goods and Service tax , 2017	GST	-	2017-18	Additional Commissioner of Central Tax, GST & CX Commissionarate
MMRDA	Royalty	110.16	FY 2013-14	High Court
MMRDA	Forest lease rent	-	FY 2009	High Court
Railways Act 1971 and wagon investment scheme	Stacking and Warfare charge	4.09	FY 2010	High Court
Value Added Tax Act,2006	Value Added Tax	52.87	2007-08 to 2014-15	Commissioner
Value Added Tax Act,2006	Value Added Tax	0.34	October 2015 to June 2017	Dy. Commissioner
Value Added Tax Act,2006	Value Added Tax	321.92	1998-99 to 2014-15; 2015-16, 2016-17	High Court
	Total	**6,870.70**		

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 31 March 2023 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 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 these 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 these 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.

Opinion

In our opinion, 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 31 March 2023 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.

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

per **Vikas Pansari**
Partner
Membership Number: 093649
UDIN: 23093649BGXPKQ3436

Place of Signature: Mumbai
Date: 12 May 2023

BALANCE SHEET

As at 31 March 2023

(₹ in Crore)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	5	40,488	39,490
Capital work-in-progress	5	10,090	9,226
Intangible assets	5	834	26
Exploration intangible assets under development	5	2,094	1,488
Financial assets			
Investments	6A	59,872	60,881
Trade receivables	7	847	1,075
Loans	8	126	154
Others	9	2,679	1,677
Deferred tax assets (net)	35	5,295	1,118
Income tax assets (net)	35	1,311	1,800
Other non-current assets	10	2,046	2,214
Total non-current assets		**1,25,682**	**1,19,149**
Current assets			
Inventories	11	8,217	8,563
Financial assets			
Investments	6B	4,973	585
Trade receivables	7	1,694	2,328
Cash and cash equivalents	12	5,147	5,518
Other bank balances	13	318	1,393
Loans	8	507	365
Derivatives	22	98	249
Others	9	7,240	7,394
Income tax assets (net)		190	-
Other current assets	10	4,717	3,197
Total current assets		**33,101**	**29,592**
Total Assets		**1,58,783**	**1,48,741**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	14	372	372
Other Equity	15	67,440	77,277
Total Equity		**67,812**	**77,649**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17A	32,606	23,421
Lease liabilities	21	51	57
Derivatives	22	20	6
Other financial liabilities	20	-	192
Provisions	24	1,373	1,268
Other non-current liabilities	23	2,364	2,751
Total non-current liabilities		**36,414**	**27,695**
Current Liabilities			
Financial liabilities			
Borrowings	17B	9,417	13,275
Lease liabilities	21	46	25
Operational buyers' credit / suppliers' credit	19	10,485	9,261
Trade payables	18		
(a) Total outstanding dues of micro, small and medium enterprises		218	195
(b) Total outstanding dues of creditors other than micro, small and medium enterprises		5,436	5,329
Derivatives	22	151	277
Other financial liabilities	20	18,425	9,802
Provisions	24	129	158
Income tax liabilities (net)		1,025	601
Other current liabilities	23	9,225	4,474
Total current liabilities		**54,557**	**43,397**
Total Equity and Liabilities		**1,58,783**	**1,48,741**

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 **Vikas Pansari**
Partner
Membership No:093649

Place: Mumbai
Date: 12 May 2023

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 Group
Chief Executive Officer
DIN 07291685

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

Place: Mumbai
Date: 12 May 2023

STATEMENT OF PROFIT AND LOSS

For the year ended 31 March 2023

(₹ in Crore)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	28	67,193	62,801
Other operating income	29	887	476
Other income	30	21,262	8,347
Total Income		**89,342**	**71,624**
Expenses:			
Cost of materials consumed		27,619	23,976
Purchases of stock-in-trade		173	228
Changes in inventories of finished goods, work-in-progress and stock-in-trade	31	581	(1,172)
Power and fuel charges		17,019	11,649
Employee benefits expense	26	926	867
Finance costs	32	4,384	3,146
Depreciation, depletion and amortisation expense	5	3,661	2,945
Other expenses	33	12,322	10,051
Total expenses		**66,685**	**51,690**
Profit before exceptional items and tax		22,657	19,934
Net exceptional gain/ (loss)	34	4,353	(318)
Profit before tax		**27,010**	**19,616**
Tax (benefit)/ expense:	35		
On other than exceptional items			
Net current tax expense		3,790	3,505
Net deferred tax benefit, including tax credits		(4,033)	(1,023)
On exceptional items			
Net current tax benefit		(50)	(281)
Net deferred tax (benefit)/ expense		(53)	170
Net tax (benefit)/expense		**(346)**	**2,371**
Net Profit after tax (A)		**27,356**	**17,245**
Net Profit after tax before exceptional items (net of tax)		**22,900**	**17,452**
Other Comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements loss of defined benefit plans		(15)	(23)
Tax benefit		6	8
(Loss)/ Gain on FVOCI equity investment		(37)	15
		(46)	**0**
Items that will be reclassified to profit or loss			
Net gain/ (loss) on cash flow hedges recognised during the year		2,418	(142)
Tax (expense)/ benefit		(846)	51
Net (loss)/ gain on cash flow hedges recycled to statement of profit and loss		(2,554)	375
Tax benefit/ (expense)		893	(131)
Exchange differences on translation		518	174
Tax benefit		36	6
		465	**333**
Total Other Comprehensive Income for the year (B)		**419**	**333**
Total Comprehensive Income for the year (A+B)		**27,775**	**17,578**
Earnings per share (in ₹)			
- Basic & Diluted	36	73.54	46.36

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 **Vikas Pansari**
Partner
Membership No:093649

Place: Mumbai
Date: 12 May 2023

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 Group Chief Executive Officer
DIN 07291685

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

Place: Mumbai
Date: 12 May 2023

STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	27,010	19,616
Adjustments for:		
Depreciation, depletion and amortisation	3,703	2,968
Reversal of impairment on assets/ capital work-in-progress written off (net)	(18)	(1,346)
Reversal of impairment on investments	(4,694)	-
Provision for doubtful debts/ advance/ bad debts written off	436	239
Liabilities written back	(62)	-
Exploration costs written off	315	1,412
Other exceptional items	-	252
Fair Value gain on financial assets held at fair value through profit or loss	(44)	(1)
Net gain on sale of long term investments in subsidiary (Refer Note 34(b))	(183)	(16)
Loss/ (Profit) on sale/ discard of property, plant and equipment (net)	21	(129)
Foreign exchange loss (net)	251	146
Unwinding of discount on decommissioning liability	30	24
Share based payment expense	48	29
Interest income	(348)	(221)
Dividend income	(20,711)	(7,829)
Interest expense	4,354	3,123
Deferred government grant	(81)	(78)
Changes in assets and liabilities		
Decrease/ (Increase) in trade and other receivables	204	(4,996)
Decrease/ (Increase) in inventories	377	(3,008)
Increase in trade and other payable	4,911	5,064
Cash generated from operations	**15,519**	**15,249**
Income taxes paid (net)	(3,028)	(2,685)
Net cash generated from operating activities	**12,491**	**12,564**
CASH FLOWS FROM INVESTING ACTIVITES		
Purchases of property, plant and equipment (including intangibles)	(6,080)	(3,674)
Proceeds from sale of property, plant and equipment	41	268
Loans given to related parties (Refer Note 39)	(543)	(383)
Loans repaid by related parties (Refer Note 39)	475	567
Deposits made	(889)	(1,067)
Proceeds from redemption of deposits	1,439	1,285
Short term investments made	(50,153)	(25,777)
Proceeds from sale of short-term investments	48,995	27,230
Interest received	346	206
Dividends received	20,711	7,829
Payment made to site restoration fund	(60)	(76)
Advance given for acquisition (Refer Note 3(d) and 39)	(565)	-
Purchase of long term investments (Refer Note 39)	(70)	(0)
Sale of long term investments in subsidiary (Refer Note 34(b))	2,665	-
Net cash generated from investing activities	**16,312**	**6,408**

STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/ proceeds from short-term borrowings (net)	(900)	816
Proceeds from current borrowings	9,583	8,868
Repayment of current borrowings	(12,247)	(4,066)
Proceeds from long-term borrowings	15,333	18,942
Repayment of long-term borrowings	(6,593)	(20,250)
Interest paid	(4,369)	(3,872)
Payment of dividends to equity holders of the Company (net of tax)	(29,959)	(16,689)
Payment of lease liabilities	(22)	(64)
Net cash used in financing activities	**(29,174)**	**(16,315)**
Net (decrease)/ increase in cash and cash equivalents	**(371)**	**2,657**
Cash and cash equivalents at the beginning of the year	5,518	2,861
Cash and cash equivalents at the end of the year (Refer note 12)	**5,147**	**5,518**

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 **Vikas Pansari**
Partner
Membership No:093649

Place: Mumbai
Date: 12 May 2023

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 Group
Chief Executive Officer
DIN 07291685

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

Place: Mumbai
Date: 12 May 2023

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

A. Equity Share Capital

Equity shares of ₹ 1/- each issued, subscribed and fully paid up	Number of shares (in Crore)	Amount (₹ in Crore)
As at 31 March 2023, 31 March 2022 and 31 March 2021*	372	372

*There are no prior period errors for the years ended 31 March 2022 and 31 March 2021.

B. Other Equity

(₹ in Crore)

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 2021	**26,027**	**19,009**	**13,038**	**16,443**	**93**	**(39)**	**1,847**	**76,418**
Profit for the year	-	-	17,245	-	-	-	-	17,245
Other comprehensive income for the year, net of tax	-	-	(15)	-	15	153	180	333
Total Comprehensive Income for the year	**-**	**-**	**17,230**	**-**	**15**	**153**	**180**	**17,578**
Transfer from debenture redemption reserve	-	-	557	(557)	-	-	-	-
Recognition of share based payment	-	-	-	43	-	-	-	43
Stock options cancelled during the year	-	-	24	(34)	-	-	-	(10)
Exercise of stock options	-	-	(20)	(43)	-	-	-	(63)
Dividends (Refer note 37)	-	-	(16,689)	-	-	-	-	(16,689)
Balance as at 31 March 2022	**26,027**	**19,009**	**14,140**	**15,852**	**108**	**114**	**2,027**	**77,277**
Profit for the year	-	-	27,356	-	-	-	-	27,356
Other comprehensive income for the year, net of tax	-	-	(9)	-	(37)	(89)	554	419
Total Comprehensive Income for the year	**-**	**-**	**27,347**	**-**	**(37)**	**(89)**	**554**	**27,775**
Recognition of share based payment	-	-	-	85	-	-	-	85
Stock options cancelled during the year	-	-	8	(15)	-	-	-	(7)
Exercise of stock options	-	-	(80)	(38)	-	-	-	(118)
Dividends (net of tax) (Refer note 37)	-	-	(37,572)	-	-	-	-	(37,572)
Balance as at 31 March 2023	**26,027**	**19,009**	**3,843**	**15,884**	**71**	**25**	**2,581**	**67,440**

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

Other reserves comprises:

(₹ in Crore)

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 2021	38	557	3,087	3	12,587	171	16,443
Transfer to retained earnings	-	(557)	-	-	-	-	(557)
Recognition of share based payment	-	-	-	-	-	43	43
Stock options cancelled during the year	-	-	-	-	-	(34)	(34)
Exercise of stock options	-	-	-	-	-	(43)	(43)
Balance as at 31 March 2022	**38**	**-**	**3,087**	**3**	**12,587**	**137**	**15,852**
Recognition of share based payment	-	-	-	-	-	85	85
Stock options cancelled during the year	-	-	-	-	-	(15)	(15)
Exercise of stock options	-	-	-	-	-	(38)	(38)
Balance as at 31 March 2023	**38**	**-**	**3,087**	**3**	**12,587**	**169**	**15,884**

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 **Vikas Pansari**
Partner
Membership No:093649

Place: Mumbai
Date: 12 May 2023

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 Group
Chief Executive Officer
DIN 07291685

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

Place: Mumbai
Date: 12 May 2023

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forming part of the financial statements as at and for the year ended 31 March 2023

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-400093, Maharashtra. The Company's shares are listed on National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE") 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 ("NYSE").

The ADSs of the Company have been delisted from NYSE effective close of trading on NYSE on 08 November 2021. The Company has been deregistered from SEC under the Exchange Act effective 01 March 2023.

The Company is majority owned by Twin Star Holdings Limited ("Twin Star"), Finsider International Company Limited ("Finsider"), Vedanta Holdings Mauritius II Limited ("VHM2L"), Vedanta Holdings Mauritius Limited ("VHML"), Welter Trading Limited ("Welter") and Vedanta Netherlands Investments BV ("VNIBV") which are in turn wholly-owned subsidiaries of Vedanta Resources Limited ("VRL"), a company incorporated in the United Kingdom. VRL, through its subsidiaries, held 68.11%
(31 March 2022: 69.69%) of the Company's equity as at 31 March 2023.

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 were suspended. During the current year, the Government of Goa has initiated auction of mines in which the Company has participated. The Company has been declared as the principal bidder for the Bicholim mine and has received the Letter of Intent (LOI) from the Government of Goa.
- 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 note 3(c)(A)(iii)).
- 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.

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

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forming part of the financial statements as at and for the year ended 31 March 2023

(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), guidelines issued by the Securities and Exchange Board of India ("SEBI") 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 12 May 2023. The revision to these financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

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.

(b) Basis of measurement

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

3 a) Significant accounting policies

(A) Revenue recognition

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

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

Certain of the Company's sales contracts provide for provisional pricing based on the price on the London Metal Exchange (LME) and crude index, as specified in the contract. Revenue in respect of such contracts is recognised when control passes to the customer and is measured at the amount the entity expects to be entitled – being the estimate of the price expected to be received at the end of the measurement period. Post transfer of control of goods, provisional pricing features are accounted in accordance with Ind AS 109 'Financial Instruments' rather than Ind AS 115 'Revenue from contracts with customers' and therefore the Ind AS 115 rules on variable consideration do not apply. These 'provisional pricing' adjustments, i.e., the consideration adjusted post transfer of control are included in total revenue from operations on the face of the statement of profit and loss and disclosed by way of note to the financial statements. Final settlement of the price is based on the applicable price for a specified future period. The Company's provisionally priced sales are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

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

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

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs part of its obligation by transferring goods or services to a

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forming part of the financial statements as at and for the year ended 31 March 2023

customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on the Company's future performance.

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

- **Interest income**

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

- **Dividends**

  Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(B) Property, plant and equipment

i) Mining properties and leases

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

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

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

In circumstances where a mining property is abandoned, the cumulative capitalised costs

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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.

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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposal of an item of property, plant and equipment computed as the difference between the net disposal proceeds and the carrying amount of the asset is included in the statement of profit and loss when the asset is derecognised. Major inspection and overhaul expenditure is capitalised, if the recognition criteria are met.

iv) Assets under construction

Assets under construction are capitalised in the assets under construction account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

v) Depreciation, depletion and amortisation expense

Mining properties and other assets in the course of development or construction and freehold land are not depreciated or amortised.

- Mining properties

  The capitalised mining properties are amortised on a unit-of-production basis over the total estimated remaining commercial proved and probable reserves of each property or group of properties and are subject to impairment review. Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future capital expenditure required to access the commercial reserves. Changes in the estimates of commercial reserves or future capital expenditure are dealt with prospectively.

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- **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.

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Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources which includes depreciation and applicable operating costs of related support equipment and facilities and other costs of exploration activities:

- Acquisition costs - costs associated with acquisition of licenses and rights to explore, including related professional fees.
- General exploration costs - costs of surveys and studies, rights of access to properties to conduct those studies (e.g., costs incurred for environment clearance, defence clearance, etc.), and salaries and other expenses of geologists, geophysical crews and other personnel conducting those studies.
- Costs of exploration drilling and equipping exploration and appraisal wells.

Exploration expenditure incurred in the process of determining oil and gas exploration targets is capitalised within "Exploration and evaluation assets" (intangible assets) and subsequently allocated to drilling activities. Exploration drilling costs are initially capitalised on a well-by-well basis until the success or otherwise of the well has been established. The success or failure of each exploration effort is judged on a well-by-well basis. Drilling costs are written off on completion of a well unless the results indicate that hydrocarbon reserves exist and there is a reasonable prospect that these reserves are commercial.

Following appraisal of successful exploration wells, if commercial reserves are established and technical feasibility for extraction demonstrated, then the related capitalised exploration costs are transferred into a single field cost centre within property, plant and equipment - development/producing assets (oil and gas properties) after testing for impairment. Where results of exploration drilling indicate the presence of hydrocarbons which are ultimately not considered commercially viable, all related costs are written off to the statement of profit and loss.

Expenditure incurred on the acquisition of a license interest is initially capitalised on a license-by-license basis. Costs are held, undepleted, within exploration and evaluation assets until such time as the exploration phase on the license area is complete or commercial reserves have been discovered.

Net proceeds from any disposal of an exploration asset are initially credited against the previously capitalised costs. Any surplus/ deficit is recognised in the statement of profit and loss.

(E) Non-current assets held for sale

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

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

(F) Impairment of non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

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

If any such indication exists then an impairment review is undertaken and the recoverable amount is calculated, as the higher of fair value less costs of disposal and the asset's value in use.

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the company and not applicable to entities in general. Fair value for mineral and oil and gas assets is generally determined as the present value of the estimated future cash flows

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expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted at an appropriate post tax discount rate to arrive at the net present value.

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

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

Exploration and evaluation assets:

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

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

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

(G) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets – recognition and 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.

Trade receivables that do not contain a significant financing component are measured at transaction price as per Ind AS 115.

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

- **Financial assets at amortised cost**

  A financial asset is measured at amortised cost if both the following conditions are met:

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forming part of the financial statements as at and for the year ended 31 March 2023

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.

- **Financial assets at fair value through other comprehensive income (FVOCI)**

  A financial asset 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.

  For equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

- **Financial assets at fair value through profit or loss (FVTPL)**

  FVTPL is a residual category for debt instruments and default category for equity 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 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.

  Any equity instrument in the scope of Ind AS 109 is 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 equity instruments which are classified as FVTPL all subsequent fair value changes are recognised in the statement of profit and loss.

  Further, the provisionally priced trade receivables are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

(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.

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(iii) Impairment of financial assets

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

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

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

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables, contract assets and lease receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

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

ECL impairment loss allowance (or reversal) recognised during the year is 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 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 and 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 borrowing including bank overdrafts, financial guarantee contracts and derivative financial instruments.

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

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- **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 at fair value through profit or loss.

  Further, the provisionally priced trade payables are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in costs.

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

  After initial recognition, interest-bearing loans, 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 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 the statement of profit and loss, unless designated as effective hedging instruments.

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(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.

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution with respect to interim dividend is authorised when it is approved by the board of directors of the Company and final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(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 the statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the 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 the 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 the statement of profit and loss. Hedge accounting is discontinued when the Company revokes the hedge relationship, the hedging instrument or

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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 the 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.

(l) 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.

(b) 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

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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 disclosed on the face of Balance sheet.

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

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

(J) Inventories

Inventories and work-in-progress are stated at the lower of cost and net realisable value. Cost is determined on the following basis:

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

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

Inventories of 'Fuel Stock' mainly consist of coal which is used for generating power. On consumption, the cost is charged off to 'Power and Fuel' charges in the statement of profit and loss.

(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.

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(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 the statement of profit and loss is recognised outside the 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 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

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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 the 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 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

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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 between twelve months (for raw materials) to thirty-six months (for project materials). Where these arrangements are with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/ suppliers' credit and disclosed on the face of the balance sheet. Where these arrangements are with a maturity beyond twelve months and up to thirty six months, the economic substance of the transaction is determined to be financing in nature, and these are presented within borrowings in the balance sheet. Interest expense on these are recognised in the finance cost. Payments made by banks and financial institutions to the operating vendors are treated as a non cash item and settlement of due to operational buyer's credit/ suppliers' credit by the Company is treated as an operating cash outflow reflecting the substance of the payment.

(T) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

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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 twelve 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 twelve 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 twelve months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve 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.

(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

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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.

(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 recognized from the moment the acquired companies are included in these financial statements and the financial statements of the commonly controlled entities are combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented. However, the prior year comparative information is only adjusted for periods during which entities were under common control.

(Y) Exceptional items

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

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.

3(b) Application of new and amended standards

(A) The Company has adopted, with effect from 01 April 2022, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the financial statements.

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1. Amendment to Ind AS 37 regarding costs that an entity needs to include when assessing whether a contract is onerous or loss-making.

2. Amendment to Ind AS 109 Financial Instrument regarding inclusion of fees in the '10 per cent' test for derecognition of financial liabilities.

3. Amendment to Ind AS 103 Business Combination, Reference to the Conceptual Framework for Financial Reporting.

(B) Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023, effective from 01 April 2023, resulting in certain amendments as mentioned below:

1. Ind AS 1 Presentation of financial statements: The amendment requires disclosure of material accounting policies rather than significant accounting policies;

2. Ind AS 12 Income Taxes: The amendment clarifies application of initial recognition exemption to transactions such as leases and decommissioning obligations;

3. Ind AS 8 Accounting Policies, Change in Accounting Estimates and Errors: The amendment replaces definition of 'change in accounting estimates' with the definition of 'accounting estimates'

These amendments are not expected to have any impact in the financial statements of the Company.

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 recognised in the financial statements are as given below:

(A) Significant Estimates

(i) Carrying value of exploration and evaluation assets

Exploration assets are assessed by comparing the carrying value to higher of fair value less cost of disposal or value in use if impairment indicators, as contained in Ind AS 106, exists. Change to the valuation of exploration assets is an area of judgement. Further details on the Company's accounting policies on this are set out in accounting policy above. The amounts for exploration and evaluation assets represent active exploration projects. These amounts will be written off to the statement of profit and loss as exploration costs unless commercial reserves are established or the determination process is not completed and there are no indications of impairment. The outcome of ongoing exploration, and therefore whether the carrying value of exploration and evaluation assets will ultimately be recovered, is inherently uncertain.

Details of carrying values are disclosed in note 5.

(ii) 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

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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 statements (Refer note 35) includes MAT credit entitlements of ₹ 9,184 Crore (31 March 2022: ₹ 4,839 Crore), of which ₹ 2,689 Crore (31 March 2022: ₹ 208 Crore) is expected to be utilised in the fourteenth and fifteenth year, the maximum permissible time period to utilise the MAT credits.

(iii) Copper operations in Tamil Nadu, India

Tamil Nadu Pollution Control Board ("TNPCB") had issued a closure order of the Tuticorin Copper smelter, against which the Company had filed an appeal with the National Green Tribunal ("NGT"). NGT had, on 08 August 2013, ruled that the Copper smelter could continue its operations subject to implementation of recommendations of the Expert Committee appointed by the NGT. The 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 was rejected by TNPCB in April 2018. The Company has filed an appeal before the TNPCB Appellate Authority challenging the Rejection Order. During the pendency of the appeal, the 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 on the same date 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 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 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 the Madras High Court challenging the various orders passed against the Company in FY 2018 and FY 2013. On 18 August 2020, the Madras High Court delivered the judgement wherein it dismissed all the Writ Petitions filed by the Company. Thereafter, the Company has approached the Supreme Court and challenged the said High Court order by way of a Special Leave Petition ("SLP").

The Interlocutory Applications filed by the Company seeking essential care and maintenance of the plant and removal of materials from the plant premises were heard on 10 April 2023 where the Supreme Court allowed certain activities such as gypsum evacuation, operation of secured landfill ("SLF") leachate sump pump, bund rectification of SLF and green-belt maintenance.

On 04 May 2023, Honourable Supreme Court further directed the State of Tamil Nadu to conclude on any further supplementary directions to be issued with regard to the care and maintenance of the plant by 01 June 2023. The SLP is now listed for hearing and final disposal at the top of the TNPCB on 22 August 2023 and 23 August 2023.

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

The Company has carried out an impairment analysis for existing plant assets during the year ended 31 March 2023 considering various scenarios and possibilities, and concluded on balance of probabilities that there exists no impairment.

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The carrying value of the assets as at 31 March 2023 is ₹ 1,913 Crore (31 March 2022: ₹ 1,982 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 12 March 2018 before the Expert Appraisal Committee of the Ministry of Environment, Forests and Climate Change ("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 Madras High Court 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 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 also appealed this action before the TNPCB Appellate Authority. The matter has been adjourned until the conclusion of special leave petition filed before the Supreme Court.

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 appealed this action before the TNPCB Appellate Authority. The matter has been adjourned until the conclusion of special leave petition filed before the Supreme Court.

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. The net carrying value of ₹ 17 Crore as at 31 March 2023 (31 March 2022: ₹ 41 Crore) approximates its recoverable value.

Property, plant and equipment of ₹ 1,033 Crore (31 March 2022: ₹ 1,213 Crore) and inventories of ₹ 269 Crore (31 March 2022: ₹ 301 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, any difference between book and physical quantities is unlikely to be material.

(iv) 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 at least 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 5).

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

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

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

Estimates/ assumptions	Basis
Future production	proved and probable reserves, production facilities, resource estimates and expansion projects
Commodity prices	management's best estimate benchmarked with external sources of information, to ensure they are within the range of available analyst forecast
Discount to price	management's best estimate based on historical prevailing discount and updated sales contracts
Period	for Rajasthan block, cash flows are considered based on economic life of the field
Discount rates	cost of capital risk-adjusted for the risk specific to the asset/ CGU

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

Details of carrying values and impairment charge/ (reversal) and the assumptions used are disclosed in note 5 and 34 respectively.

(vi) Climate Change

The Company aims to achieve net carbon neutrality by 2050, has committed reduction in emission by 25% by 2030 from 2021 baseline, net water positivity by 2030 as part of its climate risk assessment and has outlined its climate risk assessment and opportunities in the ESG strategy. Climate change may have various impacts on the Company in the medium to long term. These impacts include the risks and opportunities related to the demand of products and services, impact due to transition to a low-carbon economy, disruption to the supply chain, risk of physical harm to the assets due to extreme weather conditions, regulatory changes etc. The accounting related measurement and disclosure items that are most impacted by our commitments, and climate change risk more generally, relate to those areas of the financial statements that are prepared under the historical cost convention and are subject to estimation uncertainties in the medium to long term.

The potential effects of climate change may be on assets and liabilities that are measured based on an estimate of future cash flows. The main ways in which potential climate change impacts have been considered in the preparation of the financial statements, pertain to (a) inclusion of capex in cash flow projections, (b) review of estimates of useful lives of property, plant and equipment, (c) recoverable amounts of existing assets, (d) assets and liabilities carried at fair value.

The Company's strategy consists of mitigation and adaptation measures. The Company is committed to reduce its carbon footprint by limiting its exposure to coal-based projects and reducing its GHG emissions through high impact initiatives such as investment in Renewable Energy (1,826 MW on a group captive basis), fuel switch, electrification of vehicles and mining fleet and energy efficiency opportunities. Renewable sources have limitations in supplying round the clock power, so existing power plants would support transition and fleet replacement is part of normal lifecycle renewal. The Company has also taken certain measures towards water management such as commissioning of sewage treatment plants, rainwater harvesting, and reducing fresh water consumption. These initiatives are aligned with the group's ESG strategy and no material changes were identified to the financial statements as a result.

As the Company's assessment of the potential impacts of climate change and the transition to a low-carbon economy continues to mature, any future changes in the Company's climate change strategy, changes in environmental laws and regulations and global decarbonisation measures may impact the Group's significant judgments and key estimates and result in changes to financial statements and carrying values of certain assets and liabilities in future reporting periods. However, as of the balance sheet date, the Group believes that there is no material impact on carrying values of its assets or liabilities.

(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.

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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 38.

For other significant litigations where the possibility of an outflow of resources embodying economic benefits is remote, refer note 44.

(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 that the credit risk is low [refer note 7 (c)].

3(d) Business combinations/ Acquisitions/ Restructuring:

Athena Chhattisgarh Power Limited

On 21 July 2022, the Company acquired Athena Chhattisgarh Power Limited ("ACPL"), an unrelated party, under the liquidation proceedings of the Insolvency and Bankruptcy Code, 2016 for a consideration of ₹ 565 Crore, subject to National Company Law Tribunal ("NCLT") approval. ACPL is building a 1,200 MW (600 MW X 2) coal-based power plant located at Jhanjgir Champa district, Chhattisgarh. The plant is expected to fulfil the power requirements for the Company's aluminium business. The Company had filed its application with the NCLT in July 2022 and further amended the application in November 2022 praying for merger of ACPL with itself. The Company has requested various reliefs from the applicable legal and regulatory provisions as part of the above applications. The NCLT approval of the Company's resolution application is pending as on the balance sheet date.

Amalgamation of Facor Power Limited into Ferro Alloys Corporation Limited

During the current year, Hon'ble National Company Law Tribunal, Cuttack Bench vide its Order dated 15 November 2022 approved the Scheme of Amalgamation of Facor Power Limited ("FPL") into Ferro Alloys Corporation Limited ("FACOR"). FPL is a subsidiary of FACOR which in turn is a subsidiary of the Company. Post the amalgamation becoming effective on 21 November 2022, the Company directly holds 99.99% in FACOR.

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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 2023 and 31 March 2022 respectively.

For the year ended 31 March 2023

(₹ in Crore)

Particulars	Business Segments						
	Oil and Gas	Aluminium	Copper	Iron Ore	Power	Eliminations	Total
Revenue							
External revenue	8,137	39,950	12,351	5,928	827	-	67,193
Inter segment revenue	-	-	-	-	-	-	-
Segment revenue	**8,137**	**39,950**	**12,351**	**5,928**	**827**	**-**	**67,193**
Results							
Segment Results (EBIDTA) [a]	**4,221**	**5,160**	**(9)**	**930**	**(297)**	**-**	**10,005**
Less: Depreciation, depletion and amortisation expense	1,491	1,751	176	114	129	-	3,661
Add: Other income, net of expenses [b,c]	(315)	61	2	7	11	-	(234)
Add: Other unallocable income, net of expenses							20,931
Less: Finance costs							4,384
Add: Net exceptional gain							4,353
Net profit before tax							**27,010**
Other information							
Segment Assets	**16,785**	**50,312**	**4,500**	**3,998**	**2,647**		**78,242**
Financial asset investments							64,845
Deferred tax assets (net)							5,295
Income tax assets (net of provisions)							1,501
Cash and cash equivalents (including other bank balances and bank deposits)							5,986

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(₹ in Crore)

Particulars	Business Segments						
	Oil and Gas	Aluminium	Copper	Iron Ore	Power	Eliminations	Total
Others							2,914
Total Assets							**1,58,783**
Segment Liabilities	**10,645**	**21,579**	**4,753**	**2,064**	**241**		**39,282**
Borrowings							42,023
Income tax liabilities (net)							1,025
Others							8,641
Total Liabilities							**90,971**
Capital Expenditure [d]	2,436	4,541	87	225	-	-	7,311
Net impairment reversal relating to assets [e]	18	-	-	-	-		5,525

a) EBITDA is a non-GAAP measure.

b) Oher income includes amortisation of duty benefits relating to assets recognised as government grant.

c) Includes cost of exploration wells written off.

d) Total capital expenditure includes capital expenditure of ₹ 22 Crore not allocable to any segment.

e) Total net impairment reversal includes impairment reversal on investments of ₹ 5,507 Crore, which is not allocable to any segment (Refer Note 34).

For the year ended 31 March 2022

(₹ in Crore)

Particulars	Business Segments						
	Oil and Gas	Aluminium	Copper	Iron Ore	Power	Eliminations	Total
Revenue							
External revenue	6,622	38,371	11,096	6,143	569	-	62,801
Inter segment revenue	-	-	-	-	218	(218)	-
Segment revenue	**6,622**	**38,371**	**11,096**	**6,143**	**787**	**(218)**	**62,801**
Results							
Segment Results (EBIDTA) [a]	**3,137**	**13,024**	**(150)**	**2,187**	**(172)**	**-**	**18,026**
Less: Depreciation, depletion and amortisation expense	936	1,591	188	101	129	-	2,945
Add: Other income [b]	-	58	2	7	11	-	78
Add: Other unallocable income, net of expenses							7,921
Less: Finance costs							3,146
Less: Net exceptional loss							318
Net profit before tax							**19,616**
Other information							
Segment Assets	**16,420**	**47,307**	**5,383**	**3,590**	**2,826**		**75,526**
Financial asset investments							61,466
Deferred tax asset							1,118
Income tax assets (net of provisions)							1,800
Cash and cash equivalents (including other bank balances and bank deposits)							7,209
Others							1,622
Total Assets							**1,48,741**

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(₹ in Crore)

Particulars	Business Segments						
	Oil and Gas	Aluminium	Copper	Iron Ore	Power	Eliminations	Total
Segment Liabilities	**10,178**	**15,630**	**4,638**	**2,321**	**152**		**32,919**
Borrowings							36,696
Income tax liabilities (net)							601
Others							876
Total Liabilities							**71,092**
Capital Expenditure [c]	1,378	2,731	4	80	-		4,213
Net (Impairment)/ reversal or write off/ (write back) relating to assets [d]	(42)	(125)	-	-	-		(191)

a) EBITDA is a non-GAAP measure.

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

c) Total capital expenditure includes capital expenditure of ₹ 20 Crore not allocable to any segment.

d) Includes write off of ₹ 24 Crore which is not allocable to any segment.

B) Geographical segment analysis

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

(₹ in Crore)

Geographical Segment	Year ended 31 March 2023	Year ended 31 March 2022
Revenue by geographical segment		
India	33,714	28,142
Europe	11,631	14,847
Mexico	3,817	2,089
The United States of America	3,426	3,231
China	2,535	5,055
Others	12,070	9,437
Total	**67,193**	**62,801**

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

(₹ in Crore)

Carrying Amount of Segment Assets	As at 31 March 2023	As at 31 March 2022
India	56,863	54,244
Total	**56,863**	**54,244**

C) Information about major customers

No single customer has accounted for more than 10% of the Company's revenue for the year ended 31 March 2023 and 31 March 2022.

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D) Disaggregation of revenue

Below table summarises the disaggregated revenue from contract with customers:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Oil	6,718	5,480
Gas	1,546	892
Aluminium products	39,189	37,696
Copper Cathode	11,950	10,267
Iron Ore	2,212	2,354
Metallurgical coke	447	314
Pig Iron	3,198	3,348
Power	827	570
Others	1,691	1,860
Revenue from contracts with customers*	**67,778**	**62,781**
(Loss)/ Gain from provisionally priced contracts under Ind AS 109	(585)	20
Total Revenue	**67,193**	**62,801**

*includes revenues from sale of services aggregating to ₹ 88 Crore (31 March 2022: ₹ 109 Crore) which is recorded over a period of time and the balance revenue is recognised at a point in time.

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Property, Plant and equipment, Intangible assets, Capital work-in-progress and Exploration intangible assets under development

(₹ in Crore)

Particulars	Property, Plant and equipment											
	Freehold Land	Buildings	Plant and equipment	Oil & gas producing facilities	Furniture and fixtures	Vehicles	Office equipment	Right of Use assets (see note below)	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 2021	841	7,074	45,297	48,166	221	313	443	667	1,03,022	24,896	3,144	1,31,062
Additions	3	65	863	132	4	10	25	12	1,114	2,257	833	4,204
Transfers/ Reclassifications*	11	60	2,584	332	9	2	2	(346)	2,654	(2,658)	-	(4)
Disposals/ Adjustments	(1)	(5)	(392)	-	(1)	(3)	(3)	(8)	(413)	(1)	-	(414)
Exploration costs written off (Refer note 34)	-	-	-	-	-	-	-	-	-	-	(1,412)	(1,412)
Exchange differences	5	40	253	1,512	4	-	8	7	1,829	500	89	2,418
As at 31 March 2022	**859**	**7,234**	**48,605**	**50,142**	**237**	**322**	**475**	**332**	**1,08,206**	**24,994**	**2,654**	**1,35,854**
Additions	13	36	1,482	-	4	11	50	50	1,646	3,832	1,090	6,568
Transfers/ Reclassifications*	2	129	1,371	1,413	4	1	(2)	-	2,918	(2,922)	-	(4)
Disposals/ Adjustments	-	(3)	(780)	(156)	(51)	(5)	(66)	-	(1,061)	-	-	(1,061)
Exploration costs written off (Refer note 33)	-	-	-	-	-	-	-	-	-	-	(315)	(315)
Exchange differences	15	125	827	4,610	(3)	-	(7)	3	5,570	959	248	6,777
As at 31 March 2023	**889**	**7,521**	**51,505**	**56,009**	**191**	**329**	**450**	**385**	**1,17,279**	**26,863**	**3,677**	**1,47,819**
Accumulated depreciation, depletion, amortisation and impairment												
As at 01 April 2021	146	2,970	14,181	46,685	152	113	404	149	64,800	15,800	1,539	82,139
Charge for the year	5	190	2,139	536	12	24	29	19	2,954	-	-	2,954
Disposals/ Adjustments	-	(1)	(316)	-	-	(2)	(3)	(8)	(330)	29	-	(301)
Capital work-in-progress written off/ Impairment charge/ (reversal) for the year (Refer Note 34)	-	-	-	(955)	-	-	-	-	(955)	24	(415)	(1,346)
Transfers/ Reclassifications*	-	-	490	117	-	-	-	(81)	526	(526)	-	-
Exchange differences	4	38	212	1,454	3	-	8	2	1,721	441	42	2,204
As at 31 March 2022	**155**	**3,197**	**16,706**	**47,837**	**167**	**135**	**438**	**81**	**68,716**	**15,768**	**1,166**	**85,650**
Charge for the year	5	270	2,361	958	11	25	36	18	3,684	-	-	3,684
Disposals/ Adjustments	-	(2)	(346)	-	(50)	(3)	(64)	-	(465)	-	-	(465)
Impairment charge/ (reversal) for the year (Refer Note (g))	-	-	(220)	(103)	-	-	-	-	(323)	-	305	(18)
Transfers/ Reclassifications*	-	-	76	157	3	-	(3)	-	233	(233)	-	-
Exchange differences	12	113	646	4,186	(7)	-	(6)	2	4,946	1,238	112	6,296
As at 31 March 2023	**172**	**3,578**	**19,223**	**53,035**	**124**	**157**	**401**	**101**	**76,791**	**16,773**	**1,583**	**95,147**
Net Book Value/Carrying amount												
As at 01 April 2021	695	4,104	31,116	1,481	69	200	39	518	38,222	9,096	1,605	48,923
As at 31 March 2022	704	4,037	31,899	2,305	70	187	37	251	39,490	9,226	1,488	50,204
As at 31 March 2023	**717**	**3,943**	**32,282**	**2,974**	**67**	**172**	**49**	**284**	**40,488**	**10,090**	**2,094**	**52,672**

*Transfers/reclassification majorly includes capitalisation of CWIP to respective class of assets

NOTES

forming part of the financial statements as at and for the year ended 31 March 2023

5 Property, Plant and equipment, Intangible assets, Capital work-in-progress and Exploration intangible assets under development

Right of Use (ROU) assets

(₹ in Crore)

Particulars	ROU Land	ROU Building	ROU Plant and Equipment	Total
Gross Block				
As at 01 April 2021	284	42	341	667
Additions	12	-	-	12
Transfers/ Reclassifications	-	-	(346)	(346)
Disposals/ Adjustments	(8)	-	-	(8)
Exchange differences	-	1	6	7
As at 31 March 2022	**288**	**43**	**1**	**332**
Additions	50	-	-	50
Exchange differences	-	3	-	3
As at 31 March 2023	**338**	**46**	**1**	**385**
Accumulated depreciation and impairment				
As at 01 April 2021	54	15	80	149
Charge for the year	10	9	-	19
Transfers/ Reclassifications	-	-	(81)	(81)
Disposals/ Adjustments	(8)	-	-	(8)
Exchange differences	-	-	2	2
As at 31 March 2022	**56**	**24**	**1**	**81**
Charge for the year	10	8	-	18
Exchange differences	-	2	-	2
As at 31 March 2023	**66**	**34**	**1**	**101**
Net Book Value/Carrying amount				
As at 01 April 2021	230	27	261	518
As at 31 March 2022	232	19	-	251
As at 31 March 2023	**272**	**12**	**-**	**284**

Intangible Assets

(₹ in Crore)

Particulars	Software License	Mining Rights	Total
Gross Block			
As at 01 April 2021	298	227	525
Additions	10	-	10
Transfers/ Reclassifications	4	-	4
Exchange differences	7	-	7
As at 31 March 2022	**319**	**227**	**546**
Additions	7	815	822
Transfers/ Reclassifications	4	-	4
Disposals/ Adjustments	(154)	-	(154)
Exchange differences	(66)	-	(66)
As at 31 March 2023	**110**	**1,042**	**1,152**

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forming part of the financial statements as at and for the year ended 31 March 2023

(₹ in Crore)

Particulars	Software License	Mining Rights	Total
Accumulated amortisation and impairment			
As at 01 April 2021	279	219	498
Charge for the year	15	-	15
Exchange differences	7	-	7
As at 31 March 2022	**301**	**219**	**520**
Charge for the year	14	5	19
Disposals/ Adjustments	(154)	-	(154)
Exchange differences	(67)	-	(67)
As at 31 March 2023	**94**	**224**	**318**
Net Book Value/Carrying amount			
As at 01 April 2021	19	8	27
As at 31 March 2022	18	8	26
As at 31 March 2023	**16**	**818**	**834**

Capital Work-In-Progress (CWIP) Ageing Schedule

(₹ in Crore)

CWIP	As at 31 March 2023			As at 31 March 2022		
	Projects in progress	Projects temporarily suspended	Total	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	3,620	3	3,623	2,358	2	2,360
1-2 years	1,167	3	1,170	464	6	470
2-3 years	250	5	255	1,098	33	1,131
More than 3 years	4,399	643	5,042	4,645	620	5,265
Total	**9,436**	**654**	**10,090**	**8,565**	**661**	**9,226**

CWIP completion schedule for projects whose completion is overdue or has exceeded its cost compared to its original plan:

(₹ in Crore)

CWIP	As at 31 March 2023				As at 31 March 2022			
	To be completed in				To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in Progress								
Jharsuguda 1.25 MTPA aluminium smelter Project	457	-	-	-	545	234	-	-
Lanjigarh alumina 2-5 MTPA expansion Project	6,666	21	-	-	4,146	863	-	-
RDG gas Project	336	-	-	-	58	155	-	-
Oil & Gas development CWIP	226	121	-	-	1,032	286	-	-
Projects temporarily suspended								
Lanjigarh alumina 5-6 MTPA expansion Project	-	-	-	371	-	-	-	371
Other iron ore business Projects	11	-	-	-	11	-	-	-
Copper 4LTPA expansion Project	*	*	*	*	*	*	*	*

* Excludes ageing for Copper 4 LTPA Expansion project which is on hold due to restrictions imposed by the State government. Refer Note 3(c)(A)(iii)

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forming part of the financial statements as at and for the year ended 31 March 2023

Exploration intangible assets under development Ageing Schedule

(₹ in Crore)

Intangible assets under development	As at 31 March 2023 Projects in progress	As at 31 March 2022 Projects in progress
Less than 1 year	610	547
1-2 years	565	533
2-3 years	535	340
More than 3 years	384	68
Total	**2,094**	**1,488**

Title deeds of immovable properties not held in the name of Company

(₹ in Crore)

Relevant line item in the Balance sheet	Description of item of property	Gross block as at 31 March 2023	Gross block as at 31 March 2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and Equipment	Land & Building	1,749	1,533	Oil and Natural Gas Corporation Limited (ONGC) and Cairn India Limited (now a division of the Company)	No	10 April 2009	The title deeds of Oil & Gas exploration blocks jointly owned by the JV partners are in the name of ONGC, being the licensee of these exploration blocks.
	Land	53	53	Erstwhile company Sterlite Industries (India) Limited, that merged with the Company	No	1965-2012*	The title deeds are in the names of erstwhile companies that merged with the Company under Section 391 to 394 of the erstwhile Companies Act, 1956 pursuant to Schemes of Amalgamation and Arrangement as approved by the Honourable High Courts.
	ROU Land	50	50		No	1993-2009*	
	Land	20	20	Erstwhile company Vedanta Aluminium Limited, that merged with the Company	No	2008-2012*	

* Multiple dates of acquisitions during the period disclosed.

Notes

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

b) During the year ended 31 March 2023, interest capitalised was ₹ 331 Crore (31 March 2022: ₹ 267 Crore).

c) Certain property, plant and equipment are pledged as security 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 ₹ 11 Crore loss (31 March 2022: ₹ 16 Crore loss) is adjusted to the cost of respective item of property, plant and equipment.

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forming part of the financial statements as at and for the year ended 31 March 2023

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 ₹ 5,776 Crore (31 March 2022: ₹ 5,801 Crore).

f) Reconciliation of depreciation, depletion and amortisation expense

(₹ in crore)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation/Depletion/Amortisation expense on:		
Property, Plant and Equipment (Including ROU assets)	3,684	2,954
Intangible assets	19	15
As per Property, Plant and Equipment and Intangible assets schedule	**3,703**	**2,969**
Less: Cost allocated to joint ventures and other adjustments	(42)	(24)
As per Statement of Profit and Loss	**3,661**	**2,945**

g) (i) During the year ended 31 March 2023, the Company has recognised a net impairment reversal of ₹ 323 Crore (after considering impairment reversal of ₹ 618 Crore on account of ONGC partial arbitration award (Refer note (ii) for details)) on its assets in the oil and gas producing facilities and impairment charge of ₹ 305 Crore on its assets in the oil and gas exploration intangible assets under development mainly due to revision of Reserve and Capex estimates. The recoverable amount of the Company's share in Rajasthan Oil and Gas cash generating unit "RJ CGU" was determined to be ₹ 5,324 Crore (US$ 648 million) as at 31 March 2023. The recoverable amount of the RJ CGU was determined based on the fair value less costs of disposal approach, a level-3 valuation technique in the fair value hierarchy, as it more accurately reflects the recoverable amount based on the Company's view of the assumptions that would be used by a market participant. This is based on the cash flows expected to be generated by the projected oil and natural gas production profiles up to 2040, 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$ 84 per barrel for the next one year and tapers down to long-term nominal price of US$ 73 per barrel three years thereafter derived from a consensus of various analyst recommendations. Thereafter, these have been escalated at a rate of 2.4% per annum. The cash flows are discounted using the post-tax nominal discount rate of 10.99% derived from the post-tax weighted average cost of capital after factoring in the risks ascribed to PSC extension including successful implementation of key growth projects. 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 ₹ 41 Crore (US$5 million) and ₹ 205 Crore (US$ 25 million) respectively.

(ii) In the Oil and Gas business, the Company operates the Rajasthan Block under a joint venture model with ONGC. As the operator of the block, the Company raises cash calls to ensure the smooth functioning of the petroleum operations.

During the current year ended 31 March 2023, the Company received a favourable partial arbitration award on cash call claims made from ONGC, pursuant to which, reversal of previously recorded impairment of ₹ 618 Crore (US$ 78 million) has been recognised against capitalised development costs. The Company had a liability towards ONGC of ₹ 750 Crore (US$ 99 million) as of 31 March 2022 on account of revenue received in excess of entitlement. Based on the partial arbitration award, the Company has adjusted the claims received in the favour of the Company against the liability towards ONGC and the net payable as of 31 March 2023 amounts to ₹ 135 Crore (US$ 16 million).

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forming part of the financial statements as at and for the year ended 31 March 2023

6 Financial Assets : Investments

A) Non Current Investments

Particulars	As at 31 March 2023			As at 31 March 2022		
	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] (Refer Note 17)	2,74,31,54,310		44,398	2,74,31,54,310		44,398
Unquoted						
- Bharat Aluminium Company Limited, of ₹ 10/- each (including 5 shares held jointly with nominees)[b]	11,25,18,495		553	11,25,18,495		553
- Monte Cello BV, The Netherlands, of Euro 453.78 each	40	204		40	204	
Less: Reduction pursuant to merger [c]		(204)	-		(204)	-
- Cairn India Holdings Limited (CIHL) of GBP 1 each (Refer Note 34)	31,83,40,911	25,512		42,08,10,062	28,873	
Less: Reduction pursuant to merger [c]		(15,067)	10,445		(15,067)	13,806
- Vizag General Cargo Berth Private Limited, of ₹ 10 each (including 6 shares held jointly with nominees)	4,71,08,000		182	4,71,08,000		182
- Talwandi Sabo Power Limited, of ₹ 10 each (including 6 shares held jointly with nominees)	3,20,66,09,692		3,207	3,20,66,09,692		3,207
- Sesa Resources Limited, of ₹ 10 each (including 6 shares held jointly with nominees)	12,50,000		757	12,50,000		757
- Bloom Fountain Limited, of US$ 1 each	2,20,10,00,001	14,734		2,20,10,00,001	14,734	
Less: Reduction pursuant to merger [c]		(14,320)	414		(14,320)	414
- MALCO Energy Limited, of ₹ 2 each (including 6 shares held jointly with nominees)	2,33,66,406	116		2,33,66,406	116	
Less: Reduction pursuant to merger [c]		(23)	93		(23)	93
- THL Zinc Ventures Limited, of 1 ordinary share of US$ 1 and 1,00,000 Ordinary Shares of US$ 100 each	1,00,001	46		1,00,001	46	
Less: Reduction pursuant to merger [c]		(46)	-		(46)	-
- THL Zinc Holdings BV, of EURO 1 each	37,38,000	23		37,38,000	23	
Less: Reduction pursuant to merger [c]		(23)	-		(23)	-
- ESL Steel Limited, of ₹ 10 each (including 6 shares held jointly with nominees)	1,76,55,53,040		1,770	1,76,55,53,040		1,770
- Ferro Alloys Corporation Limited, of ₹ 1 each (including 6 shares held jointly with nominees) (Refer Note 3(d))	34,00,00,000		37	34,00,00,000		37

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forming part of the financial statements as at and for the year ended 31 March 2023

Particulars	As at 31 March 2023			As at 31 March 2022		
	No.		Amount (₹ in Crore)	No.		Amount (₹ in Crore)
Associate companies - unquoted						
- Gaurav Overseas Private Limited, of ₹ 10 each	14,23,000		1	4,23,000		0
Investment in equity shares at fair value through other comprehensive income						
Quoted						
- Sterlite Technologies Limited, of ₹ 2 each	47,64,295		70	47,64,295		107
Unquoted						
- Sterlite Power Transmission Limited, of ₹ 2 each	19,05,718		11	9,52,859		11
- Goa Shipyard Limited of ₹ 5 each	2,50,828		0	2,50,828		0
(b) Investment in preference shares of subsidiary companies - at cost						
Unquoted						
- Bloom Fountain Limited, 0.25% Optionally Convertible Redeemable Preference shares of US$ 1 each	18,59,900		907	18,59,900		907
- Bloom Fountain Limited, 0.25% Optionally Convertible Redeemable Preference shares of US$ 100 each	3,60,500		215	3,60,500		215
- THL Zinc Ventures Limited, 0.25% Optionally Convertible Redeemable Preference shares of US$ 1 each (Refer Note 34)	-	-		70,00,000	3,187	
Less: Reduction pursuant to merger [c]		-	-		(3,187)	-
- THL Zinc Holdings BV, 0.25% Optionally Convertible Redeemable Preference shares of EURO 1 each	55,00,000	2,495		55,00,000	2,495	
Less: Reduction pursuant to merger [c]		(2,495)	-		(2,495)	-
(c) Investment in Preference shares - Unquoted at fair value through profit and loss						
- Serentica Renewables Power Companies, Optionally Convertible Redeemable Preference shares of ₹ 10 each (Refer Note 38 and 39)	6,90,00,000		69	-		-
(d) Investment in Government or Trust securities at cost / amortised cost						
- 7 Years National Savings Certificates (31 March 2023: ₹ 35,450; 31 March 2022: ₹ 35,450) (Deposit with Sales Tax Authority)	NA		0	NA		0
- UTI Master gain of ₹ 10 each (31 March 2023: ₹ 4,072; 31 March 2022: ₹ 4,072)	100		0	100		0
- Vedanta Limited ESOS Trust (31 March 2023: ₹ 5,000; 31 March 2022: ₹ 5,000)	NA		0	NA		0
(e) Investments in debentures of subsidiary companies at cost / amortised cost						
- MALCO Energy Limited, compulsorily convertible debentures of ₹ 1,000 each	6,13,54,483	6,136		6,13,54,483	6,136	
Less: Reduction pursuant to merger [c]		(6,118)	18		(6,118)	18

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forming part of the financial statements as at and for the year ended 31 March 2023

Particulars	As at 31 March 2023			As at 31 March 2022	
	No.		Amount (₹ in Crore)	No.	Amount (₹ in Crore)
(f) Investments in Co-operative societies at fair value through profit and loss					
- Sesa Ghor Premises Holders Maintenance Society Limited, of ₹ 200 each (31 March 2023: ₹ 8,000; 31 March 2022: ₹ 8,000)	40		0	40	0
- Sesa Goa Sirsaim Employees Consumers Co- operative Society Limited, of ₹ 10 each (31 March 2023: ₹ 2,000; 31 March 2022: ₹ 2,000)	200		0	200	0
- Sesa Goa Sanquelim Employees Consumers Co- operative Society Limited, of ₹ 10 each (31 March 2023: ₹ 2,300; 31 March 2022: ₹ 2,300)	230		0	230	0
- Sesa Goa Sonshi Employees Consumers Co- operative Society Limited, of ₹ 10 each (31 March 2023: ₹ 4,680; 31 March 2022: ₹ 4,680)	468		0	468	0
- Sesa Goa Codli Employees Consumers Co- operative Society Limited, of ₹ 10 each (31 March 2023: ₹ 4,500; 31 March 2022: ₹ 4,500)	450		0	450	0
- Sesa Goa Shipyard Employees Consumers Co-operative Society Limited, of ₹ 10 each (31 March 2023: ₹ 5,000; 31 March 2022: ₹ 5,000)	500		0	500	0
- The Mapusa Urban Cooperative Bank Limited, of ₹ 25 each (31 March 2023: ₹ 1,000; 31 March 2022: ₹ 1,000)	40		0	40	0
(g) Investment in Bonds/ Debentures - Unquoted at fair value through profit and loss					
- Infrastructure Leasing & Financial Services Limited			30		30
Less: Provision for diminution in value of investments in:					
Bloom Fountain Limited (Refer Note 34)			(756)		(1,536)
Sesa Resources Limited			(750)		(750)
Cairn India Holdings Limited (Refer Note 34)			(1,799)		(3,339)
Total			**59,872**		**60,881**
Aggregate amount of impairment			(3,305)		(5,625)
Aggregate amount of quoted investments			44,468		44,505
Market value of quoted investments			80,554		85,062
Aggregate carrying amount of unquoted investments			15,404		16,376

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forming part of the financial statements as at and for the year ended 31 March 2023

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 disinvestment, 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. The Government of India without prejudice to the position on the Put / Call option issue has received approval from the Cabinet for divestment and the Government is looking to divest through the auction route. Meanwhile, the Supreme Court has, in January 2016, directed status quo pertaining to disinvestment of Government of India's residual shareholding while hearing the public interest petition filed.

   On 13 August 2020, the Supreme Court passed an order partially removing the status quo order in place and has allowed the arbitration proceedings to continue via its order passed on 18 November 2021, the Supreme Court of India allowed the GOI's proposal to divest its entire stake in HZL in the open market in accordance with the rules and regulations of SEBI and also directed the Central Bureau of India to register a regular case in relation to the process followed for the disinvestment of HZL in the year 2002 by the GOI. In line with the said order, the Company has withdrawn its arbitration proceedings.

   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 02 March 2004. The Company exercised this option on 19 March 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 09 January 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. The Company has not recognised any deferred tax asset on impairment of investments, including amount reduced pursuant to merger (refer note c above) as the realisation of the same is not reasonably certain.

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forming part of the financial statements as at and for the year ended 31 March 2023

B) Current Investment

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Investment in preference shares of subsidiary companies - at cost		
THL Zinc Ventures Limited, 70,00,000 - 0.25% Optionally Convertible Redeemable Preference shares of US$ 1 each (Refer Note 34)	3,187	-
Investments carried at fair value through profit and loss		
Investment in mutual funds- unquoted	1,786	585
Investment in India Grid Trust - quoted	-	0
Total	**4,973**	**585**
Aggregate amount of quoted investments, and market value thereof	-	0
Aggregate amount of unquoted investments	4,973	585

7 Financial assets - Trade receivables

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Secured, Undisputed						
Unbilled dues	-	-	-	-	-	-
Not due	-	143	143	-	121	121
Less than 6 months	-	162	162	-	53	53
6 months -1 year	-	6	6	-	-	-
1-2 Years	-	-	-	-	0	0
2-3 years	-	-	-	-	-	-
More than 3 years	-	3	3	-	3	3
sub-total	**-**	**314**	**314**	**-**	**177**	**177**
Unsecured, disputed						
Unbilled dues	-	-	-	9	-	9
Not due	-	-	-	-	-	-
Less than 6 months	58	14	72	123	-	123
6 months -1 year	78	-	78	67	-	67
1-2 Years	190	-	190	106	-	106
2-3 years	106	-	106	153	-	153
More than 3 years	1,754	6	1,760	1,601	8	1,609
sub-total	**2,186**	**20**	**2,206**	**2,059**	**8**	**2,067**
Unsecured, Undisputed						
Unbilled dues	-	98	98	-	-	-
Not due	-	472	472	-	571	571
Less than 6 months	-	672	672	-	1,560	1,560
6 months -1 year	-	120	120	-	17	17
1-2 Years	-	10	10	-	3	3
2-3 years	-	-	-	-	-	-
More than 3 years	-	5	5	-	9	9
sub-total	**-**	**1,377**	**1,377**	**-**	**2,160**	**2,160**
Less: Provision for expected credit loss	(1,339)	(17)	(1,356)	(984)	(17)	(1,001)
Total	**847**	**1,694**	**2,541**	**1,075**	**2,328**	**3,403**

NOTES

forming part of the financial statements as at and for the year ended 31 March 2023

(a) The credit period given to customers ranges from zero to 90 days. Also refer note 22(C)(d).

(b) For amounts due and terms and conditions relating to related party receivables, see note 39.

(c) Trade receivables includes ₹ 878 Crore (net of Provision for expected credit loss ("ECL") of ₹ 157 Crore recognised during the year on account of time value of money) as at 31 March 2023 (31 March 2022: ₹ 1,097 Crore) withheld by GRIDCO Limited ("GRIDCO") primarily on account of reconciliation and disputes relating to computation of power tariffs and alleged short-supply of power by the Company under the terms of long term power supply agreement.

Out of the above, ₹ 374 Crore (net of ECL of ₹ 74 Crore recognised during the year on account of time value of money) relates to the amounts withheld by GRIDCO due to tariff adjustments on account of transmission line constraints in respect of which GRIDCO's appeal against order of APTEL is pending before the Hon'ble Supreme Court of India and ₹ 234 crores (net of ECL of ₹ 47 Crore) relates to alleged short supply of power for which the Company's appeal on certain grounds are pending before APTEL.

(d) The total trade receivables as at 01 April 2021 were ₹ 2,241 Crore (net of provision for expected credit loss).

8 Financial assets - Loans

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured, considered good						
Loans to related parties (Refer note 39 and 41(c))	126	504	630	154	364	518
Loans and advances to employees	-	3	3	-	1	1
Unsecured, considered credit impaired						
Loans to related parties (Refer note 39)	-	5	5	-	5	5
Less: Provision for expected credit loss	-	(5)	(5)	-	(5)	(5)
Total	**126**	**507**	**633**	**154**	**365**	**519**

9 Financial assets - Others

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Bank deposits [a, b]	521	-	521	298	-	298
Site restoration asset [b]	701	-	701	589	-	589
Unsecured, considered good						
Security deposits	144	11	155	74	18	92
Advance recoverable (Oil and Gas Business)	-	6,658	6,658	-	7,068	7,068
Others [c]	748	70	818	716	82	798
Long term advance to related party (Refer note 3(d) and 39)	565	-	565	-	-	-
Receivable from related parties (Refer note 39)	-	501	501	-	226	226
Unsecured, considered credit impaired						
Security deposits	15	1	16	15	1	16
Others [c]	467	199	666	458	273	731
Less: Provision for expected credit loss	(482)	(200)	(682)	(473)	(274)	(747)
Total	**2,679**	**7,240**	**9,919**	**1,677**	**7,394**	**9,071**

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(a) Bank deposits includes fixed deposits with maturity more than 12 months of ₹ 107 Crore (31 March 2022: ₹ Nil Crore) under lien with bank, ₹ 208 Crore (31 March 2022: ₹ 81 Crore) held as reserve created against principal payment on loans from banks, ₹ 146 Crore (31 March 2022: ₹ 156 Crore) held as interest reserve created against interest payment on loans from banks, ₹ 58 Crore (31 March 2022: ₹ 61 Crore) held as margin money created against bank guarantee and ₹ 2 Crore (31 March 2022: ₹ Nil Crore) held as fixed deposit for closure cost.

(b) Bank deposits and site restoration asset earns interest at fixed rate based on respective deposit rate.

(c) 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, the Company has started recognizing revenue, for past exploration costs, through increased share in the joint operations revenue as the Company believes that cost recovery mechanism prescribed under OM for profit petroleum payable to GoI is not applicable to its Joint operation partner, a view which is also supported by an independent legal opinion. At year end, an amount of ₹ 859 Crore (US$ 105 million) (31 March 2022: ₹ 790 Crore (US$ 105 million)) is receivable from its joint operation partner on account of this. However, the Joint operation partner carries a different understanding and the matter is pending resolution.

10 Other assets

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Capital advances	687	-	687	766	-	766
Advances for related party supplies (Refer note 39)	25	1,569	1,594	61	84	145
Advances for supplies	-	1,480	1,480	-	1,658	1,658
Others						
Balance with government authorities [a]	631	1,006	1,637	607	619	1,226
Loan to employee benefit trust	53	-	53	178	-	178
Others [b]	650	662	1,312	602	836	1,438
Unsecured, considered doubtful						
Capital advances	176	-	176	173	-	173
Balance with government authorities	3	106	109	3	9	12
Advance for supplies	-	58	58	-	58	58
Others [b]	380	4	384	366	4	370
Less : Provision for doubtful advances	(559)	(168)	(727)	(542)	(71)	(613)
Total	**2,046**	**4,717**	**6,763**	**2,214**	**3,197**	**5,411**

(a) Includes ₹ 34 Crore (31 March 2022: ₹ 30 Crore), being Company's share of gross amount of ₹ 97 Crore (31 March 2022: ₹ 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.

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forming part of the financial statements as at and for the year ended 31 March 2023

11 Inventories

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw Materials	1,706	1,908
Goods-in transit	1,816	1,208
Work-in-progress	2,503	3,018
Finished goods	336	385
Fuel Stock	1,151	1,084
Goods-in transit	32	357
Stores and Spares	671	600
Goods-in transit	2	3
Total	**8,217**	**8,563**

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

(b) Inventory held at net realisable value amounted to ₹ 1,824 Crore (31 March 2022: ₹ 2,632 Crore).

(c) Write down of inventories amounting to ₹ 43 Crore has been charged to the Statement of Profit and Loss during the year (31 March 2022: ₹ 42 Crore).

12 Current financial assets - Cash and cash equivalents

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks [a]	5,088	3,817
Deposits with original maturity of less than 3 months (including interest accrued thereon) [b]	59	1,701
Cash on hand	0	0
Total	**5,147**	**5,518**

(a) Including foreign inward remittances aggregating ₹ 223 Crore (US$ 27 million) (31 March 2022: ₹ 3,319 Crore (US$ 439 million)) held by banks in their nostro accounts on behalf of the Company.

(b) Bank deposits earn interest at fixed rate based on respective deposit rates.

13 Current financial assets - Other bank balances

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Bank deposits with original maturity of more than 3 months but less than 12 months (including interest accrued thereon) [a, b, d]	202	934
Bank deposits with original maturity of more than 12 months (including interest accrued thereon) [c, d]	0	18
Earmarked unpaid dividend accounts [e]	114	439
Earmarked escrow account [f]	2	2
Total	**318**	**1,393**

(a) Includes ₹ 66 Crore (31 March 2022: ₹ 439 Crore) on lien with banks and margin money of ₹ 41 Crore (31 March 2022: ₹ 40 Crore).

(b) Restricted funds of ₹ 22 Crore (31 March 2022: ₹ 7 Crore) on lien with others and ₹ 64 Crore (31 March 2022: ₹ 57 Crore) held as margin money created against bank guarantee.

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forming part of the financial statements as at and for the year ended 31 March 2023

(c) Includes ₹ 0 Crore (31 March 2022: ₹ 3 Crore) of margin money with banks and fixed deposit under lien with others of ₹ 0 Crore (31 March 2022: ₹ 15 Crore).

(d) Bank deposits earn interest at fixed rate based on respective deposit rates.

(e) Earmarked unpaid dividend accounts are restricted in use as it relates to unclaimed or unpaid dividend, as per the provisions of the Act.

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

14 Share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number (in Crore)	Amount (₹ in Crore)	Number (in Crore)	Amount (₹ in Crore)
A. Authorised equity share capital				
Opening and Closing balance [equity shares of ₹ 1/- each with voting rights]	4,402	4,402	4,402	4,402
Authorised preference share capital				
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 3,05,832 (31 March 2022: 3,05,832) equity shares kept in abeyance. These shares are not part of listed equity capital and pending allotment as they are sub-judice.

(b) Includes 40,05,075 (31 March 2022: 86,93,406) equity shares held by Vedanta Limited ESOS Trust (Refer note 27).

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Shares held (in Crore)	% of holding	Number of Shares held (in Crore)	% of holding
Twin Star Holdings Limited	172.48	46.40	172.48	46.40
Finsider International Company Limited	16.35	4.40	16.35	4.40
Welter Trading Limited	3.82	1.03	3.82	1.03
Vedanta Holdings Mauritius Limited	10.73	2.89	10.73	2.89
Vedanta Netherland Investment BV	0.50	0.13	6.35	1.71
Vedanta Holdings Mauritius II Limited	49.28	13.26	49.28	13.26
Total	**253.16**	**68.11**	**259.01**	**69.69**

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

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

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of Shares held (in Crore)	% of holding	Number of Shares held (in Crore)	% of holding
Twin Star Holdings Limited	172.48	46.40	172.48	46.40
Vedanta Holdings Mauritius II Limited	49.28	13.26	49.28	13.26
Life Insurance Corporation of India	33.54	9.02	32.11	8.64

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

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

E. Disclosure of Shareholding of Promoters and Promoter Group

Promoter name	As at 31 March 2023			As at 31 March 2022	
	Number of Shares held (in Crore)	% of holding	% Change during the year	Number of Shares held (in Crore)	% of holding
Twin Star Holdings Limited	172.48	46.40	-	172.48	46.40
Finsider International Company Limited	16.35	4.40	-	16.35	4.40
Welter Trading Limited	3.82	1.03	-	3.82	1.03
Vedanta Holdings Mauritius II Limited	49.28	13.26	-	49.28	13.26
Vedanta Holdings Mauritius Limited	10.73	2.89	-	10.73	2.89
Vedanta Netherland Investment BV	0.50	0.13	(1.58)	6.35	1.71
Mr. Pravin Agarwal	0.00	0.00	-	0.00	0.00
Ms. Suman Didwania	0.01	0.00	-	0.01	0.00
Mr. Ankit Agarwal	0.00	0.00	-	0.00	0.00
Ms. Sakshi Mody	0.00	0.00	-	0.00	0.00
Total	**253.17**	**68.11**	**(1.58)**	**259.02**	**69.69**

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) 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 FY 2013-14) during FY 2002-2003 reduced its paid up share capital by ₹ 10 Crore. There are 2,00,038 equity shares (31 March 2022: 1,99,373 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.

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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 ("Act"), the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

The Board of Directors of the Company, on 29 October 2021, approved the Scheme of Arrangement between the Company and its shareholders under Section 230 and other applicable provisions of the Act ("Scheme"). The Scheme provides for capital reorganisation of the Company, inter alia, providing for transfer of amounts standing to the credit of the General Reserves to the Retained Earnings of the Company with effect from the Appointed Date.

Post the requisite approvals obtained from Stock Exchanges and pursuant to the National Company Law Tribunal ("NCLT"), Mumbai Bench Order dated 26 August 2022 ("NCLT Order"), the proposed scheme was approved by the shareholders with requisite majority on 11 October 2022.

The Company is in the process of complying with the further requirements specified in the NCLT Order.

b) **Debenture redemption reserve:** As per the earlier provisions under the 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 be utilized only 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. Accordingly, the Company is now not required to create debenture redemption reserve.

c) **Preference share redemption reserve:** The Act provides that companies that issue preference shares may redeem those shares from profits of the Company which otherwise would be available for dividends, or from proceeds of a new issue of shares made for the purpose of redemption of the preference shares. If there is a premium payable on redemption, the premium must be provided for, either by reducing the additional paid in capital (securities premium account) or net income, before the shares are redeemed. If profits are used to redeem preference shares, the value of the nominal amount of shares redeemed should be transferred from profits (retained earnings) to the preference share redemption reserve. 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 short term investments. Equity comprises all components including other comprehensive income.

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forming part of the financial statements as at and for the year ended 31 March 2023

The following table summarizes the capital of the Company:

(₹ in crore, except otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents (Refer note 12)	5,147	5,518
Other bank balances [a] (Refer note 13)	116	873
Non-current bank deposits [a] (Refer note 9)	315	81
Short term investments (Refer note 6B)	1,786	585
Total cash (a)	**7,364**	**7,057**
Non-current borrowings (Refer note 17A)	32,606	23,421
Current borrowings (Refer note 17B)	9,417	13,275
Total borrowings (b)	**42,023**	**36,696**
Net debt c=(b-a)	**34,659**	**29,639**
Total equity	**67,812**	**77,649**
Total capital (equity + net debt) (d)	**1,02,471**	**1,07,288**
Gearing ratio (times) (c/d)	**0.34**	**0.28**

(a) The constituents of 'total cash' for the purpose of capital management disclosure include only those amounts of restricted funds that are corresponding to liabilities (e.g. margin money deposits). Consequently, restricted funds amounting to ₹ 408 Crore (31 March 2022: ₹ 737 Crore) have been excluded from 'total cash' in the capital management disclosures.

17 Financial liabilities - Borrowings

A) Non- current borrowings

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
At amortised cost		
Secured		
Non-convertible debentures	7,087	5,016
Term loans from banks		
- Rupee term loans	25,126	22,557
- Foreign currency term loans	-	623
External commercial borrowings	3,261	1,119
Unsecured		
Non-convertible debentures	800	-
Deferred sales tax liability	28	54
Rupee term loans from banks	1,295	500
Loan from Related parties (Refer Note 39)	1,109	-
Redeemable preference shares	2	2
Non current borrowings	**38,708**	**29,871**
Less: Current maturities of long term borrowings [a]	(6,102)	(6,450)
Total Non current borrowings (Net) (A)	**32,606**	**23,421**
Current borrowings (Refer note 17B) (B)	**9,417**	**13,275**
Total borrowings (A+B)	**42,023**	**36,696**

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B) Current borrowings

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
At amortised cost		
Secured		
Working Capital Loan	70	-
Current maturities of long term borrowings [a]	4,213	5,921
Unsecured		
Loans repayable on demand from banks	2,256	1,000
Commercial paper	489	4,986
Rupee term loans from banks	500	700
Amounts due on factoring	-	139
Current maturities of long term borrowings [a]	1,889	529
Total	**9,417**	**13,275**

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

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Non-convertible debentures	-	2,018
Term loans from banks		
- Rupee term loans	3,828	3,280
- Foreign currency term loans	-	623
External commercial borrowings	385	-
Unsecured		
Deferred sales tax liability	18	27
Redeemable preference shares	2	2
Non-convertible debentures	800	-
Rupee term loans from banks	1,069	500
Total	**6,102**	**6,450**

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

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
8.74% due June 2032	4,089	-
9.20% due February 2030	2,000	2,000
7.68% due December 2024	998	997
3m T-bill rate + 240 bp due March 2024 *	800	-
9.20% due December 2022	-	749
8.75% due June 2022	-	1,270
Total	**7,887**	**5,016**

* 3 month treasury bill rate as at 31 March 2023 is 6.34%.

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

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Secured non-current borrowings	31,261	23,394
Secured current borrowings	4,283	5,921
Total secured borrowings	**35,544**	**29,315**

(in Crore)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
Working capital loans	First Pari passu charge by way of mortgage/hypothecation over the specified immovable and movable fixed assets of the Company with a minimum fixed asset cover of 1.1 times of the outstanding term loan during the period of the facility. Security comprise of assets of the aluminium and power division of the Company, comprising: (i) 1.6 MTPA aluminium smelter along with 1,215 MW Captive power plant ("CPP") at Jharsuguda and, (ii) 1 MTPA alumina refinery along with 90 MW CPP at Lanjigarh, Odisha.	70	-
External Commercial Borrowings	A first pari passu charge by way of hypothecation on the specified movable fixed assets of the Company pertaining to its manufacturing facilities comprising: (i) alumina refinery having output of 6 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.	2,037	1,119
	First pari passu charge by way of hypothecation on all present and future movable assets of the Company with a minimum fixed asset cover of 1.10 times of the outstanding facility during the period of the facility comprising: (i) 1.6 MTPA (proposed capacity of 1.8 MTPA) aluminium smelter along with 1,215 MW CPP at Jharsuguda; (ii) 1 MTPA (proposed capacity of 6 MTPA) alumina refinery along with 90 MW CPP at Lanjigarh, Odisha (iii) 2,400 MW Power plant (1,800 MW CPP and 600 MW Independent Power Plant ("IPP")) located at Jharsuguda, Odisha and (iv) Oil and Gas division comprising RJ-ON-90/1 Oil and Gas Block (Rajasthan), Cambay oil fields, Ravva Oil and Gas fields (under PKGM-1 block) and OALP blocks.	1,224	-
Non-Convertible Debentures	Secured by way of first pari passu charge on 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) aluminum smelter having output of 1.6 MTPA along with a 1,215 (9*135) MW CPP at Jharsuguda, Odisha. Additionally, secured by way of mortgage on the freehold land comprising 18.92 acres situated at Jharsuguda, Odisha.	2,000	2,000

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(in Crore)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
Non-Convertible Debentures	First ranking pari passu charge by way of mortgage over 18.92 acres freehold land in Jharsuguda, Odisha together with the building and structures/ erections constructed/ to be constructed thereon and all the plant and machinery and other furniture and fixtures erected/ installed or to be erected/installed thereon and hypothecation over movable fixed assets excluding capital work in progress in relation to the aluminium division comprising 6 MTPA alumina refinery along with 90 MW co-generation captive power plant in Lanjigarh, Odisha; and 1.6 MTPA aluminium smelter plant along with 1,215 MW (9*135 MW) power plant and 2400 MW power plant in Jharsuguda, Odisha including its movable plant and machinery, machinery spares, tools and accessories and other movable fixed assets.	4,089	-
	Secured by way of first pari-passu charge on the specific movable fixed assets. The whole of the movable fixed assets both present and future, of the Company in relation to the aluminium division, comprising the following facilities: (i) 1 MTPA alumina refinery along with 90 MW co-generation captive power plant in Lanjigarh, Odisha; and (ii) 1.6 MTPA aluminium smelter plant along with 1,215 MW (9x135 MW) power plant in Jharsuguda, Odisha including its movable plant and machinery, capital work in progress, machinery spares, tools and accessories, and other movable fixed assets.	998	997
	Other secured non-convertible debentures	-	2,019
Term loans from banks (includes rupee term loans and foreign currency term loans)	Secured by a pari passu charge by way of hypothecation of all the movable fixed assets of the Company pertaining to its aluminium division project consisting: (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 1,215 (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.	1,605	1,776
	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 the Company along with 90 MW power plant in Lanjigarh and all its related expansions.	359	402
	Secured by a pari passu charge by way of hypothecation on the movable fixed assets of the the Company pertaining to its aluminium division comprising 1 MTPA alumina refinery plant with 90 MW captive power plant at Lanjigarh, Odisha and 1.6 MTPA aluminium smelter plant with 1,215 MW captive power plant at Jharsuguda, Odisha.	3,394	3,434
	Secured by a pari passu charge by way of hypothecation/ equitable mortgage of the movable/ immovable fixed assets of the Company pertaining to its aluminium division comprising 1 MTPA alumina refinery plant with 90 MW captive power plant at Lanjigarh, Odisha and 1.6 MTPA aluminium smelter plant with 1,215 MW captive power plant at Jharsuguda, Odisha.	5,873	6,623
	First pari passu charge by way of hypothecation/ equitable mortgage on the movable/ immovable assets of the aluminium Division of the Company comprising 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 1,215 (9x135) MW CPP at Jharsuguda, Orissa and additional charge on Lanjigarh Expansion project, both present and future.	780	999

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(in Crore)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
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 Company both present and future, pertaining to its aluminium business (Jharsuguda Plant, Lanjigarh Plant), 2,400 MW power plant assets at Jharsuguda, copper plant assets at Silvassa, iron ore business in the states of Karnataka and Goa, dividends receivable from Hindustan Zinc Limited ("HZL"), a subsidiary of the Company, and the debt service reserve account to be opened for the facility along with the amount lying to the credit thereof [h].	7,221	7,821
	A first pari passu first charge by way of hypothecation on the Specified movable fixed assets of the Company pertaining to its Manufacturing facilities comprising: (i) alumina refinery having output of 1 MTPA along with co- generation captive power plant with an aggregate capacity of 90 MW at Lanjigarh, Orissa (ii) aluminium smelter having output of 1.6 MTPA along with a 1,215 (9x135) MW CPP at Jharsuguda, Orissa.	1,137	-
	A first pari passu charged by way of hypothecation on the specified movable fixed assets (present and future) including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicle, capital work-in progress, etc of the Company pertaining to aluminium business (Jharsuguda, Lanjigarh) and 2,400 MW power plant at Jharsuguda as more particulary described as below : (i) alumina refinery upto 6 MTPA along with cogeneration captive power plant with aggregate capacity of 90 MW located in Lanjigarh, Odisha (ii) alumina smelter output of 1.6 MTPA aluminium smelter including 1,215 (9x135) MW power plant in Jharsuguda, Odisha (iii) 2,400 MW power plant (1,800 MW CPP and 600 MW IPP) located at Jharsuguda, Odisha.	473	-
	A first pari passu charge by way of mortgage/ hypothecation over the specified movable fixed assets of the Company. Security shall comprise of assets of the aluminum and power division of the Company, comprising: (i) 1.6 MTPA aluminium smelter along with 1,215 MW CPP at Jharsuguda and (ii) 1 MTPA alumina refinery along with 90 MW CPP at Lanjigarh, Odisha.	1,191	-
	Secured by first pari passu charge by way of movable fixed assets of the aluminium division of the Company comprising: (i) 6 MTPA aluminium refinery along with 90 MW Co-generation captive power plant in Lanjigarh, Orissa; (ii) 1.6 MTPA aluminium smelter along with 1,215 MW CPP at Jharsuguda, (iii) 2,400 MW power plant (1,800 MW CPP and 600 MW IPP) located at Jharsuguda, Odisha and (iv) Oil and gas division comprising RJ-ON-90/91 Oil and Gas Block (Rajasthan), Cambay Oil Fields, Ravva Oil and gas Fields under (PKMGH-1 block) and OALP blocks	743	-
	A first pari passu first charge by way of hypothecation on the specified movable fixed assets of the Company pertaining to its Manufacturing facilities comprising: (i) 1.6 MTPA aluminium smelter along with 1,215 MW CPP at Jharsuguda and (ii) 1 MTPA alumina refinery along with CPP of 90 MW at Lanjigarh, Odisha	490	-
	A first pari passu charge by way of mortgage/ hypothecation over the specified immovable and movable fixed assets of the Company. Security shall comprise of assets of the aluminum and power division of the Company, comprising: (i) 1.6 MTPA Aluminium Smelter along with 1,215 MW CPP at Jharsuguda and (ii) 1 MTPA Alumina refinery along with CPP of 90 MW CPP at Lanjigarh, Odisha	927	

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(in Crore)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
Term loans from banks (includes rupee term loans and foreign currency term loans)	A first pari passu charge by way of hypothecation on all present and future movable Fixed Assets including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles, Capital Work-in-Progress etc of the Company with a minimum fixed asset cover of 1.10 times as more particularly described as below: (i) alumina refinery upto 6 MTPA along with co-generation CPP with an aggregate capacity of 90 MW located at Lanjigarh, Orissa; (ii) aluminium smelter having output of 1.6 MTPA along with a 1,215 (9x135) MW CPP located at Jharsuguda, Orissa. (iii) 2,400 MW Power Plant (1,800 MW CPP and 600 MW IPP) located at Jharsuguda, Odisha; and (iv) Oil and Gas division comprising of RJ-ON-90/1 Oil and Gas Block (Rajasthan), Cambay Oil Fields and Ravva Oil and Gas Fields (under PKGM-1 block)	250	-
	First pari passu charge by way of hypothecation on all present and future movable fixed assets of the Company including but not limited to plant and machinery, spares, tools and accessories of 1.6 MTPA aluminium smelter along with 1,215 MW CPP at Jharsuguda, Odisha and 1 MTPA alumina refinery along with 90 MW CPP at Lanjigarh, Odisha	683	880
	Other Secured term loans	-	1,245
Total		**35,544**	**29,315**

d) The loan 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 debt/EBITDA. The Company has complied with the covenants as per the terms of the loan agreement.

Further, in case of borrowings having current assets as security, the quarterly statements of current assets filed by the Company with its lenders are in agreement with the books of accounts.

e) Terms of repayment of total borrowings outstanding as at 31 March 2023 are provided below -

(₹ in Crore)

Borrowings	Weighted average interest rate as at 31 March 2023	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Rupee term loan	8.39%	26,921	5,436	10,589	9,832	1,168	Repayable in 466 quarterly payments 2 half yearly payments
Commercial paper	7.80%	489	489	-	-	-	Repayable in 1 bullet payment
Non-convertible debentures	8.77%	7,887	800	1,000	-	6,089	Repayable in 4 bullet payments
Working capital loan	7.58%	2,326	2,326	-	-	-	This includes loans repayable on demand from banks for ₹ 2,256 Crore.
Deferred sales tax liability	NA	28	18	10	0	-	Repayable in 43 monthly installments
External commercial borrowing	7.42%	3,261	394	1,923	970	-	Repayable in 35 half yearly payments
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	8.90%	1,109	-	-	-	1,109	Repayable in 1 bullet payment
Total		**42,023**	**9,465**	**13,522**	**10,802**	**8,366**	

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

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f) Terms of repayment of total borrowings outstanding as at 31 March 2022 are provided below -

(₹ in Crore)

Borrowings	Weighted average interest rate as at 31 March 2022	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Foreign currency term loan	3.92%	623	623	-	-	-	Repayable in 7 quarterly installments and 1 monthly installment
Rupee term loan	7.80%	23,757	4,504	7,033	8,336	3,969	Repayable in 671 quarterly installments
Commercial paper	5.90%	4,986	4,986	-	-	-	Repayable in 12 bullet payments
Non convertible debentures	8.78%	5,016	2,020	1,000	-	2,000	Repayable in 4 bullet payments
Working capital loan*	4.98%	1,000	1,000	-	-	-	Export packing credit, working capital loan and loan repayable on demand are repayable within one year from the date of drawl
Amounts due on factoring	1.23%	139	139	-	-	-	Repayable within one month
Deferred sales tax liability	NA	54	27	27	0	-	Repayable in 55 monthly installments
External commercial borrowing	3.50%	1,119	-	680	454	-	Repayable in 5 half yearly payments
Redeemable preference shares	NA	2	2	-	-	-	The redemption and dividend paid to the preference shares unclaimed if any, is payable on claim.
Total		**36,696**	**13,301**	**8,740**	**8,790**	**5,969**	

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 ₹ 1,000 Crore.

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

(₹ in Crore)

Particulars	Short-term borrowings	Long-term borrowings*	Total debt
Opening balance at 01 April 2021	1,140	31,026	32,166
Cash flow	5,618	(1,308)	4,310
Other non-cash changes	67	153	220
As at 31 March 2022	**6,825**	**29,871**	**36,696**
Opening balance at 01 April 2022	**6,825**	**29,871**	**36,696**
Cash flow	(3,565)	8,740	5,175
Other non cash changes	55	97	152
As at 31 March 2023	**3,315**	**38,708**	**42,023**

*including Current maturities of Long term borrowings.

Other non-cash changes comprised of amortisation of borrowing costs and foreign exchange difference on borrowings.

h) In December 2021, the Company executed a ₹ 8,000 Crore facility agreement with Union Bank of India Limited to take over a long term syndicated facility of ₹ 10,000 Crore. This loan is secured by the way of pledge over the shares held by the Company in Hindustan Zinc Limited ("HZL") equal to minimum 1x outstanding loan value (calculated quarterly at Value Weighted Average Price), currently representing 6.77% (31 March 2022: 5.77%) of the paid-up shares of HZL. Further, the Company has also signed a Non-Disposal Undertaking ("NDU") in respect of its shareholding in HZL to the extent of 50.10% of the paid-up share capital of HZL. As at 31 March 2023, the outstanding loan amount under the facility is ₹ 7,240 Crore (31 March 2022: ₹ 7,840 Crore).

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18 Financial liabilities - Trade payables

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Undisputed dues – MSME		
Not due	82	70
Less than 1 year	130	115
1-2 years	4	4
2-3 years	2	2
More than 3 years	-	4
Sub-total	**218**	**195**
Undisputed dues - Others		
Unbilled dues	1,316	1,173
Not due	2,893	2,817
Less than 1 year	1,056	1,193
1-2 Years	90	23
2-3 years	23	72
More than 3 years	57	50
Sub-total	**5,435**	**5,328**
Disputed dues - Others		
1-2 Years	-	1
More than 3 years	1	-
Sub-total	**1**	**1**
Total	**5,654**	**5,524**

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

(b) For amount due and terms and conditions relating to related party payables. Refer note 39.

19 Operational Buyers'/ Suppliers' Credit is availed in foreign currency from offshore branches of Indian banks or foreign banks at an interest rate ranging from 0.69% to 7.38% (31 March 2022: 0.29% to 3.16%) per annum and in rupee from domestic banks at interest rate ranging from 4.35% to 8.80% (31 March 2022: 4.00% to 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.

20 Financial liabilities - Others

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Liability for capital expenditure	-	7,082	7,082	192	6,427	6,619
Security deposits and retentions	-	39	39	-	29	29
Interest accrued but not due	-	445	445	-	180	180
Unpaid/unclaimed dividend [a]	-	114	114	-	96	96
Dividend payable	-	7,613	7,613	-	-	-
Unpaid matured deposits and interest accrued thereon [b]	-	0	0	-	0	0
Profit petroleum payable	-	1,849	1,849	-	1,413	1,413
Dues to related parties (Refer note 39)	-	287	287	-	155	155
Other liabilities [c]	-	996	996	-	1,502	1,502
Total	**-**	**18,425**	**18,425**	**192**	**9,802**	**9,994**

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(a) Does not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund except ₹ 0.23 Crore (31 March 2022: ₹ 0.13 Crore) which is held in abeyance due to a pending legal case.

(b) Matured deposits of ₹ 0.01 Crore (31 March 2022: ₹ 0.01 Crore) due for transfer to Investor Education and Protection Fund have not been transferred in view of pending litigation between the beneficiaries.

(c) Includes revenue received in excess of entitlement interest of ₹ 239 Crore (31 March 2022: ₹ 750 Crore) of which ₹ 135 Crore is payable to ONGC, reimbursement of expenses, provision for expenses, liabilities related to compensation/ claim etc.

21 The movement in lease liabilities is as follows :

(₹ in Crore)

At 01 April 2021	**133**
Additions during the year	12
Interest on lease liabilities	7
Payments made	(64)
FCTR and other adjustments	(6)
At 01 April 2022	**82**
Additions during the year	29
Interest on lease liabilities	6
Payments made	(22)
FCTR and other adjustments	2
At 31 March 2023	**97**

22 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 2023

(₹ in Crore)

Financial Assets	Fair value through profit or loss	Fair value through other comprehensive income	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Investments*	1,885	81	-	-	1,966	1,966
Trade receivables	171	-	-	2,370	2,541	2,541
Cash and cash equivalents	-	-	-	5,147	5,147	5,147
Other bank balances	-	-	-	318	318	318
Loans	-	-	-	633	633	633
Derivatives	19	-	79	-	98	98
Other financial assets	-	-	-	9,919	9,919	9,919
Total	**2,075**	**81**	**79**	**18,387**	**20,622**	**20,622**

(₹ in Crore)

Financial Liabilities	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Borrowings	-	-	42,023	42,023	41,974
Trade payables	899	-	4,755	5,654	5,654
Operational buyers' credit / suppliers' credit	-	-	10,485	10,485	10,485
Derivatives	67	104	-	171	171
Other financial liabilities**	-	-	18,522	18,522	18,522
Total	**966**	**104**	**75,785**	**76,855**	**76,806**

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As at 31 March 2022

(₹ in Crore)

Financial Assets	Fair value through profit or loss	Fair value through other comprehensive income	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Investments*	615	118	-	-	733	733
Trade receivables	248	-	-	3,155	3,403	3,403
Cash and cash equivalents	-	-	-	5,518	5,518	5,518
Other bank balances	-	-	-	1,393	1,393	1,393
Loans	-	-	-	519	519	519
Derivatives	3	-	246	-	249	249
Other financial assets	-	-	-	9,071	9,071	9,071
Total	**866**	**118**	**246**	**19,656**	**20,886**	**20,886**

(₹ in Crore)

Financial Liabilities	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Borrowings	-	-	36,696	36,696	36,789
Trade payables	990	-	4,534	5,524	5,524
Operational buyers' credit / suppliers' credit	-	-	9,261	9,261	9,261
Derivatives	67	216	-	283	283
Other financial liabilities**	-	-	10,076	10,076	10,076
Total	**1,057**	**216**	**60,567**	**61,840**	**61,933**

* Excludes investments (in equity shares, preference shares and debentures) 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".

**Includes lease liabilities of ₹ 97 Crore (31 March 2022: ₹ 82 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 2023 and 31 March 2022 measured at fair value:

As at 31 March 2023

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
- Investments	1,786	-	99
- Derivative financial assets*	-	19	-
- Trade receivables	-	171	-
At fair value through other comprehensive income			
- Investments	70	-	11
Derivatives designated as hedging instruments			
- Derivative financial assets*	-	79	-
Total	**1,856**	**269**	**110**

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(₹ in Crore)

Financial liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
- Derivative financial liabilities*	-	67	-
- Trade payables	-	899	-
Derivatives designated as hedging instruments			
- Derivative financial liabilities*	-	104	-
Total	**-**	**1,070**	**-**

As at 31 March 2022

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
- Investments	585	-	30
- Derivative financial assets*	-	3	-
- Trade receivables	-	248	-
At fair value through other comprehensive income			
- Investments	107	-	11
Derivatives designated as hedging instruments			
- Derivative financial assets*	-	246	-
Total	**692**	**497**	**41**

(₹ in Crore)

Financial liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
- Derivative financial liabilities*	-	67	-
- Trade payables	-	990	-
Derivatives designated as hedging instruments			
- Derivative financial liabilities*	-	216	-
Total	**-**	**1,273**	**-**

* Refer "D" below.

The below table summarises the fair value of borrowings which are carried at amortised cost as at 31 March 2023 and 31 March 2022:

As at 31 March 2023

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
Borrowings	-	41,974	-
Total	**-**	**41,974**	**-**

As at 31 March 2022

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
Borrowings	-	36,789	-
Total	**-**	**36,789**	**-**

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:

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Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house. For other listed securities traded in markets which are not active, the quoted price is used wherever the pricing mechanism is same as for other marketable securities traded in active markets. Other current investments are valued on the basis of market trades, poll and primary issuances for securities issued by the same or similar issuer and for similar maturities or based on the applicable spread movement for the security derived based on the aforementioned factor(s).

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

Other non-current financial assets and liabilities: Fair value is calculated using a discounted cash flow model with market assumptions, unless the carrying value is considered to approximate to fair value.

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

Derivative financial assets/ liabilities: The Company executes 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 2023 and 31 March 2022 have been measured as at that date. As such, the fair values of these financial instruments subsequent to reporting date may be different than the amounts reported at each 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 and Risk Management Committee ("ARC"). The ARC 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.

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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 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

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basis hedges the aluminium content in outsourced alumina to protect its margins. The Company also executes 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. The Company also hedges variability of crude price through forward contracts on selective basis.

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 2023, the value of net financial liabilities linked to commodities (excluding derivatives) accounted for on provisional prices was ₹ 728 Crore (31 March 2022: liabilities of ₹ 742 Crore). These instruments are subject to price movements at the time of final settlement and the final price of these instruments will be determined in the financial year beginning 01 April 2023.

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 2023

(₹ in Crore)

	Total Exposure	Effect on profit/ (loss) of a 10% increase in the LME	Effect on total equity of a 10% increase in the LME
Copper	(967)	(97)	-

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For the year ended 31 March 2022

(₹ in Crore)

	Total Exposure	Effect on profit/ (loss) of a 10% increase in the LME	Effect on total equity of a 10% increase in the LME
Copper	(891)	(89)	-

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 ₹ 129 Crore loss (31 March 2022: ₹ 122 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 ratings on the long-term bank facilities and debt instruments of the Company was maintained at 'CRISIL AA' during FY 2023 after upgrade to 'CRISIL AA' from 'CRISIL AA-' in February 2022. However, Outlook has been revised to negative in March 2023.

The short-term rating on bank facilities and commercial paper has been reaffirmed at 'CRISIL A1+'
India Ratings, after upgrading the Company's long-term issuer ratings to "IND AA" from "IND AA-" with stable outlook in March 2022, reaffirmed its ratings at "IND AA" with stable outlook in May 2022. Outlook was revised to "negative" in March 2023.

The ratings affirmation factors in robust operating profitability significantly higher than pre-pandemic levels. Further, consolidated EBITDA is expected to increase driven by healthy commodity prices that are expected to remain stable around current levels, robust operating rates across key businesses, increased volume growth in Aluminium business supported by commissioning of new capacity during fiscal 2024 along with expected reduction in cost of production for Aluminium business on the back of alumina refinery expansion and commissioning of captive coal mines. The revision in outlook reflects possibility of higher-than-expected financial leverage and lower financial flexibility.

Anticipated future cash flows, together with undrawn fund based committed facilities of ₹ 579 Crore, and cash, bank and short term investments of ₹ 7,364 Crore as at 31 March 2023, 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

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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 2023

(₹ in Crore)

Payments due by year	<1 year	1-3 years	3-5 years	>5 years	Total
Borrowings *	12,955	17,650	13,063	10,690	54,358
Derivative financial liabilities	151	20	-	-	171
Lease liabilities	46	19	3	29	97
Trade Payables and other financial liabilities **	34,266	-	-	-	34,266
Total	**47,418**	**17,689**	**13,066**	**10,719**	**88,892**

As at 31 March 2022

(₹ in Crore)

Payments due by year	<1 year	1-3 years	3-5 years	>5 years	Total
Borrowings *	15,502	11,897	10,457	6,773	44,629
Derivative financial liabilities	277	6	-	-	283
Lease liabilities	25	27	3	27	82
Trade Payables and other financial liabilities **	24,478	192	-	-	24,670
Total	**40,282**	**12,122**	**10,460**	**6,800**	**69,664**

*Includes Non-current borrowings, 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 interest accrued on borrowings.

The Company had access to following funding facilities :

As at 31 March 2023

(₹ in Crore)

Funding facilities	Total Facility	Drawn	Undrawn
Fund/non-fund based	58,039	52,754	5,285

As at 31 March 2022

(₹ in Crore)

Funding facilities	Total Facility	Drawn	Undrawn
Fund/non-fund based	46,341	44,183	2,158

(b) Foreign exchange risk

Fluctuations in foreign currency exchange rates may have an impact on the statement of profit and loss, the statement of changes in equity, where any transaction references more than one currency or where assets/ liabilities are denominated in a currency other than the functional currency of the Company.

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

The Company's presentation currency is the Indian Rupee (INR). The assets are located in India and the Indian Rupee is the functional currency except for Oil and Gas business operations which have a dual functional currency. Natural hedges available in the business are identified at each entity level and hedges are placed only for the net exposure. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted for project expenditures to avoid budget overruns, where cost of the project is

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calculated taking into account the hedge cost. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed.

The following analysis is based on the gross exposure as at the reporting date which could affect the statement of profit and loss. The exposure is mitigated by some of the derivative contracts entered into by the Company as disclosed under the section on "Derivative financial instruments".

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

(₹ in Crore)

Currency	As at 31 March 2023		As at 31 March 2022	
	Financial Assets	Financial liabilities	Financial Assets	Financial liabilities
INR	16,304	53,560	12,975	43,582
USD	4,033	22,876	7,656	17,882
Others	285	419	255	376
Total	**20,622**	**76,855**	**20,886**	**61,840**

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 2023

(₹ in Crore)

	Effect of 10% strengthening of functional currency on pre-tax profit/ (loss)	Effect of 10% strengthening of foreign currency on equity
USD	1,438	-
INR	(456)	-

For the year ended 31 March 2022

(₹ in Crore)

	Effect of 10% strengthening of functional currency on pre-tax profit/ (loss)	Effect of 10% strengthening of foreign currency on equity
USD	666	-
INR	(384)	-

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

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(c) **Interest rate risk**

At 31 March 2023, the Company's net debt of ₹ 34,659 Crore (31 March 2022: ₹ 29,639 Crore) comprises debt of ₹ 42,023 Crore (31 March 2022: ₹ 36,696 Crore) offset by cash, bank and short term investments of ₹ 7,364 Crore (31 March 2022: ₹ 7,057 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 2023 to interest rate risk is as follows:

(₹ in Crore)

As at 31 March 2023	Total	Floating rate Financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial Assets	20,622	1,786	2,317	16,519

The exposure of the Company's financial liabilities as at 31 March 2023 to interest rate risk is as follows:

(₹ in Crore)

As at 31 March 2023	Total	Floating rate Financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Financial Liabilities	76,855	30,982	21,568	24,305

The exposure of the Company's financial assets as at 31 March 2022 to interest rate risk is as follows:

(₹ in Crore)

As at 31 March 2022	Total	Floating rate Financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial Assets	20,886	585	4,314	15,987

The exposure of the Company's financial liabilities as at 31 March 2022 to interest rate risk is as follows:

(₹ in Crore)

As at 31 March 2022	Total	Floating rate Financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Financial Liabilities	61,840	24,876	21,628	15,336

Considering the net debt position as at 31 March 2023 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 Crore)

Increase in interest rates	Effect on pre-tax profit/(loss) during the year ended 31 March 2023	Effect on pre-tax profit/(loss) during the year ended 31 March 2022
0.50%	(146)	(121)
1.00%	(292)	(243)
2.00%	(584)	(486)

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 ₹ 20,622 Crore and ₹ 20,886 Crore as at 31 March 2023 and 31 March 2022 respectively.

The maximum credit exposure on financial guarantees given by the Company for various financial facilities is described in Note 38 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 the year end, that defaults in payment obligations will occur except as described in Notes 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 2023 and 31 March 2022:

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(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Neither impaired nor past due	8,847	8,134
Past due but not impaired		
- Less than 1 month	627	1,692
- Between 1–3 months	135	66
- Between 3–12 months	80	121
- Greater than 12 months	2,182	2,093
Total	**11,871**	**12,106**

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 Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

Movement in allowances for Financial Assets (Trade receivables and financial assets - others)

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

(₹ in Crore)

Particulars	Trade receivables	Financial assets - others	Financial assets - loans
As at 01 April 2021	**803**	**730**	**5**
Allowance made during the year	198	7	-
Exchange differences	-	10	-
As at 31 March 2022	**1,001**	**747**	**5**
Allowance made during the year	355	-	-
Reversals/ write-off during the year	-	(95)	
Exchange differences	-	30	-
As at 31 March 2023	**1,356**	**682**	**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.

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(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 2023.

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 2022. 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 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 2024 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 Crore)

Derivative Financial Instruments	As at 31 March 2023		As at 31 March 2022	
	Assets	Liabilities	Assets	Liabilities
Current				
Cash flow hedge*				
- Commodity contracts	30	-	231	62
- Interest rate swap	-	-	1	-
Fair Value hedge				
- Commodity contracts	45	69	10	57
- Forward foreign currency contracts	4	15	4	91
Non - qualifying hedges/economic hedge				
- Forward foreign currency contracts	19	67	3	67
Sub-total (A)	**98**	**151**	**249**	**277**

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(₹ in Crore)

Derivative Financial Instruments	As at 31 March 2023		As at 31 March 2022	
	Assets	Liabilities	Assets	Liabilities
Non-current				
Fair value hedge				
- Forward foreign currency contracts	-	20	-	6
Sub-total (B)	**-**	**20**	**-**	**6**
Total (A+B)	**98**	**171**	**249**	**283**

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

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

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

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Forex forward cover (buy)	9,679	12,558
Forex forward cover (sell)	0	161
Interest rate swap	3,261	1,735
Total	**12,940**	**14,454**

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Purchases	Sales	Purchases	Sales
Forwards/ Futures				
Crude (BBL)	-	-	-	1,680,000
Copper (MT)	5,550	11,775	7,425	24,800
Gold (Oz)	-	16,940	-	17,625
Silver (Oz)	13,987	68,455	16,091	66,770
Aluminium (MT)	63,100	2,750	12,750	78,425

23 Other liabilities

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Amount payable to owned post-employment benefit trust	-	14	14	-	14	14
Other statutory liabilities [a]	-	931	931	-	1,097	1,097
Deferred government grant [b]	2,364	83	2,447	2,346	80	2,426
Advance from customers [c]	-	8,074	8,074	404	3,159	3,563
Advance from related party (Refer note 39) [c]	-	3	3	-	2	2
Other liabilities	-	120	120	1	122	123
Total	**2,364**	**9,225**	**11,589**	**2,751**	**4,474**	**7,225**

(a) Other statutory liabilities mainly include payable for PF, ESIC, withholding taxes, goods and 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 equipment accounted for as government grant and being amortised over the useful life of such assets.

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(c) Advance from customers are contract liabilities to be settled through delivery of goods. The amount of such balances as on 01 April 2021 was ₹ 4,496 Crore. During the current year, the Company has recognised revenue of ₹ 3,511 Crore (31 March 2022: ₹ 4,481 Crore) out of opening balances. All other changes are either due to receipt of fresh advances or exchange differences.

24 Provisions

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Provision for employee benefits (Refer note 25) [a]						
- Retirement Benefit	61	32	93	-	77	77
- Others	-	93	93	-	79	79
Provision for restoration, rehabilitation and environmental costs [b,c]	1,312	4	1,316	1,268	2	1,270
Total	**1,373**	**129**	**1,502**	**1,268**	**158**	**1,426**

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

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

(₹ in Crore)

Particulars	Restoration, rehabilitation and environmental costs (Refer c)
At 01 April 2021	1,169
Unwinding of discount (Refer note 32)	24
Revision in estimates	40
Exchange differences	37
At 31 March 2022	**1,270**
Additions	41
Amounts used	(1)
Unwinding of discount (Refer note 32)	30
Revision in estimates	(131)
Exchange differences	107
At 31 March 2023	**1,316**

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 and 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.

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25 Employee Benefit Plans

The Company participates in defined contribution and benefit plans, the assets of which are held (where funded) in separately administered funds.

For defined contribution plans, the amount charged to the statement of profit and loss is the total amount of contributions payable in the year.

For defined benefit plans, the cost of providing benefits under the plans is determined by actuarial valuation separately each year for each plan using the projected unit credit method by independent qualified actuaries as at the year end. Remeasurement gains and losses arising in the year are recognised in full in other comprehensive income for the year.

i) Defined contribution plans

The Company contributed a total of ₹ 66 Crore for the year ended 31 March 2023 and ₹ 60 Crore for the year ended 31 March 2022 to the following defined contribution plans.

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Employer's contribution to recognised provident fund and family pension fund	49	40
Employer's contribution to superannuation	13	17
Employer's contribution to National Pension Scheme (NPS)	4	3
Total	**66**	**60**

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 2023 and 12% for the year ended 31 March 2022) of an employee's basic salary, and includes contribution made to Family Pension fund as explained below. 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 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 (included in the 12% rate specified above). 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.

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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 Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Conditions for grant of exemption stipulates that the employer shall make good deficiency, if any, between the return guaranteed by the statute and actual earning of the Fund. Based on actuarial valuation in accordance with Ind AS 19 and the Guidance note issued by the 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 as at 31 March 2023 and 31 March 2022. Having regard to the assets of the Fund and the return on the investments, the Company does not expect any deficiencies in the foreseeable future.

The Company contributed a total of ₹ 8 Crore for the year ended 31 March 2023 and ₹ 7 Crore for the year ended 31 March 2022. The present value of obligation and the fair value of plan assets of the trust are summarized below.

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Fair value of plan assets	283	262
Present value of defined benefit obligations	(282)	(257)
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 2023	Year ended 31 March 2022
Government Securities	53%	43%
Debentures/ bonds	41%	45%
Equity	6%	12%
Fixed deposits	0%	0%

(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 the Life Insurance Corporation of India (LIC) and ICICI Prudential Life Insurance Company Limited (ICICI).

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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 2023	Year ended 31 March 2022
Discount rate	7.39%	7.16%
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 Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Fair value of plan assets	159	151
Present value of defined benefit obligations	(252)	(228)
Net liability arising from defined benefit obligation	**(93)**	**(77)**

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

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	23	21
Net interest cost	5	3
Components of defined benefit costs recognised in profit or loss	**28**	**24**

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

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Re-measurement of the net defined benefit obligation:-		
Actuarial losses arising from demographic adjustments	0	1
Actuarial losses/ (gains) arising from experience adjustments	15	(1)
Actuarial (gains)/ losses arising from changes in financial assumptions	(2)	22
Losses on plan assets	2	1
Components of defined benefit costs recognised in other comprehensive income	**15**	**23**

Movement in present value of the Gratuity plan:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	228	188
Current service cost	21	21
Benefits paid	(29)	(16)
Interest cost	16	13
Actuarial losses/ (gains) arising from changes in assumptions	16	22
Closing balance	**252**	**228**

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

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	151	146
Contributions received	24	12
Benefits paid	(25)	(16)
Re-measurement loss arising from return on plan assets	(2)	(1)
Interest income	11	10
Closing balance	**159**	**151**

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

The actual return on plan assets was ₹ 9 Crore for the year ended 31 March 2023 and ₹ 9 Crore for the year ended 31 March 2022.

The weighted average duration of the defined benefit obligation is 14.03 years and 15.67 years as at 31 March 2023 and 31 March 2022 respectively.

The Company expects to contribute ₹ 17 Crore to the funded defined benefit plans in during the year ended 31 March 2024.

Sensitivity analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

(₹ in Crore)

Increase/ (Decrease) in defined benefit obligation	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate		
Increase by 0.50%	(13)	(11)
Decrease by 0.50%	13	11
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	13	11
Decrease by 0.50%	(13)	(11)

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.

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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 the LIC and 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.

26 Employee benefits expense [a, b]

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and Wages	1,244	1,216
Share based payments (Refer note 27)	48	29
Contributions to provident and other funds (Refer Note 25)	97	88
Staff welfare expenses	106	90
Less: Cost allocated/ directly booked in Joint ventures	(569)	(556)
Total	**926**	**867**

a. Net of recoveries of ₹ 49 Crore (31 March 2022: ₹ 52 Crore) from subsidiaries.

b. Net of capitalisation of ₹ 34 Crore (31 March 2022: ₹ 35 Crore).

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27 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 its 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 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 2023 and year ended 31 March 2022 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, Free Cash Flows, ESG and Carbon footprint 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 2023 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding 01 April 2022	Options granted during the year	Options transferred (to)/ from Parent/ fellow subsidiaries	Options forfeited/ lapsed during the year	Options exercised during the year	Options outstanding 31 March 2023	Options exercisable 31 March 2023
2018-19	01 November 2021 - 30 April 2022	3,23,015	-	-	-	2,81,565	41,450	41,450*
2019-20	29 November 2022 - 28 May 2023	1,14,81,718	-	-	61,53,328	41,76,303	11,52,087	11,52,087
2019-20	Cash settled	18,350	-	-	9,740	8,610	-	-
2020-21	06 November 2023 - 05 May 2024	1,08,07,521	-	-	24,81,770	-	83,25,751	-
2020-21	Cash settled	19,164	-	-	19,164	-	-	-
2021-22	01 November 2024 - 30 April 2025	1,13,04,599	-	-	17,83,209	-	95,21,390	-
2021-22	Cash settled	16,907	-	-	16,907	-	-	-
2022-23	01 November 2025 - 30 April 2026	-	1,44,37,268	-	9,10,824	-	1,35,26,444	-
2022-23	Cash settled	-	24,888	-	-	-	24,888	-
		3,39,71,274	**1,44,62,156**	**-**	**1,13,74,942**	**44,66,478**	**3,25,92,010**	**11,93,537**

*Options for some employees could not be exercised within exercise period due to technical issues.

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The details of share options for the year ended 31 March 2022 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding 01 April 2021	Options granted during the year	Options transferred (to)/ from Parent/ fellow subsidiaries	Options forfeited/ lapsed during the year	Options exercised during the year	Options outstanding 31 March 2022	Options exercisable 31 March 2022
2017-18	01 September 2020 - 28 February 2021	3,76,940	-	-	23,457	3,53,483	-	-
2018-19	01 November 2021 - 30 April 2022	99,12,240	-	-	69,06,444	26,82,781	3,23,015	3,23,015
2018-19	Cash settled	99,086	-	-	-	99,086	-	-
2019-20	29 November 2022 - 28 May 2023	1,35,72,278	-	-	20,90,560	-	1,14,81,718	-
2019-20	Cash settled	80,050	-	-	61,700	-	18,350	-
2020-21	06 November 2023 - 05 May 2024	1,27,11,112	-	-	19,03,591	-	1,08,07,521	-
2020-21	Cash settled	87,609	-	-	68,445	-	19,164	-
2021-22	01 November 2024 - 30 April 2025	-	1,20,83,636	-	7,79,037	-	1,13,04,599	-
2021-22	Cash settled	-	16,907	-	-	-	16,907	-
		3,68,39,315	**1,21,00,543**	**-**	**1,18,33,234**	**31,35,350**	**3,39,71,274**	**3,23,015**

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 2023 and 31 March 2022 are set out below:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
	ESOS 2022	ESOS 2021
Number of Options	Cash settled - 24,888 Equity settled - 1,44,37,268	Cash settled - 16,907 Equity settled - 1,20,83,636
Exercise Price	₹ 1	₹ 1
Share Price at the date of grant	₹ 286.90	₹ 302.15
Contractual Life	3 years	3 years
Expected Volatility	50.95%	49.67%
Expected option life	3 years	3 years
Expected dividends	7.11%	6.80%
Risk free interest rate	7.07%	5.02%
Expected annual forfeitures	10% p.a	10% p.a
Fair value per option granted (Non-market performance based)	₹ 182.46	₹ 193.97

Weighted average share price at the date of exercise of stock options was ₹ 303.80 (31 March 2022: ₹ 339.32)

The weighted average remaining contractual life for the share options outstanding was 1.76 years (31 March 2022: 1.62 years).

The Company recognised total expenses of ₹ 85 Crore (31 March 2022: ₹ 43 Crore) related to equity settled share based payment transactions for the year ended 31 March 2023 out of which ₹ 33 Crore (31 March 2022: ₹ 15 Crore) was recovered from group companies. The total (reversal)/ charge recognised on account of cash settled share based plan during the year ended 31 March 2023 is ₹ (2) Crore (31 March 2022: ₹ 2 Crore) and the carrying value of cash settled share based compensation liability as at 31 March 2023 is ₹ 2 Crore (31 March 2022: ₹ 4 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 2023		Year ended 31 March 2022	
	Number of options	Weighted average exercise price in ₹	Number of options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	10,37,641	286.85	33,15,174	287.31
Granted during the year	Nil	NA	Nil	NA
Expired during the year	Nil	NA	Nil	NA
Exercised during the year	2,66,914	286.85	4,83,085	286.85
Forfeited/ cancelled during the year	7,70,727	286.85	17,94,448	287.70
Outstanding at the end of the year	-	-	10,37,641	286.85
Exercisable at the end of the year	-	-	10,37,641	286.85

Weighted average share price at the date of exercise of stock options was ₹ 411.80 (31 March 2022: ₹ 375.89)

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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 2023 are:			
CIESOP Plan	286.85	-	286.85
The details of exercise price for stock options outstanding as at 31 March 2022 are:			
CIESOP Plan	286.85	0.31	286.85

Out of the total expense of ₹ 50 Crore (31 March 2022: ₹ 30 Crore) pertaining to above options for the year ended 31 March 2023, the Company has capitalised ₹ 2 Crore (31 March 2022: ₹ 1 Crore) expense for the year ended 31 March 2023.

28 Revenue from operations

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products	67,105	62,692
Sale of services	88	109
Total	**67,193**	**62,801**

a) Revenue from sale of products and from sale of services for the year ended 31 March 2023 includes revenue from contracts with customers of ₹ 67,778 Crore (31 March 2022: ₹ 62,781 Crore) and a net loss on mark-to-market of ₹ 585 Crore (31 March 2022: gain of ₹ 20 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) 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.

29 Other operating income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Export incentives	194	244
Scrap sales	182	130
Miscellaneous income (Refer Note 39(M))	511	102
Total	**887**	**476**

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30 Other Income

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Net gain on investments measured at FVTPL	44	1
Net gain on sale of long term investments (Refer Note 39)	-	16
Interest income from financial assets at amortised cost		
- Bank deposits	103	78
- Loans	64	73
- Others	140	69
Interest on income tax refund	42	-
Dividend income from		
- financial assets at FVOCI	0	1
- investment in subsidiaries	20,711	7,828
Profit on sale of assets	-	129
Deferred government grant income	81	78
Miscellaneous income	77	74
Total	**21,262**	**8,347**

31 Changes in inventories of finished goods and work-in-progress

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening Stock:		
Finished Goods	385	548
Work in progress	3,018	1,681
Total	**3,403**	**2,229**
Add: Foreign exchange translation	17	2
Less: Closing Stock		
Finished Goods	336	385
Work in progress	2,503	3,018
Total	**2,839**	**3,403**
Changes in Inventory	**581**	**(1,172)**

32 Finance Cost

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on financial liabilities at amortised cost [a]	4,405	3,123
Other finance costs	276	265
Net interest on defined benefit arrangement	5	3
Unwinding of discount on provisions (Refer note 23)	30	24
Less: Allocated to Joint venture	(1)	(2)
Less: Capitalisation of finance costs [b] (Refer note 5)	(331)	(267)
Total	**4,384**	**3,146**

a) Includes interest expense on lease liabilities for the year ended 31 March 2023 is ₹ 6 Crore (31 March 2022: ₹ 7 Crore).

b) Interest rate of 6.75% (31 March 2022: 7.39%) was used to determine the amount of general borrowing costs eligible for capitalization in respect of qualifying asset for the year ended 31 March 2023.

c) Interest expense on income taxes is ₹ 48 Crore (31 March 2022: ₹ NIL Crore).

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33 Other Expenses *

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cess on crude oil	1,675	1,568
Royalty	335	375
Consumption of stores and spare parts	1,032	908
Repairs to plant and equipment	597	512
Carriage	1,342	1,359
Mine expenses	231	257
Net loss on foreign currency transactions and translations	352	134
Repairs to building	90	67
Insurance	110	98
Repairs others	93	88
Loss on sale/ discard of property, plant and equipment (net)	21	-
Rent [d]	18	17
Rates and taxes	13	8
Exploration costs written off (Refer note 5)	315	-
Directors sitting fees and commission	3	4
Remuneration to auditors [a]	9	11
Provision for doubtful advances/ expected credit loss	435	233
Bad debts written off	1	6
Share of expenses in producing oil & gas	1,884	1,472
Donation [b]	160	130
Miscellaneous expenses [c]	4,024	3,135
Less: Cost allocated/directly booked in Joint ventures	(418)	(331)
Total	**12,322**	**10,051**

* Net of recoveries of ₹ 66 Crore (31 March 2022: ₹ 79 Crore) from subsidiaries

(a) Remuneration to auditors comprises:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Payment to auditors		
For statutory audit (including quarterly reviews)	7	6
For overseas reporting	1	4
For certification and other attest services	0	0
For other services	1	1
For reimbursement of expenses	0	0
Total	**9**	**11**

(b) Includes contributions through electoral bonds of ₹ 155 Crore (31 March 2022: ₹ 123 Crore).

(c) Includes Corporate social responsibility expenses of ₹ 112 Crore (31 March 2022: ₹ 37 Crore) as detailed in note 41(a).

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

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34 Exceptional Items

(₹ in Crore)

Particulars	Year ended 31 March 2023			Year ended 31 March 2022		
	Exceptional Items	Tax effect of exceptional items	Exceptional items after tax	Exceptional Items	Tax effect of exceptional items	Exceptional items after tax
Property, plant and equipment, exploration intangible assets under development, capital work-in-progress and other assets (impaired)/ reversal or (written off)/ written back in:						
- Oil and Gas						
1) Exploration wells written off [a]	-	-	-	(1,412)	493	(919)
2) Reversal of previously recorded impairment [b,c]	910	-	910	1,370	(479)	891
- Aluminium [d]	-	-	-	(125)	44	(81)
- Unallocated						
1) Reversal of previously recorded impairment on investments in BFL [e]	780	-	780	-	-	-
2) Capital work-in-progress written off [f]	-	-	-	(24)	8	(16)
3) Impairment reversal on investments in OCRPS [g]	3,187		3,187	-	-	-
SAED on Oil and Gas sector [h]	(524)	103	(421)	-	-	-
Provision for legal disputes (including change in law), force majeure and similar incidences in:						-
- Copper [i]	-	-	-	(54)	19	(35)
- Aluminium [j]	-	-	-	(73)	26	(47)
Total	**4,353**	**103**	**4,456**	**(318)**	**111**	**(207)**

a. During the year ended 31 March 2022, based on the outcome of exploration and appraisal activities in its PSC block RJON-90/1 block and RSC blocks awarded under OALP (Open Acreage Licensing Policy), an amount of ₹ 1,412 Crore towards unsuccessful exploration cost had been charged off to the statement of profit and loss during the previous year, as these had proven to be either technically or commercially unviable.

b. During the year ended 31 March 2023, the Board of Cairn India Holdings Limited ("CIHL"), a wholly owned subsidiary of the Company, approved the scheme of buyback upto US$ 500 mn @ approximately US$ 3.3 per share. Pursuant to the same, CIHL has bought back 10,24,69,151 shares for ₹ 2,665 Crore (US$ 332 mn). Consequently, the Company has recorded a net gain of ₹ 910 Crore, on account of:

   i. Realised loss of ₹ 630 Crore on account of buy back of investment set off by reversal of previously recorded impairment of ₹ 813 Crore on investment bought back.

   ii. An earlier impairment charge of ₹ 727 Crore has been reversed during the year on remaining investment in CIHL.

c. During the year ended 31 March 2022, the Company had recognized an impairment reversal of ₹ 1,370 Crore on its assets in the oil and gas segment comprising:

   i) Impairment reversal of ₹ 1,254 Crore relating to Rajasthan oil and gas block ("CGU") mainly due to increase in crude price forecast. Of this reversal, ₹ 850 Crore impairment reversal had been recorded against oil and gas producing facilities and ₹ 404 Crore impairment charge had been recorded against exploration intangible assets under development.

   The recoverable amount of the Company's share in Rajasthan Oil and Gas cash generating unit "RJ CGU" was determined to be ₹ 5,406 Crore (US$ 715 million) as at 31 March 2022.

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The recoverable amount of the RJ CGU was determined based on the fair value less costs of disposal approach, a level-3 valuation technique in the fair value hierarchy, as it more accurately reflects the recoverable amount based on the Company's view of the assumptions that would be used by a market participant. This was 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$ 86 per barrel for the next one year (and tapers down to long-term nominal price of US$ 68 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 9.88% derived from the post-tax weighted average cost of capital after factoring in the risks ascribed to PSC extension including successful implementation of key growth projects. 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 ₹ 102 Crore (US$ 13 million) and ₹ 159 Crore (US$ 21 million) respectively.

ii. Impairment reversal of ₹ 116 Crore relating to KG-ONN-2003/1 CGU mainly due to increase in crude price forecast and increase in recoverable reserves.

The recoverable amount of the Company's share in this CGU was determined to be ₹ 208 Crore (US$ 27 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 short-term oil price of US$ 86 per barrel for the next one year and tapers down to long-term nominal price of US$ 68 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 10.63%. The sensitivities around change in crude price assumptions and discount rate are not material to the financial statements.

d. In relation to a mine in aluminium business of the Company, the Company had deposited ₹ 125 Crore with the Government of India. Thereafter, the MoEF&CC and the Supreme Court declared the mining project inoperable on environmental grounds. Later, in 2017, the mining license lapsed. Accordingly, the deposit was fully provided for during the previous year.

e. During the year, the Company has recognised an impairment reversal of ₹ 780 Crore on its investments in Bloom Fountain Limited ("BFL"), a wholly owned subsidiary of the Company, mainly due to restart of commercial mining operations at Western Cluster Limited, Liberia ("WCL"), a wholly owned subsidiary of BFL.

During the current year, WCL has signed a Memorandum of Understanding with the Government of Liberia to restart its mining operations and commenced commercial production at its Bomi Mines from July 2022.

Consequently, the net recoverable value of assets and liabilities of WCL has been assessed at ₹ 891 Crore based on the value-in-use approach, using the Discounted Cash Flow Method, a level 3 valuation technique in the fair value hierarchy as it more accurately reflects the recoverable amount. The impairment assessment is based on a range of estimates and assumptions, including long-term selling price as per the consensus report, volumes based on the mine planning and concentrate plant setup and a post-tax nominal discount rate of 14.45%. Any subsequent changes to cash flows due to changes in the above-mentioned factors could impact the carrying value of the assets.

Based on the sensitivities carried out by the Company, a decrease in the long-term selling price by 1% would lead to a decrease in the recoverable value by ₹ 50 Crore and an increase in the discount rate by 1% would lead to a decrease in the recoverable value by ₹ 74 Crore.

f. During the previous year ended 31 March 2022, the Company had recognised a loss of ₹ 24 Crore relating to certain items of capital work-in-progress at one of its closed unit in Gujarat, which were no longer expected to be used.

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g. During the current year ended 31 March 2023, the Company has recognised an impairment reversal of ₹ 3,187 Crore on the investments in OCRPS ("Optionally Convertible Redeemable Preference Shares") of THL Zinc Ventures Limited ("THLZVL"), a wholly owned subsidiary of the Company.

   Recoverable amount of the OCRPS has been determined based on the valuation of Zinc International business ("VZI") which is an indirect subsidiary of THLZVL. The recoverable amount of VZI has been determined based on the fair value less cost of disposal approach, using the discounted cash flow method ("DCF method"), a level 3 valuation technique in the fair value hierarchy. This is based on the cash generated by the extraction and sale of proved and probable reserves/ natural estimated resources which are yet to be exploited during the estimated predetermined life of mine ("LOM") after deducting costs of closure and rehabilitation after expiry of LOM. The cash flows are discounted using the post tax weighted average cost of capital ranging 8.40% to 10.44%. Based on the sensitivities carried out by the Company using the risk adjustment factor of 5%, the recoverable amount is higher than the carrying value, resulting in impairment reversal.

   These investments has been reclassified from Non-current investments to current investments during the current year (Refer Note 6).

h. The Government of India ("GoI") vide its notification dated 30 June 2022 levied Special Additional Excise Duty ("SAED") on production of crude oil, i.e., cess on windfall gain triggered by increase in crude oil prices which is effective from 01 July 2022. The consequential net impact of the said duty has been presented as an exceptional item.

i. A provisional liquidator ('PL') was appointed to manage the affairs of Konkola Copper Mines plc (KCM) on 21 May 2019, after ZCCM Investments Holdings Plc (ZCCM-IH), an entity majority 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 and have also commenced arbitration against ZCCM-IH, consistent with their position that arbitration is the agreed dispute resolution process, together with an application to the South African courts to stay the winding up proceedings consistent with the agreement to arbitrate.

   Meanwhile, KCM has not been supplying goods to the Company and/ or its subsidiaries, which it was supposed to as per the terms of the advance. During the previous year, the Company recognised provisions for expected credit losses of ₹ 54 Crore. As of 31 March 2023, the Company carries provisions of ₹ 105 Crore (31 March 2022: ₹ 105 Crore). Consequently, receivables from KCM as at 31 March 2023 is ₹ Nil Crore (31 March 2022: ₹ Nil Crore).

j. In December 2021, MoEF&CC notified guidelines for thermal power plants for disposal of fly ash and bottom ash produced during power generation process. Effective 01 April 2022, the notification introduced a three-year cycle to achieve average ash utilisation of 100 per cent. The first three-year cycle is extendable by another one year or two years where ash utilisation percentage is in the range of 60-80 per cent or less than 60 per cent, respectively. Further, unutilised accumulated ash, i.e., legacy fly ash stored with such power plants prior to the date of this notification is required to be utilized fully over a ten year period with minimum twenty percent, thirty percent and fifty percent utilisation of annual ash generation in year 1, year 2 and years 3-10 respectively. Such provisions are not applicable where ash pond or dyke has stabilised and the reclamation has taken place with greenbelt or plantation. The Company had performed detailed evaluations for its obligations under this notification and had recorded ₹ 73 Crore as an exceptional item for the year ended 31 March 2022, towards estimated costs of legacy fly ash utilization including reclamation costs.

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35 Tax expense

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

(₹ in Crore)

	Year ended 31 March 2023	Year ended 31 March 2022
Current tax:		
Current tax expense on profit for the year	3,790	3,505
Current tax benefit - exceptional items (Refer Note 34)	(50)	(281)
Total Current Tax (a)	**3,740**	**3,224**
Deferred tax:		
Origination and reversal of temporary differences	(4,033)	(1,023)
(Benefit)/ Charge in respect of exceptional items (Refer Note 34)	(53)	170
Total Deferred Tax (b)	**(4,086)**	**(853)**
Net tax (benefit)/ charge (a+b)	**(346)**	**2,371**
Profit before tax	**27,010**	**19,616**
Effective income tax rate (%)	**(1%)**	**12%**

Tax expense

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Tax benefit on exceptional items	(103)	(111)
Tax (benefit)/ expense - others	(243)	2,482
Net tax (benefit)/ charge	**(346)**	**2,371**

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

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	**27,010**	**19,616**
Indian statutory income tax rate	34.944%	34.944%
Tax at statutory income tax rate	**9,438**	**6,855**
Non-taxable income	-	(4)
Deduction u/s 80M	(7,254)	(2,736)
Tax holidays	(355)	(1,702)
Unrecognised tax assets in respect of earlier years (net)	(1,707)	-
Change in deferred tax balances due to change in tax law	16	(71)
Capital gains/ Other income subject to lower tax rate*	(505)	-
Other permanent differences	21	29
Total	**(346)**	**2,371**

*On account of dividend received from foreign subsidiary taxable at lower rate of 17.472%.

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:

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

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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.

The Company has set up 80IA operations at aluminium division and iron ore division where such benefit has been drawn.

(c) Deferred tax assets/ liabilities

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

For the year ended 31 March 2023

(₹ in Crore)

Significant components of Deferred tax (assets) and liabilities	Opening balance as at 01 April 2022	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	Exchange difference transferred to translation of foreign operation	Charged/ (credited) to equity	Closing balance as at 31 March 2023
Property, Plant and Equipment	4,327	410	-	(9)	-	4,728
Voluntary retirement scheme	1	-	-	-	-	1
Employee benefits	8	(4)	(6)	-	7	5
Fair valuation of derivative asset/ liability	(23)	-	(52)	-	-	(75)
Fair valuation of other asset/ liability	(36)	-	-	-	-	(36)
MAT credit entitlement	(4,839)	(4,345)	-	-	-	(9,184)
Other temporary differences	(556)	(147)	(31)	-	-	(734)
Total	**(1,118)**	**(4,086)**	**(89)**	**(9)**	**7**	**(5,295)**

For the year ended 31 March 2022

(₹ in Crore)

Significant components of Deferred tax (assets) and liabilities	Opening balance as at 01 April 2021	Charged/ (credited) to statement of profit and loss	Charged/ (credited) to other comprehensive income	Exchange difference transferred to translation of foreign operation	Charged/ (credited) to equity	Closing balance as at 31 March 2022
Property, Plant and Equipment	3,848	471	-	8	-	4,327
Voluntary retirement scheme	-	1	-	-	-	1
Employee benefits	15	(9)	(8)	-	10	8
Fair valuation of derivative asset/liability	(23)	-	0	-	-	(23)
Fair valuation of other asset/liability	(36)	(0)	-	-	-	(36)
MAT credit entitlement	(3,701)	(1,122)	-	-	(16)	(4,839)
Other temporary differences	(436)	(194)	74	-	-	(556)
Total	**(333)**	**(853)**	**66**	**8**	**(6)**	**(1,118)**

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

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(d) Non- current tax assets

Non- current tax assets of ₹ 1,311 Crore (31 March 2022: ₹ 1,800 Crore) mainly represents income tax receivable from Indian tax authorities by the Company 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.

36 Earnings per equity share (EPS)

(₹ in Crore, except otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit after tax attributable to equity share holders for Basic and Diluted EPS	27,356	17,245
Weighted Average no. of equity shares outstanding during the year for Basic and Dilutive EPS (in Crore)	372	372
Basic and Diluted Earnings per share (in ₹)	73.54	46.36
Nominal value per share (in ₹)	1.00	1.00

37 Dividends

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Amounts recognised as distributions to equity shareholders:		
Interim dividends: ₹101.50/- per share (31 March 2022: ₹ 45/- per share)	37,658	16,689
Refund of Dividend distribution tax	(86)	-
Total	**37,572**	**16,689**

38 Commitments, contingencies and guarantees

A) Commitments

The Company has a number of continuing operational and financial commitments in the normal course of business including:

- Exploratory mining commitments;
- Oil & gas commitments;
- Mining commitments arising under production sharing agreements; and
- Completion of the construction of certain assets.

Estimated amount of contracts remaining to be executed on capital accounts and not provided for:

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Oil and Gas sector		
Cairn	750	1,211
Aluminium sector		
Lanjigarh Refinery (Phase II)	2,439	2,861
Jharsuguda 1.25 MTPA smelter	1,266	1,577
Copper sector		
Tuticorin Smelter 400 KTPA*	3,066	3,051
Others	721	929
Total	**8,242**	**9,629**

*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 Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Oil and Gas sector		
Cairn (OALP - New Oil and Gas blocks)	5,184	5,615

Other Commitments

(i) The 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 FY 2037. The Company received favourable order from OERC dated 05 October 2021 for conversion of Independent Power Plant ("IPP") to Captive Power Plant ("CPP") w.e.f from 01 January 2022 subject to certain terms and conditions. However, OERC vide order dated 19 February 2022 directed the Company to supply power to GRIDCO from 19 February 2022 onwards. Thereafter, the Company has resumed supplying power to GRIDCO from 01 April 2022 as per GRIDCO's requisition. The OERC vide its order dated 03 May 2023 has reviewed its previous order dated 05 October 2021 and directed the Company to operate Unit 2 as an IPP. The Company is in process of filing an appeal against the said order.

(ii) During the current year ended 31 March 2023, the Company has executed new Power Delivery Agreements ("PDA") with Serentica group companies (Serentica Renewables India 3 Private Limited, Serentica Renewables India 6 Private Limited and Serentica Renewables India 9 Private Limited), which are associates of Volcan, for procuring renewable power over twenty five years from date of commissioning of the combined renewable energy power projects ("the Projects") on a group captive basis. These Serentica group companies were incorporated for building the Projects of approximately 691 MW (31 March 2022: 180 MW). During the current year, the Company has invested ₹ 69 Crore in Optionally Convertible Redeemable Preference shares ("OCRPS") of ₹ 10 each, of Serentica group companies. These OCRPS will be converted into equity basis conversion terms of the PDA, resulting in the Company holding twenty six percent stake in its equity. As at 31 March 2023, total outstanding commitments related to PDA with Serentica group companies are ₹ 605 Crore (31 March 2022: ₹ 230 Crore).

B) Guarantees

The aggregate amount of indemnities and other guarantees on which the Company does not expect any material losses was ₹ 16,899 Crore (31 March 2022: ₹ 17,046 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 ₹ 1,304 Crore relating to the export and payment of import duties on purchases of raw material and capital goods (31 March 2022: ₹ 470 Crore).

b) Guarantees issued for the Company's share of minimum work programme commitments of ₹ 2,742 Crore (31 March 2022: ₹ 2,881 Crore).

c) Guarantees of ₹ 65 Crore (31 March 2022: ₹ 61 Crore) issued under bid bond.

d) Bank guarantees of ₹ 115 Crore (31 March 2022: ₹ 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 primarily in respect of certain short-term and long-term borrowings amounting to ₹ 9,603 Crore (31 March 2022: ₹ 11,631 Crore) (Refer Note 39).

f) Other guarantees worth ₹ 3,070 Crore (31 March 2022: ₹ 1,888 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.

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C) Export Obligations

The Company has export obligations of ₹ 1,262 Crore (31 March 2022: ₹ 831 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 ₹ 307 Crore (31 March 2022: ₹ 192 Crore) reduced in proportion to actual exports, plus applicable interest.

The Company has given bonds of ₹ 367 Crore (31 March 2022: ₹ 224 Crore) to custom authorities against these export obligations.

D) Contingent Liabilities

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

a) Ravva Joint Operations arbitration proceedings

The Ravva Production Sharing Contract (PSC) obliges the contractor parties (including the Company (Cairn India Limited which subsequently merged with the Company, accordingly now referred to as the Company)) 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 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 the Company's favour. GOI's challenge of the Final Award has been dismissed by the Malaysian High Court and the next appellate court in Malaysia i.e. Malaysian Court of Appeal. GOI then filed an appeal at Federal Court of Malaysia. The matter was heard on 28 February 2019 and the Federal Court also dismissed GOI's leave to appeal. Company has also filed for the enforcement of the Partial Award and Final Award before the Hon'ble Delhi High Court. The matter is currently being heard.

While the Company does not believe the GOI will be successful in its challenge, if the Arbitral Awards in above matters are reversed and such reversals are binding, the Company would be liable for approximately ₹ 526 Crore (US$ 64 million) plus interest (31 March 2022: ₹ 484 Crore (US$ 64 million) plus interest).

b) 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 heard the matters and 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

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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 (net of provisions made) are ₹ 774 Crore (31 March 2022: ₹ 774 Crore) including interest and penalty till the date of order. Further, interest and penalty if any, would be additional.

c) Miscellaneous disputes- Income tax

The Company is involved in various tax disputes amounting to ₹ 543 Crore (31 March 2022: ₹ 543 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.

d) 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 ₹ 2,733 Crore (31 March 2022: ₹ 2,500 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.

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

39 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

Vedanta Resources Limited
Finsider International Company Limited [a]
Richter Holdings Limited [a]
Twin Star Holdings Limited [a]
Vedanta Resources Cyprus Limited [a]
Vedanta Resources Finance Limited [a]
Vedanta Resources Holdings Limited [a]
Welter Trading Limited [a]
Westglobe Limited [a]
Vedanta Holdings Mauritius II Limited [a]
Vedanta Holdings Mauritius Limited [a]
Vedanta Holdings Jersey Limited [a]
Vedanta Netherlands Investments BV [a]
Vedanta UK Investments Limited [a]

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

Sterlite Grid 16 Limited
Sterlite Iron and Steel Company Limited
Sterlite Power Transmission Limited
Sterlite Technologies Limited
STL Digital Limited
Twin Star Technologies Limited

C) Associates of ultimate parent (with whom transactions have taken place)

Serentica Renewables India 3 Private Limited [f]
Serentica Renewables India 6 Private Limited [f]
Serentica Renewables India 9 Private Limited [f]

D) Associates and Joint ventures (With whom transaction have taken place)

Gaurav Overseas Private Limited

E) Subsidiaries

Amica Guesthouse (Proprietary) Limited
Athena Chhattisgarh Power Limited [d]
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 Gujarat Block 1 Limited [b]
Cairn Energy Hydrocarbons Limited
Cairn India Holdings Limited
Cairn Lanka (Private) Limited
CIG Mauritius Private Limited [b]
CIG Mauritius Holdings Private Limited [b]
Copper Mines of Tasmania (Proprietary) Limited
Desai Cement Company Private Limited
ESL Steel Limited
Facor Realty and Infrastructure Limited [b]
Ferro Alloys Corporation Limited [e]
Facor Power Limited [e]
Fujairah Gold FZC
Goa Sea Port Private Limited [g]
Hindustan Zinc Alloys Private Limited
Hindustan Zinc Fertilisers Private Limited [c]
Hindustan Zinc Limited
Killoran Lisheen Mining Limited
Lakomasko BV [b]
Lisheen Milling Limited
Lisheen Mine Partnership
Malco Energy Limited
Maritime Ventures Private Limited [g]
Monte Cello BV
Namzinc (Proprietary) Limited
Paradip Multi Cargo Berth Private Limited [g]
Sesa Mining Corporation Limited [g]
Sesa Resources Limited
Skorpion Mining Company (Proprietary) Limited
Skorpion Zinc (Proprietary) Limited
Sterlite Ports Limited [g]
Talwandi Sabo Power Limited
Thalanga Copper Mines (Proprietary) Limited
THL Zinc Holding BV
THL Zinc Limited
THL Zinc Namibia Holdings (Proprietary) Limited
THL Zinc Ventures Limited
Vedanta Lisheen Holdings Limited
Vedanta Lisheen Mining Limited
Vedanta Zinc Football & Sports Foundation
Vizag General Cargo Berth Private Limited
Western Cluster Limited
Zinc India Foundation [c]

F) Post retirement benefit plans (with whom transactions have taken place)

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

G) Others (with whom transactions have taken place) Enterprises over which key management personnel/ their relatives have control or significant influence.

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

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forming part of the financial statements as at and for the year ended 31 March 2023

a. These entities are subsidiary companies of VRL and VRL through its subsidiaries holds 68.11% in the Company.

b. Liquidated during the current year.

c. Incorporated during the current year.

d. Acquired during the current year (Refer note 3(d)).

e. Facor Power Limited ("FPL") merged into Ferro Alloys Corporation Limited ("FACOR"), effective 21 November 2022 (Refer Note 3(d)).

f. During the current year, due to change in shareholding of the intermediate holding company of Serentica group companies, the relationship of Vedanta group with these companies has changed from fellow subsidiaries to associates of Volcan.

g. Refer Note 41(c)

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.

H) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

I) For the year ended 31 March 2023

(₹ in Crore)

	Particulars	Entities controlling the company/ Fellow Subsidiaries	Associates	Subsidiaries	Others	Total
Income :						
(i)	Revenue from operations	1,602	-	1,432	6	**3,040**
(ii)	Other Income					
a)	Interest and guarantee commission	28	-	100	-	**128**
b)	Dividend income	0	-	20,711	-	**20,711**
c)	Brand License and Strategic Service Fees [M]	-	-	318	-	**318**
d)	Outsourcing service fees	5	-	-	-	**5**
e)	Miscellaneous income	-	-	0	1	**1**
Expenditure and other transactions :						
(i)	Purchase of goods/ services [P]	11	-	656	72	**739**
(ii)	Stock options expenses/ (recovery)	-	-	33	-	**33**
(iii)	Allocation of Corporate Expenses	-	-	115	-	**115**
(iv)	Management and Brand Fees [M]	1,701	-	-	-	**1,701**
(v)	Reimbursement for other expenses (net of recovery)	(2)	-	(75)	(2)	**(79)**
(vi)	Corporate Social Responsibility expenditure/ Donation	-	-	-	64	**64**

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forming part of the financial statements as at and for the year ended 31 March 2023

(₹ in Crore)

Particulars	Entities controlling the company/ Fellow Subsidiaries	Associates	Subsidiaries	Others	Total
(vii) Contribution to Post retirement employee benefit trust	-	-	-	8	**8**
(viii) (Purchase)/ Sale of fixed assets	(18)	-	14	-	**(4)**
(ix) Dividend paid					
- To Holding companies	26,170	-	-	0	**26,170**
- To key management personnel and their relatives	-	-	-	2	**2**
- To Non executive directors and their relatives	-	-	-	0	**0**
(x) Commission/ Sitting Fees					
- To Non executive directors	-	-	-	5	**5**
- To other key management personnel	-	-	-	0	**0**
- To relatives of key management personnel	-	-	-	0	**0**
(xi) Interest and guarantee commission expense [Q]	157	-	46	-	**203**
(xii) Miscellaneous expenses	-	-	9	-	**9**
Transactions during the year :					
(i) Financial guarantees given	-	-	1,174	-	**1,174**
(ii) Financial guarantees relinquished	-	-	(3,298)	-	**(3,298)**
(iii) Loans given during the year	-	-	543	-	**543**
(iv) Loans repaid during the year [K]	-	-	431	125	**556**
(v) Investments made during the year (refer note 38)	-	1	-	69	**70**
(vi) Buy back made by subsidiary during the year (refer note 34(b))	-	-	2,665	-	**2,665**
(vii) Long term borrowings taken during the year	-	-	1,084	-	**1,084**
Balances as at year end :					
(i) Trade Receivables	11	-	220	-	**231**
(ii) Loans given [O]	-	-	630	53	**683**
(iii) Long term borrowings	-	-	1,109	-	**1,109**
(iv) Other receivables and advances (including brand fee prepaid) [M, Q]	1,488	9	1,139	33	**2,669**
(v) Trade Payables	21	-	33	15	**69**
(vi) Other payables (including brand fee payable) [M, N]	244	-	46	18	**308**
(vii) Financial guarantee given	-	-	9,541	-	**9,541**
(viii) Banking Limits assigned/utilised to/for group companies [L]	115	-	62	-	**177**
(ix) Sitting fee, commission and consultancy fees payable					
- To Non executive directors	-	-	-	3	**3**
- To key management personnel	-	-	-	0	**0**
(x) Dividend payable					
- To Holding companies	4,887	-	-	0	**4,887**
- To key management personnel and their relatives	-	-	-	1	**1**
- To Non executive directors and their relatives	-	-	-	0	**0**

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Remuneration of key management personnel

(₹ in Crore)

Particulars	For the Year ended 31 March 2023
Short-term employee benefits	36
Post employment benefits *	1
Share based payments	4
Total	**41**

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

J) For the period ended 31 March 2022

(₹ in Crore)

	Particulars	Entities controlling the company/ Fellow Subsidiaries	Associates	Subsidiaries	Others	Total
Income :						
(i)	Revenue from operations	1,176	-	1,831	2	**3,009**
(ii)	Other Income					
a)	Interest and guarantee commission	11	-	103	-	**114**
b)	Dividend income	1	-	7,828	-	**7,829**
c)	Outsourcing service fees	4	-	-	-	**4**
d)	Miscellaneous income	-	-	16	1	**17**
Expenditure and other transactions :						
(i)	Purchase of goods/ services	75	-	682	46	**803**
(ii)	Stock options expenses/ (recovery)	-	-	(15)	-	**(15)**
(iii)	Allocation of Corporate Expenses	-	-	131	-	**131**
(iv)	Management and Brand Fees [M]	1,294	-	-	-	**1,294**
(v)	Reimbursement for other expenses (net of recovery)	(0)	-	(45)	(0)	**(45)**
(vi)	Corporate Social Responsibility expenditure/ Donation	-	-	-	15	**15**
(vii)	Contribution to Post retirement employee benefit trust	-	-	-	8	**8**
(viii)	Sale/ (Purchase) of fixed assets	-	-	(96)	-	**(96)**
(ix)	Dividend paid					
	- To Holding companies	11,346	-	-	6	**11,352**
	- To key management personnel	-	-	-	0	**0**
	- To relatives of key management personnel	-	-	-	1	**1**
(x)	- To Non executive directors and their relatives					
	- To Non executive directors	-	-	-	4	**4**
	- To other key management personnel	-	-	-	1	**1**
(xi)	Interest and guarantee commission expense [Q]	127	-	51	-	**178**
(xii)	Miscellaneous expenses	-	-	7	-	**7**
Transactions during the year :						
(i)	Financial guarantees given	-	-	5,106	-	**5,106**
(ii)	Financial guarantees relinquished	1	-	4,524	-	**4,525**
(iii)	Loans given during the year	0	-	383	-	**383**
(iv)	Loans repaid during the year [K]	-	-	567	99	**666**
(v)	Investments made/ (redeemed) during the year	-	0	(0)	-	**0**
(vi)	Short-term borrowings taken/ (repaid) during the year	-	-	(200)	-	**(200)**

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forming part of the financial statements as at and for the year ended 31 March 2023

(₹ in Crore)

Particulars		Entities controlling the company/ Fellow Subsidiaries	Associates	Subsidiaries	Others	Total
Balances as at year end :						
(i)	Trade Receivables	10	-	27	-	**37**
(ii)	Loans given [O]	-	-	518	178	**696**
(iii)	Other receivables and advances (including brand fee prepaid) [M, Q]	145	9	224	2	**380**
(iv)	Trade Payables	48	-	9	17	**74**
(v)	Other payables	123	-	34	20	**177**
(vi)	Financial guarantee given	-	-	11,569	-	**11,569**
(vii)	Banking Limits assigned/utilised to/for group companies [L]	115	-	62	-	**177**
(viii)	Sitting fee, commission and consultancy fees payable					
	- To Independent directors	-	-	-	3	**3**
	- To key management personnel	-	-	-	0	**0**

Remuneration of key management personnel

(₹ in Crore)

Particulars	For the Year ended 31 March 2022
Short-term employee benefits	34
Post employment benefits *	1
Share based payments	1
Total	**36**

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

K) The Company reduced its loan receivable from Vedanta Limited ESOS Trust by ₹ 125 Crore (31 March 2022: ₹ 99 Crore) on exercise of stock options by employees.

L) Bank guarantee given by the Company 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.

M) The Company has a Brand license and strategic service fee agreement ("the Agreement") with Vedanta Resources Limited ("VRL") for the use of brand 'Vedanta' and providing strategic services which envisaged payment to VRL at 2% of turnover of the Company. During the previous year, the Agreement was extended for a further period of fifteen years. The Company has recorded an expense of ₹ 1,344 Crore (31 March 2022: ₹ 1,236 Crore) for the year ended 31 March 2023. Further, during the current year, based on updated benchmarking analysis conducted by independent experts, the brand license and strategic service fee has been re-negotiated at 3% of the turnover of the Company with effect from 01 April 2023. The Company generally pays such fee in advance, based on its estimated annual turnover.
During the current year, the Company executed a sub-licensing agreement for its existing Brand License and Strategic Services Fee agreement with VRL consequent to which it has sub-licensed the brand license and strategic services to its subsidiary HZL with effect from 01 October 2022. Based on independent benchmarking analysis, an annual fee of 2% of HZL's annual consolidated turnover has been agreed, of which 1.70% would be passed on as a sub-licensing fee to VRL. Consequently, the Company has recognised an income of ₹ 318 Crore and an expense of ₹ 270 Crore for the year ended 31 March 2023.

N) During the year ended 31 March 2021, the Directorate General of Foreign Trade ("DGFT") has issued scrips worth ₹ 216 Crore to the Company under the Target Plus Scheme ("TPS") that must be utilised by February 2023. Out of these, scrips amounting to ₹ 48 Crore and ₹ 3 Crore has been allocated to HZL and BALCO, respectively and corresponding

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liabilities to HZL and BALCO has been recorded in the books of the Company. As at 31 March 2023, scrips of ₹ 28 Crore and ₹ 3 Crore are yet to be utilised with respect to HZL and BALCO, respectively. As the TPS license has expired, the Company has created a provision against these scrips and written back its payable to HZL and BALCO.

O) During the current year ended 31 March 2023, the Company has renewed loan provided to Sterlite Iron and Steel Company Limited for a further period of 12 months. The loan balance as at 31 March 2023 is ₹ 5 Crore (31 March 2022: ₹ 5 Crore). The loan is unsecured in nature and carries an interest rate of 11.13% per annum. The loan including accrued interest thereon have been fully provided for in the books of the Company.

P) During the current year ended 31 March 2023, the Company executed an agency contract with VRL pursuant to which, the Company procured calcined alumina amounting to ₹ 735 Crore on which an agency commission of ₹ 4 Crore was paid to VRL.

Q) 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.

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.

As a consideration for the guarantee with respect to the PSC, the Company pays an annual charge of 1.2% of net exploration and development spend, subject to a minimum annual fee of ₹ 41 Crore (US$ 5 million), in ratio of participating interests held equally by the Company and its step-down subsidiary, Cairn Energy Hydrocarbons Ltd ("CEHL"). As regards the RSC, the Company paid a one-time charge of ₹ 183 crore (US$ 25 million), i.e., 2.5% of the total estimated cost of initial exploration phase of approx. ₹ 7,330 Crore (US$ 1 billion), in the year ended 31 March 2021, and pays an annual charge of 1% of spend, subject to a minimum fee of ₹ 80 Crore (US$ 10 million) and maximum fee of ₹ 160 Crore (US$ 20 million) per annum.

Accordingly, the Company has recorded a guarantee commission expense of ₹ 157 Crore (US$ 20 million) (31 March 2022: ₹ 127 Crore (US$ 17 million)) for the year ended 31 March 2023 and ₹ 75 Crore (US$ 9 million) (31 March 2022: ₹ 126 Crore (US$ 17 million)) is outstanding as a pre-payment as at 31 March 2023.

40 Subsequent events

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

41 (a) The Company has incurred gross amount of ₹ 227 Crore (31 March 2022: ₹ 138 Crore) towards Corporate Social Responsibility (CSR) as per Section 135 of the Companies Act, 2013:

(₹ in Crore)

	Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
		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	112		37	
(b)	Amount approved by the Board to be spent during the year	142		138	
(c)	Amount spent on: *				
i)	Construction/acquisition of assets	-	-	-	-
ii)	On purposes other than (i) above (for CSR projects)	94	32	126	12
	Total	**94**	**32**	**126**	**12**

* includes ₹ 64 Crore (31 March 2022: ₹ 15 Crore) paid to related party (Refer note 39)

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Amount of expense excess spent

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening Balance	101	-
Amount spent during the year	126	138
Amount required to be spent during the year	(112)	(37)
Closing Balance*	**115**	**101**

*Excess spent at the end of the year is recognised as asset in the balance sheet which is proposed to be offset against future spend obligations

Balance of CSR provision/ CSR expenses not yet paid in cash

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening Balance	12	18
Provision made during the year	126	138
Payments made during the year	(106)	(144)
Closing Balance	**32**	**12**

Nature of CSR Expenses

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Health and sanitation	19	14
Infrastructure development	55	7
Education sports and culture	33	17
Covid support and others	19	100
Utilisation of opening excess spent	101	-
Total	**227**	**138**

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

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	203	186
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	15	9
(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	-	-

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forming part of the financial statements as at and for the year ended 31 March 2023

(c) Loans and Advance(s) in the nature of Loan (Regulations 34 (3) and 53 (f) read together with Para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), 2015 and Section 186(4) of the Companies Act, 2013):

(₹ in Crore)

Name of the Company	Relationship	Balance as at 31 March 2023	Maximum Amount Outstanding during the year	Balance as at 31 March 2022
Sesa Resources Limited ("SRL")	Wholly owned Subsidiary	-	85	74
Sterlite Ports Limited ("SPL") [2]	Wholly owned Subsidiary	-	4	4
Sesa Mining Corporation Limited (SMCL") [2]	Wholly owned Subsidiary	8	27	20
ESL Steel Limited ("ESL")	Subsidiary	132	258	158
Talwandi Sabo Power Limited ("TSPL")	Wholly owned Subsidiary	-	75	75
Ferro Alloys Corporation Limited	Subsidiary (Refer Note 3(d))	22	22	22
Malco Energy Limited	Wholly owned Subsidiary	449	455	147
Vizag General Cargo Berth Private Limited ("VGCB")	Wholly owned Subsidiary	19	19	19
Paradip Multi Cargo Berth Private Limited ("PMCB")[2]	Wholly owned Subsidiary	-	0	0

1 None of the loanee have made, per se, investment in the shares of the Company.

2 The Mumbai NCLT and Chennai NCLT has passed orders dated 06 June 2022 and 22 March 2023 respectively sanctioning the scheme of amalgamation of SPL, PMCB, Maritime Ventures Private Limited ("MVPL"), Goa Sea Port Private Limited ("GSPL"), wholly owned subsidiaries/step down subsidiaries of SRL, with SMCL. Statutory filing with MCA is in progress.

Pre merger, investments made by SPL in MVPL - 10,000 equity shares and GSPL - 50,000 equity shares Investments made by SRL in SMCL - 11,50,000 equity shares, Goa Maritime Private Limited - 5,000 Shares, SPL - 2,50,000 shares and PMCB - 10,000 shares

Investment made by SMCL in Desai Cement Company Private Limited - 18,52,646 shares

3 The above loans have been given for business purpose.

4 Details of investments made and guarantees provided are given in Note 6 and Note 38B, respectively.

(d) The Company does not have any material transactions with companies struck off as per the Companies Act, 2013.

(e) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(f) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(g) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(h) The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

(i) The Company has no any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

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forming part of the financial statements as at and for the year ended 31 March 2023

42 Financial ratios are as follows:

Ratio		As at 31 March 2023	As at 31 March 2022	% Variance
1	Current Ratio (in times)	0.68	0.80	-15%
2	Debt-Equity Ratio (in times) [a]	0.62	0.47	31%
3	Debt Service Coverage Ratio (in times) [b]	2.76	1.93	43%
4	Return on Equity Ratio (%) [c]	31%	23%	38%
5	Inventory turnover Ratio (in times)	6.92	6.41	8%
6	Trade Receivables turnover Ratio (in times)	22.90	22.42	2%
7	Trade payables turnover Ratio (in times)	10.33	10.35	0%
8	Net capital turnover Ratio (in times)	*	*	*
9	Net profit Ratio (%)	34%	28%	20%
10	Return on Capital employed (%) [d]	6%	14%	-57%
11	Return on investment (%) [e]	3.71%	0.06%	6041%

*Net working capital is negative

Formulae for computation of ratios is as follows:

Ratio		Formula
1	Current Ratio (in times)	Current Assets/ Current Liabilities (excluding current maturities of long-term borrowing)
2	Debt-Equity Ratio (in times)	Gross Debt/ Total Equity
3	Debt Service Coverage Ratio (in times)	Income available for debt service/ (interest expense and principal payments of long term loans), where income available for debt service = Profit before exceptional items and tax + Depreciation, depletion and amortization expense + Interest expense
4	Return on Equity Ratio (%)	Net Profit after tax before exceptional items (net of tax)/ Average Equity
5	Inventory turnover Ratio (in times)	Revenue from operations less EBITDA/ Average Inventory
6	Trade Receivables turnover Ratio (in times)	Revenue from operations/ Average Trade Receivables
7	Trade payables turnover Ratio (in times)	Total Purchases/ Average Trade Payables
8	Net capital turnover Ratio (in times)	Revenue from operations/ Working capital (WC), where WC = Current Assets - Current Liabilities (excluding current maturities of long-term borrowing)
9	Net profit Ratio (%)	Net Profit after tax before exceptional items (net of tax)/ Revenue from operations
10	Return on Capital employed (in times)	Earnings before interest and tax/ Average Capital Employed, where capital employed = Net Debt + Total Equity
11	Return on investment (%)	Income from investments carried at FVTPL/ Average current investments

Notes:

a. The Debt Equity ratio has increased due to increase in debt during the current year.

b. The Debt Service Coverage Ratio has increased due to increase in net profits during the current year.

c. The Return on Equity Ratio has increased due to increase in net profits during the current year.

d. The Return on Capital employed has decreased due to decrease in earnings from operations during the current year.

e. The Return on investment has increased as there has been increase in current investments during the year.

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43 Oil & gas reserves and resources

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

Particulars	Country	Gross proved and probable hydrocarbons initially in place (mmboe)		Gross proved and probable reserves and resources (mmboe)		Net working interest proved and probable reserves and resources (mmboe)	
		As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Rajasthan Fields	India	4,806	5,910	933	1,006	327	352
Ravva Fields	India	704	704	18	23	4	5
KG-ONN fields	India	292	292	36	36	20	20
CBOS/2 Fields	India	298	298	22	25	9	10
Other fields	India	561	535	146	61	146	62
Total		**6,661**	**7,739**	**1,155**	**1,151**	**506**	**449**

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

Particulars	Proved and probable reserves		Proved and probable reserves (developed)	
	Oil (mmstb)	Gas (bscf)	Oil (mmstb)	Gas (bscf)
Reserves as of 31 March 2021*	**134**	**133**	**84**	**87**
Revisions/ additions during the year	(8)	(8)	2	(3)
Production during the year	(18)	(19)	(17)	(20)
Reserves as of 31 March 2022**	**108**	**106**	**69**	**64**
Revisions/ additions during the year	(5)	7	9	16
Production during the year	(15)	(19)	(15)	(19)
Reserves as of 31 March 2023***	**88**	**94**	**63**	**61**

* 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)

** Includes probable oil reserves of 40.86 mmstb (of which 9.82 mmstb is developed) and probable gas reserves of 45.90 bscf (of which 14.15 bscf is developed)

*** Includes probable oil reserves of 29.91 mmstb (of which 10.59 mmstb is developed) and probable gas reserves of 33.40 bscf (of which 11.01 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

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44 Other matters

a) The Company purchases 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.

The last successful e-auction based price discovery was done by OMC in April 2019 at ₹ 673/MT and supplied bauxite at this rate from September 2019 to September 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 September 2020 considering the auction base price of ₹ 1,707/MT.

The Company had then filed a writ petition before Hon'ble High Court of Odisha in September 2020, which issued an interim Order dated 08 October 2020 directing that the petitioner shall be permitted to lift the quantity of bauxite mutually agreed on payment of ₹ 1,000/MT and furnishing an undertaking for the differential amount, subject to final outcome of the writ petition.

OMC re-conducted e-auction on 09 March 2021 with floor price of ₹ 2,011/MT, which again was not successful. On 18 March 2021, Cuttack HC issued an order that the current arrangement of bauxite price @ ₹ 1000/MT will continue for the FY 2021-22. Further, on 06 April 2022, the honourable Cuttack HC directed that the current arrangement will continue for the FY 2022-23 also.

Supported by legal opinions, management believes that the provisions of Rule 45 of the Rules 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.

However, as an abundant precaution, the Company has recognised purchase of Bauxite from September 2019 onwards at the aforesaid rate of ₹ 1,000/MT.

(b) The 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 Company is required to comply with the norms by 31 December 2026 via MoEF&CC's notification dated 05 September 2022.

(c) On 26 October 2018, the Government of India (GoI), acting through the Directorate General of Hydrocarbons (DGH) granted its approval for a ten-year extension of the Production Sharing Contract (PSC) for the Rajasthan Block (RJ), with effect from 15 May 2020 subject to certain conditions and pay additional 10% profit petroleum. Pending the outcome of arbitration and petition filed with Supreme court on applicability of policy, MoPNG vide letter dated 21 October 2022 has conveyed the grant of approval of extension of PSC for 10 years from 15 May 2020 to 14 May 2030 and the PSC addendum has been executed by the parties on 27 October 2022.

DGH, in September 2022, has trued up the earlier demand raised till 31 March 2018 up to 14 May 2020 for Government's additional share of Profit oil based on its computation of disallowance of cost incurred over retrospective re-allocation of certain common costs between Development Areas (DAs) of Rajasthan Block and certain other matters aggregating to ₹ 9,545 Crore (US$ 1,162 million) applicable interest thereon representing share of the Company and its subsidiary.

NOTES

forming part of the financial statements as at and for the year ended 31 March 2023

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

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

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 **Vikas Pansari**
Partner
Membership No:093649

Place: Mumbai
Date: 12 May 2023

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 Group Chief Executive Officer
DIN 07291685

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

Place: Mumbai
Date: 12 May 2023

FINANCIAL STATEMENTS

Consolidated

INDEPENDENT AUDITOR'S REPORT

To the Members of Vedanta Limited

Report on the Audit of the Consolidated 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 2023, 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 financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated 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 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 2023, 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 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 Financial Statements' section of our report. We are independent of the Group, 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 financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31 March 2023. These matters were addressed in the context of our audit of the consolidated 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 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 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 financial statements.

Key audit matters	How our audit addressed the key audit matter
Accounting and disclosure of related party transactions (as described in note 42(I), 42(J), 42(L), 42(N), 42(M) of the consolidated Ind AS financial statements)	
The Group has undertaken transactions with related party, Vedanta Resources Limited ('VRL'), its intermediated holding company and its affiliates including among others determination of credit losses / (reversals) of loans, payment of brand and strategic management fee, agency commission, obtaining guarantees and payment of consideration thereof Accounting and disclosure of such related party transactions has been identified as a key audit matter due to a) Significance of such related party transactions; b) Risk of such transactions being executed without proper authorizations; c) Judgments and estimation involved in determination of fair value of loans and guarantees given and expected credit losses on subsequent measurement; and d) Risk of material information relating to aforesaid transactions not getting disclosed in the financial statements.	Our procedures included the following: • Obtained and read the Group's policies, processes and procedures in respect of identification of such related parties in accordance with relevant laws and standards, obtaining approval, recording and disclosure of related party transactions and identified key controls. For selected controls we have performed tests of controls. • Tested such related party transactions and balances with the underlying contracts, confirmation letters and other supporting documents provided by the Group. • Examined the approvals / modification of the board and/or audit committee of these transactions. • Obtained and assessed the legal and accounting opinion issued by experts engaged by the management for the accounting of agency commission with the parent company. • Obtained and assessed the benchmarking report issued by the experts engaged by the management for the brand and strategic management fee. • Assessed the competence and objectivity of the external experts • Tested the methodology adopted by the Group for determination of subsequent credit losses/(reversals) on loans to parent company and its affiliates. • Engaged valuation experts to assist us in performing the said procedures. • Engaged transfer pricing experts to assist us in corroborating the arms-length assessment carried out by the management for brand and strategic fee. • Held discussions and obtained representations from the management in relation to such transactions. Read the disclosures made in this regard in the financial statements and assessed whether relevant and material information have been disclosed.
Recoverability of carrying value of property plant and equipment capital work in progress and exploration intangible assets under development (as described in note 3(a)(H), 3(c)(A)(i), 3(c)(A)(iii), 3(c)(A)(v), 3(c)(A)(vi), 6 and 36 of the consolidated Ind AS financial statements)	
As at 31 March 2023, 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 (a) Tuticorin within the copper segment; (b) Rajasthan block within the oil & gas segment and (c) Western Cluster Limited in Liberia within the Iron Ore segment; as it had identified impairment (charge) / reversal indicators. Recoverability of property plant and equipment, capital work in progress and exploration intangible assets being carried at cost has been identified as a key audit matter due to: • The significance of the carrying value of assets being assessed. • 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 withdrawal of the Holding Company's licenses to operate the copper plant. • The revision to brent oil assumptions up to 2040 due to increased demand. • Changes in production forecasts due to adjustments in the future reserve estimates • Levy of Special Additional Excise Duty ('SAED') on oil producers due to significant increase in crude prices resulting windfall gains to domestic crude producers	Our audit procedures included the following: • Obtained and read the Group's policies, processes and procedures in respect of identification of impairment indicators, recording and disclosure of impairment charge / (reversal) and identified key controls. For selected controls we have performed tests of controls. • Assessed through an analysis of internal and external factors impacting the Group, whether there were any indicators of impairment in line with Ind AS 36. • In relation to the CGU at (a) Tuticorin within the copper segment; (b) the Rajasthan block within the oil & gas segment and (c) Western Cluster within the Iron Ore segment where impairment (charge) / reversal 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 implications of withdrawal of Holding Company's license to operate the copper plant at Tuticorin. Read the external legal opinions in respect of the merits of the case and assessed management's position through discussions with the legal counsel to determine the basis of their conclusion and its consequential impact on the reopening of the plant. – Evaluated the valuation methodology adopted by the management i.e. determination of Value In Use in light of the facts and circumstances of the matter. – Assessed management's forecasting accuracy by comparing prior year forecasts to actual results and assessed the potential impact of any variances. – Corroborated the sales price assumptions used in the models against analyst consensus and assessing the reasonableness of costs. – Compared the production forecasts used in the impairment tests with management's approved reserves and resources estimates, – Compared the SAED forecast used in the impairment tests with actual levy of current year and obtained external legal opinion for the interpretations made over the determination of amount due to the levy of SAED. – Tested the weighted average cost of capital used to discount the impairment models. – Tested the integrity of the models together with their clerical accuracy.

Key audit matters	How our audit addressed the key audit matter
• The fact that the Group obtained the mining license and have started the mining activity at Bomi mine in Liberia, which were suspended since 2015 due to outbreak of Ebola. The key judgements and estimates centered on the likely outcome of the litigations with respect to withdrawal of license to operate the Copper plant, cash flow forecasts, likelihood of license extension, interpretations on mechanism of levy of SAED, discount rate assumptions and related disclosures as given in note 6 (Property, plant and equipment) / 36 (Exceptional items) of the accompanying financial statements	– Tested the classification of expenses incurred in respect of the Bomi mines in Liberia to evaluate whether these are eligible for reversal. – Tested arithmetical accuracy of bifurcation of expenses between the 3 mines in Western cluster. – Compared assumptions used by management in respect of price forecast and ore grade against the consensus report, reserve and resource report. – Assessed Group's reserves and resources estimation methods and policies and reading reports provided by management's external reserves experts and assessed the scope of work and findings of these third parties; – Assessed the competence, capability and objectivity of experts engaged by management; through understanding their relevant professional qualifications and experience. – Engaged valuation experts to assist in performance of the above procedures • Assessed the disclosures made by the Group in this regard and evaluated the considerations leading to disclosure of above impairment (charge) / reversal as exceptional items.
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 2023 the value of disputed receivables in the power segment aggregated to ₹2,354 Crore. Due to short supply or non-supply of power due to transmission line constraints, order received from Orissa State Electricity Regulatory Commission (OERC), matters related to change of law following execution of power purchase agreement and disagreements over the quantification relating to aforementioned disputes or timing of the recovery of receivables, 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) and GRIDCO. 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. • Obtained and assessed the model prepared by the management for computation of Expected credit loss on the disputed receivables, including testing of key assumptions. • Engaged valuation experts to assist in performing above procedures. • Tested arithmetical accuracy of the models prepared by the management. • Obtained independent external lawyer confirmation from Legal Counsel of the Group who is contesting the cases. • 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. • Assessed the competence and objectivity of the Group's experts. • Assessed the disclosures made by the Group in this regard.
Claims and exposures relating to taxation and litigation (as described in note 3(c)(B)(ii), 37e, 40D and 41 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, vendor arbitrations, mining royalty demand, income tax disallowances and various indirect tax disputes 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 risk that such cases 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 its classification as probable, possible or remote 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. • Obtained independent external lawyer confirmation from Legal Counsel of the Group who is contesting the cases. • Examined external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the risk profile in respect of legal claims. • Assessed the competence and objectivity of the Group'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 subsidiaries or that differences in positions are adequately justified. • Assessed whether management assessment of similar cases is consistent with the positions taken in earlier periods or that difference in positions are adequately justified. • Assessed the relevant disclosures made within the financial statements to address accuracy of the amounts and 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
Recognition and measurement of Deferred Tax Assets including Minimum Alternate Tax (MAT) (as described in note 3(c)(A)(ii) and 37 of the consolidated Ind AS financial statements)	
Deferred tax assets as at 31 March 2023 includes MAT credits of ₹ 9,382 Crore which is available for utilization against future tax liabilities. Of the aforesaid, we focused our effort on MAT assets of ₹ 2,689 Crore which is expected to be utilised in the fourteenth year and fifteenth year, fifteen years being the maximum permissible time period to utilize the same. Additionally, ESL Steel Limited, one of the component of the Group, has recognized deferred tax assets of ₹ 3,184 Crore during earlier years. The analysis of the recoverability of such deferred tax assets has been identified as a key audit matter because the assessment process involves judgement regarding the future profitability, allowability of tax positions / deductions claimed by the management in the tax computations and likelihood of the realization of these assets, in particular whether there will be taxable profits in future periods that support the recognition of these assets. This requires assumptions regarding future profitability, which is inherently uncertain. Accordingly, the same is considered as a key audit matter.	Our audit procedures included the following:- • Obtained an understanding of the management's process for estimating the recoverability of the 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, assessing the 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 reasonableness of the future cash flow projections. • Assessed management's forecasting accuracy by comparing prior year forecasts to actual results and assessed the potential impact of any variances. • Tested the accuracy of the deductions availed under the Income Tax Act included in the tax computation. • Tested the computation of the amounts recognized as deferred tax assets. • Engaged valuation experts to assist in performance of the above procedures. • Assessed the competence and objectivity of the experts engaged by us. • Assessed the disclosures made by the Group in this regard.

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 for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated 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 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 consolidated 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated 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 their respective company(ies) 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 their respective company(ies).

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated 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 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 financial statements, including the disclosures, and whether the consolidated 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 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 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 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 financial statements for the financial year ended 31 March 2023 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 18 subsidiaries, whose financial statements include total assets of ₹ 31,100 Crore as at 31 March 2023, and total revenues of ₹ 13,463 Crore, total net profit after tax of ₹ 1,480 Crore, total comprehensive income of ₹ 1,493 Crore, and net cash outflows of ₹ 76 Crore for the year ended on that date. These 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 financial statements also include the Group's share of total assets of ₹ Nil, total revenues of ₹ Nil, total net loss of ₹ 3 Crore, total comprehensive loss of ₹ 3 Crore, and net cash inflows of ₹ Nil for the year ended 31 March 2023, as considered in the consolidated 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate, 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, joint venture 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, associate and joint venture 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, joint venture and associate 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 financial statements include unaudited financial statements and other unaudited financial information in respect of 9 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 1,651 Crore as at 31 March 2023, total revenues of ₹ 5,205 Crore, total net loss after tax of ₹ 116 Crore, total comprehensive loss of ₹ 115 Crore and net cash inflows of ₹ 33 Crore 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 financial statements also include the Group's share of total assets of ₹ Nil, total revenues of ₹ Nil, total net profit of ₹ Nil, total comprehensive income of ₹ Nil and net cash inflows of ₹ Nil for the year ended 31 March 2023, as considered in the consolidated 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, other unaudited financial information have been furnished to us by the Management. The consolidated Ind AS financial statements also includes group's share of total assets of ₹ 149 Crore as at 31 March 2023, total revenues of ₹ 100 Crore, total net profit after tax of ₹ 32 Crore, total comprehensive income of ₹ 32 Crore for the year ended 31 March 2023, and net cash inflows of ₹ 0 Crore for the year ended 31 March 2023 in respect of unincorporated joint venture not operated by the Group. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint ventures and associate, 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, joint ventures and associate, 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 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 financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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 the subsidiary companies, associate companies and joint ventures companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. 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 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 financial statements;

(d) In our opinion, the aforesaid consolidated 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 2023 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 ventures, incorporated in India, is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended 31 March 2023 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, except in case of 1 subsidiary incorporated in India, wherein the managerial remuneration in respect of a whole time director for the year ended 31 March 2023 has been paid /provided in excess of the provisions of section 197 read with Schedule V to the Act and the terms of appointment and remuneration paid to the new Whole Time Director is yet to be approved by the shareholders of the subsidiary. Management of the subsidiary is in the process of obtaining waiver of the aforesaid excess remuneration and approval of the terms of appointment and remuneration for the new whole time director from the shareholders of the subsidiary (Refer Note 41(e)(iii));

(h) 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 financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated financial statements – Refer Note 3(c)(B)(ii), 37e, 40D and 41 to the consolidated 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 2023;

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 2023.

iv. a) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint ventures respectively that, to the best of its knowledge and belief, as disclosed in the note 42(O) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associate and joint ventures to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, associate and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate and joint ventures respectively that, to the best of its knowledge and belief, as disclosed in the note 42(O) to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries, associate and joint ventures from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associate and joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associate and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) The interim dividend declared and paid during the year by the Holding Company, its subsidiaries, associate and joint venture companies incorporated in India and until the date of the respective audit reports of such Holding Company, subsidiaries, associate and joint ventures is in accordance with section 123 of the Act.

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries, associate and joint venture companies incorporated in India, hence reporting under this clause is not applicable.

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

per **Vikas Pansari**
Partner
Membership Number: 093649
UDIN: 23093649BGXPKQ3436

Place of Signature: Mumbai
Date: 12 May 2023

ANNEXURE-1

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

Re: **Vedanta Limited** ('the Company')

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S.No	Name	CIN	Holding company/ subsidiary/ associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
1	Bharat Aluminium Company Limited	U74899DL1965PLC004518	Subsidiary	(ix)(d)
2	Sesa Resources Limited	U13209GA1965PLC000030	Subsidiary	(i)(c)
3	Malco Energy Limited	U31300TN2001PLC069645	Subsidiary	(ix)(d)

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

per **Vikas Pansari**
Partner
Membership Number: 093649
UDIN: 23093649BGXPKQ3436

Place of Signature: Mumbai
Date: 12 May 2023

ANNEXURE 2

to the Independent Auditor's Report of even date on the Ind As Consolidated 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 2023, we have audited the internal financial controls over financial reporting of Vedanta Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, 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 19 subsidiary companies, its 1 associate company and 2 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 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 these 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 these 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.

Opinion

In our opinion, 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 2023, 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 6 subsidiary companies, 1 associate and 2 joint ventures which is a company incorporated in India, is based on the corresponding reports of the auditors of such subsidiary.

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

per **Vikas Pansari**
Partner
Membership Number: 093649
UDIN: 23093649BGXPKQ3436

Place of Signature: Mumbai
Date: 12 May 2023

CONSOLIDATED BALANCE SHEET

As at 31 March 2023

(₹ in Crore)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	6	93,607	91,990
Capital work-in-progress	6	17,434	14,230
Intangible assets	6	1,976	1,476
Exploration intangible assets under development	6	2,256	1,649
Financial assets			
Investments	7A	514	151
Trade receivables	8	2,532	3,001
Loans	9	10	3,166
Others	10	3,784	3,092
Deferred tax assets (net)	37	8,495	5,085
Income tax assets (net)	37	1,635	2,762
Other non-current assets	11	3,606	3,442
Total non-current assets		**1,35,849**	**1,30,044**
Current assets			
Inventories	12	15,012	14,313
Financial assets			
Investments	7B	12,636	17,140
Trade receivables	8	4,014	4,946
Cash and cash equivalents	13	6,926	8,671
Other bank balances	14	2,328	6,684
Loans	9	3,760	2,304
Derivatives	24	214	258
Others	10	7,868	8,724
Income tax assets (net)		1,256	25
Other current assets	11	6,493	5,273
Total current assets		**60,507**	**68,338**
Total Assets		**1,96,356**	**1,98,382**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	372	372
Other equity	16	39,051	65,011
Equity attributable to owners of Vedanta Limited		**39,423**	**65,383**
Non-controlling interests	17	10,004	17,321
Total Equity		**49,427**	**82,704**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19A	43,476	36,205
Lease liabilities	23	144	150
Derivatives	24	20	6
Other financial liabilities	22	1,606	1,327
Provisions	25	3,426	3,386
Deferred tax liabilities (net)	37	5,922	4,435
Other non-current liabilities	26	4,309	4,674
Total non-current liabilities		**58,903**	**50,183**
Current liabilities			
Financial liabilities			
Borrowings	19B	22,706	16,904
Lease liabilities	23	302	324
Operational buyers' credit / suppliers' credit	21	13,701	11,151
Trade payables	20	11,043	10,380
Derivatives	24	193	531
Other financial liabilities	22	24,861	17,094
Provisions	25	381	417
Income tax liabilities (net)		1,601	917
Other current liabilities	26	13,238	7,777
Total current liabilities		**88,026**	**65,495**
Total Equity and Liabilities		**1,96,356**	**1,98,382**

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 **Vikas Pansari**
Partner
Membership No: 093649

Place: Mumbai
Date: 12 May 2023

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 Group Chief Executive Officer
DIN 07291685

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

Place: Mumbai
Date: 12 May 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31 March 2023

(₹ in Crore)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	27	1,45,404	1,31,192
Other operating income	28	1,904	1,540
Other income	29	2,851	2,600
Total income		**1,50,159**	**1,35,332**
Expenses			
Cost of materials consumed		44,470	37,397
Purchases of stock-in-trade		57	133
Changes in inventories of finished goods, work-in-progress and stock in trade	30	(377)	(2,049)
Power and fuel charges		30,950	20,939
Employee benefits expense	31	3,098	2,811
Finance costs	34	6,225	4,797
Depreciation, depletion and amortisation expense	6	10,555	8,895
Other expenses	35	34,688	28,677
Total expenses		**1,29,666**	**1,01,600**
Profit before exceptional items and tax		20,493	33,732
Net exceptional loss	36	(217)	(768)
Profit before tax		**20,276**	**32,964**
Tax expense:	37		
Net current tax expense		7,624	6,889
Net deferred tax (benefit)/ expense		(1,580)	2,544
On exceptional items			
Net deferred tax (benefit)/ expense		(152)	402
Net current tax benefit		(122)	(580)
Net tax expense:		**5,770**	**9,255**
Profit after tax for the period before share in (loss)/ profit of jointly controlled entities and associates		14,506	23,709
Add: Share in (loss)/ profit of jointly controlled entities and associates		(3)	1
Profit for the period after share in (loss)/ profit of jointly controlled entities and associates (A)		**14,503**	**23,710**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement loss on defined benefit plans		(11)	(18)
Tax benefit		11	1
(Loss)/ gain on FVOCI equity investment		(37)	15
		(37)	**(2)**
Items that will be reclassified to profit or loss			
Net gain/ (loss) on cash flow hedges recognised during the period		3,451	(271)
Tax (expense)/ benefit		(1,201)	90
Net (loss)/ gain on cash flow hedges recycled to profit or loss		(3,433)	371
Tax benefit/ (expense)		1,201	(131)
Net loss on FVOCI debt investment		(34)	-
Tax benefit		4	-
Exchange differences on translation		886	793
Tax benefit		84	13
		958	**865**
Total other comprehensive income (B)		**921**	**863**
Total comprehensive income for the period (A+B)		**15,424**	**24,573**
Profit attributable to:			
Owners of Vedanta Limited		10,574	18,802
Non-controlling interests		3,929	4,908
Other comprehensive income attributable to:			
Owners of Vedanta Limited		987	823
Non-controlling interests		(66)	40
Total comprehensive income attributable to:			
Owners of Vedanta Limited		11,561	19,625
Non-controlling interests		3,863	4,948
Earnings per equity share (₹):			
- Basic	38	28.50	50.73
- Diluted	38	28.32	50.38

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 **Vikas Pansari**
Partner
Membership No: 093649

Place: Mumbai
Date: 12 May 2023

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 Group Chief Executive Officer
DIN 07291685

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

Place: Mumbai
Date: 12 May 2023

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	20,276	32,964
Adjustments for:		
Depreciation, depletion and amortisation	10,597	8,919
Impairment charge/(reversal) of assets/ Capital work-in-progress written off	(771)	(2,621)
Provision for doubtful debts/ advance/ bad debts written off	426	244
Exploration costs written off	327	2,618
Liabilities written back	(256)	(65)
Other exceptional items	-	771
Other non-cash item	(66)	-
Fair value gain on financial assets held at fair value through profit or loss	(74)	(209)
Loss/ (Profit) on sale/ discard of property, plant and equipment (net)	9	(128)
Foreign exchange loss (net)	492	235
Unwinding of discount on decommissioning liability	96	78
Transfer of CSR assets (Refer note 6)	117	-
Share based payment expense	77	79
Interest and dividend income	(2,283)	(1,887)
Interest expense	6,129	4,712
Deferred government grant	(273)	(245)
Changes in assets and liabilities		
Decrease/ (Increase) in trade and other receivables	1,662	(8,199)
Increase in inventories	(728)	(4,373)
Increase in trade and other payables	3,665	7,806
Cash generated from operations	**39,422**	**40,699**
Income taxes paid (net)	(6,357)	(5,736)
Net cash generated from operating activities	**33,065**	**34,963**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment (including intangibles)	(13,787)	(10,630)
Proceeds from sale of property, plant and equipment	133	325
Loans repaid by related parties (Refer Note 42)	2,408	1,623
Deposits made	(4,203)	(11,966)
Proceeds from redemption of deposits	9,238	16,960
Short term investments made	(1,11,039)	(87,135)
Proceeds from sale of short term investments	1,15,244	86,848
Interest received	1,674	1,868
Dividends received	18	1
Payment made to site restoration fund	(129)	(147)
Purchase of long term investments (Refer Note 42)	(250)	0
Net cash used in investing activities	**(693)**	**(2,253)**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2023

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/ Proceeds of short-term borrowings (net)	(951)	875
Proceeds from current borrowings	23,846	13,256
Repayment of current borrowings	(18,319)	(10,337)
Proceeds from long-term borrowings	18,624	20,916
Repayment of long-term borrowings	(10,464)	(28,758)
Interest paid	(5,530)	(5,274)
Payment for acquiring non-controlling interest	(17)	-
Payment of dividends to equity holders of the Company, net of taxes	(29,959)	(16,681)
Payment of dividends to non-controlling interests	(11,190)	(2,668)
Payment of lease liabilities	(182)	(232)
Net cash used in financing activities	**(34,142)**	**(28,903)**
Effect of exchange rate changes on cash and cash equivalents	25	10
Net (decrease)/ increase in cash and cash equivalents	**(1,745)**	**3,817**
Cash and cash equivalents at the beginning of the year	8,671	4,854
Cash and cash equivalents at end of the year (Refer note 13)	**6,926**	**8,671**

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 **Vikas Pansari**
Partner
Membership No: 093649

Place: Mumbai
Date: 12 May 2023

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 Group Chief Executive Officer
DIN 07291685

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

Place: Mumbai
Date: 12 May 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

A. Equity Share Capital

Equity shares of ₹ 1 each issued, subscribed and fully paid	Number of shares (in Crore)	Amount (₹ in Crore)
As at 31 March 2023, 31 March 2022 and 31 March 2021*	372	372

*There are no prior period errors for the years ended 31 March 2022 and 31 March 2021.

B. Other Equity

(₹ in Crore)

Particulars	Reserves and surplus				Items of OCI					
	Capital reserve	Securities premium	Retained earnings	Other reserves (Refer note below)	Foreign currency translation reserve	Instruments through OCI	Effective portion of cash flow hedges	Total other equity	Non-controlling interests	Total
Balance as at 01 April 2021	**18,512**	**19,009**	**1,623**	**19,672**	**3,045**	**93**	**(48)**	**61,906**	**15,138**	**77,044**
Profit for the year	-	-	18,802	-	-	-	-	18,802	4,908	23,710
Other comprehensive income for the year (net of tax impact)	-	-	(17)	-	734	15	91	823	40	863
Total comprehensive income for the year	**-**	**-**	**18,785**	**-**	**734**	**15**	**91**	**19,625**	**4,948**	**24,573**
Recognition of share based payment	-	-	-	43	-	-	-	43	-	43
Stock options cancelled during the year	-	-	24	(34)	-	-	-	(10)	-	(10)
Exercise of stock option	-	-	(19)	49	-	-	-	30	-	30
Transfer from debenture redemption reserve	-	-	584	(584)	-	-	-	-	-	-
Recognition of put option liability/derecognition of non controlling interest	98	-	-	-	-	-	-	98	(97)	1
Dividend	-	-	(16,681)	-	-	-	-	(16,681)	(2,668)	(19,349)
Balance as at 31 March 2022	**18,610**	**19,009**	**4,316**	**19,146**	**3,779**	**108**	**43**	**65,011**	**17,321**	**82,332**
Profit for the year	-	-	10,574	-	-	-	-	10,574	3,929	14,503
Other comprehensive income for the year (net of tax impact)	-	-	(3)	-	1,072	(57)	(25)	987	(66)	921
Total comprehensive income for the year	**-**	**-**	**10,571**	**-**	**1,072**	**(57)**	**(25)**	**11,561**	**3,863**	**15,424**
Recognition of share based payment	-	-	-	85	-	-	-	85	-	85
Stock options cancelled during the year	-	-	8	(15)	-	-	-	(7)	-	(7)
Exercise of stock option	-	-	(78)	88	-	-	-	10	-	10
Recognition of put option liability/derecognition of non controlling interest	21	-	-	-	-	-	-	21	(31)	(10)
Acquisition of non-controlling interest in FPL (Refer note 4)	(58)	-	-	-	-	-	-	(58)	41	(17)
Dividend including tax (Refer note 39)	-	-	(37,572)	-	-	-	-	(37,572)	(11,190)	(48,762)
Balance as at 31 March 2023	**18,573**	**19,009**	**(22,755)**	**19,304**	**4,851**	**51**	**18**	**39,051**	**10,004**	**49,055**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

Note:

Other reserves comprise:

(₹ in Crore)

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 2021	**23**	**584**	**3,087**	**10**	**171**	**25**	**(323)**	**16,095**	**19,672**
Recognition of share based payment	-	-	-	-	43	-	-	-	43
Stock options cancelled during the year	-	-	-	-	(34)	-	-	-	(34)
Exercise of stock options	-	-	-	-	(44)	-	93	-	49
Transfer to retained earnings	-	(584)	-	-	-	-	-	-	(584)
Balance as at 31 March 2022	**23**	**-**	**3,087**	**10**	**136**	**25**	**(230)**	**16,095**	**19,146**
Recognition of share based payment	-	-	-	-	85	-	-	-	85
Stock options cancelled during the year	-	-	-	-	(15)	-	-	-	(15)
Exercise of stock options	-	-	-	-	(38)	-	126	-	88
Balance as at 31 March 2023	**23**	**-**	**3,087**	**10**	**168**	**25**	**(104)**	**16,095**	**19,304**

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 **Vikas Pansari**
Partner
Membership No: 093649

Place: Mumbai
Date: 12 May 2023

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 Group Chief Executive Officer
DIN 07291685

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

Place: Mumbai
Date: 12 May 2023

NOTES

forming part of the financial statements as at and for the year ended 31 March 2023

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 has a presence across India, South Africa, Namibia, Ireland, Australia, Liberia and UAE. The Group is also in the business of commercial power generation, steel manufacturing and port operations in India and manufacturing of glass substrate in South Korea and Taiwan.

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-400093, Maharashtra. The Company's shares are listed on National Stock Exchange ('NSE') and Bombay Stock Exchange ('BSE') 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 ('NYSE').

The ADSs of the Company have been delisted from NYSE effective close of trading on NYSE on 08 November 2021. The Company has been deregistered from SEC under the Exchange Act effective 01 March 2023.

The Company is majority owned by Twin Star Holdings Limited ("Twin Star"), Finsider International Company Limited ("Finsider"), Vedanta Holdings Mauritius II Limited ("VHM2L"), Vedanta Holdings Mauritius Limited ("VHML"), Welter Trading Limited ("Welter") and Vedanta Netherlands Investments BV ("VNIBV") which are in turn wholly-owned subsidiaries of Vedanta Resources Limited ("VRL"), a company incorporated in the United Kingdom. VRL, through its subsidiaries, held 68.11% (31 March 2022: 69.69%) of the Company's equity as at 31 March 2023.

Details of Group's various businesses are as follows. The Group's percentage holdings in each of the below businesses are disclosed in note 43.

- Zinc India business is owned and operated by Hindustan Zinc Limited ("HZL").
- Zinc international business comprises 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 its wholly owned subsidiary, i.e., Sesa Resources 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 the Honourable Supreme Court of India order, mining operations in the state of Goa were suspended. During the current year, the Government of Goa has initiated auction of mines in which the Company has participated. The Company has been declared as the principal bidder for the Bicholim mine and has received the Letter of Intent (LOI) from the Government of Goa.

  In addition, the Group's iron ore business also includes a wholly owned subsidiary, Western Cluster Limited ("WCL") in Liberia which has iron ore assets. WCL's assets include development rights to Western Cluster and a network of iron ore deposits in West Africa. During the current year, WCL has signed a Memorandum of Understanding with the Government of Liberia to re-start its mining operations in Liberia. Commercial production of saleable ore commenced from July 2022 followed by shipments from December 2022.
- 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 4,00,000 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

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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)(iii)].

Further, the Company's copper business includes refinery and rod plant at Silvassa consisting of a 2,45,000 MT of blister/ secondary material processing plant, a 2,16,000 TPA copper refinery plant and a copper rod mill with an installed capacity of 2,58,000 TPA. The plant continues to operate as usual, catering to the domestic market.

In addition, the Group owns and operates the Mt. Lyell copper mine in Tasmania, Australia through its subsidiary, CMT and a precious metal refinery and copper rod plant in Fujairah, UAE through its subsidiary Fujairah Gold FZC. The operations of Mt Lyell copper mine were suspended in January 2014 following a mud slide incident and were put into care and maintenance since 09 July 2014 following a rock fall incident in June 2014. In November 2021, the Group executed an arrangement with a third party for further exploration with an option to fully divest its shareholding in return for royalties on successful mining and production.

- 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 comprise 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 the 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 business also include Vizag General Cargo Berth Private Limited ("VGCB") and Maritime Ventures Private Limited ("MVPL"). Vizag port project includes mechanization of coal handling facilities and upgradation of general cargo berth for handling coal at the outer harbour of Visakhapatnam Port on the east coast of India. MVPL is engaged in the business of rendering logistics and other allied services inter alia rendering stevedoring, and other allied services in ports and other allied sectors. VGCB commenced operations in the fourth quarter of fiscal 2013. The Group's other business also include AvanStrate Inc. ("ASI"), Ferro Alloys Corporation Limited ("FACOR") and Desai Cement Company Private Limited ("DCCPL"). ASI is involved in the manufacturing of glass substrate in South Korea and Taiwan. FACOR is involved in manufacturing of Ferro Alloys, mining of chrome ore and generation of power. It owns a ferro chrome plant with a capacity of approximately 1,40,000 TPA, a 100MW power plant and a mine in Sukinda valley with current capacity of 2,90,000 TPA. DCCPL is involved in business of producing slag cements and owns three ball mills with capacity of 2,18,000 TPA.

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 Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 (the "Act") (as amended from time to time), guidelines issued by the Securities and Exchange Board of India ("SEBI") 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,

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set out below and were consistently applied to all periods presented unless otherwise stated.

These consolidated financial statements are approved for issue by the Board of Directors on 12 May 2023. The revision to these consolidated financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

All financial information presented in Indian Rupees 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 consolidated financial statements have been regrouped and/or reclassified to better reflect the nature of those items.

(B) Basis of measurement

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

3(a) Significant accounting policies

(A) Basis of Consolidation

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 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 unrealized profit arising from intra-Group transactions, are eliminated. Unrealized 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.

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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 43.

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 recognized. 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 unrealized gains, but only to the extent that there is no evidence of impairment of the asset transferred. Accounting policies of equity accounted investees is changed where necessary to ensure consistency with the policies adopted by the Group.

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

(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 recognized 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 recognized in other comprehensive income and accumulated in equity as capital reserve. However,

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if there is no clear evidence of bargain purchase, the Group recognizes 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 as per terms of contract, 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.

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

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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 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 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

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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.

Subsequently, property plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. 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 capitalized, if the recognition criteria are met.

iv) Assets under construction

Assets under construction are capitalised in the assets under Capital work in progress. 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

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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.

Capital work in progress is carried at cost less accumulated impairment losses, if any.

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.

- **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

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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 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.

(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

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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 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;

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- 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 and 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.

Trade receivables that do not contain a significant financing component are measured at transaction price as per Ind AS 115.

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

- ***Financial assets at amortised cost***

A 'Financial asset' 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 consolidated statement of profit and loss. The losses arising from impairment are recognised in consolidated statement of profit and loss.

- ***Financial assets 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 recognized 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.

For equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. 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

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consolidated statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

- ***Financial assets at fair value through profit or loss (FVTPL)***

  FVTPL is a residual category for debt instruments and default category for equity 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 Group 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 Group has not designated any debt instrument at FVTPL.

  Debt instruments included within the FVTPL category are measured at fair value with all changes being recognized in the consolidated statement of profit and loss.

  An equity instrument in the scope of Ind AS 109 is 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 equity instruments which are classified as FVTPL, all subsequent fair value changes are recognised in the consolidated statement of profit and loss.

  Further, the provisionally priced trade receivables are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

(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.

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 recognized 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.

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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 and Subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

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

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by 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 recognized 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 at fair value through profit or loss.

Further, the provisionally priced trade payables are marked to market using the relevant forward prices for the future period specified in the contract.

- ***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 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.

(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.

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(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 through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the 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.

The Company recognises a liability to pay dividend to equity holders of the company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution with respect to interim dividend is authorised when it is approved by the board of directors of the Company and final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(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 the consolidated statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the 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;

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At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the 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 the 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 the 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

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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 disclosed on the face of Balance sheet.

(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 cost 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.

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Inventories of 'Fuel Stock' mainly consist of coal which is used for generating power. On consumption, the cost is charged off to 'Power and Fuel' expenses in the consolidated statement of profit and loss.

(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 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 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 the consolidated statement of profit and loss is recognised outside the 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

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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 recognized 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 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 recognized 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 recognized in the 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

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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 recognized 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 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 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.

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.

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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 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 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 between twelve months (for raw materials) to thirty six 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. 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 substance 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.

(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 realized in, or is intended for sale or consumption in, the Group's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

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

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

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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 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 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.

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.

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 36.

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3(b) Application of new and amended standards

(A) The Group has adopted, with effect from 01 April 2022, the following new and revised standards. Their adoption has not had any significant impact on the amounts reported in the consolidated financial statements.

1. Amendment to Ind AS 37 regarding costs that an entity needs to include when assessing whether a contract is onerous or loss-making.
2. Amendment to Ind AS 109 Financial Instrument regarding inclusion of fees in the '10 per cent' test for derecognition of financial liabilities.
3. Amendment to Ind AS 103 Business Combination, Reference to the Conceptual Framework for Financial Reporting.
4. Amendment to Ind AS 16 Property, Plant and Equipment regarding proceeds before intended use.

(B) Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023, effective from 01 April 2023, resulting in certain amendments as mentioned below :

1. Ind AS 1 Presentation of financial statements: The amendment requires disclosure of material accounting policies rather than significant accounting policies;
2. Ind AS 12 Income Taxes: The amendment clarifies application of initial recognition exemption to transactions such as leases and decommissioning obligations;
3. Ind AS 8 Accounting Policies, Change in Accounting Estimates and Errors: The amendment replaces definition of 'change in accounting estimates' with the definition of 'accounting estimates'

These amendments are not expected to have any impact in the financial statements of the Group.

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 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) 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.

ii) Recoverability of deferred tax and other income tax assets

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

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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 statements include MAT credit entitlements of ₹ 9,382 Crore (31 March 2022: ₹ 6,746 Crore), of which ₹ 2,689 Crore (31 March 2022: ₹ 208 Crore) is expected to be utilised in the fourteenth and fifteenth year, the maximum permissible time period to utilise the MAT credits.

During year ended 31 March 2021, ESL recognised deferred tax assets of ₹ 3,184 Crore based on management's estimate of future outlook, financial projections and requirements of Ind AS 12. During the year ended 31 March 2023, ESL derecognized deferred tax assets on losses expired in the current year amounting to ₹ 100 Crore (31 March 2022: ₹ 122 Crore). Based on revised financial forecasts, it is probable to realise the remaining deferred tax assets.

iii) Copper operations in Tamil Nadu, India

Tamil Nadu Pollution Control Board ("TNPCB") had issued a closure order of the Tuticorin Copper smelter, against which the Company had filed an appeal with the National Green Tribunal ("NGT"). NGT had, on 08 August 2013, ruled that the Copper smelter could continue its operations subject to implementation of recommendations of the Expert Committee appointed by the NGT. The 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 was rejected by TNPCB in April 2018. The Company has filed an appeal before the TNPCB Appellate Authority challenging the Rejection Order. During the pendency of the appeal, the 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 on the same date 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 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 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 the Madras High Court challenging the various orders passed against the Company in FY 2018 and FY 2013. On 18 August 2020, the Madras High Court delivered the judgement wherein it dismissed all the Writ Petitions filed by the Company. Thereafter, the Company has approached the Supreme Court and challenged the said High Court order by way of a Special Leave Petition ("SLP").

The Interlocutory Applications filed by the Company seeking essential care and maintenance of the Plant and removal of materials from the plant premises were heard on 10 April 2023 where the Supreme Court allowed certain activities such as gypsum evacuation, operation of Secured Landfill (SLF) leachate sump pump, Bund rectification of SLF and green-belt maintenance.

On 4 May 2023, Honourable Supreme Court further directed the State of Tamil Nadu to conclude on any further supplementary directions to be issued with regard to the care & maintenance of the Plant by 01 June 2023. The SLP is now listed for hearing and final disposal at the top of the TNPCB on 22 August 2023 and 23 August 2023.

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

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any material adjustments to these financial statements as a consequence of above actions.

The Company has carried out an impairment analysis for existing plant assets during the year ended 31 March 2023 considering various scenarios and possibilities, and concluded on balance of probabilities that there exists no impairment.

The carrying value of the assets as at 31 March 2023 is ₹ 1,913 Crore (31 March 2022: ₹ 1,982 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 12 March 2018 before the Expert Appraisal Committee of the Ministry of Environment, Forests and Climate Change ("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 Madras High Court 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 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 also appealed this action before the TNPCB Appellate Authority. The matter has been adjourned until the conclusion of special leave petition filed before the Supreme Court.

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 appealed this action before the TNPCB Appellate Authority. The matter has been adjourned until the conclusion of special leave petition filed before the Supreme Court. 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. The net carrying value of ₹ 17 Crore as at 31 March 2023 (31 March 2022: ₹ 41 Crore) approximates its recoverable value.

Property, plant and equipment of ₹ 1,033 Crore (31 March 2022: ₹ 1,213 Crore) and inventories of ₹ 269 Crore (31 March 2022: ₹ 301 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, any difference between book and physical quantities is unlikely to be material.

(iv) ESL Steel Limited ("ESL"), had filed application for renewal of 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 JSPCB awaited response from the MoEFCC over a 2012 show-cause notice. After a personal hearing towards the show cause notice, the MoEFCC revoked the Environment Clearance ("EC") on 20 September 2018. The 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 urgently filed a petition in the Hon'ble Supreme Court, and on 22 September 2020, ESL was granted permission to run the plant till further orders.

The Forest Advisory Committee ("FAC") of the MoEFCC granted the Stage 1 clearance and the MoEFCC approved the related Terms of Reference ("TOR") on 25 August 2020. ESL presented its proposal before the Expert Appraisal Committee ("EAC") after completing the public consultation process and the same has been recommended for grant of EC subject to Forest Clearance by the EAC in its 41st meeting dated 29 and 30 July 2021. Vide letter dated 25 August 2021, the MoEFCC rejected the EC "as of now" due to stay granted by Madras High Court vide order dated 15 July 2021 in a Public Interest Litigation filed against the Standard Operating Procedure which was issued by the MoEFCC for regularization of violation case on 07 July 2021. The Hon'ble Supreme Court vide order dated 09 December 2021 decided the matter by directing the MoEFCC to process the EC application of ESL as per the applicable law within a period of three months. The MoEFCC vide its letter dated 02 February 2022 has deferred the grant of EC till Forest Clearance ("FC") Stage-II is granted to ESL. ESL has submitted its reply against the MoEFCC letter vide letter dated 11 February

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2022 for reconsidering the decision of linking EC with FC as the grant of FC Stage – II is not a condition precedent for grant of EC. As per Stage 1 clearance, the Group is required to provide non-forest land in addition to the afforestation cost. The Group, based on the report of an Environment Impact Assessment consultant, had recognised a provision of ₹ 213 Crore as part of exceptional item during the year ended 31 March 2021 with respect to the costs to be incurred by it for obtaining EC and an additional ₹ 7 Crore was provided against final order relating to wildlife conservation plan received during the year ended 31 March 2022. Management believes no further provision is required.

(v) 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 at least annually. Details of such reserves are given in note 44. 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).

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

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

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

Estimates/ assumptions	Basis
Future production	proved and probable reserves, production facilities, resource estimates and expansion projects
Commodity prices	management's best estimate benchmarked with external sources of information, to ensure they are within the range of available analyst forecast
Discount to price	management's best estimate based on historical prevailing discount and updated sales contracts
Period	For Rajasthan block, cash flows are considered based on economic life of the fields.
Discount rates	cost of capital risk-adjusted for the risk specific to the asset/ CGU

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

Details of carrying values and impairment charge/ (reversal) and the assumptions used are disclosed in note 6 and 36 respectively.

(vii) Climate Change

The Group aims to achieve net carbon neutrality by 2050, has committed reduction in emission by 25% by 2030 from 2021 baseline, net water positivity by 2030 as part of its climate risk assessment and has outlined its climate risk assessment and opportunities in the ESG strategy. Climate change may have various impacts on the Group in the medium to long term. These impacts include the risks and opportunities related to the demand of products and services, impact due to transition to a low-carbon economy, disruption to the supply chain, risk of physical harm to the assets due to extreme weather conditions, regulatory changes etc. The accounting related measurement and disclosure items that are most impacted by our commitments, and climate change risk more generally, relate to those areas of the financial statements that are prepared under the historical cost convention and are subject to estimation uncertainties in the medium to long term.

The potential effects of climate change may be on assets and liabilities that are measured based on an estimate of future cash flows. The main ways in which potential climate change impacts have been considered in the preparation of the financial statements, pertain to (a) inclusion of capex in cash flow projections, (b) review of estimates of useful lives of property, plant and equipment, (c) recoverable amounts of existing assets, (d) assets and liabilities carried at fair value.

The Group's strategy consists of mitigation and adaptation measures. The Group is committed to reduce its carbon footprint by limiting its exposure to coal-based projects and reducing its GHG emissions through high impact initiatives such as investment in Renewable Energy (1,826 MW on a group captive basis), fuel switch, electrification of vehicles and mining fleet and energy efficiency opportunities. Renewable sources have limitations in supplying

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round the clock power, so existing power plants would support transition and fleet replacement is part of normal lifecycle renewal. The group has also taken certain measures towards water management such as commissioning of sewage treatment plants, rainwater harvesting, and reducing fresh water consumption. These initiatives are aligned with the group's ESG strategy and no material changes were identified to the financial statements as a result.

As the Group's assessment of the potential impacts of climate change and the transition to a low-carbon economy continues to mature, any future changes in Group's climate change strategy, changes in environmental laws and regulations and global decarbonisation measures may impact the Group's significant judgments and key estimates and result in changes to financial statements and carrying values of certain assets and liabilities in future reporting periods. However, as of the balance sheet date, the Group believes that there is no material impact on carrying values of its assets or liabilities.

(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 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 27.

(ii) Contingencies and other litigations

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 40. For other significant litigations where the possibility of an outflow of resources embodying economic benefits is remote, refer note 41.

(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 judgment, 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 that the credit risk is low (refer note 8).

4 Business Combinations/ Acquisitions/ Restructuring

A. Athena Chhattisgarh Power Limited

On 21 July 2022, the Company acquired Athena Chhattisgarh Power Limited ("ACPL"), an unrelated party, under the liquidation proceedings of the Insolvency and Bankruptcy Code, 2016 for a consideration of ₹ 565 Crore, subject to National Company Law Tribunal ("NCLT") approval. ACPL is building a 1,200 MW (600 MW X 2) coal-based power plant located at Jhanjgir Champa district,

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Chhattisgarh. The plant is expected to fulfil the power requirements for the Company's aluminium business. The Company had filed its application with the NCLT in July 2022 and further amended the application in November 2022 praying for merger of ACPL with itself. The Company has requested various reliefs from the applicable legal and regulatory provisions as part of the above applications. The NCLT approval of the Company's resolution application is pending as on the balance sheet date. On consolidation, the consideration paid for acquisition of ACPL represents mainly Capital work in progress.

B. Amalgamation of Facor Power Limited into Ferro Alloys Corporation Limited

During the current year, Hon'ble National Company Law Tribunal, Cuttack Bench vide its Order dated 15 November 2022 approved the Scheme of Amalgamation of Facor Power Limited ("FPL") into Ferro Alloys Corporation Limited ("FACOR"). FPL was a subsidiary of FACOR which in turn is a subsidiary of the Company. Post the amalgamation becoming effective on 21 November 2022, the Company directly holds 99.99% in FACOR. There is no material impact on the consolidated financial statements of the Group due to this amalgamation.

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, steel, cement 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 zinc and lead India), Zinc international, oil and gas and others. The management of the Group is organized by its main products: copper, Zinc (comprises zinc and lead India, silver India and zinc international), aluminium, iron ore, oil and gas, power and others. "Others" segment mainly comprises port/berth, steel, glass substrate, ferro alloys and cement business and those segments which do not meet the quantitative threshold for separate reporting. Each of the reportable segments derives its revenues from these main products and hence these have been identified as reportable segments by the Group's chief operating decision maker ("CODM").

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. 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 2023 and 31 March 2022 respectively.

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forming part of the financial statements as at and for the year ended 31 March 2023

For the year ended 31 March 2023

(₹ in Crore)

Particulars	Business Segments									
	Zinc India	Zinc International	Oil & Gas	Aluminium	Copper	Iron Ore	Power	Others	Eliminations	Total
Revenue										
External revenue	33,120	5,209	15,038	52,360	17,491	6,046	6,982	9,158	-	1,45,404
Inter segment revenue	-	-	-	43	-	457	218	88	(806)	-
Segment revenue	**33,120**	**5,209**	**15,038**	**52,403**	**17,491**	**6,503**	**7,201**	**9,245**	**(806)**	**1,45,404**
Results										
Segment results (EBITDA) [a]	**17,474**	**1,934**	**7,782**	**5,837**	**(4)**	**988**	**851**	**379**	**-**	**35,241**
Less: Depreciation, depletion and amortisation	3,290	487	2,577	2,490	194	146	689	682	-	10,555
Add: Other income, net of expenses [b, c]	161	-	(327)	87	2	8	16	1	-	(52)
Add: Other unallocable income, net of expenses										2,084
Less: Finance costs										6,225
Less: Net exceptional loss										217
Net profit before tax										20,276
Other information										
Segment assets	**22,848**	**6,846**	**24,485**	**64,238**	**5,104**	**5,375**	**16,495**	**10,977**		**1,56,368**
Financial assets investments										13,150
Deferred tax assets										8,495
Income tax assets										2,891
Cash and bank balances (including restricted cash and bank balances)										9,948
Others										5,504
Total assets										**1,96,356**
Segment liabilities	**6,399**	**1,076**	**14,985**	**26,436**	**5,249**	**2,597**	**2,339**	**3,694**		**62,775**
Deferred tax liabilities										5,922
Borrowing										66,182
Income tax liabilities (net of payments)										1,601
Others										10,449
Total liabilities										**1,46,929**
Capital expenditure [d]	3,811	1,242	3,647	5,972	127	512	631	1,303	-	17,267
Net impairment reversal relating to assets	-	-	18	-	-	644	-	109	-	771

a) EBITDA is a non-GAAP measure.
b) Includes amortisation of duty benefits relating to assets recognised as government grant.
c) Includes cost of exploration wells written off in Oil & Gas segment.
d) Includes capital expenditure of ₹ 22 Crore which is not allocable to any segment.

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forming part of the financial statements as at and for the year ended 31 March 2023

For the year ended 31 March 2022

(₹ in Crore)

Particulars	Business Segments									
	Zinc India	Zinc International	Oil & Gas	Aluminium	Copper	Iron Ore	Power	Others	Eliminations	Total
Revenue										
External Revenue	28,624	4,484	12,430	50,809	15,151	6,233	5,501	7,960	-	1,31,192
Inter segment revenue	-	-	-	72	-	117	325	12	(526)	-
Segment revenue	**28,624**	**4,484**	**12,430**	**50,881**	**15,151**	**6,350**	**5,826**	**7,972**	**(526)**	**1,31,192**
Results										
Segment results (EBITDA) [a]	**16,161**	**1,533**	**5,992**	**17,337**	**(115)**	**2,280**	**1,082**	**1,049**	**-**	**45,319**
Less: Depreciation, depletion and amortisation	2,951	513	1,633	2,238	208	118	685	549	-	8,895
Add: Other income [b]	139	-	-	80	2	8	15	1	-	245
Add: Other unallocable income, net of expenses										1,860
Less: Finance costs										4,797
Less: Net exceptional loss										768
Net profit before tax										32,964
Other information										
Segment assets	**22,822**	**6,984**	**24,149**	**60,407**	**5,912**	**4,156**	**16,977**	**9,197**		**1,50,604**
Financial Assets investments										17,291
Deferred tax Assets										5,085
Income tax Assets										2,787
Cash and bank balances (including restricted cash and bank balances)										15,805
Others										6,810
Total assets										**1,98,382**
Segment liabilities	**6,229**	**1,159**	**16,138**	**20,013**	**5,028**	**2,601**	**1,976**	**2,694**		**55,838**
Deferred tax liabilities										4,435
Borrowing										53,109
Income tax liabilities (net of payments)										917
Others										1,379
Total liabilities										**1,15,678**
Capital expenditure [c]	3,705	1,016	1,805	3,535	8	298	105	1,250	-	11,742
Net (impairment)/ reversal or (write off)/ write back relating to assets [d]	-	-	79	(125)	-	-	-	(52)	-	(122)

a) EBITDA is a non-GAAP measure.

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

c) Total of capital expenditure includes capital expenditure of ₹ 20 Crore which is not allocable to any segment.

d) Includes write off of ₹ 24 Crore which is not allocable to any segment.

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forming part of the financial statements as at and for the year ended 31 March 2023

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 Crore)

Geographical Segments	Year ended 31 March 2023	Year ended 31 March 2022
Revenue by geographical segment		
India	87,099	73,619
Europe	18,360	21,028
China	5,296	9,667
The United States of America	3,839	3,487
Mexico	4,619	2,311
Others	26,191	21,080
Total	**1,45,404**	**1,31,192**

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

(₹ in Crore)

Geographical Segments	As at 31 March 2023	As at 31 March 2022
Carrying amount of non-current assets		
India	1,11,637	1,07,915
South Africa	5,316	5,105
Namibia	888	990
Taiwan	1,041	893
Other	1,632	646
Total	**1,20,514**	**1,15,549**

C) Information about major customer

No single customer has accounted for more than 10% of the Group's revenue for the year ended 31 March 2023 and 31 March 2022.

D) Disaggregation of Revenue

Below table summarises the disaggregated revenue from contracts with customers

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Zinc metal	29,002	24,709
Lead metal	4,821	4,240
Silver metals and bars	4,577	4,215
Oil	12,448	10,275
Gas	2,807	1,712
Aluminium products	52,356	51,253
Copper products	17,070	14,281
Iron ore	2,328	2,354
Metallurgical coke	463	406
Pig iron	4,059	4,123
Power	5,288	3,886
Steel products	6,272	5,698
Ferro alloys	768	830
Others	3,725	3,119
Revenue from contracts with customers*	1,45,984	1,31,101
Revenue from contingent rents	1,543	1,381
Losses on provisionally priced contracts under Ind AS 109	(2,123)	(1,290)
Total revenue	**1,45,404**	**1,31,192**

* includes revenues from sale of services aggregating to ₹ 326 Crore (31 March 2022: ₹ 301 Crore) which is recorded over a period of time. The balance revenue from contracts with customers is recognised at a point in time.

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6 Property, Plant and Equipment, Intangible assets, Capital work-in-progress and Exploration intangible assets under development

(₹ in Crore)

Particulars	Freehold Land	Buildings	Plant and equipment	Mining property	Oil & gas producing facilities	Furniture and fixtures	Vehicles	Office equipment	Right of Use assets (Refer note below)	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 and Equipment													
Gross Block													
As at 01 April 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
Additions	91	114	1,438	638	132	21	35	77	115	2,661	7,032	977	10,670
Transfers/ Reclassifications [(i)]	26	134	5,864	2,057	674	22	2	2	(697)	8,084	(7,939)	(156)	(11)
Disposals/ Adjustments	(86)	(7)	(1,056)	(33)	(8)	(3)	(11)	(9)	(9)	(1,222)	(116)	-	(1,338)
Exploration cost written off (Refer note 35)	-	-	-	-	-	-	-	-	-	-	-	(2,618)	(2,618)
Exchange differences	11	78	618	256	2,823	3	-	16	7	3,812	1,030	267	5,109
As at 31 March 2022	**2,180**	**15,219**	**1,15,997**	**19,687**	**93,589**	**499**	**402**	**1,164**	**1,176**	**2,49,913**	**45,237**	**8,018**	**3,03,168**
Additions	36	57	1,791	576	-	9	19	86	157	2,731	12,111	1,542	16,384
Transfers/ Reclassifications [(i), (ii)]	8	441	4,185	2,547	2,440	9	(1)	5	-	9,634	(8,855)	(148)	631
Disposals/ Adjustments	(17)	13	(2,197)	(13)	(284)	(53)	(14)	(78)	(10)	(2,653)	-	-	(2,653)
Exploration cost written off (Refer note 35)	-	-	-	-	-	-	-	-	-	-	-	(327)	(327)
Exchange differences	31	163	1,237	(572)	8,611	3	(10)	(12)	1	9,452	1,869	712	12,033
As at 31 March 2023	**2,238**	**15,893**	**1,21,013**	**22,225**	**1,04,356**	**467**	**396**	**1,165**	**1,324**	**2,69,077**	**50,362**	**9,797**	**3,29,236**
Accumulated depreciation, depletion, amortisation and impairment													
As at 01 April 2021	345	6,758	40,924	9,936	87,500	348	127	888	323	1,47,149	31,350	7,114	1,85,613
Charge for the year	9	478	5,246	1,938	878	17	34	138	63	8,801	-	-	8,801
Disposals/ Adjustments	(28)	(1)	(855)	-	-	(2)	(7)	(7)	(9)	(909)	(65)	-	(974)
Impairment charge/(reversal) for the year (Refer note 36)	-	-	-	-	(1,743)	-	-	-	-	(1,743)	24	(953)	(2,672)
Transfers/ Reclassifications [(i)]	-	-	1,098	-	261	-	-	-	(162)	1,197	(1,197)	-	-
Exchange differences	9	71	499	103	2,725	2	-	18	1	3,428	895	208	4,531
As at 31 March 2022	**335**	**7,306**	**46,912**	**11,977**	**89,621**	**365**	**154**	**1,037**	**216**	**1,57,923**	**31,007**	**6,369**	**1,95,299**
Charge for the year	**10**	**571**	**5,747**	**2,224**	**1,541**	**29**	**37**	**110**	**87**	**10,356**	**-**	**-**	**10,356**
Disposals/ Adjustments	**(7)**	**6**	**(1,392)**	**(2)**	**(6)**	**(52)**	**(9)**	**(76)**	**(10)**	**(1,548)**	**-**	**-**	**(1,548)**
Impairment charge/(reversal) for the year (Refer note 6(l))	**-**	**-**	**(410)**	**-**	**(206)**	**-**	**-**	**-**	**-**	**(616)**	**(753)**	**598**	**(771)**
Transfers/ Reclassifications [(i), (ii)]	**-**	**-**	**166**	**-**	**312**	**3**	**-**	**(3)**	**-**	**478**	**166**	**-**	**644**
Exchange differences	**25**	**174**	**1,107**	**(237)**	**7,833**	**(1)**	**(8)**	**(17)**	**1**	**8,877**	**2,508**	**574**	**11,959**
As at 31 March 2023	**363**	**8,057**	**52,130**	**13,962**	**99,095**	**344**	**174**	**1,051**	**294**	**1,75,470**	**32,928**	**7,541**	**2,15,939**
Net Book Value/Carrying Amount													
As at 01 April 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
As at 31 March 2022	1,845	7,913	69,085	7,710	3,968	134	248	127	960	91,990	14,230	1,649	1,07,869
As at 31 March 2023	**1,875**	**7,836**	**68,883**	**8,263**	**5,261**	**123**	**222**	**114**	**1,030**	**93,607**	**17,434**	**2,256**	**1,13,297**

(i) Transfers/reclassification majorly includes capitalisation of CWIP to respective class of assets.

(ii) Transfer/reclassification from CWIP Accumulated Impairment to Mining Property Gross block amounting to ₹ 644 Crore.

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Right of Use (ROU) Assets

(₹ in Crore)

Particulars	ROU Land	ROU Building	ROU Plant and Equipment	Total
Gross Block				
As at 01 April 2021	962	61	737	1,760
Additions	92	4	19	115
Transfers/ Reclassification	(5)	-	(692)	(697)
Disposals/ Adjustments	(8)	(1)	-	(9)
Exchange differences	(6)	1	12	7
As at 31 March 2022	**1,035**	**65**	**76**	**1,176**
Additions	112	1	44	157
Disposals/ Adjustments	(10)	-	-	(10)
Exchange differences	-	3	(2)	1
As at 31 March 2023	**1,137**	**69**	**118**	**1,324**
Accumulated depreciation & impairment				
As at 01 April 2021	120	29	174	323
Charge for the year	41	13	9	63
Disposals/ Adjustments	(8)	(1)	-	(9)
Transfers/Reclassification	-	-	(162)	(162)
Exchange differences	(2)	-	3	1
As at 31 March 2022	**151**	**41**	**24**	**216**
Charge for the year	53	12	22	87
Disposals/ Adjustments	(10)	-	-	(10)
Exchange differences	-	2	(1)	1
As at 31 March 2023	**194**	**55**	**45**	**294**
Net Book Value				
As at 01 April 2021	842	32	563	1,437
As at 31 March 2022	884	24	52	960
As at 31 March 2023	**943**	**14**	**73**	**1,030**

(₹ in Crore)

Particulars	Software License	Right to use (refer note k)	Mining Rights	Port concession rights (refer note i)	Brand & Technological know-how	Total
Intangible assets						
Gross Block						
As at 01 April 2021	384	144	601	684	236	2,049
Additions	16	-	539	1	-	556
Transfers/Reclassification	11	-	-	-	-	11
Exchange differences	7	-	-	-	(15)	(8)
As at 31 March 2022	**418**	**144**	**1,140**	**685**	**221**	**2,608**
Additions	14	-	824	-	-	838
Transfers/Reclassification	7	-	-	6	-	13
Disposals/ Adjustments	(152)	(144)	-	(1)	-	(297)
Exchange differences	(67)	-	-	-	(1)	(68)
As at 31 March 2023	**220**	**-**	**1,964**	**690**	**220**	**3,094**
Accumulated amortisation and impairment						
As at 01 April 2021	355	25	360	195	73	1,008
Charge for the year	17	6	50	25	24	122
Exchange differences	8	-	-	-	(6)	2
As at 31 March 2022	**380**	**31**	**410**	**220**	**91**	**1,132**
Charge for the year	22	4	169	25	21	241
Disposals/ Adjustments	(153)	(35)	-	-	-	(188)
Exchange differences	(67)	-	-	-	-	(67)
As at 31 March 2023	**182**	**-**	**579**	**245**	**112**	**1,118**
Net Book Value/Carrying Amount						
As at 01 April 2021	29	119	241	489	163	1,041
As at 31 March 2022	38	113	730	465	130	1,476
As at 31 March 2023	**38**	**-**	**1,385**	**445**	**108**	**1,976**

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6 Capital Work in Progress (CWIP) ageing schedule

(₹ in Crore)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Projects in progress	Projects temporarily suspended	Projects in progress	Projects temporarily suspended
Less than 1 year	8,674	7	4,548	3
1-2 years	1,878	2	1,096	5
2-3 years	534	5	1,943	33
More than 3 years	5,690	644	5,982	620
Total	**16,776**	**658**	**13,569**	**661**

CWIP completion schedule for projects whose completion is overdue or has exceeded its cost compared to its original plan

(₹ in Crore)

Particulars	As at 31 March 2023				As at 31 March 2022			
	To be completed in				To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress								
Lanjigarh alumina 2-5 MTPA expansion project	6,666	21	-	-	4,147	884	-	-
Oil & Gas development CWIP projects	330	135	-	-	1,930	572	-	-
Others*	2,576	-	-	-	1,437	545	-	-
Projects temporarily suspended**	11	-	-	371	11	-	-	371

* Includes projects which are individually less than 10% of CWIP balance.

** Excludes completion schedule for the Copper 4 LTPA Expansion project which is on hold due to restrictions imposed by the State government (Refer note 3(c)(A)(iii)).

Exploration intangible assets under development ageing schedule

(₹ in Crore)

Intangible assets under development	As at 31 March 2023	As at 31 March 2022
	Projects in progress	Projects in progress
Less than 1 year	729	624
1-2 years	577	534
2-3 years	536	352
More than 3 years	414	139
Total	**2,256**	**1,649**

Title deeds of immovable properties not held in the name of Company

(₹ in Crore)

Relevant line item in the Balance sheet	Description of item of property	Gross block as at 31 March 2023	Gross block as at 31 March 2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and Equipment	Land & Building	3,524	3,061	Oil & Natural Gas Corporation Limited (ONGC) & Cairn India Ltd	No	10 April 2009	The title deeds of Oil & Gas exploration blocks jointly owned by the JV partners are in the name of ONGC, being the licensee of these exploration blocks.

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(₹ in Crore)

Relevant line item in the Balance sheet	Description of item of property	Gross block as at 31 March 2023	Gross block as at 31 March 2022	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and Equipment	Land	4	4	National Thermal Power Corporation Ltd (NTPC)	No	20 June 2002	The 206.18 acres land transferred to BALCO by NTPC is yet to be registered in favour of BALCO due to non-availability of title deeds from NTPC. In the matter, arbitration was held where the Arbitrator passed the award in favour of BALCO but directed that transfer of title deeds of land will be effected by the Central Government with the assistance of State Government. The matter is sub-judice before the Delhi High Court.
	Land	53	53	Erstwhile company Sterlite Industries (India) Limited, that merged with the Company	No	1965-2012*	The title deeds are in the names of erstwhile companies that merged with the Company under Section 391 to 394 of the erstwhile Companies Act, 1956 pursuant to Schemes of Amalgamation and Arrangement as approved by the Honourable High Courts.
	ROU Land	50	50		No	1993-2009*	
	Land	20	20	Erstwhile company Vedanta Aluminium Limited, that merged with the Company	No	2008-2012*	

* Multiple dates of acquisitions during the period disclosed.

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

b) During the year ended 31 March 2023, interest capitalised was ₹ 483 Crore (31 March 2022: ₹ 313 Crore).

c) Certain property, plant and equipment are pledged as security against borrowings, the details related to which have been described in Note 19 on "Borrowings".

d) Freehold land includes 40 quarters at Bidhan Bagh Unit and 300.88 acres of land at Korba which have been occupied without authorisation for which Group is evaluating evacuation options and the Group has filed the civil suits for the same.

e) 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 the 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 Interlocutory Applications (IAs) before the Supreme Court, first 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. The matter is to be listed for hearing in the due course.

f) 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 ₹ 10,534 Crore (31 March 2022: ₹ 10,665 Crore).

g) 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-

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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 ₹ 11 Crore (31 March 2022: ₹ 22 Crore) are adjusted to the cost of respective item of property, plant and equipment.

h) **Reconciliation of depreciation, depletion and amortisation expense**

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation/Depletion/Amortisation expense on:		
Property, Plant and Equipment	10,356	8,801
Intangible assets	241	122
As per Property, Plant and Equipment and Intangibles schedule	**10,597**	**8,923**
Less: Depreciation capitalised	-	(4)
Less: Cost allocated to joint ventures and other adjustments	(42)	(24)
As per Consolidated Statement of Profit and Loss	**10,555**	**8,895**

i) 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. The Company has entered into a supplementary agreement to the original concession agreement with VPT dated 20 October 2021, wherein VPT can handle other compatible cargos at VGCB during idling of the berth. Intangible asset port concession rights represents consideration for construction services. No revenue from construction contract of service concession arrangements on exchanging construction services for the port concession rights was recognised for the years ended 31 March 2023 and 31 March 2022.

j) As at 31 March 2023, TSPL's assets consisting of land (including ROU land), building and plant and machinery having net carrying value of ₹ 399 Crore (31 March 2022: ₹ 391 Crore), ₹ 153 Crore (31 March 2022: ₹ 169 Crore) and ₹ 8,228 Crore (31 March 2022: ₹ 8,640 Crore) respectively have been given on operating lease (refer note 3(c)(B)(i)).

k) During the current year, consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), HZL has transferred its CSR assets, after obtaining regulatory approvals, having carrying value of ₹ 117 Crore as on the date of transfer, at nominal consideration to Zinc India Foundation (a wholly owned subsidiary of HZL), incorporated during the current year under Section 8 of the Companies Act, 2013. The carrying value of these assets has been included as CSR expense in the financial statements owing to such transfer.

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l) (i) During the year ended 31 March 2023, the Group has recognized a net impairment reversal of ₹ 616 Crore (after considering impairment reversal of ₹ 1,236 Crore on account of ONGC partial arbitration award (refer note (ii) for details)) on its assets in the oil and gas producing facilities and impairment charge of ₹ 598 Crore on its assets in the oil and gas exploration intangible assets under development mainly due to revision of Reserve and Capex estimates. The recoverable amount of the Company's share in Rajasthan Oil and Gas cash generating unit "RJ CGU" was determined to be ₹ 10,179 Crore (US $ 1,239 million) as at 31 March 2023. The recoverable amount of the RJ CGU was determined based on the fair value less costs of disposal approach, a level-3 valuation technique in the fair value hierarchy, as it more accurately reflects the recoverable amount based on the Company's view of the assumptions that would be used by a market participant. This is based on the cash flows expected to be generated by the projected oil and natural gas production profiles up to 2040, 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 $ 84 per barrel for the next one year and tapers down to long-term nominal price of US $ 73 per barrel three years thereafter derived from a consensus of various analyst recommendations. Thereafter, these have been escalated at a rate of 2.4% per annum. The cash flows are discounted using the post-tax nominal discount rate of 10.99% derived from the post-tax weighted average cost of capital after factoring in the risks ascribed to PSC extension including successful implementation of key growth projects. 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 ₹ 74 Crore (US $ 9 million) and ₹ 378 Crore (US $ 46 million) respectively.

(ii) In the Oil and Gas business, the Group operates the Rajasthan Block under a joint venture model with ONGC. As the operator of the block, the Company raises cash calls to ensure the smooth functioning of the petroleum operations.

During the current year ended 31 March 2023, the Group received a favourable partial arbitration award on cash call claims made from ONGC, pursuant to which, reversal of previously recorded impairment of ₹ 1,236 Crore (US$ 155 million) has been recognised against capitalised development costs. The Group had a liability towards ONGC of ₹ 1,507 Crore (US$ 199 million) as of 31 March 2022 on account of revenue received in excess of entitlement. Based on the partial arbitration award, the Group has adjusted the claims received in the favour of the Group against the liability towards ONGC and the net payable as of 31 March 2023 amounts to ₹ 279 Crore (US$ 34 million)

7 Financial assets - Investments

A) Non-current Investments

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
(I) Investments at fair value through other comprehensive income		
Investment in Equity Shares - quoted		
Sterlite Technologies Limited- 47,64,295 shares of ₹ 2 each	70	107
Investment in Equity Shares - unquoted		
Sterlite Power Transmission Limited - 19,05,718 equity shares of ₹ 2 each (31 March 2022: 9,52,859 equity shares of ₹ 2 each)	11	11
Investment in Bonds - quoted	153	-
(II) Investments at fair value through profit and loss		
Investment in Bonds - quoted		
Infrastructure Leasing & Financial Services Limited	30	30
Investment in Optionally Convertible Redeemable Preference Shares - unquoted		
Serentica Renewable Power Companies - 24,90,00,000 shares of ₹ 10 each (31 March 2022: NIL) (Refer Note 40)	249	-

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(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
(III) Investment in Equity Shares (fully paid)		
Associate Companies and Joint ventures – unquoted		
Gaurav Overseas Private Limited - 14,23,000 equity shares of ₹ 10 each (31 March 2022: 4,23,000 equity shares of ₹ 10 each)	1	0
RoshSkor Township (Proprietary) Limited - 50 equity shares of NAD 1 each	0	3
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
Less: Impairment in the value of investment	(2)	(2)
(IV) Others	0	0
Total	**514**	**151**
Aggregate amount of quoted investments, and market value thereof	253	137
Aggregate amount of unquoted investments	263	16
Aggregate amount of impairment in the value of investments	(2)	(2)
Total	**514**	**151**

B) Current Investments

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Investments carried at fair value through other comprehensive income (fully paid)		
Investment in Bonds - quoted*	4,239	-
Investments carried at fair value through profit and loss (fully paid)		
Investment in mutual funds - quoted	-	1,196
Investment in mutual funds - unquoted	4,563	7,207
Investment in bonds - quoted	3,834	8,587
Investment in commercial paper - quoted	-	150
Investment in India Grid Trust - quoted	-	0
Total	**12,636**	**17,140**

* Includes investments amounting to ₹ 1,812 Crore (31 March 2022: ₹ Nil Crore) are pledged as security for repurchase liability (Refer Note 19(c)). The Group continues to record these investments as it retains rights to contractual cash flows on such investments and thus do not meet the criteria for derecognition or transfer of financial asset as per Ind AS 107.

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Aggregate amount of quoted investments, and market value thereof	8,073	9,933
Aggregate amount of unquoted investments	4,563	7,207
Total	**12,636**	**17,140**

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8 Financial assets - Trade receivables

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Secured, Undisputed						
Not due	-	319	319	-	186	186
Less than 6 months	-	292	292	-	57	57
6 months -1 year	-	6	6	-	-	-
1-2 Years	-	-	-	-	-	-
2-3 years	-	-	-	-	-	-
More than 3 years	-	3	3	-	3	3
Sub-total	**-**	**620**	**620**	**-**	**246**	**246**
Unsecured, disputed						
Unbilled dues	34	-	34	43	-	43
Not due	26	-	26	28	-	28
Less than 6 months	189	14	203	246	19	265
6 months -1 year	241	-	241	126	-	126
1-2 Years	441	-	441	651	21	672
2-3 years	389	-	389	442	9	451
More than 3 years	2,585	7	2,592	2,515	14	2,529
Sub-Total	**3,905**	**21**	**3,926**	**4,051**	**63**	**4,114**
Unsecured, Undisputed						
Unbilled dues	-	98	98	-	0	0
Not due	-	2,242	2,242	1	2,233	2,234
Less than 6 months	-	1,007	1,007	1	2,361	2,362
6 months -1 year	-	17	17	-	19	19
1-2 Years	-	23	23	-	36	36
2-3 years	-	4	4	-	1	1
More than 3 years	-	5	5	-	15	15
Sub-Total	**-**	**3,396**	**3,396**	**2**	**4,665**	**4,667**
Less: Provision for expected credit loss	(1,373)	(23)	(1,396)	(1,052)	(28)	(1,080)
Total	**2,532**	**4,014**	**6,546**	**3,001**	**4,946**	**7,947**

a) The credit period given to customers is up to 180 days. Also refer note 24 (C)(d)

b) For amount due and terms and conditions of related party receivables, refer note 42.

c) In a matter between TSPL and Punjab State Power Corporation Limited (PSPCL) 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 later 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 ₹ 1,476 Crore as at 31 March 2023 (31 March 2022: ₹ 1,725 Crore). 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.

d) Trade receivables includes ₹ 878 Crore (net of Provision for expected credit loss ("ECL") of ₹ 157 Crore recognised during the year on account of time value of money) as at 31 March 2023 (31 March 2022: ₹ 1,097 Crore) withheld by GRIDCO Limited ("GRIDCO") primarily on account of reconciliation and disputes relating to computation of power tariffs and alleged short-supply of power by the Group under the terms of long term power supply agreement.

Out of the above, ₹ 374 Crore (net of ECL of ₹ 74 Crore recognised during the year on account of time value of money) relates to the amounts withheld by GRIDCO due to tariff adjustments on account of transmission line constraints in respect of which GRIDCO's appeal against order of APTEL is pending before the Hon'ble Supreme Court of India and ₹ 234 Crore (net of ECL of ₹ 47 Crore) relates to alleged short supply of power for which the Group's appeal on certain grounds are pending before APTEL.

e) The total trade receivables as at 01 April 2021 were ₹ 6,431 Crore (net of provision for expected credit loss).

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9 Financial assets - Loans

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured, considered good						
Loans to related parties (Refer note 42)	9	3,749	3,758	3,164	2,298	5,462
Loans and advances to employees	1	11	12	2	6	8
Unsecured, considered credit impaired						
Loans to related parties (Refer note 42)	-	87	87	-	78	78
Less: Provision for expected credit loss	-	(87)	(87)	-	(78)	(78)
Total	**10**	**3,760**	**3,770**	**3,166**	**2,304**	**5,470**

10 Financial assets - Others

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Bank deposits [a, b, c]	688	-	688	444	-	444
Site Restoration asset [c]	1,228	-	1,228	1,023	-	1,023
Unsecured, considered good						
Receivables from related parties (Refer note 42)	-	18	18	-	151	151
Security deposits	345	57	402	187	54	241
Others						
Advance recoverable (oil and gas business)	-	7,622	7,622	-	8,176	8,176
Others [d]	1,523	171	1,694	1,438	343	1,781
Unsecured, considered credit impaired						
Security deposits	43	1	44	43	1	44
Balance with government authorities	-	3	3	-	3	3
Others [d]	584	241	825	565	436	1,001
Less: Provision for expected credit loss	(627)	(245)	(872)	(608)	(440)	(1,048)
Total	**3,784**	**7,868**	**11,652**	**3,092**	**8,724**	**11,816**

a) Bank deposits includes fixed deposit with maturity more than twelve months of ₹ 208 Crore (31 March 2022: ₹ NIL Crore) under lien with bank, ₹ 208 Crore (31 March 2022: ₹ 101 Crore) reserve created against principal payment on loans from banks, restricted funds of ₹ 146 Crore (31 March 2022: ₹ 156 Crore) held as interest reserve created against interest payment on loans from banks and margin money of ₹ 39 Crore (31 March 2022: ₹ 39 Crore).

b) Restricted funds of ₹ 7 Crore (31 March 2022: ₹ 5 Crore) held as lien with Others, ₹ 58 Crore (31 March 2022: ₹ 61 Crore) held as margin money against bank guarantees and ₹ 2 Crore (31 March 2022: ₹ NIL Crore) held as fixed deposit for closure cost.

c) Bank deposits and site restoration asset earn interest at fixed rate based on respective deposit rates.

d) 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, the Group has started recognizing revenue 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, a view which is also supported by an independent legal opinion. At year end, an amount of ₹ 1,718 Crore (US$ 209 million) (31 March 2022: ₹ 1,581 Crore (US$ 209 million)) is receivable from its joint operation partner on account of this. However, the Joint operation partner carries a different understanding and the matter is pending resolution.

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11 Other assets

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured, considered good						
Capital advances	1,747	-	1,747	1,702	-	1,702
Advances other than capital advances						
Advances for supplies to related party (Refer note 42)	25	1,663	1,688	61	84	145
Advances for supplies	40	2,128	2,168	-	2,706	2,706
Others						
Balance with government authorities [a]	809	1,525	2,334	761	1,084	1,845
Others [b]	985	1,177	2,162	918	1,399	2,317
Unsecured, considered doubtful						
Capital advances	188	-	188	185	-	185
Advance for supplies	-	76	76	-	74	74
Balance with government authorities	3	109	112	3	12	15
Claims and other receivables						
Others [b]	1,068	4	1,072	1,021	6	1,027
Less: Provision for doubtful advances	(1,259)	(189)	(1,448)	(1,209)	(92)	(1,301)
Total	**3,606**	**6,493**	**10,099**	**3,442**	**5,273**	**8,715**

a) Includes ₹ 66 Crore (31 March 2022: ₹ 58 Crore), being Company's share of gross amount of ₹ 97 Crore (31 March 2022: ₹ 86 Crore) 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.

12 Inventories

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials	2,864	2,906
Goods-in transit	2,239	1,471
Work-in-progress	5,081	5,039
Goods-in transit	-	1
Finished good	1,028	783
Goods-in transit	-	46
Fuel stock	1,598	1,279
Goods-in transit	241	833
Stores and spares	1,915	1,909
Goods-in transit	46	46
Total	**15,012**	**14,313**

a) Inventory held at net realisable value of ₹ 2,051 Crore as at 31 March 2023 (31 March 2022: ₹ 2,707 Crore).

b) A write down of inventories amounting to ₹ 113 Crore (31 March 2022: ₹ 172 Crore) 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 Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks [a]	6,078	5,408
Bank deposits with original maturity of less than 3 months (including interest accrued thereon) [b]	848	3,263
Cash on hand	0	0
Total	**6,926**	**8,671**

a) Including foreign inward remittances aggregating ₹ 325 Crore (US$ 40 million) (31 March 2022: ₹ 3,495 Crore (US$ 462 million) held by banks in their nostro accounts on behalf of the Group.

b) Bank deposits earn interest at fixed rate based on respective deposit rates.

14 Other bank balances

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Bank deposits with original maturity of more than 3 months but less than 12 months (including interest accrued thereon) [a, b, c]	859	2,053
Bank deposits with original maturity of more than 12 months (including interest accrued thereon) [c, d]	0	4,164
Earmarked unpaid dividend accounts [e, f]	1,467	465
Earmarked escrow account [g]	2	2
Total	**2,328**	**6,684**

a) The above bank deposits includes ₹ 97 Crore (31 March 2022: ₹ 441 Crore) on lien with banks, margin money of ₹ 41 Crore (31 March 2022: ₹ 40 Crore).

b) ₹ 42 Crore (31 March 2022: ₹ 40 Crore) held as collateral in respect of closure costs, ₹ 22 Crore (31 March 2022: ₹ 6 Crore) held as lien with Others and ₹ 63 Crore (31 March 2022: ₹ 57 Crore) held as margin money against bank guarantees.

c) Bank deposits earn interest at fixed rate based on respective deposit rates.

d) Includes ₹ 0 Crore (31 March 2022: ₹ 4 Crore) margin money with banks and fixed deposit under lien with others of ₹ 0 Crore (31 March 2022: ₹ 15 Crore).

e) Includes ₹ 1,322 Crore (31 March 2022: ₹ NIL Crore) in unpaid dividend account of a subsidiary.

f) Earmarked unpaid dividend accounts are restricted in use as it relates to unclaimed dividends or unpaid dividend as per the provisions of the Companies Act, 2013.

g) Earmarked escrow account includes amount restricted in use as it relates to unclaimed redeemable preference shares.

15 Share capital

(₹ in Crore)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number (in Crore)	Amount (₹ in Crore)	Number (in Crore)	Amount (₹ in Crore)
A) Authorised equity share capital				
Opening and closing balance (equity shares of ₹ 1 each with voting rights)	4,402	4,402	4,402	4,402
Authorised preference share capital				
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 3,05,832 (31 March 2022: 3,05,832) equity shares kept in abeyance. These shares are not part of listed equity capital and pending allotment as they are sub-judice.

b) Includes 40,05,075 (31 March 2022: 86,93,406) 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*

(₹ in Crore)

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of Shares held (in Crore)	% of holding	No. of Shares held (in Crore)	% of holding
Twin Star Holdings Limited	172.48	46.40	172.48	46.40
Finsider International Company Limited	16.35	4.40	16.35	4.40
Welter Trading Limited	3.82	1.03	3.82	1.03
Vedanta Holdings Mauritius II Limited	49.28	13.26	49.28	13.26
Vedanta Holdings Mauritius Limited	10.73	2.89	10.73	2.89
Vedanta Netherlands Investment BV	0.50	0.13	6.35	1.71
Total	**253.16**	**68.11**	**259.01**	**69.69**

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

All the above entities are subsidiaries of Volcan Investments Limited, the ultimate holding company.

D) Details of shareholders holding more than 5% shares in the Company *

(₹ in Crore)

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of Shares held (in Crore)	% of holding	No. of Shares held (in Crore)	% of holding
Twin Star Holdings Limited	172.48	46.40	172.48	46.40
Vedanta Holdings Mauritius II Limited	49.28	13.26	49.28	13.26
Life Insurance Corporation of India	33.54	9.02	32.11	8.64

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

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

E) Disclosure of Shareholding of Promoters and Promoter Group

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022	
	No. of Shares held (in Crore)	% of holding	% Change during the year	No. of Shares held (in Crore)	% of holding
Twin Star Holdings Limited	172.48	46.40	-	172.48	46.40
Finsider International Company Limited	16.35	4.40	-	16.35	4.40
Welter Trading Limited	3.82	1.03	-	3.82	1.03
Vedanta Holdings Mauritius II Limited	49.28	13.26	-	49.28	13.26
Vedanta Holdings Mauritius Limited	10.73	2.89	-	10.73	2.89
Vedanta Netherlands Investment BV	0.50	0.13	(1.58)	6.35	1.71
Mr. Pravin Agarwal	0.00	0.00	-	0.00	0.00
Ms. Suman Didwania	0.01	0.00	-	0.01	0.00
Mr. Ankit Agarwal	0.00	0.00	-	0.00	0.00
Ms. Sakshi Mody	0.00	0.00	-	0.00	0.00
Total	**253.17**	**68.11**	**(1.58)**	**259.02**	**69.69**

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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) 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 2,00,038 equity shares (31 March 2022: 1,99,373 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% 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 ("Act"), the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn.

(i) The Board of Directors of the Company, on 29 October 2021, approved the Scheme of Arrangement between the Company and its shareholders under Section 230 and other applicable provisions of the Companies Act, 2013 ("Act") ("Scheme"). The Scheme provides for capital reorganization of the Company, inter alia, providing for transfer of amounts standing to the credit of the General Reserves to the Retained Earnings of the Company with effect from the Appointed Date.

Post the requisite approvals obtained from Stock Exchanges and pursuant to the National Company Law Tribunal, Mumbai Bench ("NCLT") Order dated 26 August 2022 ("NCLT Order"), the proposed scheme was approved by the shareholders with requisite majority on 11 October 2022.

The Company is in the process of complying with the further requirements specified in the NCLT Order.

(ii) The Board of Directors of HZL, on 21 January 2022, approved the Scheme of Arrangement between HZL and its shareholders under Section 230 and other applicable provisions of the Companies Act, 2013 ("Act") ("Scheme"). The Scheme provides for capital reorganization of HZL, inter alia, providing for transfer of amounts standing to the credit of the General Reserves to the Retained Earnings of the HZL with effect from the Appointed Date.

Post the requisite approvals obtained from Stock Exchanges and pursuant to the National Company Law Tribunal, Mumbai Bench ("NCLT") Order dated 06 February 2023 ("NCLT Order"), the proposed scheme was approved by the shareholders with requisite majority on 29 March 2023.

HZL is in the process of complying with the further requirements specified in the NCLT Order.

b) **Debenture redemption reserve:** As per the earlier provisions under the 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 only be utilized 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. Accordingly, the Company is now not required to create Debenture Redemption Reserve.

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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 up 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, acquisition of ASI and FACOR. Further, changes in capital reserve are due to recognition/derecognition of put option liability and non controlling interests pertaining to ASI.

e) Legal reserve is created at Fujairah Gold FZC in accordance with free zone regulations.

f) Treasury share represents 40,05,075 (31 March 2022: 86,93,406) 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 32.

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 2023, NCIs hold an economic interest by virtue of their shareholding of 35.08%, 49.00%, 26.00%, 48.37%, 4.51% and 0.00% in Hindustan Zinc Limited (HZL), Bharat Aluminium Company Limited (BALCO), Black Mountain Mining (BMM), Avanstrate Inc. (ASI), ESL Steel Limited (ESL) and Ferro Alloys Corporation Limited (FACOR) respectively.

As at 31 March 2022, NCIs hold an economic interest by virtue of their shareholding of 35.08%, 49.00%, 26.00%, 48.37%, 4.51% and 10.00% in Hindustan Zinc Limited (HZL), Bharat Aluminium Company Limited (BALCO), Black Mountain Mining (BMM), Avanstrate Inc. (ASI), ESL Steel Limited (ESL) and Facor Power Limited (FPL) respectively.

The principal place of business of HZL, BALCO, ESL and FACOR is in India, that of BMM is in South Africa, that of Avanstrate Inc. is in Japan, South Korea and Taiwan.

The table below shows summarized financial information of subsidiaries of the Group that have non-controlling interests. The amounts are presented before inter-company elimination.

(₹ in Crore)

Particulars	As at 31 March 2023			
	HZL	BALCO	Others	Total
Non-current assets	21,156	13,144	15,887	50,187
Current assets	14,805	2,748	3,997	21,550
Non-current liabilities	5,257	2,439	5,915	13,611
Current liabilities	17,452	4,878	5,359	27,689
Equity attributable to owners of the Group	8,603	4,373	7,863	20,839
Non-controlling interests [a]	4,649	4,202	1,153	10,004

(a) ₹ 406 Crore loss attributable to NCI of ASI transferred to put option liability. Refer note 22.

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(₹ in Crore)

Particulars	As at 31 March 2022			
	HZL	BALCO	Others	Total
Non-current assets	21,234	12,362	15,184	48,780
Current assets	23,986	3,091	4,089	31,166
Non-current liabilities	4,491	2,612	8,065	15,168
Current liabilities	6,094	4,235	4,231	14,560
Equity attributable to owners of the Group	22,485	4,389	6,460	33,334
Non-controlling interests [a]	12,150	4,217	954	17,321

(a) ₹ 437 Crore loss attributable to NCI of ASI transferred to put option liability. Refer note 22.

(₹ in Crore)

Particulars	For the year ended 31 March 2023			
	HZL	BALCO	Others	Total
Total Income	35,465	13,496	15,074	64,035
Profit/ (loss) after tax for the year	10,479	(64)	941	11,356
Profit/ (loss) attributable to the equity shareholders of the Company	6,803	(33)	657	7,427
Profit/ (loss) attributable to the non-controlling interests	3,676	(31)	284	3,929
Other comprehensive income/ (loss) during the year	40	33	(381)	(308)
Other comprehensive income/ (loss) attributable to the equity shareholders of the Company	27	17	(286)	(242)
Other comprehensive income/ (loss) attributable to non-controlling interests	13	16	(95)	(66)
Total comprehensive income/ (loss) during the year	10,519	(31)	560	11,048
Total comprehensive income/ (loss) attributable to the equity shareholders of the Company	6,830	(16)	371	7,185
Total comprehensive income/ (loss) attributable to non-controlling interests	3,689	(15)	189	3,863
Dividends paid to non-controlling interests	11,190	-	-	11,190
Net cash inflow from operating activities	15,161	1,219	2,511	18,891
Net cash inflow/ (outflow) from investing activities	6,529	(1,127)	(1,436)	3,966
Net cash outflow from financing activities	(23,223)	(220)	(1,241)	(24,684)
Net cash outflow	(1,533)	(128)	(166)	(1,827)

(₹ in Crore)

Particulars	For the year ended 31 March 2022			
	HZL	BALCO	Others	Total
Total Income	30,632	13,944	12,270	56,846
Profit after tax for the year	9,593	2,651	752	12,996
Profit attributable to the equity shareholders of the Company	6,227	1,352	509	8,088
Profit attributable to the non-controlling interests	3,366	1,299	243	4,908
Other comprehensive (loss)/ income during the year	(56)	(17)	204	131
Other comprehensive (loss)/ income attributable to the equity shareholders of the Company	(36)	(9)	136	91
Other comprehensive (loss)/ income attributable to non-controlling interests	(20)	(8)	68	40
Total comprehensive income during the year	9,537	2,634	956	13,127

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(₹ in Crore)

Particulars	For the year ended 31 March 2022			
	HZL	BALCO	Others	Total
Total comprehensive income attributable to the equity shareholders of the Company	6,191	1,343	645	8,179
Total comprehensive income attributable to non-controlling interests	3,346	1,291	311	4,948
Dividends paid to non-controlling interests	2,668	-	-	2,668
Net cash inflow from operating activities	13,291	2,610	2,902	18,803
Net cash outflow from investing activities	(87)	(183)	(2,177)	(2,447)
Net cash outflow from financing activities	(11,925)	(2,099)	(510)	(14,534)
Net cash inflow	1,279	328	215	1,822

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.

The following table summarizes the capital of the Group:

(₹ in Crore except otherwise stated)

Particulars	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents (Refer note 13)	6,926	8,671
Other bank balances[a] (including interest accrued) (Refer note 14)	732	5,860
Non-current Bank deposits[a] (Refer note 10)	475	459
Long term investments (Refer note 7A)	153	-
Short term investments (Refer note 7B)	12,636	17,140
Total cash (a)	**20,922**	**32,130**
Non-current borrowings (Note 19A)	43,476	36,205
Current borrowings (Note 19B)	22,706	16,904
Total borrowings (b)	**66,182**	**53,109**
Net debt (c=(b-a))	**45,260**	**20,979**
Total equity (d)	49,427	82,704
Total capital (e = equity + net debt)	**94,687**	**1,03,683**
Gearing ratio (times) (c/e)	0.48	0.20

a) The constituents of 'total cash' for the purpose of capital management disclosure include only those amounts of restricted funds that are corresponding to liabilities (e.g., margin money deposits). Restricted funds amounting to ₹ 1,809 Crore (31 March 2022: ₹ 807 Crore) have been excluded from 'total cash' in the capital management disclosures.

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19 Financial liabilities - Borrowings

A) Non-current borrowings

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
At amortised cost		
Secured		
Non convertible debentures	7,138	5,123
Term loans from banks		
- Rupee term loans	34,398	32,760
- Foreign currency term loans	2,662	2,588
- External commercial borrowings	3,261	1,233
Others	494	499
Unsecured		
Non convertible debentures	2,911	2,814
Deferred sales tax liability	28	54
Non convertible bonds	31	31
Term loans from banks		
- Rupee term loans	2,795	499
- Foreign currency term loans	4	72
Redeemable preference shares	2	2
Non-current Borrowings	**53,724**	**45,675**
Less: Current maturities of long term borrowings [a]	(10,248)	(9,470)
Total non-current Borrowings (Net) (A)	**43,476**	**36,205**
Current Borrowings (Refer Note 19B) (B)	**22,706**	**16,904**
Total Borrowings (A+B)	**66,182**	**53,109**

B) Current borrowings

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
At amortised cost		
Secured		
Working capital loan	208	565
Packing credit in foreign currencies from banks	300	-
Rupee term loans from banks	1,857	23
Amounts due on factoring	22	-
Current maturities of long term borrowings [a]	6,247	8,237
Others	-	12
Unsecured		
Rupee term loans from banks	3,002	700
Loans repayable on demand from banks	2,255	1,000
Commercial paper	4,714	4,987
Working capital loan	100	9
Amounts due on factoring	-	138
Current maturities of long term borrowings [a]	4,001	1,233
Total	**22,706**	**16,904**

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In the event Vedanta Resources Limited (together with its subsidiaries) ceases to be the Company's majority shareholder, the Group will be required to immediately repay some of its outstanding long-term debt.

a) Current maturities of long term borrowings consists of:

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Non convertible debentures	51	2,074
Term loans from banks		
- Rupee term loans	5,287	4,321
- Foreign currency term loans	27	1,231
External commercial borrowings	385	113
Others	497	498
Unsecured		
Non convertible debentures	2,911	703
Term loans from banks	1,070	499
Deferred sales tax liability	18	29
Redeemable preference shares	2	2
Total	**10,248**	**9,470**

b) Details of Non-convertible debentures issued by Group have been provided below (Carrying value)

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
8.74% due June 2032	4,089	-
9.20% due February 2030	2,000	2,000
7.68% due December 2024	998	997
3m T-bill rate + 240 bp due March 2024*	800	-
5.35% due September 2023	2,111	2,814
0.00% due September 2023	51	107
9.20% due December 2022	-	749
8.75% due June 2022	-	1,270
Total	**10,049**	**7,937**

* The 3-month Treasury bill rate as at 31 March 2023 is 6.34%.

c) 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 Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Secured non-current borrowings	41,706	33,966
Secured current borrowings	8,634	8,837
Total	**50,340**	**42,803**

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(₹ in Crore)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
Working capital loans*	First Pari passu charge by way of mortgage/hypothecation over the specified immovable and movable fixed assets of the Company with a minimum fixed asset cover of 1.1 times of the outstanding term loan during the period of the facility. Security comprise of assets of the aluminium and power division of the Company, comprising: (i) 1.6 MTPA aluminium smelter along with 1,215 MW Captive power plant ("CPP") at Jharsuguda and, (ii) 1 MTPA alumina refinery along with 90 MW CPP at Lanjigarh, Odisha.	70	-
	First pari pasu charge on current assets of FACOR	22	-
	Secured by second pari passu charge on fixed assets of TSPL and first pari passu charge on current assets of TSPL, both present and future	110	515
	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	300	50
	First pari passu charge on all current assets of Malco Energy Limited (MEL)	29	-
External Commercial Borrowings	First pari passu charge by way of hypothecation on all present and future movable assets of the Company with a minimum fixed asset cover of 1.10 times of the outstanding facility during the period of the facility comprising: (i) 1.6 MTPA (proposed capacity of 1.8 MTPA) aluminium smelter along with 1,215 MW CPP (Captive power plant) at Jharsuguda (ii) 1 MTPA (proposed capacity of 6 MTPA) alumina refinery along with CPP of 90 MW (Captive power plant) at Lanjigarh, Odisha (iii) 2,400 MW Power plant (1,800 MW CPP and 600 MW IPP) located at Jharsuguda, Odisha and (iv) Oil & Gas division comprising RJ-ON-90/1 Oil & Gas Block (Rajasthan), Cambay oil fields, Ravva Oil & Gas fields (under PKGM-1 block) and OALP blocks.	1,224	-
	A First pari passu charge by way of hypothecation on the specified movable fixed assets of the Company pertaining to its manufacturing facilities comprising: (i) alumina refinery having output of 6 MTPA along with co-generation captive power plant with an aggregate capacity of 90 MW at Lanjigarh, Odisha; (ii) aluminium smelter having output of 1.6 MTPA along with a 1,215 (9*135) MW CPP at Jharsuguda, Odisha	2,037	1,119
	Other secured external commercial borrowings	-	114
Non convertible debentures	Secured by way of charge against all existing assets of FACOR	52	107
	First ranking pari passu charge by way of mortgage over 18.92 acres freehold land in Jharsuguda, Odisha together with the building and structures/ erections constructed/ to be constructed thereon and all the plant and machinery and other furniture and fixtures erected/ installed or to be erected/installed thereon and hypothecation over movable fixed assets excluding capital work in progress in relation to the aluminium division comprising 6 MTPA alumina refinery alongwith 90 MW co-generation captive power plant in Lanjigarh, Odisha; and 1.6 MTPA aluminium smelter plant along with 1,215 MW (9*135 MW) power plant and 2,400 MW power plant in Jharsuguda, Odisha including its movable plant and machinery, machinery spares, tools and accessories and other movable fixed assets.	4,089	-
	Secured by way of first pari passu charge on 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) aluminum smelter having output of 1.6 MTPA along with a 1,215 (9*135) MW CPP at Jharsuguda, Odisha. Additionally, secured by way of mortgage on the freehold land comprising 18.92 acres situated at Jharsuguda, Odisha.	2,000	2,000

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(₹ in Crore)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
Non convertible debentures	Secured by way of first pari-passu charge on the specific movable Fixed Assets. The whole of the movable Fixed Assets both present and future, of the Company in relation to the aluminium division, comprising the following facilities: (i) 1 MTPA alumina refinery alongwith 90 MW co-generation captive power plant in Lanjigarh, Odisha; and (ii) 1.6 MTPA aluminium smelter plant along with 1,215 MW (9*135 MW) power plant in Jharsuguda, Odisha including its movable plant and machinery, capital work in progress, machinery spares, tools and accessories, and other movable fixed assets	998	997
	Other secured non-convertible debentures	-	2,019
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	6,168	6,498
	Secured by a pari passu charge by way of hypothecation of all the movable fixed assets of the Company pertaining to its aluminium division project consisting: (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 1,215 (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.	1,605	1,776
	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 the Company along with 90 MW power plant in Lanjigarh and all its related expansions.	359	402
	Secured by a pari passu charge by way of hypothecation on the movable fixed assets of the Company pertaining to its aluminium division comprising 1 MTPA alumina refinery plant with 90 MW captive power plant at Lanjigarh, Odisha and 1.6 MTPA aluminium smelter plant with 1,215 MW captive power plant at Jharsuguda, Odisha.	3,394	3,434
	Secured by a pari passu charge by way of hypothecation/ equitable mortgage of the movable/ immovable fixed assets of the Company pertaining to its aluminium division comprising 1 MTPA alumina refinery plant with 90 MW captive power plant at Lanjigarh, Odisha and 1.6 MTPA aluminium smelter plant with 1,215 MW captive power plant at Jharsuguda, Odisha.	5,873	6,623
	First pari passu charge by way of hypothecation/ equitable mortgage on the movable/ immovable assets of the aluminium Division of the Company comprising 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 1,215 (9x135) MW CPP at Jharsuguda, Orissa and additional charge on Lanjigarh Expansion project, both present and future.	780	999
	Secured by a first pari passu charge on the identified fixed assets of the Company both present and future, pertaining to its aluminium business (Jharsuguda Plant, Lanjigarh Plant), 2,400 MW power plant assets at Jharsuguda, copper plant assets at Silvassa, iron ore business in the states of Karnataka and Goa, dividends receivable from Hindustan Zinc Limited ("HZL"), a subsidiary of the Company, and the debt service reserve account to be opened for the facility along with the amount lying to the credit thereof[h].	7,221	7,821
	Secured by (i) floating charge on the Company collection account and associated permitted investments and (ii) corporate guarantee from Cairn Energy Hydrocarbons Limited (CEHL) and floating charge on collection account and current assets of CEHL	2,662	1,602

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(₹ in Crore)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
Term loans from banks (Includes rupee term loans and foreign currency term loans)	A first pari passu first charge by way of hypothecation on the Specified movable fixed assets of the Company pertaining to its Manufacturing facilities comprising: (i) alumina refinery having output of 1 MTPA along with co- generation captive power plant with an aggregate capacity of 90 MW at Lanjigarh, Orissa (ii) aluminium smelter having output of 1.6 MTPA along with a 1,215 (9x135) MW CPP at Jharsuguda, Orissa.	1,137	-
	Secured by first pari passu charge on all present and future movable fixed assets including but not limited to plant and machinery, spares, tools and accessories of BALCO (excluding of coal block assets) by way of a deed of hypothecation	831	890
	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.	2,273	2,705
	A first pari passu charged by way of hypothecation on the specified movable fixed assets (present and future) including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicle, Capital work-in progress etc. of the Company pertaining to Aluminium division (Jharsuguda plant, Lanjigarh plant) and 2,400 MW power plant at JSG as more particularly described as below: (i) Alumina refinery upto 6 MTPA along with cogeneration captive power plant with aggregate capacity of 90 MW located in Lanjigarh, Odisha (ii) Alumina smelter output of 1.6 MTPA aluminium Smelter including 1,215 (9x135) MW power plant in Jharsuguda, Odisha (iii) 2,400 MW power plant (1,800 MW CPP and 600 MW IPP) located as Jharsuguda, Odisha	473	-
	A first pari passu charge by way of mortgage/ hypothecation over the specified movable fixed assets of the Company. Security shall comprise of assets of the aluminum and power division of the Company, comprising: (i) 1.6 MTPA aluminium smelter along with 1,215 MW CPP at Jharsuguda and (ii) 1 MTPA alumina refinery along with 90 MW CPP at Lanjigarh, Odisha.	1,191	-
	Secured by first pari passu charge by way of movable fixed assets of the aluminium division of the Company comprising: (i) 6 MTPA aluminium refinery along with 90 MW Co-generation captive power plant in Lanjigarh, Orissa; (ii) 1.6 MTPA aluminium smelter along with 1,215 MW CPP at Jharsuguda, (iii) 2,400 MW power plant (1,800 MW CPP and 600 MW IPP) located at Jharsuguda, Odisha and (iv) Oil and gas division comprising RJ-ON-90/91 Oil and Gas Block (Rajasthan), Cambay Oil Fields, Ravva Oil and gas Fields under (PKMGH-1 block) and OALP blocks	743	-
	First pari passu charge on the movable fixed and current assets (except for the Concession assets) of VGCB at Visakhapatnam, Andhra Pradesh	352	375
	A first pari passu first charge by way of hypothecation on the Specified movable fixed assets of the Company pertaining to its Manufacturing facilities comprising: (i) 1.6 MTPA Aluminium smelter along with 1,215 MW CPP (captive power plant) at Jharsuguda and (ii) 1 MTPA Alumina refinery along with CPP of 90 MW (captive power plant) at Lanjigarh, Odisha	490	-
	A first pari passu charge by way of mortgage/ hypothecation over the specified immovable and movable fixed assets of the Company. Security shall comprise of assets of the aluminum and power division of the Company, comprising: (i) 1.6 MTPA Aluminium Smelter along with 1215 MW CPP at Jharsuguda and (ii) 1 MTPA Alumina refinery along with CPP of 90 MW CPP at Lanjigarh, Odisha	927	-

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(₹ in Crore)

Facility Category	Security details	As at 31 March 2023	As at 31 March 2022
Term loans from banks (Includes rupee term loans and foreign currency term loans)	First pari passu charge by way of hypothecation on all present and future movable fixed assets of the Company including but not limited to plant and machinery, spares, tools and accessories of 1.6 MTPA aluminium smelter along with 1,215 MW CPP at Jharsuguda, Odisha and 1 MTPA alumina refinery along with 90 MW CPP at Lanjigarh, Odisha	683	880
	A first pari passu charge by way of hypothecation on all present and future movable Fixed Assets including movable plant and machinery, machinery spares, tools and accessories, furniture and fixtures, vehicles, Capital Work-in-Progress etc. of the Company with a minimum fixed asset coverage ratio of 1.10 times as more particularly described as below: (i) Alumina refinery upto 6 MTPA along with co-generation captive power plant with an aggregate capacity of 90 MW located at Lanjigarh, Orissa; (ii) Aluminium smelter having output of 1.6 MTPA along with a 1,215 (9x135) MW CPP located at Jharsuguda, Orissa. (iii) 2,400 MW Power Plant (1,800 MW CPP and 600 MW IPP) located at Jharsuguda, Odisha; and (iv) Oil & Gas division comprising of RJ-ON-90/1 Oil & Gas Block (Rajasthan), Cambay Oil Fields and Ravva Oil & Gas Fields (under PKGM-1 block)	250	-
	Secured by tax free perpetual bonds**	1,505	-
	Other secured term loans	-	1,366
Others	Secured by Fixed asset (platinum) of AvanStrate Inc.	493	499
	Other Secured borrowings	-	12
Total		**50,340**	**42,803**

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

** Repurchase liability as on 31 March 2023 carry an effective interest rate in the range of 7.99% p.a. to 8.15% p.a. (31 March 2022: Nil), secured by current investments amounting to ₹ 1,812 Crore and are repayable in 102 to 109 days (31 March 2022: Nil days) from the date of borrowings through repurchase obligation.

d) The loan 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 debt/ EBITDA. The Group has complied with the covenants as per the terms of the respective loan agreements. Further, in case of borrowings having current assets as security, the quarterly statements of current assets filed by the Group with its lenders are in agreement with the books of accounts.

e) Term of repayment of total borrowings outstanding as at 31 March 2023 are provided below -

(₹ in Crore)

Borrowings	Weighted average of interest as at 31 March 2023	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Foreign currency term loan	8.90%	2,662	27	541	2,136	-	Repayable in 7 quarterly installments
Rupee term loan	8.50%	42,052	11,255	14,787	11,824	4,320	Repayable in 156 monthly, 661 quarterly, 56 half yearly installments and 21 bullet payments
External commercial borrowings	7.42%	3,261	394	1,923	970	-	Repayable in 35 half yearly payments
Non convertible debentures	8.51%	10,049	2,984	1,000	-	6,089	Repayable in 5 bullet and 2 annual installments
Commercial paper	7.69%	4,714	4,714	-	-	-	Repayable in 7 bullet payments

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(₹ in Crore)

Borrowings	Weighted average of interest as at 31 March 2023	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Working capital loan*	8.07%	2,864	2,864	-	-	-	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	8.70%	22	22	-	-	-	Repayable within 1 month
Deferred sales tax liability	NA	28	18	10	-	-	Repayable in 43 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	0.28%**	35	3	9	7	15	Repayable in 10 annual installments starting from FY 2023-24
Others	5.00%	493	493	-	-	-	Repayable in 1 year as per lender's demand
Total		**66,182**	**22,776**	**18,270**	**14,937**	**10,424**	

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 ₹ 2,255 Crore
** Increasing interest rate to 0.50% till maturity

f) Term of repayment of total borrowings outstanding as at 31 March 2022 are provided below -

(₹ in Crore)

Borrowings	Weighted average of interest as at 31 March 2022	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Foreign currency term loan	3.99%	2,660	1,232	1,189	72	172	Repayable in 57 quarterly installments, 11 annual installments and 1 monthly installment
Rupee term loan	8.22%	33,982	5,568	10,180	10,383	7,974	Repayable in 889 quarterly installments and 168 monthly installments
External commercial borrowings	3.48%	1,233	113	680	454	-	Repayable in 1 annual installment and 5 half yearly installments
Non convertible debentures	8.79%	7,937	2,796	3,184	-	2,000	Repayable in 4 bullet payments and 4 annual installments
Commercial paper	5.90%	4,986	4,986	-	-	-	Repayable in 12 bullet payment
Working capital loan *	5.93%	1,574	1,574	-	-	-	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	1.23%	139	139	-	-	-	Repayable within one month
Deferred sales tax liability	NA	54	29	25	-	-	Repayable in 55 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%**	31	0	8	5	18	Repayable in 10 annual installments starting from FY 2023-24
Others	5.01%	511	511	-	-	-	Suppliers credit is repayable in 1 bullet payment and Loan repayable within one year on demand
Total		**53,109**	**16,950**	**15,266**	**10,914**	**10,164**	

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 ₹ 1,000 Crore
** Increasing interest rate from 0.00% to 0.50% till maturity

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g) Movement in borrowings during the period is provided below -

(₹ in Crore)

Particulars	Short term borrowing	Long term borrowing*	Total
Opening balance at 01 April 2021	3,715	53,313	57,028
Net cash inflow/ (outflow)	3,794	(7,842)	(4,048)
Other non-cash changes	(80)	138	58
Foreign exchange currency translation differences	5	66	71
As at 31 March 2022	**7,434**	**45,675**	**53,109**
Opening balance at 01 April 2022	**7,434**	**45,675**	**53,109**
Net cash inflow	4,576	8,160	12,736
Other non-cash changes	(232)	(254)	(486)
Foreign exchange currency translation differences	680	143	823
As at 31 March 2023	**12,458**	**53,724**	**66,182**

*including Current maturities of Long term borrowing

Other non-cash changes include amortisation of borrowing costs and foreign exchange difference on borrowings.

h) In December 2021, the Company executed a ₹ 8,000 Crore facility agreement with Union Bank of India Limited to take over a long term syndicated facility of ₹ 10,000 Crore. This loan is secured by the way of pledge over the shares held by the Company in HZL equal to minimum 1x outstanding loan value (calculated quarterly at Value Weighted Average Price), currently representing 6.77% (31 March 2022: 5.77%) of the paid-up shares of HZL. Further, the Company has also signed a Non-Disposal Undertaking (NDU) 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 2023, the outstanding loan amount under the facility is ₹ 7,240 Crore (31 March 2022: ₹ 7,840 Crore).

20 Financial liabilities -Trade payables

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Undisputed dues		
Unbilled dues	2,319	2,042
Not due	3,380	3,441
Less than 1 year	4,690	4,373
1-2 years	144	107
2-3 years	108	91
More than 3 years	94	96
Sub-total	**10,735**	**10,150**
Disputed dues		
Less than 1 year	106	41
1-2 Years	28	36
2-3 years	21	22
More than 3 years	153	131
Sub-total	**308**	**230**
Total	**11,043**	**10,380**

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

b) For amount due and terms and conditions of related party payables, refer note 42.

21 Operational Buyers' /Suppliers' Credit is availed in foreign currency from offshore branches of Indian banks or foreign banks at an interest rate ranging from 0.69% - 7.80% (31 March 2022: 0.28% - 3.16%) per annum and in rupee from domestic banks at interest rate ranging from 4.34% - 8.80% (31 March 2022: 4.00% - 8.00%) 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.

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22 Financial liabilities - Others

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Liabilities for capital expenditure	1,241	10,076	11,317	962	10,998	11,960
Security deposits from vendors and others	-	307	307	-	237	237
Interest accrued but not due	-	691	691	-	381	381
Put option liability with non-controlling interest [a]	41	219	260	245	-	245
Unpaid/unclaimed dividend	-	145	145	-	122	122
Profit petroleum payable	-	2,869	2,869	-	2,180	2,180
Dues to related parties (Refer note 42)	-	279	279	-	166	166
Dividend payable	-	8,223	8,223	-	-	-
Other liabilities [b]	324	2,052	2,376	120	3,228	3,348
Total	**1,606**	**24,861**	**26,467**	**1,327**	**17,312**	**18,639**

a) The non-controlling shareholders of ASI have an option to sell 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) Includes revenue received in excess of entitlement interest of ₹ 487 Crore (31 March 2022: ₹ 1,507 Crore) of which ₹ 279 Crore is payable to ONGC, and reimbursement of expenses, interest accrued on other than borrowings, liabilities related to claim, liability for stock options etc.

23 Movement in lease liabilities is as follows:

Particulars	(₹ in Crore)
At 01 April 2021	**641**
Additions during the year	115
Interest on lease liabilities	14
Payments made	(232)
FCTR and other adjustments	(64)
As at 31 March 2022	**474**
Additions during the year	143
Interest on lease liabilities	14
Payments made	(182)
FCTR and other adjustments	(3)
As at 31 March 2023	**446**

24 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 2023

(₹ in Crore)

Financial Assets	Fair value through profit or loss	Fair value through other comprehensive income	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Investments*	8,676	4,473	-	-	13,149	13,149
Trade receivables	385	-	-	6,161	6,546	6,546
Loans	-	-	-	3,770	3,770	3,770
Other financial assets	-	-	-	11,652	11,652	11,652

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(₹ in Crore)

Financial Assets	Fair value through profit or loss	Fair value through other comprehensive income	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Derivatives	87	-	127	-	214	214
Cash and cash equivalents	-	-	-	6,926	6,926	6,926
Other bank balances	-	-	-	2,328	2,328	2,328
Total	**9,148**	**4,473**	**127**	**30,837**	**44,585**	**44,585**

(₹ in Crore)

Financial Liabilities	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Others***	Total carrying value	Total fair value
Borrowings	-	-	66,182	-	66,182	66,109
Trade payables	988	-	10,055	-	11,043	11,043
Operational buyers' credit / suppliers' credit	-	-	13,701	-	13,701	13,701
Derivatives	71	142	-	-	213	213
Other financial liabilities**	-	-	26,653	260	26,913	26,913
Total	**1,059**	**142**	**1,16,591**	**260**	**1,18,052**	**1,17,979**

As at 31 March 2022

(₹ in Crore)

Financial Assets	Fair value through profit or loss	Fair value through other comprehensive income	Derivatives designated as hedging instruments	Amortised cost	Total carrying value	Total fair value
Investments*	17,170	118	-	-	17,288	17,288
Trade receivables	521	-	-	7,426	7,947	7,947
Loans	-	-	-	5,470	5,470	5,864
Other financial assets	-	-	-	11,816	11,816	11,816
Derivatives	10	-	248	-	258	258
Cash and cash equivalents	-	-	-	8,671	8,671	8,671
Other bank balances	-	-	-	6,684	6,684	6,684
Total	**17,701**	**118**	**248**	**40,067**	**58,134**	**58,528**

(₹ in Crore)

Financial Liabilities	Fair value through profit or loss	Derivatives designated as hedging instruments	Amortised cost	Others***	Total carrying value	Total fair value
Borrowings	-	-	53,109	-	53,109	53,202
Trade payables	1,033	-	9,347	-	10,380	10,380
Operational buyers' credit / suppliers' credit	-	-	11,151	-	11,151	11,151
Derivatives	135	402	-	-	537	537
Other financial liabilities**	-	-	18,650	245	18,895	18,895
Total	**1,168**	**402**	**92,257**	**245**	**94,072**	**94,165**

* Investments exclude equity investment in associates and joint ventures which are accounted as per the equity method of accounting.
**includes lease liability of ₹ 446 Crore (31 March 2022: ₹ 474 Crore)
*** Represents net put option liability with non-controlling interests accounted for at fair value.

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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 2023 and 31 March 2022 measured at fair value:

As at 31 March 2023

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
Investments	4,563	3,834	279
Derivative financial assets	-	87	-
Trade receivables	-	385	-
At fair value through other comprehensive income			
Investments	70	4,392	11
Derivatives designated as hedging instruments			
Derivative financial assets	-	127	-
Total	**4,633**	**8,825**	**290**

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
Derivative financial liabilities	-	71	-
Trade payables	-	988	-
Derivatives designated as hedging instruments			
Derivative financial liabilities	-	142	-
Other financial liabilities - Net put option liability with non-controlling interests accounted for at fair value.	-	-	260
Total	**-**	**1,201**	**260**

As at 31 March 2022

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
Investments	7,208	9,933	29
Derivative financial assets	-	10	-
Trade receivables	-	521	-
At fair value through other comprehensive income			
Investments	107	-	11
Derivatives designated as hedging instruments			
Derivative financial assets	-	248	-
Total	**7,315**	**10,712**	**40**

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(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
Derivative financial liabilities	-	135	-
Trade payable	-	1,033	-
Derivatives designated as hedging instruments			
Derivative financial liabilities	-	402	-
Other financial liabilities - Net put option liability with non-controlling interests accounted for at fair value.	-	-	245
Total	**-**	**1,570**	**245**

The below table summarises the fair value of loans and borrowings which are carried at amortised cost as at 31 March 2023 and 31 March 2022

As at 31 March 2023

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
Loans*	-	3,770	-
Total	**-**	**3,770**	**-**

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
Borrowings	-	66,109	-
Total	**-**	**66,109**	**-**

As at 31 March 2022

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
Loans*	-	5,864	-
Total	**-**	**5,864**	**-**

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
Borrowings	-	53,202	-
Total	**-**	**53,202**	**-**

*Refer note 42 (J)

The fair value of the financial assets and liabilities are at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values:

- Investments traded in active markets are determined by reference to quotes from the financial institutions; for example: Net asset value (NAV) for investments in mutual funds declared by mutual fund house. For other listed securities traded in markets which are not active, the quoted price is used wherever the pricing mechanism is same as for other marketable securities traded in active markets. Other current investments are valued by referring to market inputs including quotes, trades, poll, primary issuances for securities and /or underlying securities issued by the same or similar issuer for similar maturities and movement in benchmark security etc.
- 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.

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- 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 executes 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 2023 and 31 March 2022 have been measured as at respective date. As such, the fair values of these financial instruments subsequent to reporting date may be different than the amounts reported at each period-end.

There were no significant transfers between Level 1, Level 2 and Level 3 during the 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 and Risk Management Committee. The Audit and Risk Management 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

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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.

The Group is also exposed to the movement of international crude oil price and the discount in the price of Rajasthan crude oil to Brent price.

Financial instruments with commodity price risk are entered into in relation to following activities:

- economic hedging of prices realised on commodity contracts
- cash flow hedging of revenues, forecasted highly probable transactions

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 executes 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 "RCs", 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

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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 executes hedging arrangements for its Zinc, Lead and Silver sales to realise average month of sale LME prices. In exceptional circumstances, we may enter into strategic hedging with prior approval of the Committee of Directors.

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. The Group also hedges variability of crude price through forward contracts on selective basis.

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 2023, the value of net financial liabilities linked to commodities (excluding derivatives) accounted for on provisional prices was ₹ 603 Crore (31 March 2022: ₹ 512 Crore). These instruments are subject to price movements at the time of final settlement and the final price of these instruments will be determined in the financial year beginning 01 April 2023.

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

(₹ in Crore)

For the year ended 31 March 2023	Total Exposure	Effect on pre-tax profit of a 10% increase in the LME	Effect on equity of a 10% increase in the LME
Copper	(875)	(87)	-

(₹ in Crore)

For the year ended 31 March 2022	Total Exposure	Effect on pre-tax profit of a 10% increase in the LME	Effect on equity of a 10% increase in the LME
Copper	(830)	(83)	-

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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 ₹ 134 Crore loss (31 March 2022: ₹ 130 Crore 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 optimize interest and commodity pricing through proven financial instruments.

Liquidity risk

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 ratings on the long-term bank facilities and debt instruments of the Company was maintained at 'CRISIL AA' during FY 2023 after upgrade to 'CRISIL AA' from 'CRISIL AA-' in February 2022. However, outlook has been revised to negative in March 2023.

The short-term rating on bank facilities and commercial paper has been reaffirmed at 'CRISIL A1+'

India Ratings, after upgrading the Company's long-term issuer ratings to "IND AA" from "IND AA-" with stable outlook in March 2022, reaffirmed its ratings at "IND AA" with stable outlook in May 2022. Outlook was revised to "negative" in March 2023.

The ratings affirmation factors in robust operating profitability significantly higher than pre-pandemic levels. Further, consolidated EBITDA is expected to increase driven by healthy commodity prices that are expected to remain stable around current levels, robust operating rates across key businesses, increased volume growth in Aluminium business supported by commissioning of new capacity during fiscal 2024 along with expected reduction in cost of production for Aluminium business on the back of alumina refinery expansion and commissioning of captive coal mines. The revision in outlook reflects possibility of higher-than-expected financial leverage and lower financial flexibility.

Anticipated future cash flows, together with undrawn fund based committed facilities of ₹ 5,763 Crore, and cash, bank and current investments of ₹ 20,922 Crore as at 31 March 2023, 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.

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As at 31 March 2023

(₹ in Crore)

Payments due by year	<1 year	1-3 years	3-5 years	>5 years	Total
Borrowings*	26,047	24,013	18,282	14,161	82,503
Derivative financial liabilities	193	20	-	-	213
Lease liabilities	302	109	5	30	446
Trade Payables, Operational buyers' credit / suppliers' credit	49,153	300	1,241	-	50,694
	75,695	**24,442**	**19,528**	**14,191**	**1,33,856**

As at 31 March 2022

(₹ in Crore)

Payments due by year	<1 year	1-3 years	3-5 years	>5 years	Total
Borrowings*	19,028	18,180	13,103	11,654	61,965
Derivative financial liabilities	531	6	-	-	537
Lease liabilities	324	113	9	28	474
Trade Payables, Operational buyers' credit / suppliers' credit	38,544	1,098	-	-	39,642
	58,427	**19,397**	**13,112**	**11,682**	**1,02,618**

*Includes non-current borrowings, 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 interest accrued on borrowings.

The Group had access to following funding facilities:

As at 31 March 2023

(₹ in Crore)

Funding facility	Level 1	Level 2	Level 3
Fund/non-fund based	95,678	80,760	14,918

As at 31 March 2022

(₹ in Crore)

Funding facility	Level 1	Level 2	Level 3
Fund/non-fund based	78,181	64,227	13,954

(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

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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".

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

(₹ in Crore)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Financial Asset	Financial liabilities	Financial Asset	Financial liabilities
INR	33,082	84,810	38,952	64,683
USD	10,515	30,012	17,885	26,183
Others	988	3,230	1,297	3,206
Total	**44,585**	**1,18,052**	**58,134**	**94,072**

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 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 2023

(₹ in Crore)

	Effect of 10% strengthening of functional currency on pre-tax profit	Effect of 10% strengthening of functional currency on equity
USD	1,408	-
INR	(631)	-

For the year ended 31 March 2022

(₹ in Crore)

	Effect of 10% strengthening of functional currency on pre-tax profit	Effect of 10% strengthening of functional currency on equity
USD	884	-
INR	(452)	-

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

In respect of loans granted to group companies, there have been no non-compliances of the relevant provisions of the Foreign Exchange Management Act, 1992 and the Prevention of Money Laundering Act, 2002.

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(c) Interest rate risk

At 31 March 2023, the Group's net debt of ₹ 45,260 Crore (31 March 2022: ₹ 20,979 Crore) comprises debt of ₹ 66,182 Crore (31 March 2022: ₹ 53,109 Crore) offset by cash, bank and current investments of ₹ 20,922 Crore (31 March 2022: ₹ 32,130 Crore).

The Group is exposed to interest rate risk on short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Group's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Group are principally denominated in Indian Rupees and US dollars with mix of fixed and floating rates of interest. The USD floating rate debt is linked to US dollar LIBOR and INR Floating rate debt to Bank's base rate. The Group has a policy of selectively using interest rate swaps, option contracts and other derivative instruments to manage its exposure to interest rate movements. These exposures are reviewed by appropriate levels of management on a monthly basis. The Group invests cash and liquid investments in short-term deposits and debt mutual funds, some of which generate a tax-free return, to achieve the Group's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

Floating rate financial assets are largely mutual fund investments which have debt securities as underlying assets. The returns from these financial assets are linked to market interest rate movements; however the counterparty invests in the agreed securities with known maturity tenure and return and hence has manageable risk.

The exposure of the Group's financial assets as at 31 March 2023 to interest rate risk is as follows:

(₹ in Crore)

Funding facility	Total	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial Assets	44,585	4,673	16,175	23,737

The exposure of the Group's financial liabilities as at 31 March 2023 to interest rate risk is as follows:

(₹ in Crore)

Funding facility	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Fund/non-fund based	1,18,052	48,140	31,894	38,018

The exposure of the Group's financial assets as at 31 March 2022 to interest rate risk is as follows:

(₹ in Crore)

Funding facility	Total	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Fund/non-fund based	58,134	9,113	24,576	24,445

The exposure of the Group's financial liabilities as at 31 March 2022 to interest rate risk is as follows:

(₹ in Crore)

Funding facility	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Fund/non-fund based	94,072	35,579	29,899	28,594

Considering the net debt position as at 31 March 2023 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.

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(₹ in Crore)

Increase in interest rates	Effect on pre-tax profit/(loss) during the year ended 31 March 2023	Effect on pre-tax profit/(loss) during the year ended 31 March 2022
0.50%	(217)	(132)
1.00%	(435)	(265)
2.00%	(869)	(530)

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, 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 is ₹ 44,585 Crore (31 March 2022: ₹ 58,134 Crore).

The maximum credit exposure on financial guarantees given by the Group for various financial facilities is described in Note 40 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 the year end, that defaults in payment obligations will occur except as described in Notes 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 and site restoration fund) 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 2023 and 31 March 2022:

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Neither impaired nor past due	13,793	15,828
Past due but not impaired		
- Less than 1 month	1,116	2,108
- Between 1–3 months	235	369
- Between 3–12 months	327	390
- Greater than 12 months	4,581	5,071
Total	**20,052**	**23,766**

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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.

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 Crore)

Funding facility	Trade receivables	Financial assets - Others	Financial assets - Loans
As at 01 April 2021	**883**	**1,020**	**78**
Allowance made during the year	197	13	0
Reversals/ write-off during the year	0	1	-
Exploration cost written off	0	0	-
Exchange differences	0	14	-
As at 31 March 2022	**1,080**	**1,048**	**78**
Allowance made during the year	356	0	0
Reversals/ write-off during the year	(40)	(225)	-
Exploration cost written off	0	0	0
Exchange differences	0	49	9
As at 31 March 2023	**1,396**	**872**	**87**

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 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 2023 and 31 March 2022.

The Group uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions. The Group hedged part of its foreign currency exposure on capital commitments during the year ended 31 March 2023 and 31 March 2022. Fair value changes on such forward contracts are recognized in other comprehensive income.

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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 2024 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 to hedge its commodity price risk based on average LME prices. Gains and losses on these hedge transactions are substantially offset by the amount of gains or losses on the underlying sales. Net gains and losses are recognized in the consolidated statement of profit and loss.

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

Derivative Financial Instruments	As at 31 March 2023		As at 31 March 2022	
	Assets	Liabilities	Assets	Liabilities
Current				
Cash flow hedge*				
- Commodity contracts	38	33	232	207
- Interest rate swap	-	-	1	-
Fair Value hedge				
- Commodity contracts	85	71	11	65
- Forward foreign currency contracts	4	18	4	124
Non - qualifying hedges/economic hedge				
- Commodity contracts	52	-	2	10
- Forward foreign currency contracts	35	71	8	125
Sub-total (A)	**214**	**193**	**258**	**531**
Non-current				
Fair Value hedge				
- Forward foreign currency contracts	-	20	-	6
Sub-total (B)	**-**	**20**	**-**	**6**
Total (A+B)	**214**	**213**	**258**	**537**

* Refer the Consolidated Statement of Profit and Loss and the Consolidated Statement of Changes in Equity for the change in the fair value of cash flow hedges.

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25 Provisions

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Provision for employee benefits [a] (Refer note 33)						
- Retirement benefit	218	63	281	158	100	258
- Others	14	174	188	10	177	187
Provision for restoration, rehabilitation and environmental costs [b]	3,194	30	3,224	3,218	28	3,246
Other provisions [b]	-	114	114	-	112	112
Total	**3,426**	**381**	**3,807**	**3,386**	**417**	**3,803**

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

(₹ in Crore)

b)

Particulars	Restoration, rehabilitation and environmental costs (Refer c)	Others (Refer d)
As at 01 April 2021	**3,002**	**56**
Additions	35	56
Amounts utilised	(4)	-
Unwinding of discount (Refer note 34)	78	-
Revision in estimates	53	-
Exchange differences	82	-
As at 31 March 2022	**3,246**	**112**
Additions	45	5
Amounts utilised	(20)	-
Unused amounts reversed	-	(2)
Unwinding of discount (Refer note 34)	96	-
Revision in estimates	(296)	(1)
Exchange differences	153	-
As at 31 March 2023	**3,224**	**114**

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 1% to 10%, and become payable on closure of mines and are expected to be incurred over a period of one to forty-six years. The lower range of discount rate is at ASI, Oil and Gas business and Zinc International operations in Ireland and higher range is at Zinc International operations in African Countries.

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production from a producing field.

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d) **Other provisions**

Other provisions include provision for disputed cases and claims.

26 Other liabilities

(₹ in Crore)

Particulars	As at 31 March 2023			As at 31 March 2022		
	Non-current	Current	Total	Non-current	Current	Total
Amount payable to owned post-employment benefit trust	-	32	32	-	33	33
Other statutory liabilities [a]	-	3,805	3,805	-	3,157	3,157
Deferred government grants [b]	4,309	282	4,591	4,270	250	4,520
Advance from customer [c]	-	8,931	8,931	404	4,127	4,531
Advance from related party	-	3	3	-	2	2
Other liabilities	-	185	185	-	208	208
Total	**4,309**	**13,238**	**17,547**	**4,674**	**7,777**	**12,451**

a) Statutory liabilities mainly includes payables for Provident fund, ESIC, withholding taxes, goods and 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 2021 was ₹ 6,233 Crore. During the current year, the Group has recognised revenue of ₹ 4,380 Crore (31 March 2022: ₹ 6,221 Crore) out of opening balances. All other changes are either due to receipt of fresh advances or exchange differences.

27 Revenue from operations

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products	1,43,535	1,29,510
Sale of services	326	301
Revenue from contingent rents	1,543	1,381
Total	**1,45,404**	**1,31,192**

a) Revenue from sale of products and from sale of services for the year ended 31 March 2023 includes revenue from contracts with customers of ₹ 1,45,984 Crore (31 March 2022: ₹ 1,31,101 Crore) and a net loss on mark-to-market of ₹ 2,123 Crore (31 March 2022: ₹ 1,290 Crore) on account of gains/ losses relating to sales that were provisionally priced as at 31 March 2022 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 2023.

b) 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 the normal credit period.

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.

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28 Other operating income

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Export incentives	483	488
Scrap sales	781	573
Miscellaneous income	640	479
Total	**1,904**	**1,540**

29 Other Income

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Net gain on investment measured at FVTPL	74	209
Interest income from investments measured at FVTPL	504	392
Interest income from investments measured at FVOCI	281	-
Interest income from financial assets at amortised cost		
- Bank deposits	379	537
- Loans (Refer note 42)	560	708
- Others	372	246
Interest on income tax refund	166	2
Dividend income from		
- financial assets at FVTPL	21	-
- financial assets at FVOCI	-	2
Profit on sale of assets	-	128
Deferred government grant income	273	245
Miscellaneous income	221	131
Total	**2,851**	**2,600**

30 Changes in inventories of finished goods and work-in-progress*

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening Stock:		
Finished Goods	829	855
Work in Progress	5,040	3,013
Total	**5,869**	**3,868**
Add: Foreign exchange translation	15	14
(Less): Capitalisation and other adjustments	(152)	(51)
(Less): Raw material sold during the year	-	(11)
Less: Closing Stock		
Finished Goods	1,028	829
Work in Progress	5,081	5,040
Total	**6,109**	**5,869**
Changes in inventory	**(377)**	**(2,049)**

* Inventories include goods-in-transit

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31 Employee benefits expense [a]

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages	2,988	2,776
Share based payments	77	79
Contributions to provident and other funds	268	226
Staff welfare expenses	334	286
Less: Cost allocated/directly booked in joint ventures	(569)	(556)
Total	**3,098**	**2,811**

(a) net of capitalisation of ₹ 158 Crore (31 March 2022: ₹ 115 Crore).

32 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 its 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 2023 and year ended 31 March 2022 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, Free Cash Flows, ESG & Carbon footprint 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 2023 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding 01 April 2022	Options granted during the year	Options forfeited/ lapsed during the year	Options exercised during the year	Options outstanding 31 March 2023	Options exercisable 31 March 2023
2018-19	01 November 2021 - 30 April 2022	3,23,015	-	-	2,81,565	41,450	41,450*
2019-20	29 November 2022 - 28 May 2023	1,14,81,718	-	61,53,328	41,76,303	11,52,087	11,52,087
2019-20	Cash settled	6,80,401	-	3,58,428	3,21,973	-	-
2020-21	06 November 2023 - 05 May 2024	1,08,07,521	-	24,81,770	-	83,25,751	-
2020-21	Cash settled	7,24,923	-	1,07,282	-	6,17,641	-
2021-22	01 November 2024 - 30 April 2025	1,13,04,599	-	17,83,209	-	95,21,390	-
2021-22	Cash settled	8,41,767	-	1,34,067	-	7,07,700	-
2022-23	01 November 2025 - 30 April 2026	-	1,44,37,268	9,10,824	-	1,35,26,444	-
2022-23	Cash settled	-	10,35,172	18,601	-	10,16,571	-
		3,61,63,944	**1,54,72,440**	**1,19,47,509**	**47,79,841**	**3,49,09,034**	**11,93,537**

*Options for some employees could not be exercised within exercise period due to technical issues.

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The details of share options for the year ended 31 March 2022 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding 01 April 2021	Options granted during the year	Options forfeited/ lapsed during the year	Options exercised during the year	Options outstanding 31 March 2022	Options exercisable 31 March 2022
2017-18	01 September 2020 - 28 February 2021	3,76,940	-	23,457	3,53,483	-	-
2018-19	01 November 2021 - 30 April 2022	99,12,240	-	69,06,444	26,82,781	3,23,015	3,23,015
2018-19	Cash settled	7,28,856	-	4,89,731	2,39,125	-	-
2019-20	29 November 2022 - 28 May 2023	1,35,72,278	-	20,90,560	-	1,14,81,718	-
2019-20	Cash settled	8,77,451	-	1,97,050	-	6,80,401	-
2020-21	06 November 2023 - 05 May 2024	1,27,11,112	-	19,03,591	-	1,08,07,521	-
2020-21	Cash settled	10,20,889	-	2,95,966	-	7,24,923	-
2021-22	01 November 2024 - 30 April 2025	-	1,20,83,636	7,79,037	-	1,13,04,599	-
2021-22	Cash settled	-	8,64,537	22,770	-	8,41,767	-
		3,91,99,766	**1,29,48,173**	**1,27,08,606**	**32,75,389**	**3,61,63,944**	**3,23,015**

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 years ended 31 March 2023 and 31 March 2022 are set out below:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
	ESOS 2022	ESOS 2021
Number of Options	Cash settled - 10,35,172 equity settled - 1,44,37,268	Cash settled - 8,64,537 equity settled - 1,20,83,636
Exercise Price	₹ 1	₹ 1
Share Price at the date of grant	₹ 286.90	₹ 302.15
Contractual Life	3 years	3 years
Expected Volatility	50.95%	49.67%
Expected option life	3 years	3 years
Expected dividends	7.11%	6.80%
Risk free interest rate	7.07%	5.02%
Expected annual forfeitures	10% p.a	10% p.a
Fair value per option granted (Non-market performance based)	₹ 182.46	₹ 193.97

Weighted average share price at the date of exercise of stock options was ₹ 303.80 (31 March 2022: ₹ 339.32)

The weighted average remaining contractual life for the share options outstanding was 1.76 years (31 March 2022: 1.62 years).

The Group recognized total expenses of ₹ 85 Crore (31 March 2022: ₹ 43 Crore) related to equity settled share-based payment transactions for the year ended 31 March 2023. The total expense recognised on account of cash settled share based plan during the year ended 31 March 2023 is ₹ 1 Crore (31 March 2022: ₹ 14 Crore) and the carrying value of cash settled share based compensation liability as at 31 March 2023 is ₹ 11 Crore (31 March 2022: ₹ 19 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

(₹ in Crore)

CIESOP Plan	Year ended 31 March 2023		Year ended 31 March 2022	
	Number of options	Weighted average exercise price in ₹	Number of options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	10,37,641	286.9	33,15,174	287.3
Granted during the year	Nil	NA	Nil	NA
Expired during the year	Nil	NA	Nil	NA
Exercised during the year	2,66,914	286.85	4,83,085	286.85
Forfeited / cancelled during the year	7,70,727	286.85	17,94,448	287.70
Outstanding at the end of the year	**-**	**-**	**10,37,641**	**286.85**
Exercisable at the end of the year	-	-	10,37,641	286.85

Weighted average share price at the date of exercise of stock options was ₹ 411.80 (31 March 2022: ₹ 375.89)

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(₹ in Crore)

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 2023 are:			
CIESOP Plan	286.85	-	286.85
The details of exercise price for stock options outstanding as at 31 March 2022 are:			
CIESOP Plan	286.85	0.31	286.85

In respect of one of the Group's subsidiary, the Group has awarded certain cash settled share based options indexed to equity valuation of the subsidiary. The total (reversal)/expense recognised on account of cash settled share based plan during the year ended 31 March 2023 is ₹ (5) Crore (31 March 2022: ₹ 24 Crore) and the carrying value of cash settled share based compensation liability as at 31 March 2023 is ₹ 44 Crore (31 March 2022: ₹ 112 Crore).

Out of the total expense of ₹ 80 Crore (31 March 2022: ₹ 81 Crore) pertaining to equity settled and cash settled options for the year ended 31 March 2023, the Group has capitalised ₹ 3 Crore (31 March 2022: ₹ 2 Crore).

33 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.

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 ₹ 146 Crore and ₹ 139 Crore for the year ended 31 March 2023 and 31 March 2022 respectively to the following defined contribution plans.

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Employer's contribution to recognised provident fund and family pension fund	118	111
Employer's contribution to superannuation	21	23
Employer's contribution to National Pension Scheme	7	5
	146	**139**

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 2023 and 2022) of an employee's basic salary, and includes contribution made to Family Pension fund as explained below. 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.

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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 (included in the 12% rate specified above). 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, 10.00% (2022: 10.00%) of an employee's gross remuneration where the employee is covered by an industrial agreement and 13.00% (2022: 13.00%) 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.

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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.

The 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 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 the Guidance note issued by the Institute of Actuaries of India for interest rate guarantee of exempted provident fund liability of employees, there is no interest shortfall that is required to be met by Iron ore division, BALCO, HZL, SRL, and SMCL as at 31 March 2023 and 31 March 2022. 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 ₹ 78 Crore for the year ended 31 March 2023 and ₹ 47 Crore for the year ended 31 March 2022 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 Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Fair value of plan assets of trusts	2,626	2,532
Present value of defined benefit obligation	(2,618)	(2,510)
Net liability arising from defined benefit obligation	**NIL**	**NIL**

(₹ in Crore)

Percentage allocation of plan assets of the trust	Year ended 31 March 2023	Year ended 31 March 2022
Assets by category		
Government Securities	45.15%	58.62%
Debentures / bonds	38.32%	35.54%
Equity	16.53%	4.64%
Money Market Instruments	0.00%	1.20%
Fixed deposits	0.00%	0.00%

(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 an employee's spouse as well. Based on an actuarial valuation conducted as at year-end, a provision

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is recognised in full for the benefit obligation. The obligation relating to post-retirement medical benefits as at 31 March 2023 was ₹ 101 Crore (31 March 2022: ₹ 100 Crore). 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 2023 of ₹ 1 Crore (31 March 2022: ₹ 1 Crore) has been recognised in consolidated statement of profit and loss. The remeasurement losses and net interest on the obligation of post-retirement medical benefits of ₹ 1 Crore (31 March 2022: ₹ 7 Crore) and ₹ 9 Crore (31 March 2022: ₹ 9 Crore) for the year ended 31 March 2023 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 recognized by Income Tax Authorities for gratuity to employees and contributions to the trust are funded with the Life Insurance Corporation of India (LIC), ICICI Prudential Life Insurance Company Limited (ICICI) and HDFC Life Insurance Company Limited (HDFC).

Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the Other post-employment benefit plan obligation are as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate	7.39%	7.16%
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 Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Fair value of plan assets	443	441
Present value of defined benefit obligations	(623)	(599)
Net liability arising from defined benefit obligation	**(180)**	**(158)**

Amounts recognised in the consolidated statement of profit and loss in respect of Other post-employment benefit plan are as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current service cost	43	39
Net interest cost	12	12
Components of defined benefit costs recognised in consolidated statement of profit and loss	**55**	**51**

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Amounts recognised in other comprehensive income in respect of Other post-employment benefit plan are as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Re-measurement of the net defined benefit obligation:-		
Actuarial losses arising from changes in financial assumptions	1	17
Actuarial losses/ (gains) arising from experience adjustments	9	(5)
Actuarial gains arising from changes in demographic assumptions	(3)	(3)
Actuarial losses on plan assets (excluding amounts included in net interest cost)	3	2
Components of defined benefit costs recognised in Other comprehensive income	**10**	**11**

The movement of the present value of the Other post-employment benefit plan obligation is as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	599	576
Current service cost	43	39
Benefits paid	(71)	(64)
Interest cost	42	39
Actuarial losses / (gains) arising from changes in assumptions	10	9
Closing balance	**623**	**599**

The movement in the fair value of Other post-employment benefit plan assets is as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	441	401
Contributions received	28	69
Benefits paid	(54)	(54)
Re-measurement gain/(loss) arising from return on plan assets	(3)	(2)
Interest income	31	27
Closing balance	**443**	**441**

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

The actual return on plan assets was ₹ 28 Crore (31 March 2022: ₹ 25 Crore).

The weighted average duration of the defined benefit obligation is 11.58 years (31 March 2022: 13.25 years).

The Group expects to contribute ₹ 54 Crore to the funded defined benefit plans during the year ending 31 March 2024.

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.

(₹ in Crore)

Particulars	Increase/(Decrease) in defined benefit obligation	
	Year ended 31 March 2023	Year ended 31 March 2022
Discount rate		
Increase by 0.50%	(24)	(23)
Decrease by 0.50%	26	25
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	23	22
Decrease by 0.50%	(22)	(21)

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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 recognized 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 the LIC, ICICI and HDFC. The Group does not have any liberty to manage the fund provided to LIC, ICICI and HDFC.

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

34 Finance cost

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on financial liabilities at amortised cost	6,212	4,712
Other finance costs	380	294
Net interest on defined benefit arrangement	21	21
Unwinding of discount on provisions	96	78
Exchange difference regarded as an adjustment to borrowing cost	-	7
Less: Capitalisation of finance cost/borrowing cost	(483)	(313)
Less: Cost allocated/directly booked in joint ventures	(1)	(2)
Total	**6,225**	**4,797**

a) Interest rate of 6.75 % (31 March 2022: 7.39%) was used to determine the amount of general borrowing costs eligible for capitalization in respect of qualifying asset for the year ended 31 March 2023.

b) Interest expense on income taxes is ₹ 77 Crore (31 March 2022: ₹ 0 Crore).

c) Interest expense on lease liabilities for the year ended is ₹ 14 Crore (31 March 2022: ₹ 14 Crore)

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35 Other expenses

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cess on crude oil	3,238	3,036
Royalty	5,860	4,385
Consumption of stores and spare parts	3,769	3,304
Share of expenses in producing oil and gas blocks	3,593	2,770
Repairs to plant and equipment	3,332	2,896
Repairs to building	277	215
Repairs others	213	215
Carriage	2,827	2,927
Mine expenses	3,163	2,661
Net loss on foreign currency transactions and translations	554	156
Other selling expenses	29	17
Insurance	292	269
Loss on sale/disposal of fixed asset (net)	9	-
Rent*	61	38
Rates and taxes	39	78
Exploration costs written off	327	-
Bad trade receivables and advances written off	11	11
Provision for doubtful advances/ expected credit loss	415	233
Miscellaneous expenses	7,097	5,797
Less: Cost allocated/directly booked in joint ventures	(418)	(331)
Total	**34,688**	**28,677**

*Rent represents expense on short term/ low value leases.

36 Exceptional items

(₹ in Crore)

Particulars	Year ended 31 March 2023			Year ended 31 March 2022		
	Exceptional items	Tax effect of Exceptional items	Exceptional items after tax	Exceptional items	Tax effect of Exceptional items	Exceptional items after tax
Property, plant and equipment, exploration intangible assets under development, capital work-in-progress and other assets (impaired)/ reversal or (written off)/ written back in:						
- Oil & Gas						
1) Exploration cost written off [a]	-	-	-	(2,618)	1,020	(1,598)
2) Reversal of previously recorded impairment [b]	-	-	-	2,697	(1,059)	1,638
- Iron Ore						
- Reversal of previously recorded impairment of assets in Liberia on commencement of mining operations [c]	644	-	644	-	-	-
- Aluminium [d]	-	-	-	(125)	44	(81)
- Others [e, f]	109	(38)	71	(52)	17	(35)
- Unallocated [g]	-	-	-	(24)	8	(16)
SAED on Oil and Gas sector [h]	(970)	312	(658)			
Provision for legal disputes (including change in law), force majeure and similar incidences in:						
- Aluminium [i]	-	-	-	(288)	80	(208)
- Copper [j]	-	-	-	(217)	19	(198)
- Zinc, Lead and Silver - India [k]	-	-	-	(134)	47	(87)
- Other segment [l]	-	-	-	(7)	2	(5)
Total	**(217)**	**274**	**57**	**(768)**	**178**	**(590)**

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a) During the year ended 31 March 2022, based on the outcome of exploration and appraisal activities in its PSC block RJON-90/1 block and RSC blocks awarded under OALP (Open Acreage Licensing Policy), an amount of ₹ 2,618 Crore towards unsuccessful exploration cost had been charged off to the consolidated statement of profit and loss, as these had proven to be either technically or commercially unviable.

b) During the year ended 31 March 2022, the Group had recognized an impairment reversal of ₹ 2,697 Crore on its assets in the oil and gas segment comprising:

1) Impairment reversal of ₹ 2,581 Crore relating to Rajasthan oil and gas block ("CGU") mainly due to increase in crude price forecast. Of this, ₹ 1,638 Crore impairment reversal had been recorded against oil and gas producing facilities and ₹ 943 Crore impairment reversal had been recorded against exploration intangible assets under development.

   The recoverable amount of the Company's share in Rajasthan Oil and Gas cash generating unit "RJ CGU" was determined to be ₹ 10,285 Crore (US$ 1,361 million) as at 31 March 2022.

   The recoverable amount of the RJ CGU was determined based on the fair value less costs of disposal approach, a level-3 valuation technique in the fair value hierarchy, as it more accurately reflects the recoverable amount based on the Company's view of the assumptions that would be used by a market participant. This was 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 $ 86 per barrel for the next one year and tapers down to long-term nominal price of US $ 68 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 9.88% derived from the post-tax weighted average cost of capital after factoring in the risks ascribed to PSC extension including successful implementation of key growth projects. 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 ₹ 204 Crore (US$ 27 million) and ₹ 311 Crore (US$ 41 million) respectively.

2) Impairment reversal of ₹ 116 Crore relating to KG-ONN-2003/1 CGU mainly due to increase in crude price forecast and increase in recoverable reserves.

   The recoverable amount of the Company's share in this CGU was determined to be ₹ 208 Crore (US$ 27 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 short-term oil price of US $ 86 per barrel for the next one year and tapers down to long-term nominal price of US$ 68 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 10.63%. The sensitivities around change in crude price and discount rate are not material to the financial statements.

c) During the current year, WCL has signed a Memorandum of Understanding with the Government of Liberia to re-start its mining operations and commenced commercial production at its Bomi Mines from July 2022.

   Consequently, the net recoverable value of assets and liabilities of WCL has been assessed at ₹ 891 Crore based on the value-in-use approach, using the Discounted Cash Flow Method, a level 3 valuation technique in the fair value hierarchy as it more accurately reflects the recoverable amount. The impairment assessment is based on a range of estimates and assumptions, including long-term selling price as per the consensus report, volumes based on the mine planning and concentrate plant setup and a post-tax nominal discount rate of 14.45%. Any subsequent changes to cash flows due to changes in the above-mentioned factors could impact the carrying value of the assets.

   Based on the sensitivities carried out by the Company, a decrease in the long-term selling price by 1% would lead to a decrease in the recoverable value by ₹ 50 Crore and an increase in the discount rate by 1% would lead to a decrease in the recoverable value by ₹ 74 Crore.

   Accordingly, the impairment recorded in previous periods has been reversed, to an extent of ₹ 644 Crore pertaining only to the assets of the Bomi Mine.

d) In relation to a mine in Aluminium business of the Company, the Company had deposited ₹ 125 Crore with the Government of India. Thereafter, the MoEF&CC and the Supreme Court declared the mining project inoperable on environmental grounds. Later, in 2017, the mining license lapsed. Accordingly, the deposit was fully provided for during the previous year.

e) During the year ended 31 March 2022, ESL Steel Limited had recognised a provision of ₹ 46 Crore relating to certain items of capital work-in-progress basis the physical verification.

f) During the year ended 31 March 2022, ₹ 6 Crore was written off being the cost of land located outside the plant for which details of original owners/sellers etc., were not available and the physical possession or the registered ownership of the same as such cannot be obtained.

g) During the year ended 31 March 2022, the Company had recognised a loss of ₹ 24 Crore relating to certain items of capital work-in-progress at one of its closed unit in Gujarat, which are no longer expected to be used.

h) The Government of India ("GoI") vide its notification dated 30 June 2022 levied Special Additional Excise Duty ("SAED") on production of crude oil, i.e., cess on windfall gain triggered by increase in crude oil prices which is effective from 01 July 2022. The consequential net impact of the said duty has been presented as an exceptional item.

i) During the year ended 31 March 2022, MoEF&CC notified guidelines for thermal power plants for disposal of fly ash and bottom

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ash produced during power generation process. Effective 01 April 2022, the notification introduced a three-year cycle to achieve average ash utilisation of 100 per cent. The first three-year cycle is extendable by another one year or two years where ash utilisation percentage is in the range of 60-80 per cent or less than 60 per cent, respectively. Further, unutilised accumulated ash, i.e., legacy fly ash stored with such power plants prior to the date of this notification is required to be utilized fully over a ten year period with minimum twenty percent, thirty percent and fifty percent utilisation of annual ash generation in year 1, year 2 and years 3-10 respectively. Such provisions are not applicable where ash pond or dyke has stabilised and the reclamation has taken place with greenbelt or plantation. The Group had performed detailed evaluations for its obligations under this notification and had recorded ₹ 288 Crore as an exceptional item for the year ended 31 March 2022, towards estimated costs of legacy fly ash utilization including reclamation costs.

j) A provisional liquidator ('PL') was appointed to manage the affairs of Konkola Copper Mines plc (KCM) on 21 May 2019, after ZCCM Investments Holdings Plc (ZCCM-IH), an entity majority 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 and have also commenced arbitration against ZCCM-IH, consistent with their position that arbitration is the agreed dispute resolution process, together with an application to the South African courts to stay the winding up proceedings consistent with the agreement to arbitrate.

Meanwhile, KCM has not been supplying goods to the Company and/ or its subsidiaries, which it was supposed to as per the terms of the advance. During the previous year, the Group recognised provisions for expected credit losses of ₹ 217 Crore. As of 31 March 2023, the Group carries provisions of ₹ 644 Crore (31 March 2022: ₹ 644 Crore). Consequently, receivables from KCM as at 31 March 2023 are ₹ NIL Crore (31 March 2022: ₹ NIL Crore).

k) During the year ended 31 March 2022, HZL had recognised an expense of ₹ 134 Crore relating to amount charged in respect of settlement of entry tax dispute under Amnesty Scheme launched by the Government of Rajasthan.

l) Refer note 3(c)(A)(v).

37 Tax

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

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax:		
Current tax on profit for the year	7,739	6,892
Benefit in respect of current tax for earlier years	(115)	(3)
Benefit in respect of exceptional items (Refer note 36)	(122)	(580)
Total Current Tax (a)	**7,502**	**6,309**
Deferred tax:		
(Benefit)/ Reversal of temporary differences	(1,503)	2,627
Benefit in respect of deferred tax for earlier years	(77)	(83)
(Benefit)/ Reversal in respect of exceptional items (Refer note 36)	(152)	402
Deferred Tax (b)	**(1,732)**	**2,946**
Total income tax expense for the year (a+d)	**5,770**	**9,255**
Profit before tax	20,276	32,964
Effective income tax rate (%)	**28%**	**28%**

Tax expense

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Tax effect on exceptional items	(274)	(178)
Tax expense- others	6,044	9,433
Net tax expense	**5,770**	**9,255**

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

(₹ in Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Profit before tax	**20,276**	**32,964**
Indian statutory income tax rate	34.944%	34.944%
Tax at statutory income tax rate	7,085	11,519
Non-taxable income	(94)	(137)
Tax holidays and similar exemptions	(534)	(1,953)
Effect of tax rate differences of subsidiaries operating at other tax rates	97	128
Unrecognised tax assets (net) (i)	63	10
Change in deferred tax balances due to change in tax law	(288)	(114)
Capital gains/ Other income subject to lower tax rate (ii)	(522)	(344)
Credit in respect of earlier years	(192)	(86)
Other permanent differences	155	233
Total	**5,770**	**9,255**

(i) Current year includes ₹ 180 Crore of deferred tax assets on brought forward losses of Facor Power Limited recognised post its merger with Facor Alloys Corporation Limited. Based on the financial forecasts of the merged entity, it is probable to realise the deferred tax assets. (Refer Note 4)

(ii) Current year majorly includes ₹ 505 Crore on account of dividend received from foreign subsidiary taxable at lower rate of 17.472%

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').

Sectoral Benefit - Power Plants and Port Operations

To encourage the establishment of infrastructure certain power plants and ports have been offered income tax exemptions of upto 100% of profits and gains for any ten consecutive years within the 15 year period following commencement of operations subject to certain conditions under section 80IA of the Income tax Act, 1961. The Group currently has total operational capacity of 8.25 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, Vedanta Limited (where such benefits has been drawn), Talwandi Sabo Power Limited and Bharat Aluminium Company Limited (where no benefit has been drawn).

Further, tax incentives exist for certain other infrastructure facilities to exempt 100% of profits and gains for any ten consecutive years within the 20 year period following commencement of these facilities' operation, provided certain conditions are met. HZL currently has certain eligible facilities. However, such facilities would continue to be subject to the MAT provisions.

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The Group operates a zinc refinery in Export Processing Zone, Namibia which has been granted tax exempt status by the Namibian government.

In addition, the subsidiaries incorporated in Mauritius are eligible for tax credit to the extent of 80% of the applicable tax rate on foreign source income.

The total effect of such tax holidays and exemptions was ₹ 534 Crore for the year ended 31 March 2023 (31 March 2022: ₹ 1,953 Crore).

(c) Deferred tax assets/liabilities

The Group has accrued significant amounts of deferred tax. The majority of the deferred tax assets represents unabsorbed depreciation and carried forward losses and unused tax credits in the form of MAT credits carried forward, net of deferred tax liability representing accelerated tax relief for the depreciation of property, plant and equipment, depreciation of mining reserves and the fair value uplifts created on acquisitions.

Significant components of Deferred tax (assets) and liabilities recognized in the consolidated balance sheet are as follows:

For the year ended 31 March 2023

(₹ in Crore)

Significant components of Deferred tax (assets) and liabilities	Opening balance as at 01 April 2022	Charged / (credited) to statement of profit or loss	Charged/ (credited) to other comprehensive income	Charged / (credited) to equity	Exchange difference transferred to translation of foreign operation	Closing balance as at 31 March 2023
Property, Plant and Equipment	11,506	957	-	-	(48)	12,415
Voluntary retirement scheme	(39)	14	-	-	-	(25)
Employee benefits	(377)	20	(11)	7	5	(356)
Fair valuation of derivative asset/liability	(97)	28	(6)	-	-	(75)
Fair valuation of other asset/liability	628	126	-	-	6	760
MAT credit entitlement	(6,746)	(2,586)	(50)	-	-	(9,382)
Unabsorbed depreciation and business losses	(4,490)	(398)	-	-	-	(4,888)
Other temporary differences	(1,035)	106	(32)	-	(62)	(1,023)
Total	**(650)**	**(1,733)**	**(99)**	**7**	**(99)**	**(2,574)**

For the year ended 31 March 2022

(₹ in Crore)

Significant components of Deferred tax (assets) and liabilities	Opening balance as at 01 April 2022	Charged / (credited) to statement of profit or loss	Charged/ (credited) to other comprehensive income	Charged / (credited) to equity	Exchange difference transferred to translation of foreign operation	Closing balance as at 31 March 2023
Property, Plant and Equipment	9,683	1,735	-	-	88	11,506
Voluntary retirement scheme	(54)	15	-	-	-	(39)
Employee benefits	(174)	(201)	(1)	10	(11)	(377)
Fair valuation of derivative asset/liability	(37)	(21)	(39)	-	-	(97)
Fair valuation of other asset/liability	701	(31)	-	-	(42)	628
MAT credit entitlement	(8,232)	1,505	(7)	(16)	4	(6,746)
Unabsorbed depreciation and business losses	(4,698)	208	-	-	-	(4,490)
Other temporary differences	(834)	(264)	74	-	(11)	(1,035)
Total	**(3,645)**	**2,946**	**27**	**(6)**	**28**	**(650)**

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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 Crore)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax assets	(8,495)	(5,085)
Deferred tax liabilities	5,922	4,435
Net Deferred tax assets	**(2,573)**	**(650)**

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 utilized within the stipulated fifteen year period from the date of origination (Refer note 3(c)(A)(ii)).

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 recognized amount to ₹ 7,335 Crore and ₹ 9,818 Crore as at 31 March 2023 and 31 March 2022 respectively.

As at 31 March 2023

(₹ in Crore)

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	689	2,621	2,040	-	5,350
Unabsorbed depreciation	-	-	-	1,985	1,985
Unutilised R&D credit	-	0	-	-	0
Total	**689**	**2,622**	**2,040**	**1,985**	**7,335**

As at 31 March 2022

(₹ in Crore)

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	31	3,217	3,116	2,005	8,369
Unabsorbed depreciation	-	-	-	1,439	1,439
Unutilised R&D credit	-	-	-	10	10
Total	**31**	**3,217**	**3,116**	**3,454**	**9,818**

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.

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 ₹ 24,130 Crore and ₹ 36,947 Crore as at 31 March 2023 and 31 March 2022 respectively.

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(d) Non- current tax assets

Non- current tax assets of ₹ 1,635 Crore (31 March 2022: ₹ 2,762 Crore) 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 issued demands on account of remeasurement of certain tax incentives, under section 80IA and 80 IC of the Income-tax Act, 1961. During the year ended 31 March 2020, based on the favorable 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, the department had filed an appeal in Hon'ble Rajasthan High Court in financial year 17-18 which is yet to be admitted. As per the view of external legal counsel, Department's appeal seeks re-examination of facts rather than raising any substantial question of law and hence it is unlikely that appeal will be admitted by the High Court. Accordingly, there is a high probability that the case will go in favour of the Company. The amount involved in this dispute as of 31 March 2023 is ₹ 12,447 Crore (31 March 2022: ₹ 11,369 Crore) plus applicable interest upto the date of settlement of the dispute.

38 Earnings per equity share (EPS)

(₹ in Crore, except otherwise stated)

Particulars		Year ended 31 March 2023	Year ended 31 March 2022
Profit after tax attributable to equity share holders for Basic and Diluted EPS	A	10,574	18,802
Computation of weighted average number of shares			
Weighted average number of ordinary shares outstanding during the year excluding shares acquired for ESOP for basic earnings per share	B	370.97	370.65
Effect of dilution:			
Potential ordinary shares relating to share option awards		2.41	2.56
Adjusted weighted average number of shares of the Company in issue	C	373.38	373.21
Basic earnings per equity share (₹)	A / B	28.50	50.73
Diluted earnings per equity share (₹)	A / C	28.32	50.38
Nominal Value per Share (in ₹)		1.00	1.00

39 Distributions made and proposed

(₹ in Crore, except otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Amounts recognised as distributions to equity share holders:		
Interim dividends: ₹ 101.50/- per share (31 March 2022:₹ 45.00/- per share)	37,658	16,681
Refund of dividend distribution tax	(86)	-
	37,572	**16,681**

40 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 and gas commitments;
- Mining commitments arising under production sharing agreements; and
- Completion of the construction of certain assets.

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a) Estimated amount of contracts remaining to be executed on capital accounts and not provided for:

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Oil & Gas sector		
Cairn India	1,412	2,169
Aluminium sector		
Lanjigarh Refinery (Phase II)	2,439	2,861
Jharsuguda 1.25 MTPA smelter	1,266	1,577
BALCO smelter expansion 0.57 MTPA to 1 MTPA	6,700	4,643
Zinc sector		
Zinc India (mines expansion and smelter)	1,750	507
Gamsberg mining and milling project	-	206
Gamsberg mining and milling project (Phase II)	1,950	-
Copper sector		
Tuticorin Smelter 400 KTPA*	3,066	3,051
Others	3,843	3,843
Total	**22,426**	**18,857**

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

b) Committed work programme (Other than capital commitment):

(₹ in Crore)

Particulars	As at 31 March 2023	As at 31 March 2022
Oil & Gas sector		
Cairn India (OALP - New Oil and Gas blocks)	5,184	5,615

c) Other Commitments

(i) The Power Division of the Group 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 FY 2037. The Group received favourable order from OERC dated 05 October 2021 for conversion of Independent Power Plant ("IPP") to Captive Power Plant ("CPP") w.e.f from 01 January 2022 subject to certain terms and conditions. However, OERC vide order dated 19 February 2022 directed the Group to supply power to GRIDCO from 19 February 2022 onwards. Thereafter, the Group has resumed supplying power to GRIDCO from 01 April 2022 as per GRIDCO's requisition.

The OERC vide its order dated 03 May 2023 has reviewed its previous order dated 05 October 2021 and directed the Group to operate Unit 2 as an IPP. The Group is in process of filing an appeal against the said order.

(ii) TSPL has signed a long term PPA with the Punjab State Power Corporation Limited (PSPCL) for supply of power generated from the power plant. The PPA has tenure of twenty five years, expiring in FY 2042.

(iii) During the current year ended 31 March 2023, the Group has executed new Power Delivery Agreements ("PDA") with Serentica group companies (Serentica Renewables India 1 Private Limited, Serentica Renewables India 3 Private Limited, Serentica Renewables India 4 Private Limited, Serentica Renewables India 5 Private Limited, Serentica Renewables India 6 Private Limited, Serentica Renewables India 7 Private Limited and Serentica Renewables India 9 Private Limited), which are associates of Volcan, for procuring renewable power over twenty five years from date of commissioning of the combined renewable energy power projects ("the Projects") on a group captive basis. These Serentica group companies were incorporated for building the Projects of approximately 1,246 MW (31 March 2022: 380 MW). During the current year, the Group has invested ₹ 249 Crore in Optionally Convertible Redeemable Preference shares ("OCRPS") of ₹ 10 each of Serentica group companies. These OCRPS will be converted into equity basis conversion terms of the PDA, resulting in Vedanta Group holding

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twenty six percent stake in its equity. As at 31 March 2023, total outstanding commitments related to PDA with Serentica Group Companies are ₹ 1,598 Crore (31 March 2022: ₹ 480 Crore).

B) Guarantees

The aggregate amount of indemnities and other guarantees on which the Group does not expect any material losses, was ₹ 8,470 Crore (31 March 2022: ₹ 6,564 Crore).

a) Guarantees and bonds advanced to the customs authorities in India of ₹ 1,339 Crore relating to the export and payment of import duties on purchases of raw material and capital goods (31 March 2022: ₹ 492 Crore).

b) Guarantees issued for Group's share of minimum work programme commitments of ₹ 2,742 Crore (31 March 2022: ₹ 2,881 Crore).

c) Guarantees of ₹ 80 Crore issued under bid bond (31 March 2022: ₹ 98 Crore).

d) Bank guarantees of ₹ 115 Crore (31 March 2022: ₹ 115 Crore) has been provided by the Group on behalf of Volcan Investments Limited to Income tax department, India as a collateral in respect of certain tax disputes. Other guarantees worth ₹ 4,194 Crore (31 March 2022: ₹ 2,978 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 Group does not anticipate any liability on these guarantees.

C) Export Obligations

The Indian entities of the Group have export obligations of ₹ 1,381 Crore (31 March 2022: ₹ 950 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 Group's inability to meet its obligations, the Group's liability would be ₹ 322 Crore (31 March 2022: ₹ 207 Crore) reduced in proportion to actual exports, plus applicable interest.

The Group has given bonds of ₹ 809 Crore (31 March 2022: ₹ 1,915 Crore) 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 Crore (31 March 2022: ₹ 334 Crore) 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 these financial statements.

b) Ravva Joint Operations arbitration proceedings

The Ravva Production Sharing Contract (PSC) obliges the contractor parties (including the Company (Cairn India Limited which subsequently merged with the Company, accordingly now referred to as the Company)) to pay a proportionate share of ONGC's exploration, development, production and contract costs in consideration for ONGC's

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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 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 Group'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 Group has also filed for the enforcement of the Partial Award and Final Award before the Hon'ble Delhi High Court. The matter is currently being heard.

While the Group does not believe the GOI will be successful in its challenge, if the Arbitral Awards in above matters are reversed and such reversals are binding, Group would be liable for approximately ₹ 526 Crore (US$ 64 million) plus interest. (31 March 2022: ₹ 484 Crore (US$ 64 million) plus interest).

c) Proceedings related to the imposition of entry tax

Vedanta Limited and other Group companies, i.e., BALCO and 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 heard the matters and remanded the entry tax matters relating to the issue of discrimination against domestic goods bought from other States to the respective High Courts for final determination but retained the issue of jurisdiction for levy on imported goods, for determination by the regular bench of the Supreme Court. Following the order of the Supreme Court, the Group filed writ petitions in respective High Courts.

On 09 October 2017, the Supreme Court has held that states have the jurisdiction to levy entry tax on imported goods. With this Supreme Court judgement, imported goods will rank pari-passu with domestic goods for the purpose of levy of Entry tax. Vedanta Limited and its subsidiaries have amended their appeals (writ petitions) in Odisha and Chhattisgarh to include imported goods as well.

The issue pertaining to the levy of entry tax on the movement of goods into a Special Economic Zone (SEZ) remains pending before the Odisha High Court. The Group has challenged the levy of entry tax on any movement of goods into SEZ based on the definition of 'local area' under the Odisha Entry Tax Act which is very clear and does not include a SEZ. In addition, the Government of Odisha further through its SEZ Policy 2015 and the operational guidelines for administration of this policy dated 22 August 2016, exempted the entry tax levy on SEZ operations.

During the previous year, HZL has, under an Amnesty Scheme, settled the entry tax matter by making a payment of ₹ 134 Crore against total claims of ₹ 200 Crore.

The total claims against Vedanta Limited and its subsidiaries (net of provisions made) are ₹ 823 Crore (31 March 2022: ₹ 825 Crore) including interest and penalty till the date of order. Further interest and penalty if any, would be additional.

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d) 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 sought refund of ED Cess paid till March 2006 amounting to ₹ 35 Crore.

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 has started before the Supreme Court. Considering the high court judgement in Group's favor, we do not believe the state will succeed in their claims. However, should the Supreme Court reverse the judgement, the Group will be liable to pay an additional amount of ₹ 1,091 Crore (31 March 2022: ₹ 1,017 Crore). As at 31 March 2023, an amount of ₹ 1,126 Crore relating to principal has been considered as a contingent liability (31 March 2022: ₹ 1,052 Crore).

e) BALCO: Electricity Duty

The Group operates a 1,200 MW power plant ("the Plant") which commenced production in July 2015. Based on the Memorandum of Understanding signed between the Group and the Chhattisgarh State Government, the management believes that the Plant is covered under the Chhattisgarh Industrial policy 2004-09 which provides exemption of electricity duty for 15 years. In June 2021, the Chief Electrical Inspectorate, Raipur ("CIE") issued a demand notice for electricity duty and interest thereon of ₹ 888 Crore and ₹ 588 Crore respectively for the period March 2015 to March 2021.

The Group carries an accrual for electricity duty of ₹ 639 Crore (31 March 2022: ₹ 817 Crore), net of ₹ 570 Crore (31 March 2022: ₹ 226 Crore) paid under protest. BALCO has requested the CIE to allow payment of the principal amount over a period of 5 years along with a waiver of interest demand. BALCO has received a reply from CIE that the matter will be discussed with appropriate authorities. As at 31 March 2023, no confirmation has been received on this matter and therefore an amount of ₹ 916 Crore (31 March 2022: ₹ 731 Crore) relating to interest is considered as a contingent liability.

f) ESL: MDPA

Mine Development and Production Agreement (MDPA) entered into by ESL with respect to the Nadidihi Iron Ore Block (74.50 Ha) and the Nadidihi Iron & Manganese Ore Block (117.206 Ha) in Orissa obligates certain minimum despatch requirement for each year from the commencement of mining, as prescribed under Sub Rule-1 of Rule 12(A) of the Minerals (other than Atomic and Hydrocarbon Energy Minerals) Concession Rules, 2016 (MCR 2016).

ESL has received demand notices dated 03 December 2022 aggregating ₹ 1,708 Crore towards penalty for annual shortfall in minimum despatch required under Sub Rule-1 of Rule 12(A) of MCR 2016, for the first year of the lease for both the mines. Management believes that the aforesaid demands are unreasonable and arbitrary to the law on various grounds including the fact that the State Government has erroneously considered the wrong period to calculate the MDPA requirement as per Sub Rule 1 of Rule 12 (A) of MCR 2016. Further, ESL was unable to carry out mining operation for significant part of the first year owing to reasons beyond its control (Force Majeure) and for the said the period, is entitled to be afforded an additional period in terms of Section 12(1)(ff) of the Mineral (Other than Atomic and Hydrocarbons Energy Minerals) Concession Rules, to meet the said minimum despatch requirement. Based on aforesaid grounds that are supported by a legal opinion obtained in this regard, Inter-alia, the Group has filed the Revision Application under Section 30 of the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act) to keep the above demand notice in abeyance during the pendency of the proceedings before the Revisional Authority, Ministry of Mines and the same has been informed to Office of the Deputy Director of mines through intimation letter. The Revisional Authority vide its order dated 14 March 2023 has put stay on the impugned demand notices and directed the State Government not to take any coercive action to realize the demand till further orders.

Also, ESL has received the demand notices dated 11 April 2023 aggregating ₹ 50 Crore for the first quarter of the second-year lease period from 20 November 2022 till 19 November 2023 for both the mines, to which ESL has replied stating that these demand notices shall be kept in abeyance till the pendency of the proceedings before the Revisionary

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Authority, Ministry of Mines as the similar contentions were taken by the Management in the revision application filed against the earlier demand notices for shortfall in the first year of lease period. Management believes that the aforesaid demands are unreasonable and arbitrary to the law on various grounds including the fact that the State Government has erroneously considered the wrong period to calculate the MDPA requirement as per Sub Rule 1 of Rule 12 (A) of MCR 2016.

Basis MDPA and legal opinion received, any obligation in this regard can be termed as a remote. As a matter of prudence, aforesaid demand notices of ₹ 1,758 Crore have been disclosed as contingent liability in the financial statements.

g) Miscellaneous disputes- Income tax

"The Group is involved in various tax disputes amounting to ₹ 1,455 Crore (31 March 2022: ₹ 1,359 Crore) relating to income tax. It also includes similar matters where initial assessment is pending for subsequent periods and where the Group has made claims and assessments are in progress. These mainly relate to the disallowances of tax holidays and depreciation under the Income-tax Act, 1961 and interest thereon which are pending at various appellate levels. Penalties, if any, may be additional.

Based on detailed evaluations and supported by external legal advice, where necessary, the Group believes that it has strong merits and no material adverse impact is expected.

h) Miscellaneous disputes- Others

The Group is subject to various claims and exposures which arise in the ordinary course of its operations, from indirect tax authorities and others, pertaining to the assessable values of sales and purchases or 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 Group companies total ₹ 4,907 Crore (31 March 2022: ₹ 4,655 Crore).

Based on evaluations of the matters and legal advice obtained, the Group believes that it has strong merits in its favor. 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.

41 Other Matters

a) The Group purchases 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 High Court of Odisha, which is subject to final outcome of the writ petition filed by the Group.

The last successful e-auction based price discovery was done by OMC in April 2019 at ₹ 673/MT and supplied bauxite at this rate from September 2019 to September 2020 against an undertaking furnished by the Group 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 Group towards differential pricing and interest for bauxite supplied till September 2020 considering the auction base price of ₹ 1,707/MT.

The Group had then filed a writ petition before High Court of Odisha in September 2020, which issued an interim Order dated 08 October 2020 directing that the petitioner shall be permitted to lift the quantity of bauxite mutually agreed on payment of ₹ 1,000/MT and furnishing an undertaking for the differential amount, subject to final outcome of the writ petition.

OMC re-conducted e-auction on 09 March 2021 with floor price of ₹ 2,011/MT, which again was not successful. On 18 March 2021, Cuttack High Court issued an order that the current arrangement of bauxite price @ ₹ 1,000/MT will

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continue for the FY 2021-22. Further, on 06 April 2022, the Cuttack High Court directed that the current arrangement will continue for the FY 2022-23 also.

Supported by legal opinions, management believes that the provisions of Rule 45 of the Rules are not applicable to commercial sale of bauxite ore and hence, it is not probable that the Group will have any financial obligation towards the aforesaid commitments over and above the price of ₹ 673/MT discovered vide last successful e-auction.

However, as an abundant precaution, the Group has recognised purchase of Bauxite from September 2019 onwards at the aforesaid rate of ₹ 1,000/MT.

b) 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 Crore. Further, an additional demand was issued vide an office order dated 14 December 2020 for ₹ 311 Crore. The Group has challenged the show cause notice and computation mechanism of the royalty itself, and the 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 to recover such miscomputed dues. Further, Revisionary Authority(RA), has granted a stay on the recovery under the March 2022 notice of ₹ 1,423 Crore & the recovery of ₹ 311 Crore vide its order dated 15 June 2022 & 07 September 2022 respectively. Based on the opinion of external counsel, the Group believes that it has strong grounds of a successful appeal, and the chances of an outcome which is not in favor of the Group is remote.

c) 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 Group Limited ('Malco') and the Group (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 Group. The said petitions are currently pending for hearing.

d) **Flue-gas desulfurization (FGD) implementation:**

The 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 2024 to December 2026. Different power plants are at different stages of the implementation process.

TSPL filed a petition before Punjab State Electricity Regulatory Commission (PSERC) for approval of MoEF&CC 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&CC 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 dated 28 August 2020 in favour of TSPL allowing the cost pass through.

PSPCL has filed an appeal against this order in the Supreme Court. The matter was listed on 03 February 2022 wherein respondents including TSPL have been directed to file counter affidavits in the matter. On 09 November 2022, TSPL filed its Counter Affidavit. The matter is pending for hearing.

e) i) Pursuant to the Government of India's policy of disinvestment, the Group 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 Group had two call options to purchase all the Government of India's shares in HZL at fair market value. The Group exercised the first call option on 29 August 2003 and acquired an additional 18.9% of HZL's issued share capital. The Group also acquired an additional 20% of the equity capital in HZL through an open

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offer, increasing its shareholding to 64.9%. The second call option provides the Group the right to acquire the Government of India's remaining 29.5% share in HZL. This call option was subject to the right of the Government of India to sell 3.5% of HZL shares to HZL employees. The Group 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 Group 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. In January 2016, the Supreme Court had directed status quo pertaining to disinvestment of Government of India's residual shareholding in a public interest petition filed.

On 13 August 2020, the Supreme Court passed an order partially removing the status quo order in place and has allowed the arbitration proceedings to continue via its order passed on 18 November 2021, the Supreme Court of India allowed the GOI's proposal to divest its entire stake in HZL in the open market in accordance with the rules and regulations of SEBI and also directed the Central Bureau of India to register a regular case in relation to the process followed for the disinvestment of HZL in the year 2002 by the GOI. In line with the said order, the Group has withdrawn its arbitration proceedings.

ii) Pursuant to the Government of India's policy of divestment, the Group in March 2001 acquired 51% equity interest in BALCO from the Government of India. Under the terms of the SHA, the Group had a call option to purchase the Government of India's remaining ownership interest in BALCO at any point from 02 March 2004. The Group exercised this option on 19 March 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 Group, the arbitral tribunal by a majority award rejected the claims of the Group 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 Group 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 at 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 09 January 2012, the Group 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 the Group 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 Group 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 recognized in the financial statements.

iii) During the year, BALCO has paid remuneration to an erstwhile whole-time director (ceased to be a whole-time director with effect from 15 February 2023) for the year ended 31 March 2023, which is in excess of the limits applicable under section 197 of the Companies Act, 2013 ("Act"), read with Schedule V thereto, by ₹ 4 Crore. The waiver of recovery of excess remuneration has already been approved by Board of Directors of BALCO in their meeting held on 20 April 2023 and is subject to approval of BALCO shareholders (comprising the Company and the Government of India) in its ensuing Annual General Meeting ('AGM'). BALCO is in the process of obtaining such approval from its shareholders at its ensuing AGM in compliance of provisions of Section 197, Schedule V and other applicable provisions of the Act.

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Further, a whole-time director has been appointed by the Board of Directors of BALCO with effect from 15 February 2023. The terms and conditions of the appointment and remuneration of such whole-time director is approved by the Board of Directors of BALCO and is pending approval of the shareholders at its ensuing AGM as required under Sections 196 and 197 and Schedule V of the Act read with the rules thereunder and other applicable provisions of the Act. During the year ended 31 March 2023, a sum of ₹ 0 Crore was paid as remuneration to such whole-time director.

f) On 26 October 2018, the Government of India (GoI), acting through the Directorate General of Hydrocarbons (DGH) granted its approval for a ten-year extension of the Production Sharing Contract (PSC) for the Rajasthan Block (RJ), with effect from 15 May 2020 subject to certain conditions and pay additional 10% profit petroleum. Pending the outcome of arbitration and petition filed with Supreme Court on applicability of policy, MoPNG vide letter dated 21 October 2022 has conveyed the grant of approval of extension of PSC for 10 years from 15 May 2020 to 14 May 2030 and the PSC addendum has been executed by the parties on 27 October 2022.

DGH, in September 2022, has trued up the earlier demand raised till 31 March 2018 upto 14 May 2020 for Government's additional share of Profit oil based on its computation of disallowance of cost incurred over retrospective re-allocation of certain common costs between Development Areas (DAs) of Rajasthan Block and certain other matters aggregating to ₹ 9,545 Crore (US$ 1,162 million) applicable interest thereon representing share of Vedanta Limited and its subsidiary.

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

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

42 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

Vedanta Resources Limited (VRL)
Finsider International Company Limited#
Richter Holdings Limited#
Twin Star Holdings Limited#
Vedanta Resources Cyprus Limited#
Vedanta Resources Finance Limited#
Vedanta Resources Holdings Limited#
Welter Trading Limited#
Westglobe Limited#
Vedanta Holdings Mauritius II Limited#
Vedanta Holdings Mauritius Limited#
Vedanta Holdings Jersey Limited#
Vedanta Netherlands Investments BV#
Vedanta UK Investments Limited#

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

Sterlite Iron and Steel Company Limited
Sterlite Power Transmission limited
Sterlite Technologies Limited
Sterlite Power Grid Ventures Limited
STL Digital Limited
Sterlite Grid 16 Limited
Twin Star Technologies Limited

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C) Associate of ultimate parent (with whom transactions have taken place)

Serentica Renewables India 1 Private Limited*
Serentica Renewables India 3 Private Limited*
Serentica Renewables India 4 Private Limited*
Serentica Renewables India 9 Private Limited*
Serentica Renewables India 5 Private Limited*
Serentica Renewables India 6 Private Limited*
Serentica Renewables India 7 Private Limited*

D) Post retirement benefit plans

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
FACOR Employees Gratuity Scheme

E) Associates and Joint Ventures (with whom transactions have taken place)

RoshSkor Township (Pty) Limited
Gaurav Overseas Private Limited
Goa Maritime Private Limited
Madanpur South Coal Company Limited
Gergarub Exploration and Mining (Pty) Limited

F) Others (with whom transactions have taken place)

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

Anil Agarwal Foundation Trust
Cairn Foundation
Caitlyn India Private Limited
Fujairah Gold Ghana
Fujairah Metals LLC
Janhit Electoral Trust
Voorspoed Trust
Minova Runaya Private Limited
Runaya Refining LLP
Sesa Community Development Foundation
Vedanta Foundation
Vedanta Limited ESOS Trust
Vedanta Medical Research Foundation

These entities are subsidiary companies of VRL and VRL through its subsidiaries holds 68.11% in the Company.

* During the current year, due to change in shareholding of the intermediate holding company of Serentica group companies, the relationship of Vedanta group with these companies has changed from fellow subsidiaries to associates of Volcan.

Ultimate Controlling party

Vedanta Limited is a majority-owned and controlled subsidiary of Vedanta Resources Limited ('VRL'). Volcan Investments Limited ('Volcan') and its wholly owned subsidiary together hold 100 % of the share capital and 100 % of the voting rights of VRL. Volcan is 100 % beneficially owned and controlled by the Anil Agarwal Discretionary Trust ('Trust'). Volcan Investments Limited, Volcan Investments Cyprus Limited and other intermediate holding companies except VRL do not produce Group financial statements.

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G) A summary of significant related party transactions for the year ended 31 March 2023 are noted below.

Transactions and balances with own subsidiaries are eliminated on consolidation.

(₹ in Crore)

	Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates/ Joint ventures	Others	Total
	Income:				
(i)	Revenue from operations	1,831	-	56	**1,887**
(ii)	Other income				
	a) Interest and guarantee commission	420	-	-	**420**
	b) Outsourcing service fees	5	-	-	**5**
	c) Dividend income	0	-	-	**0**
	d) Miscellaneous income	-	-	1	**1**
	Expenditure and other transactions:				
(i)	Purchase of goods/ services	13	4	283	**300**
(ii)	Stock options (recovery)	-	-	-	**-**
(ii)	Management and brand fees [J]	2,082	-	-	**2,082**
(iii)	Reimbursement for other expenses (net of recovery)	(2)	-	(1)	**(3)**
(iv)	Corporate social responsibility expenditure/ Donation	-	-	77	**77**
(v)	Contribution to post retirement employee benefit trust/fund	-	-	78	**78**
(vi)	Remuneration to relatives of key management personnel	-	-	20	**20**
(vii)	Purchase of fixed assets	(19)	-	-	**(19)**
(viii)	Commission/sitting fees				
	- To Non executive directors	-	-	5	**5**
	- To key management personnel	-	-	0	**0**
	- To relatives of key management personnel	-	-	1	**1**
(ix)	Dividend paid				
	- To holding companies	26,171	-	-	**26,171**
	- To key management personnel and their relatives	-	-	2	**2**
	- To Non executive directors and their relatives	-	-	0	**0**
(x)	Interest and guarantee commission expense [N]	177	-	-	**177**
	Other Transactions during the year:				
(i)	Loans given/ (repayment thereof) [L]	(2,408)	5	-	**(2,403)**
(ii)	Financial guarantees relinquished during the year	-	-	(0)	**(0)**
(iii)	Investment purchased during the year (refer note 40)	-	1	249	**250**
	Balances as at period end:				
(i)	Trade receivables	11	-	-	**11**
(ii)	Loan given [L, K]	3,749	9	-	**3,758**
(iii)	Other receivables and advances (including brand fee prepaid) [J, N]	1,664	9	33	**1,706**
(iv)	Trade payables	29	0	31	**60**
(v)	Other payables (including brand fee payable) [J]	270	-	44	**314**
(vi)	Bank guarantee given [I]	115	-	-	**115**
(vii)	Sitting fee, remuneration, commission and consultancy fees payable to KMP and their relatives	-	-	7	**7**
(viii)	Dividend payable				
	- To Holding companies	4,887	-	0	**4,887**
	- To key management personnel and their relatives	-	-	1	**1**
	- To Non executive directors and their relatives	-	-	0	**0**

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Remuneration of key management personnel

(₹ in Crore)

Particulars	For the year ended 31 March 2023
Short-term employee benefits	36
Post employment benefits*	1
Share based payments	4
	41

* 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) A summary of significant related party transactions for the year ended 31 March 2022 are noted below.

Transactions and balances with own subsidiaries are eliminated on consolidation.

(₹ in Crore)

	Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates/ Joint ventures	Others	Total
	Income :				
(i)	Revenue from operations	1,395	-	59	**1,454**
(ii)	Other income				
a)	Interest and guarantee commission	721	-	-	**721**
b)	Outsourcing service fees	4	-	-	**4**
c)	Dividend income	1	-	-	**1**
d)	Miscellaneous income	-	-	1	**1**
	Expenditure and other transactions:				
(i)	Purchase of goods/ services	75	-	165	**240**
(ii)	Stock options (recovery)	-	-	-	**-**
(ii)	Management and brand fees [J]	1,617	-	-	**1,617**
(iii)	Reimbursement for other expenses (net of recovery)	13	-	0	**13**
(iv)	Corporate social responsibility expenditure/ Donation	-	-	45	**45**
(v)	Contribution to post retirement employee benefit trust/fund	-	-	114	**114**
(vi)	Remuneration to relatives of key management personnel	-	-	23	**23**
(vii)	Commission/sitting fees				
	- To Non executive directors	-	-	4	**4**
	- To key management personnel	-	-	2	**2**
	- To relatives of key management personnel	-	-	0	**0**
(viii)	Dividend paid				
	- To holding companies	11,346	-	-	**11,346**
	- To key management personnel	-	-	0	**0**
	- To relatives of key management personnel	-	-	1	**1**
(ix)	Interest and guarantee commission expense [N]	147	-	-	**147**
	Other Transactions during the year.				
(i)	Loans given/ (repayment thereof) [L]	(1,623)	-	-	**(1,623)**
(ii)	Financial guarantees relinquished during the year	1	-	4	**5**
(iii)	Investment purchased/ (redeemed) during the year	-	0	-	**0**
(iv)	Loan taken/ (repayment thereof)	(0)	-	-	**(0)**
	Balances as at period end:				
(i)	Trade receivables	13	-	5	**18**
(ii)	Loan given [L,K]	5,457	5	-	**5,462**

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(₹ in Crore)

	Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates/ Joint ventures	Others	Total
(iii)	Other receivables and advances (including brand fee prepaid) [J,N]	294	10	2	**306**
(iv)	Trade payables	67	-	31	**98**
(v)	Other payables (including brand fee payable) [J]	168	-	38	**206**
(vi)	Financial guarantee given	-	-	0	**0**
(vii)	Bank guarantee given [I]	115	-	-	**115**
(viii)	Sitting fee, remuneration, commission and consultancy fees payable to KMP and their relatives	-	-	8	**8**

Remuneration of key management personnel

(₹ in Crore)

Particulars	For the year ended 31 March 2022
Short-term employee benefits	34
Post employment benefits *	1
Share based payments	1
	36

* 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) 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.

J) The Group has a Brand license and strategic service fee agreement ("the Agreement") with Vedanta Resources Ltd ("VRL") for the use of brand 'Vedanta' and providing strategic services which envisaged payment to VRL ranging from 0.75%-2% of turnover of the Company and certain subsidiaries. During the previous year, the Agreement was extended for a further period of fifteen years. The Group has recorded an expense of ₹ 1,718 Crore (31 March 2022: ₹ 1,553 Crore) for the year ended 31 March 2023. Further, during the current year, based on updated benchmarking analysis conducted by independent experts, the brand license and strategic service fee has been re-negotiated at 3% of the turnover of the Company with effect from 01 April 2023, while the previous rates remain unchanged for the subsidiaries. The Group generally pays such fee in advance, at the beginning of the year based on estimated annual turnover.

Furthermore, during the current year, the Company executed a sub-licensing agreement for its existing Agreement with VRL consequent to which it has sub-licensed the brand and strategic services to its subsidiary Hindustan Zinc Limited ("HZL") with effect from 01 October 2022. Based on independent benchmarking analysis, the Group has agreed a net sub-licensing fee of 1.70% of HZL's annual consolidated turnover with VRL, resulting in an expense of ₹ 270 Crore for the year ended 31 March 2023.

K) During the current year ended 31 March 2023, the Group has renewed loan provided to Sterlite Iron and Steel Company Limited for a further period of 12 months. The loan balance as at 31 March 2023 is ₹ 5 Crore (31 March 2022: ₹ 5 Crore). The loan is unsecured in nature and carries an interest rate of 11.13% per annum.

In 2016, a subsidiary of the Company had executed an agreement with Twin Star Holding Limited, the intermediate parent of the Group, to provide an unsecured loan at an interest rate of 2.1% per annum. The loan balance of the loan as at 31 March 2023 is ₹ 82 Crore (US $10 million) (31 March 2022: ₹ 74 Crore (US $10 million)). These loans including accrued interest thereon have been fully provided for in the books of accounts.

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L) During the year ended 31 March 2021, as part of its cash management activities, the overseas subsidiaries of the Company extended certain loans and guarantee facilities to Vedanta Resources Limited ("VRL") and its subsidiaries (collectively "the VRL group").

During the previous year, the overseas subsidiaries of the Company, executed agreements with Twin Star Holdings Limited, "TSH", to novate ₹ 2,408 Crore (US$ 300 million) due for repayment in June 2022 to another subsidiary of VRL, which is guaranteed by VRL, at an interest rate of 10.1% pursuant to novation. The said loan has been fully repaid during the current year.

As of 31 March 2023, loans having contractual value of ₹ 3,689 Crore (US$ 449 million) (31 March 2022: ₹ 5,661 Crore (US$ 749 million)) were outstanding from the VRL group at an interest rate of 9.6%.

M) During the current year ended 31 March 2023, the Group executed an agency contract with VRL pursuant to which, the Group procured calcined alumina amounting to ₹ 735 Crore on which an agency commission of ₹ 4 Crore was paid to VRL.

N) 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.

Similarly, VRL has also provided financial and performance guarantee to the Government of India for the Group'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.

As a consideration for the guarantee with respect to the PSC, the Group pays an annual charge of 1.2% of net exploration and development spend, subject to a minimum annual fee of ₹ 41 Crore (US$ 5 million), in ratio of participating interests held equally by the Company and its step-down subsidiary, Cairn Energy Hydrocarbons Ltd ("CEHL"). As regards the RSC, the Group paid a one-time charge of ₹ 183 Crore (US$ 25 million), i.e., 2.5% of the total estimated cost of initial exploration phase of approximately ₹ 7,330 Crore (US$ 1 billion), in the year ended 31 March 2021, and pays an annual charge of 1% of spend, subject to a minimum fee of ₹ 80 Crore (US$ 10 million) and maximum fee of ₹ 160 Crore (US$ 20 million) per annum.

Accordingly, the Group has recorded a guarantee commission expense of ₹ 177 Crore (US$ 23 million) (31 March 2022: ₹ 147 Crore (US$ 20 million)) for the period ended 31 March 2023 and ₹ 75 Crore (US$ 9 million) (31 March 2022: ₹ 126 Crore (US$ 17 million) is outstanding as a pre-payment as at 31 March 2023.

O) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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43 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.

S. No	Subsidiaries	Principal activities	Country of Incorporation	Immediate holding company	The Company's / Immediate holding company's percentage holding (in %)	
					As at 31 March 2023	As at 31 March 2022
1	Copper Mines of Tasmania Pty Limited ("CMT")	Copper Mining	Australia	Monte Cello BV	100.00	100.00
2	Thalanga Copper Mines Pty Limited ("TCM")	Copper Mining	Australia	Monte Cello BV	100.00	100.00
3	Athena Chattisgarh Power Limited [(a)]	Power Generation	India	Vedanta Limited	N/A	-
4	Bharat Aluminium Company Limited ("BALCO")	Aluminium mining and smelting	India	Vedanta Limited	51.00	51.00
5	Desai Cement Company Private Limited	Cement	India	Sesa Mining Corporation Limited	100.00	100.00
6	ESL Steel Limited	Manufacturing of Steel & DI Pipe	India	Vedanta Limited	95.49	95.49
7	FACOR Power Ltd (Refer Note 4(b))	Power generation	India	Ferro Alloy Corporation Limited ("FACOR")	-	90.00
8	Facor Realty and Infrastructure Limited [(b)]	Real estate	India	FACOR	-	100.00
9	Ferro Alloy Corporation Limited ("FACOR") (Refer Note 4(b))	Manufacturing of Ferro Alloys and Mining and generation of power	India	Vedanta Limited	99.99	100.00
10	Goa Sea Port Private Limited [2]	Infrastructure	India	Sterlite Ports Limited	100.00	100.00
11	Hindustan Zinc Alloys Private Limited	Manufacturing of metals and its alloys	India	Hindustan Zinc Limited	100.00	100.00
12	Hindustan Zinc Fertilizers Private Limited [(c)]	Manufacturing of phosphatic fertilisers	India	Hindustan Zinc Limited	100.00	-
13	Hindustan Zinc Limited ("HZL")	Exploring, extracting, processing of minerals and manufacturing of metals	India	Vedanta Limited	64.92	64.92
14	MALCO Energy Limited ("MEL")	Power Generation	India	Vedanta Limited	100.00	100.00
15	Maritime Ventures Private Limited [2]	Infrastructure	India	Sterlite Ports Limited	100.00	100.00
16	Paradip Multi Cargo Berth Private Limited [2]	Infrastructure	India	Sesa Resources Limited	100.00	100.00
17	Sesa Mining Corporation Limited [2]	Iron ore mining	India	Sesa Resources Limited	100.00	100.00
18	Sesa Resources Limited ("SRL")	Iron ore mining	India	Vedanta Limited	100.00	100.00
19	Sterlite Ports Limited [2]	Infrastructure	India	Sesa Resources Limited	100.00	100.00
20	Talwandi Sabo Power Limited ("TSPL")	Power Generation	India	Vedanta Limited	100.00	100.00
21	Vedanta Zinc Football & Sports Foundation	Sports Foundation	India	Hindustan Zinc Limited	100.00	100.00
22	Vizag General Cargo Berth Private Limited	Infrastructure	India	Vedanta Limited	100.00	100.00
23	Zinc India Foundation [(d)]	CSR Activities	India	Hindustan Zinc Limited	100.00	-
24	AvanStrate Inc. ("ASI")	Manufacturing of LCD Glass Substrate	Japan	Cairn India Holdings Limited	51.63	51.63
25	Cairn India Holdings Limited	Investment company	Jersey	Vedanta Limited	100.00	100.00

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S. No	Subsidiaries	Principal activities	Country of Incorporation	Immediate holding company	The Company's / Immediate holding company's percentage holding (in %)	
					As at 31 March 2023	As at 31 March 2022
26	AvanStrate Taiwan Inc	Manufacturing of LCD Glass Substrate	Taiwan	ASI	100.00	100.00
27	Western Cluster Limited	Iron ore mining	Liberia	Bloom Fountain Limited	100.00	100.00
28	Bloom Fountain Limited	Operating (Iron ore) and Investment Company	Mauritius	Vedanta Limited	100.00	100.00
29	CIG Mauritius Holdings Private Limited [e]	Investment Company	Mauritius	Cairn Energy Hydrocarbons Ltd.	-	100.00
30	CIG Mauritius Private Limited [e]	Investment Holding Company and to provide services and resources relevant to oil & gas exploration, production and development	Mauritius	CIG Mauritius Holding Private Ltd.	-	100.00
31	THL Zinc Ltd	Investment Company	Mauritius	THL Zinc Ventures Limited	100.00	100.00
32	THL Zinc Ventures Limited	Investment Company	Mauritius	Vedanta Limited	100.00	100.00
33	Amica Guesthouse (Proprietary) Limited	Accommodation and catering services	Namibia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
34	Namzinc (Proprietary) Limited	Owns and operates a zinc refinery	Namibia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
35	Skorpion Mining Company (Proprietary) Limited ('NZ')	Exploration, development, treatment, production and sale of zinc ore	Namibia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
36	Skorpion Zinc (Proprietary) Limited ("SZPL")	Operating (zinc) and investing company	Namibia	THL Zinc Namibia Holdings (Proprietary) Ltd	100.00	100.00
37	THL Zinc Namibia Holdings (Proprietary) Limited ("VNHL")	Mining and Exploration and Investment company	Namibia	THL Zinc Ltd	100.00	100.00
38	Killoran Lisheen Mining Limited	Development of a zinc/lead mine	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
39	Lisheen Milling Limited	Manufacturing [f]	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
40	Lisheen Mine Partnership	Development and operation of a zinc/lead mine	Republic of Ireland	50% each held by Killoran Lisheen Mining Limited and Vedanta Lisheen Mining Limited	100.00	100.00
41	Vedanta Lisheen Mining Limited	Zinc and lead mining	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
42	Cairn Energy Gujarat Block 1 Limited [g]	Oil and gas exploration, development and production	Scotland	Cairn India Holdings Limited	-	100.00
43	Cairn Energy Hydrocarbons Limited	Oil and gas exploration, development and production	Scotland [h]	Cairn India Holdings Limited	100.00	100.00
44	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
45	Cairn Lanka Private Limited	Oil and gas exploration, development and production	Sri Lanka	Cairn Energy Hydrocarbons Limited	100.00	100.00
46	AvanStrate Korea Inc	Manufacturing of LCD Glass Substrate	Korea	ASI	100.00	100.00
47	Lakomasko BV [i]	Investment company	The Netherlands	THL Zinc Holding BV	-	100.00
48	Monte Cello BV ("MCBV")	Holding company	The Netherlands	Vedanta Limited	100.00	100.00

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S. No	Subsidiaries	Principal activities	Country of Incorporation	Immediate holding company	The Company's / Immediate holding company's percentage holding (in %) As at 31 March 2023	As at 31 March 2022
49	THL Zinc Holding BV	Investment company	The Netherlands	Vedanta Limited	100.00	100.00
50	Vedanta Lisheen Holdings Limited	Investment company	The Netherlands	THL Zinc Holding BV	100.00	100.00
51	Fujairah Gold FZC	Manufacturing of Copper Rod and Refining of Precious Metals (Gold & Silver)	United Arab Emirates	Malco Energy Limited	100.00	100.00

(a) Acquired on 21 July 2022 under the liquidation proceedings of the Insolvency and Bankruptcy Code, 2016, subject to National Company Law Tribunal ("NCLT") approval which is pending as on the balance sheet date (refer note 4)

(b) Struck off on 13 January 2023

(c) Incorporated on 07 September 2022

(d) Incorporated on 05 August 2022

(e) Dissolved on 01 March 2023

(f) Activity of the company ceased in February 2016

(g) Deregistered effective from 05 July 2022

(h) Principal place of business in India

(i) Liquidated on 03 March 2023.

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

2 The Mumbai NCLT and Chennai NCLT has passed orders dated 06 June 2022 and 22 March 2023 respectively sanctioning the scheme of amalgamation of Sterlite Ports Limited ('SPL'), Paradip Multi Cargo Berth Private Limited ('PMCB'), Maritime Ventures Private Limited ('MVPL'), Goa Sea Port Private Limited ('GSPL'), wholly owned subsidiaries/step down subsidiaries of Sesa Resources Limited ('SRL'), with Sesa Mining Corporation Limited ('SMCL'). Statutory filing with MCA is in progress.

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	Area	(%) Participating Interest As at 31 March 2023	As at 31 March 2022
Operating Blocks			
Ravva block-Exploration, Development and Production	Krishna Godavari	22.50	22.50
CB-OS/2 – Exploration	Cambay Offshore	60.00	60.00
CB-OS/2 - Development & production	Cambay Offshore	40.00	40.00
RJ-ON-90/1 – Exploration	Rajasthan Onshore	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

c) Interest in associates and joint ventures

Set out below are the associates and joint ventures of the Group as at 31 March 2023 and 31 March 2022 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.

S. No.	Associates and Jointly controlled entities	Country of incorporation	% Ownership interest As at 31 March 2023	As at 31 March 2022
1	Gaurav Overseas Private Limited	India	50.00	50.00
2	Madanpur South Coal Company Limited	India	17.62	17.62
3	Goa Maritime Private Limited	India	50.00	50.00
4	Rosh Pinah Health Care (Proprietary) Limited	Namibia	69.00	69.00
5	Gergarub Exploration and Mining (Pty) Limited	Namibia	51.00	51.00
6	RoshSkor Township (Pty) Limited	Namibia	50.00	50.00

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44 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 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 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Rajasthan Block	India	4,806	5,910	933	1,006	653	704
Ravva PKGM-1	India	704	704	18	23	4	5
CB-OS/2 Fields	India	298	298	22	25	9	10
KG-ONN-2003/1	India	260	260	32	32	16	16
KG-OSN-2009/3	India	32	32	4	4	4	4
DSF	India	30	4	86	2	86	2
OALP	India	530	530	60	60	60	60
Total		**6,660**	**7,738**	**1,155**	**1,152**	**832**	**801**

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 2021*	**261**	**259**	**162**	**166**
Revisions/ Additions during the year	(19)	(34)	5	(9)
Production during the year	(32)	(36)	(32)	(36)
Reserves as of 31 March 2022**	**210**	**189**	**135**	**121**
Revisions/ Additions during the year	(15)	(3)	14	18
Production during the year	(28)	(34)	(28)	(34)
Reserves as of 31 March 2023***	**167**	**152**	**121**	**105**

* 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)

** Includes probable oil reserves of 78.48 mmstb (of which 18.15 mmstb is developed) and probable gas reserves of 75.98 bscf (of which 26.30 bscf is developed)

*** Includes probable oil reserves of 55.68 mmstb (of which 18.99 mmstb is developed) and probable gas reserves of 46.91 bscf (of which 16.91 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

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45 Financial information pursuant to Schedule III of the Companies Act, 2013

S. 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 2023		Year ended 31 March 2023		Year ended 31 March 2023		Year ended 31 March 2023	
		As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated OCI	Amount (₹ in Crore)	As % of consolidated TCI	Amount (₹ in Crore)
	Parent								
	Vedanta Limited	172.01%	67,812	258.71%	27,356	42.45%	419	240.25%	27,775
	Indian Subsidiaries								
1	Hindustan Zinc Limited	32.83%	12,942	99.48%	10,519	4.18%	41	91.34%	10,560
2	Bharat Aluminium Company Limited	19.65%	7,748	0.40%	42	3.32%	33	0.65%	75
3	MALCO Energy Limited	0.05%	20	(2.53%)	(267)	(0.43%)	(4)	(2.35%)	(271)
4	Talwandi Sabo Power Limited	7.66%	3,020	(0.66%)	(70)	0.00%	-	(0.61%)	(70)
5	Sesa Resources Limited	1.09%	428	3.56%	376	0.00%	-	3.25%	376
6	Sesa Mining Corporation Limited[(1)]	0.04%	16	0.96%	101	0.16%	2	0.89%	103
7	Sterlite Ports Limited[(1)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
8	Vizag General Cargo Berth Private Limited	0.05%	20	0.29%	31	0.00%	0	0.27%	31
9	Paradip Multi Cargo Berth Private Limited[(1)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
10	Maritime Ventures Private Limited[(1)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
11	Goa Sea Port Private Limited[(1)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
12	Vedanta Limited ESOS Trust	0.13%	51	0.04%	4	0.00%	-	0.03%	4
13	ESL Steel Limited	14.12%	5,567	(5.28%)	(558)	(0.30%)	(3)	(4.85%)	(561)
14	Ferro Alloy Corporation Limited (FACOR)[(2)]	1.43%	565	2.47%	261	(0.10%)	(1)	2.25%	260
15	Facor Realty and Infrastructure Limited [(a)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
16	FACOR Power Ltd [(2)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
17	Desai Cement Company Private Limited	(0.03%)	(10)	(0.04%)	(4)	(0.10%)	(1)	(0.04%)	(5)
18	Hindustan Zinc Alloys Private Limited	0.00%	0	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
19	Vedanta Zinc Football & Sports Foundation	0.00%	0	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
20	Hindustan Zinc Fertilizers Private Limited [(c)]	0.00%	0	0.00%	0	0.00%	-	0.00%	0
21	Zinc India Foundation [(c)]	(0.01%)	(3)	(0.03%)	(3)	0.00%	-	(0.03%)	(3)
Foreign Subsidiaries									
1	Copper Mines of Tasmania Pty Limited	(1.63%)	(644)	(0.80%)	(85)	0.00%	-	(0.74%)	(85)
2	Thalanga Copper Mines Pty Limited	0.12%	48	(0.02%)	(2)	0.00%	-	(0.02%)	(2)

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S. 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 2023		Year ended 31 March 2023		Year ended 31 March 2023		Year ended 31 March 2023	
		As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated OCI	Amount (₹ in Crore)	As % of consolidated TCI	Amount (₹ in Crore)
3	Monte Cello BV	0.55%	218	0.04%	4	0.00%	-	0.03%	4
4	Bloom Fountain Limited	(25.91%)	(10,216)	5.49%	580	0.00%	-	5.02%	580
5	Western Cluster Limited	(0.80%)	(315)	6.65%	703	0.00%	-	6.08%	703
6	Fujairah Gold FZC	(1.80%)	(711)	(0.51%)	(54)	0.10%	1	(0.46%)	(53)
7	THL Zinc Ventures Limited	(10.33%)	(4,072)	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
8	THL Zinc Limited	(8.49%)	(3,346)	0.05%	5	0.00%	-	0.04%	5
9	THL Zinc Holding BV	(6.67%)	(2,631)	0.51%	54	0.00%	-	0.47%	54
10	THL Zinc Namibia Holdings (Proprietary) Limited	2.81%	1,107	(0.63%)	(67)	0.00%	-	(0.58%)	(67)
11	Skorpion Zinc (Proprietary) Limited	0.02%	9	(0.20%)	(21)	0.00%	-	(0.18%)	(21)
12	Skorpion Mining Company (Proprietary) Limited	(3.65%)	(1,440)	(0.20%)	(21)	0.00%	-	(0.18%)	(21)
13	Namzinc (Proprietary) Limited	1.51%	595	(0.43%)	(45)	0.00%	-	(0.39%)	(45)
14	Amica Guesthouse (Proprietary) Limited	0.01%	2	0.00%	-	0.00%	-	0.00%	-
15	Black Mountain Mining Proprietary Limited	9.45%	3,726	10.52%	1,112	1.61%	16	9.76%	1,128
16	Vedanta Lisheen Holdings Limited	0.52%	204	0.23%	24	0.00%	-	0.21%	24
17	Vedanta Lisheen Mining Limited	0.20%	79	0.07%	7	0.00%	-	0.06%	7
18	Killoran Lisheen Mining Limited	0.06%	25	0.09%	9	0.00%	-	0.08%	9
19	Lisheen Milling Limited	0.25%	100	0.09%	10	0.00%	-	0.09%	10
20	Lisheen Mine Partnership	0.38%	150	0.05%	5	0.00%	-	0.04%	5
21	Lakomasko BV (d)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
22	Cairn India Holdings Limited	21.38%	8,429	(0.49%)	(52)	0.00%	-	(0.45%)	(52)
23	Cairn Energy Hydrocarbons Limited	10.04%	3,957	9.82%	1,038	0.00%	-	8.98%	1,038
24	Cairn Lanka (Private) Limited	0.00%	-	0.11%	12	0.00%	-	0.10%	12
25	CIG Mauritius Holding Private Limited[(e)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
26	CIG Mauritius Private Limited[(e)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
27	Cairn Energy Gujarat Block 1 Limited[(f)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
28	AvanStrate Inc	(5.80%)	(2,287)	(2.99%)	(316)	0.00%	-	(2.73%)	(316)
29	AvanStrate Korea Inc	(5.44%)	(2,143)	(1.94%)	(205)	0.00%	-	(1.77%)	(205)
30	AvanStrate Taiwan Inc	6.34%	2,498	(0.84%)	(89)	0.00%	-	(0.77%)	(89)

NOTES

forming part of the financial statements as at and for the year ended 31 March 2023

S. 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 2023		Year ended 31 March 2023		Year ended 31 March 2023		Year ended 31 March 2023	
		As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated OCI	Amount (₹ in Crore)	As % of consolidated TCI	Amount (₹ in Crore)
	Non-controlling interests in all subsidiaries	(25.38%)	(10,004)	(37.16%)	(3,929)	6.69%	66	(33.41%)	(3,863)
	Associates and Joint ventures (per Equity method)								
	Indian								
1	Gaurav Overseas Private Limited	0.00%	1	(0.00%)	(0)	(0.05%)	(1)	(0.01%)	(1)
2	Madanpur South Coal Company Limited	0.01%	5	0.03%	4	0.00%	-	0.03%	4
3	Goa Maritime Private Limited	0.00%	0	0.00%	0	0.00%	-	0.00%	0
	Foreign								
1	Rosh Pinah Health Care (Proprietary) Limited	0.01%	4	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
2	Gergarub Exploration and Mining (Pty) Limited	0.00%	0	0.00%	-	0.00%	-	0.00%	-
3	RoshSkor Township (Pty) Ltd	0.00%	2	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
	Consolidation Adjustments/ Eliminations [g]	(106.80%)	(42,103)	(244.85%)	(25,891)	42.47%	419	(220.32%)	(25,472)
	Total	**100.00%**	**39,423**	**100.00%**	**10,574**	**100.00%**	**987**	**100.00%**	**11,561**

[a]Struck off during the year [b] Acquired during the year [c] Incorporated during the year [d] Liquidated during the year [e] Dissolved during the year [f] De-registered during the year.

[g] Consolidation adjustments/eliminations include intercompany eliminations, consolidation adjustments and GAAP differences.

1. The Mumbai NCLT and Chennai NCLT has passed orders dated 06 June 2022 and 22 March 2023 respectively sanctioning the scheme of amalgamation of Sterlite Ports Limited (SPL), Paradip Multi Cargo Berth Private Limited (PMCB), Maritime Ventures Private Limited (MVPL), Goa Sea Port Private Limited (GSPL), wholly owned subsidiaries/step down subsidiaries of Sesa Resources Limited (SRL), with Sesa Mining Corporation Limited (SMCL). Statutory filing with MCA is in progress.

2. During the current year, Hon'ble National Company Law Tribunal, Cuttack Bench vide its Order dated 15 November 2022 approved the Scheme of Amalgamation of Facor Power Limited ("FPL") into Ferro Alloys Corporation Limited ("FACOR"). FPL was a subsidiary of FACOR which in turn is a subsidiary of the Company. Post the amalgamation becoming effective on 21 November 2022, the Company directly holds 99.99% in FACOR. There is no material impact on the consolidated financial statements of the Group due to this amalgamation.

   Exchange Rates as at 31 March 2023: 1 AUD= ₹ 55.0383, 1 USD = ₹ 82.1643, 1 AED = ₹ 22.3668, 1 NAD = ₹ 4.6176, 1 ZAR = ₹ 4.6176, 1 JPY = ₹ 0.617788

   Average Exchange Rates for the year ended 31 March 2023: 1 AUD= ₹ 54.9328, 1 USD = ₹ 80.2724, 1 AED = ₹ 21.8517, 1 NAD = ₹ 4.5020, 1 ZAR = ₹ 4.7239, 1 JPY = ₹0.593777

NOTES

forming part of the financial statements as at and for the year ended 31 March 2023

S. 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 2022		Year ended 31 March 2022		Year ended 31 March 2022		Year ended 31 March 2022	
		As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated OCI	Amount (₹ in Crore)	As % of consolidated TCI	Amount (₹ in Crore)
	Parent								
	Vedanta Limited	118.76%	77,649	91.72%	17,245	40.46%	333	89.57%	17,578
	Indian Subsidiaries								
1	Hindustan Zinc Limited	52.43%	34,282	51.22%	9,630	(6.68%)	(55)	48.79%	9,575
2	Bharat Aluminium Company Limited	11.74%	7,673	14.55%	2,736	(2.01%)	(17)	13.86%	2,719
3	MALCO Energy Limited	0.45%	291	0.08%	15	(0.00%)	(0)	0.08%	15
4	Talwandi Sabo Power Limited	4.73%	3,092	(0.65%)	(122)	0.00%	-	(0.62%)	(122)
5	Sesa Resources Limited	0.08%	52	0.13%	24	0.00%	-	0.12%	24
6	Sesa Mining Corporation Limited[(1)]	(0.17%)	(110)	0.29%	54	(0.12%)	(1)	0.27%	53
7	Sterlite Ports Limited[(1)]	(0.01%)	(6)	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
8	Vizag General Cargo Berth Private Limited	(0.02%)	(11)	(0.12%)	(23)	0.02%	0	(0.12%)	(23)
9	Paradip Multi Cargo Berth Private Limited(1)	(0.00%)	(2)	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
10	Maritime Ventures Private Limited[(1)]	0.06%	36	0.08%	15	0.00%	-	0.08%	15
11	Goa Sea Port Private Limited[(1)]	(0.00%)	(3)	0.00%	-	0.00%	-	0.00%	-
12	Vedanta Limited ESOS Trust	0.08%	51	0.00%	-	0.00%	-	0.00%	-
13	ESL Steel Limited	9.37%	6,128	(0.51%)	(95)	(0.36%)	(3)	(0.50%)	(98)
14	Ferro Alloy Corporation Limited (FACOR)[(2)]	0.96%	629	1.35%	253	(0.24%)	(2)	1.28%	251
15	Facor Realty and Infrastructure Limited [(a)]	0.00%	-	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
16	FACOR Power Ltd [(2)]	(1.09%)	(715)	(0.27%)	(50)	0.00%	-	(0.26%)	(50)
17	Desai Cement Company Private Limited[(b)]	0.02%	13	(0.02%)	(3)	0.00%	-	0.00%	-
18	Hindustan Zinc Alloys Private Limited[(c)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
19	Vedanta Zinc Football & Sports Foundation[(c)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Foreign Subsidiaries								
1	Copper Mines of Tasmania Pty Limited	(0.93%)	(605)	(0.34%)	(64)	0.00%	-	(0.33%)	(64)
2	Thalanga Copper Mines Pty Limited	0.11%	75	0.54%	102	0.00%	-	0.52%	102
3	Monte Cello BV	0.30%	197	0.02%	3	0.00%	-	0.02%	3
4	Bloom Fountain Limited	(12.64%)	(8,265)	(1.27%)	(239)	0.00%	-	(1.22%)	(239)
5	Western Cluster Limited	(1.45%)	(951)	(0.17%)	(32)	0.00%	-	(0.16%)	(32)
6	Sterlite (USA) Inc. [(d)]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
7	Fujairah Gold FZC	(0.92%)	(604)	(1.23%)	(232)	(0.36%)	(3)	(1.20%)	(235)
8	THL Zinc Ventures Limited	(5.73%)	(3,745)	(0.01%)	(2)	0.00%	-	(0.01%)	(2)

NOTES

forming part of the financial statements as at and for the year ended 31 March 2023

S. 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 2022		Year ended 31 March 2022		Year ended 31 March 2022		Year ended 31 March 2022	
		As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated OCI	Amount (₹ in Crore)	As % of consolidated TCI	Amount (₹ in Crore)
9	THL Zinc Limited	(4.72%)	(3,083)	0.03%	6	0.00%	-	0.03%	6
10	THL Zinc Holding BV	(3.78%)	(2,471)	0.15%	29	0.00%	-	0.15%	29
11	THL Zinc Namibia Holdings (Proprietary) Limited	0.99%	646	0.00%	-	0.00%	-	0.00%	-
12	Skorpion Zinc (Proprietary) Limited	0.02%	10	0.00%	0	0.00%	-	0.00%	0
13	Skorpion Mining Company (Proprietary) Limited	(2.44%)	(1,597)	(0.05%)	(9)	0.00%	-	(0.05%)	(9)
14	Namzinc (Proprietary) Limited	1.10%	719	(0.07%)	(14)	0.00%	-	(0.07%)	(14)
15	Amica Guesthouse (Proprietary) Limited	0.00%	2	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
16	Black Mountain Mining Proprietary Limited	4.51%	2,951	4.12%	775	(1.54%)	(13)	3.88%	762
17	Vedanta Lisheen Holdings Limited	0.25%	165	0.02%	3	0.00%	-	0.02%	3
18	Vedanta Lisheen Mining Limited	0.12%	79	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
19	Killoran Lisheen Mining Limited	0.04%	24	0.01%	2	0.00%	-	0.01%	2
20	Killoran Lisheen Finance Limited[d]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
21	Lisheen Milling Limited	0.12%	76	(0.02%)	(3)	0.00%	-	(0.02%)	(3)
22	Lisheen Mine Partnership	(0.03%)	(21)	(0.01%)	(2)	0.00%	-	(0.01%)	(2)
23	Lakomasko BV	(0.00%)	(1)	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
24	Vedanta Exploration Ireland Limited[d]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
25	Cairn India Holdings Limited	13.96%	9,129	4.83%	909	0.00%	-	4.63%	909
26	Cairn Energy Hydrocarbons Limited	4.33%	2,828	3.77%	709	0.00%	-	3.61%	709
27	Cairn Lanka (Private) Limited	(0.75%)	(491)	0.03%	5	0.00%	-	0.03%	5
28	Cairn South Africa (Pty) Limited[d]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
29	CIG Mauritius Holding Private Limited[e]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
30	CIG Mauritius Private Limited[e]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31	Cairn Energy Gujarat Block 1 Limited[e]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
32	AvanStrate Inc	(3.01%)	(1,968)	(0.03%)	(5)	0.00%	-	(0.03%)	(5)
33	AvanStrate Korea Inc	(2.96%)	(1,938)	(0.72%)	(135)	0.00%	-	(0.69%)	(135)
34	AvanStrate Taiwan Inc	3.98%	2,602	(0.37%)	(69)	0.00%	-	(0.35%)	(69)
	Non-controlling interests in all subsidiaries	(26.49%)	(17,321)	(26.10%)	(4,908)	(4.86%)	(40)	(25.21%)	(4,948)

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forming part of the financial statements as at and for the year ended 31 March 2023

S. 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 2022		Year ended 31 March 2022		Year ended 31 March 2022		Year ended 31 March 2022	
		As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated OCI	Amount (₹ in Crore)	As % of consolidated TCI	Amount (₹ in Crore)
	Associates and Joint ventures (per Equity method) [g]								
	Indian								
1	Gaurav Overseas Private Limited	0.00%	0	(0.00%)	(0)	(0.06%)	(1)	(0.00%)	(1)
2	Madanpur South Coal Company Limited	0.00%	1	0.00%	0	0.00%	-	0.00%	0
3	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%	-
3	RoshSkor Township (Pty) Ltd	0.00%	2	(0.00%)	(1)	0.00%	-	(0.00%)	(1)
	Consolidation Adjustments/ Eliminations [f]	(61.35%)	(40,114)	(40.97%)	(7,704)	75.76%	624	(36.09%)	(7,083)
	Total	**100.00%**	**65,383**	**100.00%**	**18,802**	**100.00%**	**823**	**100.00%**	**19,625**

[a] Passed a resolution for striking off [b] Acquired during the year [c] Incorporated during the year [d] Liquidated during the year [e] Under Liquidation

[f] Consolidation adjustments/eliminations include intercompany eliminations, consolidation adjustments and GAAP differences. [g] Excludes Rampia Coal Mines & Energy Private Limited which was struck off by Ministry of Corporate Affairs ("MCA") on 19 April 2021.

1. The Group has filed an application at Mumbai NCLT on 25 September 2021 and at Chennai NCLT on 29 September 2021 for the merger of Maritime Ventures Private Limited, Sterlite Ports Limited, Paradip Multi Cargo Berth Private Limited, Goa Sea Port Private Limited with Sesa Mining Corporation Limited.

2. The Group has filed an application at NCLT Cuttack on 16 September 2021 for the merger of FACOR Power Limited with Ferro Alloy Corporation Limited ("FACOR") .

   Exchange Rates as at 31 March 2022: 1 AUD= ₹ 56.6197, 1 USD = ₹ 75.5874, 1 AED = ₹ 20.5764, 1 NAD = ₹ 5.1941, 1 ZAR = ₹ 5.1941, 1 JPY = ₹ 0.620436

   Average Exchange Rates for the year ended 31 March 2022: 1 AUD= ₹ 55.0435, 1 USD = ₹ 74.4623, 1 AED = ₹ 20.2701, 1 NAD = ₹ 5.0119, 1 ZAR = ₹ 5.0119, 1 JPY = ₹ 0.663175

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forming part of the financial statements as at and for the year ended 31 March 2023

46 Other Statutory Information

a) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

b) The Group has not been declared wilful defaulter by any bank or financial Institution or other lender.

c) The Group does not have any transactions with companies struck off as per Companies Act, 2013.

d) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

e) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

f) The Group has no any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

47 Subsequent events

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

As per our report of even date

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

per **Vikas Pansari**
Partner
Membership No: 093649

Place: Mumbai
Date: 12 May 2023

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 Group Chief Executive Officer
DIN 07291685

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

Place: Mumbai
Date: 12 May 2023

Form AOC-I

Salient features of Subsidiaries pursuant to first proviso to sub section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014

(₹ in Crore)

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	7,526	14,654	6,906	141	13,249	73	31	42	-	51
2	Copper Mines of Tasmania Pty Limited	April to March	AUD - Australian Dollar	-	(644)	113	757	-	50	(84)	1	(85)	-	100
3	Thalanga Copper Mines Pty Limited	April to March	AUD - Australian Dollar	3	44	83	35	-	3	(2)	-	(2)	-	100
4	Monte Cello BV	April to March	USD - United States Dollar	0	218	245	27	-	-	6	1	4	-	100
5	Hindustan Zinc Limited	April to March	INR - INDIAN RUPEE	845	12,096	35,454	22,512	9,850	34,098	15,296	4,777	10,519	-	64.92
6	MALCO Energy Limited	April to March	INR - INDIAN RUPEE	5	15	1,053	1,033	16	538	(267)	-	(267)	-	100
7	Fujairah Gold FZC	April to March	AED - Emirati Dirham	7,513	(8,224)	595	1,307	-	5,206	(54)	-	(54)	-	100
8	Talwandi Sabo Power Limited	April to March	INR - INDIAN RUPEE	3,207	(186)	11,308	8,288	-	5,801	(93)	(23)	(70)	-	100
9	THL Zinc Ventures Limited	April to March	USD - United States Dollar	82	(4,154)	1,685	5,756	-	-	(1)	-	(1)	-	100
10	THL Zinc Ltd	April to March	USD - United States Dollar	74	(3,420)	4,078	7,424	-	-	5	-	5	-	100
11	THL Zinc Holding BV	April to March	USD - United States Dollar	42	(2,673)	1,889	4,519	-	-	54	(0)	54	-	100
12	THL Zinc Namibia Holdings (Proprietary) Ltd	April to March	NAD - Namibian Dollar	7	1,100	1,452	345	-	-	(67)	-	(67)	-	100
13	Skorpion Zinc (Proprietary) Limited	April to March	NAD - Namibian Dollar	2	7	463	454	-	-	(21)	-	(21)	-	100
14	Skorpion Mining Company (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	(1,440)	1,480	2,920	-	-	(21)	-	(21)	-	100
15	Namzinc (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	596	2,257	1,662	-	-	(45)	-	(45)	-	100
16	Amica Guesthouse (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	2	3	1	-	3	-	-	-	-	100
17	Black Mountain Mining (Proprietary) Limited	April to March	ZAR - South African Rand	0	3,726	6,119	2,393	-	5,224	1,463	351	1,112	-	74
18	Vedanta Lisheen Holdings Limited	April to March	USD - United States Dollar	0	204	232	28	-	-	25	1	24	-	100

(₹ in Crore)

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 Mining Limited	April to March	USD - United States Dollar	28	52	79	-	-	-	7	(0)	7	-	100
20	Killoran Lisheen Mining Limited	April to March	USD - United States Dollar	1	24	25	-	-	-	8	(0)	9	-	100
21	Lisheen Milling Limited	April to March	USD - United States Dollar	0	100	110	10	-	-	11	1	10	-	100
22	Lisheen Mine Partnership	April to March	USD - United States Dollar	-	-	75	(75)	-	-	5	1	5	-	100
23	Sterlite Ports Limited[6]	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	100
24	Vizag General Cargo Berth Private Limited	April to March	INR - INDIAN RUPEE	47	(27)	542	522	3	177	(27)	(58)	31	-	100
25	Cairn India Holdings Limited	April to March	USD - United States Dollar	4,696	3,733	11,396	2,967	74	-	(39)	13	(52)	-	100
26	Cairn Energy Hydrocarbons Limited	April to March	USD - United States Dollar	3,911	46	9,418	5,461	1,122	7,000	1,779	741	1,038	-	100
27	Cairn Lanka (Private) Limited	April to March	USD - United States Dollar	1,921	(1,921)	-	-	-	-	12	-	12	-	100
28	CIG Mauritius Holding Private Limited[1]	April to March	USD - United States Dollar	-	-	-	-	-	-	-	-	-	-	100
29	CIG Mauritius Private Limited[1]	April to March	USD - United States Dollar	-	-	-	-	-	-	-	-	-	-	100
30	Cairn Energy Gujarat Block[1] Limited[2]	April to March	USD - United States Dollar	-	-	-	-	-	-	-	-	-	-	
31	Paradip Multi Cargo Berth Private Limited[6]	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	100
32	Bloom Fountain Limited	April to March	USD - United States Dollar	18,084	(28,300)	856	11,072	-	-	580	-	580	-	100
33	Western Cluster Limited	April to March	USD - United States Dollar	-	(315)	1,093	1,408	-	105	703	-	703	-	100
34	Sesa Resources Limited	April to March	INR - INDIAN RUPEE	1	427	465	37	-	97	376	-	376	-	100
35	Sesa Mining Corporation Limited[6]	April to March	INR - INDIAN RUPEE	22	(6)	342	325	-	177	79	(21)	101	-	100
36	Maritime Ventures Private Limited[6]	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	100
37	Lakomasko BV[1]	April to March	USD - United States Dollar	-	-	-	-	-	-	-	-	-	-	
38	Goa Sea Port Private Limited[6]	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	100

(₹ in Crore)

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
39	Vedanta Limited ESOS Trust	April to March	INR - INDIAN RUPEE	0	51	230	179	0	6	6	2	4	-	100
40	AvanStrate Inc	April to March	JPY - Japanese Yen	6	(2,294)	2,854	5,141	-	-	(316)	-	(316)	-	51.63
41	AvanStrate Korea Inc	April to March	JPY - Japanese Yen	791	(2,935)	560	2,703	-	36	(205)	-	(205)	-	100
42	AvanStrate Taiwan Inc	April to March	JPY - Japanese Yen	323	2,175	3,077	579	-	255	(89)	-	(89)	-	100
43	Ferro Alloy Corporation Limited (FACOR)[5]	April to March	INR - INDIAN RUPEE	34	531	908	343	-	778	62	(199)	261	-	99.99
44	Facor Realty and Infrastructure Limited[3]	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	-
45	FACOR Power Ltd[5]	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	-
46	ESL Steel Limited	April to March	INR - INDIAN RUPEE	1,849	3,718	11,246	5,679	20	8,008	(471)	87	(558)	-	95.49
47	Desai Cement Company Private Limited	November to March	INR - INDIAN RUPEE	2	(12)	15	25	-	7	(4)	-	(4)	-	100
48	Hindustan Zinc Alloys Private Limited	November to March	INR - INDIAN RUPEE	0	(1)	144	145	-	-	(1)	-	(1)	-	100
49	Vedanta Zinc Football & Sports Foundation	November to March	INR - INDIAN RUPEE	0	(1)	-	1	-	6	(1)	-	(1)	-	100
50	Hindustan Zinc Fertilizers Private Limited[4]	September to March	INR - INDIAN RUPEE	0	(0)	0	0	-	-	0	-	0	-	100
51	Zinc India Foundation[4]	August to March	INR - INDIAN RUPEE	0	(3)	1	4	-	-	(3)	-	(3)	-	100

A. Exchange Rates as at 31 March 2023: 1 AUD= ₹55.0383 , 1 USD = ₹ 82.1673, 1 AED = ₹ 22.3668, 1 NAD = ₹ 4.6176, 1 ZAR = ₹ 4.6176, 1 JPY = ₹ 0.617788

B. Average Exchange Rates for the year ended 31 March 2023: 1 AUD= ₹ 54.9382, 1 USD = ₹ 80.2724, 1 AED = ₹ 21.8517, 1 NAD = ₹ 4.7239, 1 ZAR = ₹ 4.7239, 1 JPY = ₹ 0.593777

[1] Liquidated during the year.

[2] Deregistered during the year.

[3] Struck off during the year.

[4] Incorporated during the year.

[5] During the current year, Hon'ble National Company Law Tribunal, Cuttack Bench vide its Order dated 15 November 2022 approved the Scheme of Amalgamation of Facor Power Limited ("FPL") into Ferro Alloys Corporation Limited ("FACOR"). FPL was a subsidiary of FACOR which in turn is a subsidiary of the Company. Post the amalgamation becoming effective on 21 November 2022, the Company directly holds 99.99% in FACOR. There is no material impact on the consolidated financial statements of the Group due to this amalgamation.

[6] The Mumbai NCLT and Chennai NCLT has passed orders dated 06 June 2022 and 22 March 2023 respectively sanctioning the scheme of amalgamation of Sterlite Ports Limited (SPL), Paradip Multi Cargo Berth Private Limited (PMCB), Maritime Ventures Private Limited (MVPL), Goa Sea Port Private Limited (GSPL), wholly owned subsidiaries/step down subsidiaries of Sesa Resources Limited (SRL), with Sesa Mining Corporation Limited (SMCL). Statutory filing with MCA is in progress..

Form AOC-I

Salient features of Subsidiaries pursuant to first proviso to sub section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014

S.No	Name of Associates/Joint Ventures [a]	RoshSkor Township (Pty) Ltd	Gaurav Overseas Private Limited	Madanpur South Coal Company Limited	Goa Maritime Private Limited	Rosh Pinah Health Care (Proprietary) Limited	Gergarub Exploration and Mining (Pty) Limited
1	Latest audited Balance sheet date	30 June 2022	31 March 2023	31 March 2023	31 March 2023	31 December 2022	30 December 2020
2	Shares of Associate/Joint Ventures held by the Company at the year end						
	- Number	50	3,23,000	1,14,421	5,000	69	51
	- Amount of investment (₹ in Crore)	0.00	0.32	1.96	0.01	0.00	0.00
	- % of holding	50.00%	50.00%	17.62%	50.00%	69.00%	51.00%
3	Description of how there is significant influence	By way of ownership	By way of ownership	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 (₹ in Crore)	1.69	1.21	4.84	0.01	4.09	0.00
5	(Loss)/ Profit for the year (₹ in Crore)	(0.58)	(0.12)	3.62	0.06	(1.44)	-

a) Excludes Rampia Coal Mines & Energy Private Limited which was struck off by Ministry of Corporate Affairs ("MCA") 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 Group Chief Executive Officer
DIN 07291685

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

Place: Mumbai
Date: 12 May 2023

ABBREVIATIONS

ABH	Aishwariya Barmer Hill
ACT-UP	Accelerated Tracking and Upgradation Process
ADB	Asian Development Bank
AGI	Above Ground Installations
AI	Artificial Intelligence
AIML	Artificial Intelligence and Machine Learning
APC	Advanced Process Control
APH	Air Pre-heaters
ASP	Alkaline Surfactant Polymer
ASSOCHAM	The Associated Chambers of Commerce & Industry of India
BALCO	Bharat Aluminium Company Limited
BDZ	Bio Degradable Zone
BEV	Battery Electric Vehicles
BMM	Black Mountain Mining
BMP	Biodiversity Management Plan
BOA	Biodiversity Offset Agreement
boe	Barrel of Oil Equivalent
Boz	Billion ounces
BRSR	Business Responsibility and Sustainability Reporting
BU	Business Unit
CAGR	Compound Annual Growth Rate
CAPA	Corrective and Preventive Actions
CAPEX	Capital Expenditure
CARES	Certification Authority for Reinforcing Steels
CBM	Coal Bed Methane
CCP	Charge Chrome Plant
CDP	Carbon Disclosure Project
CEIC	Census and Economic Information Centre
CEO	Chief Executive Officer
CFD	Condensed Flash Drum
CFO	Chief Financial Officer
CHRO	Chief Human Resource Officer
CII	Confederation of Indian Industry
CIO	Chief Information Officer
CISO	Chief Information Security Officer
CLZS	Chanderiya Lead Zinc Smelter
CMDPA	Coal Mine Development and Production Agreement
CMIE	Centre for Monitoring Indian Economy
CNG	Compressed Natural Gas
COD	Committee of Directors
COE	Centre of Excellence
CoP	Cost of Production
CRM	Critical Risk Management
CRRI	Central Road Research Institute
CSO	Chief Security Officer
CSR	Corporate Social Responsibility
CSUSP	Cairn Sustainability & Safety Performance Program
CTE	Consent to Establish
CTO	Consent to Operate
CXO	Chief Experience Officer
CY	Calendar Year
DAERDLR	Department of Agriculture, Environmental Affairs, Rural Development and Land Reform
DGH	Directorate General of Hydrocarbons
DGPO	Data Governance Professionals Organization
DJSI	Dow Jones Sustainability Indices
DLP	Data Leakage Prevention
DSC	Dariba Smelting Complex
DSF	Discovered Small Field
E&Y	Ernst & Young Pvt. Ltd.
EBITDA	Earnings before interest, taxes, depreciation, and amortisation
EC	Environmental Clearance
EOR	Enhanced Oil Recovery
EPS	Earnings Per Share
ESG	Environmental, Social and Governance
ESL	Electrosteel Limited
ESOP	Employees' Stock Option Scheme
ETF	Exchange Traded Fund
EU	The European Union
EV	Electric Vehicle
ExCo	Executive Committee
FACOR	Ferro Alloys Corporation Limited
FCF	Free Cash Flow
FDI	Foreign Direct Investment
FGD	Flue Gas Desulfurization
FICCI	Federation of Indian Chambers of Commerce & Industry
FIMI	Federation of Indian Mineral Industries
FMCG	Fast-moving Consumer Goods
FOG	Fall of Ground
FRHC	Fire-refined High Conductivity
FTSE	Financial Times Stock Exchange
FY	Financial Year
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GISTM	Global Industry Standard on Tailing Management
GoI	Government of India
GRI	Global Reporting Initiative
GRMC	Group Risk Management Committee
GW	Giga Watt

HCFC	High Carbon Ferro Chrome
HR	Human Resource
HSE	Health, Safety and Environment
HVLT	High Volume Low Toxicity
HZAPL	Hindustan Zinc Alloys Private Limited
HZL	Hindustan Zinc Limited
IBAT	Integrated Biodiversity Assessment Tool
IBBI	Indian Biodiversity Business Initiative
ICMM	International Council on Mining and Metals
ICSI	Institute of Company Secretaries of India
IFC	International Finance Corporation
IHS	Information Handling Services
IIM	Indian Institute of Management
IIME	Indian Institute of Mineral Engineers
IIRC	International Integrated Reporting
IMD	International Institute for Management Development
IMF	International Monetary Fund
Ind AS	Indian Accounting Standards
IOB	Iron Ore Business
IR	Integrated Reporting
ISO	International Organization for Standardization
ISP	Integrated Steel Plant
ICP	Internal carbon pricing
ITGC	IT General Control
IUCN	International Union for Conservation of Nature
JPC	Joint Plant Committee
kA	kiloampere
kboepd	thousand barrels of oil equivalent per day
KLD	Kilo Litres Per Day
KPI	Key Performance Indicator
KPMG	Klynveld Peat Marwick Goerdeler International Limited
KRA	Key Responsibility Area
kt	Kilo Tonnes
KTPA	Kilo-Tonnes Per Annum
kWh	Kilowatt hours
LBMA	London Bullion Metals Association
LEAP	Leadership Execution and Action Planning
LF	Lower Fatehgarh
LGBTQ+	Lesbian, Gay, Bisexual, Transgender, Queer or Questioning Persons or the Community
LME	London Metal Exchange
LMV	Light Motor Vehicle
LOI	Letter of Intent
LTIFR	Lost Time Injury Frequency Rate
M&A	Mergers and Acquisitions
MALCO	The Madras Aluminium Company Limited
ManCom	Management Committee
MAS	Management Assurance Services
MBA	Master of Business Administration
mbpd	million barrels per day
MD	Managing Director
MEAI	Mining Engineers Association of India
MGMI	Mining Geological & Metallurgical Institute of India
MIS	Management Information Systems
mmboe	Million barrels of oil equivalent
mmscfd	million standard cubic feet per day
mnt	Million tonnes
MoEF&CC	Ministry of Environment, Forests and Climate Change
MOSPI	Ministry of Statistics and Program Implementation
MoU	Memorandum of Understanding
Moz	Million ounces
MSCI	Morgan Stanley Capital International.
MSME	Ministry of Micro, Small & Medium Enterprises
MT	Management Trainees
MTPA	Metric Tonnes Per Annum
MW	Megawatt
NELP	New Exploration and Licensing Policy
NGO	Non-governmental Organization
NHAI	National Highway Authority of India
NiSo4	Nickel sulphate
NNL	No Net Loss
NPI	Net Positive Impact
NPWI	Net Water Positive Impact
O&G	Oil and Gas
O&M	Operations and Maintenance
OALP	Open Acreage Licensing Programme
OECD	The Organization for Economic Cooperation and Development
OLAP	Online Analytical Processing
OMS	Operational Maintenance and Surveillance
OPEC	Organization of the Petroleum Exporting Countries
PAT	Profit After Tax
PDA	Power Delivery Agreements
PLF	Plant Load Factor
PLI	Production Linked Incentives
PMI	Purchasing Managers Index
PPP	Purchasing Power Parity
PSC	Production Sharing Contract
PT	Penetration Testing
PTS	Plant Technical System
PwC	PricewaterhouseCoopers
R&R	Reserves & Resources
RBI	Reserve Bank of India
RCA	Root Cause Analysis
RCM	Risk Control Matrix
RDG	Raageshwari Deep Gas
RE	Renewable Energy
RE RTC	Round the Clock Renewable Energy
ROCE	Return on Capital Employed
RoW	Rest of the world
SANBI	South Africa Biodiversity Institute

SAPS	South Africa Police Services
SBTi	Science Based Targets initiative
SDG	Sustainable Development Goals
SEBI	Securities and Exchange Board of India
SEL	Sterlite Energy Ltd
SFSS	Semi Fire Suppression System
SHFE	Shanghai Futures Exchange
SIEM	Security Incident and Event Management
SLP	Special Leave Petition
SOP	Standard Operating Procedure
SOx	Sarbanes-Oxley Act
SPSC	Social Performance Steering Committee
SR	Sustainability Report
SSC	Specific Stream Consumption
SSR	Slope Stability Radars
SWOT	Strengths, Weaknesses, Opportunities, and Threats analysis
TACO	The Animal Care Organization
TC/RC	Treatment Charges and Refining Charges
TCFD	Taskforce on Climate-related Financial Disclosures
tCO2e	Tonnes of carbon dioxide equivalent
TERI	The Energy and Resources Institute
TMT	Thermo Mechanically Treated
TNFD	Taskforce on Nature-Related Financial Disclosures
TNPCB	Tamil Nadu Pollution Control Board
TO	Transformation Office
toz	troy ounce
TRIFR	Total Recordable Injury Frequency Rate
TSF	Tailing Storage Facility
TSPL	Talwandi Sabo Power Limited
TTR	Tax Transparency Report
UAE	United Arab Emirates
UF	Upper Fatehgarh
UN	United Nations
UNEP	United Nations Environment Programme
UNGC	United Nations Global Compact
US	United States
USGS	United States Geological Survey
VA	Vulnerability Assessment
VAB	Value Added Businesses
VAL	Vedanta Aluminium Limited
VAPT	Vulnerability Assessment and Penetration Testing
VEDL	Vedanta Limited
V-EXCEL	Vedanta Exemplary Campus Emerging Leaders
VGCB	Vizag General Cargo Berth
VLDP	Vedanta Leadership Development Program
VPI	Vehicle Pedestrian Interaction
VPSHR	Voluntary Principles on Security and Human Rights
VSAP	Vedanta Sustainability Assurance Programme
VSAP	Vedanta Sustainability Assurance Framework
VSAP	Vedanta Sustainability Assurance Process
VSF	Vedanta Sustainability Framework
WAH	Work At Height
WBCSD	The World Business Council for Sustainable Development
WCL	Western Coalfields Limited
WEO	World Economic Outlook
WIP	Work In Progress
YoY	Year on Year
YUVA	Young Upcoming Vedanta Achievers
ZLD	Zero Liquid Discharge
ZM	Zawar Mine
ZSD	Zinc Smelter Debari