The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for QIBs on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. This Preliminary Placement Document is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be Allotted pursuant to the Placement Document.

vedanta
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VEDANTA LIMITED

Registered Office: 1st Floor, 'C' Wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai – 400 093, Maharashtra, India;
Corporate Office: Core 6, 3rd Floor, Scope Complex 7, Lodhi Road, New Delhi – 110 003, Delhi, India
Tel: +91 22 6643 4500; **Contact Person**: Prerna Halwasiya, Company Secretary and Compliance Officer; **E-mail**: comp.sect@vedanta.co.in; **Website**: www.vedantalimited.com;
Corporate Identity Number: L13209MH1965PLC291394

Our Company was originally incorporated as 'Sesa Goa Private Limited' on June 25, 1965, as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Goa, Daman and Diu ("**RoC, Goa**"). Subsequently, our Company was converted into a public limited company and consequently, a fresh certificate of incorporation was issued on October 10, 1996, by the RoC, Goa. The name of our Company was changed from 'Sesa Goa Limited' to 'Sesa Sterlite Limited' and subsequently, a fresh certificate of incorporation was issued on September 18, 2013, by the RoC, Goa. Thereafter, the name of our Company was changed from 'Sesa Sterlite Limited' to 'Vedanta Limited' and subsequently, a fresh certificate of incorporation was issued on April 21, 2015, by the RoC, Goa. Subsequently, pursuant to a change in our registered office, a certificate of registration of regional director order in relation to the change of the state of our registered office was issued by the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**") on February 19, 2017. For further details, see "***General Information***" on page 294.

Issue of up to [●] equity shares of face value of ₹ 1 each (the "**Equity Shares**") at a price of ₹ [●] per Equity Share (the "**Issue Price**"), including a premium of ₹ [●] per Equity Share, aggregating up to ₹ [●] crores (the "**Issue**"). For further details, see "***Summary of the Issue***" on page 38.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, (THE "COMPANIES ACT, 2013") READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER, EACH AS AMENDED.

Our Company's outstanding Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on July 12, 2024 was ₹ 449.45 and ₹ 449.70 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to the Issue, from BSE and NSE each dated July 15, 2024. Our Company shall make applications to the Stock Exchanges for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBS (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013 AND THE RULES PRESCRIBED THEREUNDER, AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBS. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBS WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO: (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE COMPANIES ACT, 2013, SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 48 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND THE COMPANY AND CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES ISSUED PURSUANT TO THE ISSUE. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORIZED FINANCIAL ADVISOR AND / OR LEGAL ADVISOR.

A copy of this Preliminary Placement Document, which includes disclosures prescribed under Form PAS-4 (as defined hereinafter), has been delivered to the Stock Exchanges. A copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) shall be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. This Preliminary Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Reserve Bank of India ("**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority, and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and shall not be registered as a prospectus with the RoC, shall not be circulated or distributed to the public in India or any other jurisdiction, and the Issue shall not constitute a public offer in India or any other jurisdiction.

Invitations for subscription, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document, together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined herein). For further details, see "***Issue Procedure***" on page 229. This Preliminary Placement Document and the Placement Document relates to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made to the public or any other class of investors. The distribution of this Preliminary Placement Document or the disclosure of its contents without our Company's prior consent to any person other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws in the United States and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) outside the United States, in "offshore transactions", as defined in, and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur and (ii) within the United States to "qualified institutional buyers", as defined in Rule 144A under the U.S. Securities Act, in transactions exempt from the registration requirements of the U.S. Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 244 and 250, respectively.

The information on the website of our Company and Subsidiaries, any website directly or indirectly linked to the website of our Company or Subsidiaries or on the respective websites of the Book Running Lead Managers (as defined hereinafter) or of their respective affiliates does not form part of this Preliminary Placement Document and prospective investors should not rely on any such information contained in or available through any such websites for their investment in this Issue.

This Preliminary Placement Document is dated July 15, 2024.

BOOK RUNNING LEAD MANAGERS

citi	JM FINANCIAL	nuvama
CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED	**JM FINANCIAL LIMITED**	**NUVAMA WEALTH MANAGEMENT LIMITED** ***(formerly known as Edelweiss Securities Limited)***

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, its Subsidiaries, its Joint Ventures and its Associates (the "**Group**"), as applicable, and the Equity Shares, which we consider material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Group, as applicable, and the Equity Shares are true and correct in all material aspects, and are not misleading in any material respect, and the opinions and intentions expressed in this Preliminary Placement Document regarding our Group, as applicable and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available with our Company. There are no other facts in relation to our Group, as applicable and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

Unless otherwise stated, the information contained in this Preliminary Placement Document has been provided as of the date of this Preliminary Placement Document and neither our Company nor Citigroup Global Markets India Private Limited, JM Financial Limited and Nuvama Wealth Management Limited (*formerly known as Edelweiss Securities Limited*) (together, the "**Book Running Lead Managers**"), have any obligation to update such information to a later date. Further, the information has been provided by our Company and from other sources identified herein. The Book Running Lead Managers have made reasonable enquiries but have not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Managers nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Managers or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with our Group, as applicable and the Issue of the Equity Shares or their distribution. Each person receiving this Preliminary Placement Document acknowledges that such person has neither relied on any of the Book Running Lead Managers nor on any of their respective shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Company and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company, or by or on behalf of the Book Running Lead Managers. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares offered in the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including SEBI, the United States Securities and Exchange Commission ("**SEC**"), any other federal or state authorities in the United States or the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions", as defined in, and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur and within the United States to "qualified institutional buyers", as defined in Rule 144A under the U.S. Securities Act, in transactions exempt from the registration requirements of the U.S. Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the sections "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 244 and 250, respectively.

The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of the Company to any person, other than Eligible QIBs specified by the Book Running Lead Managers or their representatives, and those retained by Eligible QIBs to advise them with respect to their subscription of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this

Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Preliminary Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Book Running Lead Managers which would permit an offering of the Equity Shares or distribution of this Preliminary Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document, nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, the prospective investors must rely on their own examination of our Group, as applicable, and the Equity Shares and the terms of the Issue, including the merits and risks involved. The prospective investors should not construe the contents of this Preliminary Placement Document as legal, tax, accounting or investment advice. The prospective investor should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Managers are making any representation to any investor, purchaser, offeree or subscriber to the Equity Shares in relation to this Issue regarding the legality of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares is deemed to have acknowledged, represented and agreed that it is an eligible QIB and is eligible to invest in India and in our Company under Indian law, including under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and that it is not prohibited by SEBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

Our Company and the Book Running Lead Managers are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations and the QIBs shall be solely responsible for compliance with the provisions of the SEBI Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

This Preliminary Placement Document contains summaries of certain terms of documents, which are qualified in their entirety by the terms and conditions of such documents.

The information on website of our Group, including the website of our Company, i.e. www.vedantalimited.com, and any website directly and indirectly linked to the website of our Group or on the respective websites of the Book Running Lead Managers and of their affiliates, does not constitute or form part of this Preliminary Placement Document. The prospective investors should not rely on any such information contained in, or available through, any such websites.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information to investors in certain other jurisdictions, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 244 and 250, respectively.

REPRESENTATIONS BY INVESTORS

All references to "you" and "your" in this section are to the prospective investors in this Issue. By Bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Book Running Lead Managers, as follows:

1. You are a "**Qualified Institutional Buyer**" as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under the applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable laws in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

2. You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;

3. If you are a person resident outside India and a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India, and are eligible to invest in India under applicable law, including the FEMA Rules, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and that you are investing under Schedule II of the FEMA Rules. Further, since FVCIs are not permitted to participate in the Issue, you confirm that you are not an FVCI under the SEBI FVCI Regulations. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws;

4. You will provide the information as required under the Companies Act, 2013, the PAS Rules, the applicable provisions of the SEBI ICDR Regulations and any other applicable laws, for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number, occupation, nationality, category and bank account details and other such details as may be prescribed or otherwise required even after the closure of the Issue;

5. If you are Allotted Equity Shares pursuant to the Issue, you shall not sell the Equity Shares so acquired, for a period of one year from the date of Allotment (hereinafter defined), except on the floor of the Stock Exchanges. Please note additional restrictions may apply if you are in the United States. For further details, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 244 and 250, respectively;

6. You are aware that this Preliminary Placement Document has not been, and will not be, registered as a prospectus with the RoC or SEBI under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed, verified or affirmed by SEBI, the RBI, the RoC, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has been filed and the Placement Document shall be filed with the Stock Exchanges for record purposes only and be displayed on the websites of our Company and the Stock Exchanges;

7. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents and authorities, as may be required and complied and shall comply with all necessary formalities to enable you to participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorizations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

8. Neither our Company, the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue. Neither the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you and are not in any way acting in any fiduciary capacity;

9. All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Preliminary Placement Document. None of our Company, the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

10. You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category of investors other than the Eligible QIBs and the Allotment shall be on a discretionary basis at the discretion of our Company in consultation with the Book Running Lead Managers;

11. You have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out under "***Issue Procedure***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 229, 244 and 250, respectively;

12. You have been provided a serially numbered copy of this Preliminary Placement Document, and have read it in its entirety, including in particular the "***Risk Factors***" on page 48;

13. In making your investment decision, you have (i) relied on your own examination of our Company, its Subsidiaries, its Joint Ventures and its Associates (collectively, the "**Group**"), and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of our Group, as applicable, the Equity Shares and the terms of the Issue based on such information as is publicly available, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) relied solely on the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

14. Neither our Company, the Book Running Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including the Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a service provider solely engaged by you and will not rely on the Company, the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the purchase, ownership and disposal of Equity Shares (including, in relation to the Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, either of the Company, the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

15. You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions; and you and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a

view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore a speculative investment;

16. If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and make (and you hereby make) the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

17. You are not a 'promoter' of our Company (as defined under the SEBI ICDR Regulations or the Companies Act, 2013), and are not a person related to the Promoters, in a manner set out in paragraph 18 below, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent the Promoters or Promoter Group (as defined under the SEBI ICDR Regulations) of our Company or persons or entities related thereto;

18. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on our Board of Directors, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights solely in the capacity of a lender shall not be deemed to be a person related to our Promoters);

19. You have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (as defined hereinafter);

20. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

21. The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations (as defined hereinafter);

22. The number of Equity Shares Allotted to you under the Issue, together with other Allottees that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size (as defined hereinafter). For the purposes of this representation:

    a. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary or holding company and any other Eligible QIB; and

    b. 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations;

23. You are aware that in relation to the Issue, (i) in-principle approval has been received from each of the Stock Exchanges, and (ii) final applications will be made for obtaining listing and trading approvals from the Stock Exchanges only after Allotment, and that there can be no assurance that such approvals will be obtained on time or at all. None of our Company, the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

24. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

25. You are aware that in terms of the requirements of the Companies Act, 2013, upon Allocation, the Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Managers;

26. You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that the Issue is subject to our Company making necessary filings with the RoC as may be required under the Companies Act, 2013;

27. You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

28. You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their websites and you consent to such disclosures being made by our Company;

29. You are aware and understand that the Book Running Lead Managers have entered into a placement agreement with our Company, whereby the Book Running Lead Managers have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their best efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

30. The contents of this Preliminary Placement Document are exclusively the responsibility of our Company and that neither the Book Running Lead Managers nor any person acting on its or their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Managers or our Company or any other person and neither the Book Running Lead Managers nor our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them and the Book Running Lead Managers and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

31. Neither the Book Running Lead Managers nor any of their respective affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise;

32. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act;

33. Either (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents with regard to our Company or this Issue (the "**Company Presentations**"); or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Managers may not have the knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Managers have advised you not to rely in any way on any such information that was provided to you at such Company Presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material or price sensitive information relating to our Company and this Issue that was not publicly available;

34. You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. For more information, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 244 and 250, respectively;

35. If you are within the United States, you are a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act (a "**U.S. QIB**"), who is or are acquiring the Equity Shares for your own account or for the account of

an institutional investor who also meets the definition and requirement of a U.S. QIB, for investment purposes only, and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof in whole or in part.

36. You are outside the United States and are purchasing the Equity Shares in an "offshore transaction", as defined in, and in reliance on Regulation S and in compliance with laws of all jurisdictions applicable to you and are not our Company's or the Lead Manager's affiliate or a person acting on behalf of such an affiliate;

37. You are not acquiring or subscribing for the Equity Shares as a result of any "general solicitation" or "general advertising" (as those terms are defined in Regulation D under the U.S. Securities Act) or "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 244 and 250, respectively;

38. You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated or in a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, Government of India, and Rule 6 of the FEMA Rules;

39. You are aware and understand that submission of a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Book Running Lead Managers;

40. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue. You agree to indemnify and hold our Company and the Book Running Lead Managers and their respective affiliates and their respective directors, officers, employees and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

41. You acknowledge that our Company, the Book Running Lead Managers, their respective affiliates, directors, officers, employees and controlling persons and others can rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company, and are irrevocable;

42. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Group which is not set forth in this Preliminary Placement Document; and

43. You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have sole and exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended ("**SEBI FPI Regulations**"), FPIs including the affiliates of the Book Running Lead Managers, who are registered as category I FPIs can issue, subscribe and deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes, provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such P-Notes. Such P-Notes can be issued post compliance with all applicable laws, including the KYC norms and such other conditions as specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless the conditions specified under Regulation 21 of SEBI FPI Regulations are complied with. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document or the Placement Document. Any P-Notes that may be issued are not securities of the Company and do not constitute any obligation of, claims on or interests in the Company. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control) is not permitted to be 10.00% or above of our post-Issue paid-up Equity Share capital on a fully diluted basis. The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the above-mentioned restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50.00% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI investments and P-Notes position held in the underlying company. Further, the Eligible FPIs are permitted to invest in the Equity Shares of our Company, subject to the restrictions and limits on the Foreign Portfolio Investment as specified in the section "***Issue Procedure***" on page 229.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of P-Notes.

For information on the limits of foreign investment in our Company, please see "***Risk Factors – 70. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***" on page 77.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and do not constitute any obligations of or claims on the BRLMs.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations. Also see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 244 and 250, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;

(2) warrant that the Equity Shares to be issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company,

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, references to the 'Company', the 'Issuer' are to Vedanta Limited and references to 'we', 'us' or 'our' are to Vedanta Limited together with its Subsidiaries, Joint Ventures and its Associates, on a consolidated basis.

Currency and units of presentation

In this Preliminary Placement Document, all references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India, and references to 'USD', 'U.S. Dollars' and 'US$' are to the legal currency of the United States. All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or the 'Central Government' or the 'State Government' of 'GoI' are to the Government of India, central or state, as applicable. All references herein to the 'US' or the 'U.S.' or the 'United States' or the 'U.S.A.' are to the United States of America, its territories and possessions. All references herein to 'Japan' are to Japan and its territories and possessions. All references herein to 'Korea' are to Republic of Korea and its territories and possessions. All references herein to 'Liberia' are to Republic of Libera and its territories and possessions. All references herein to 'Namibia' are to Republic of Namibia and its territories and possessions. All references herein to 'Ireland' are to Republic of Ireland and its territories and possessions. All references herein to 'Republic of South Africa' are to Republic of South Africa and its territories and possessions. All references herein to 'Saudi Arabia' are to Kingdom of Saudi Arabia and its territories and possessions. All references herein to 'Taiwan' are to the Republic of China and its territories and possessions. All references herein to the 'United Arab Emirates' or the 'UAE' are to the United Arab Emirates and its territories and possessions.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. In this Preliminary Placement Document, references to "lakh(s)" represent "100,000", "million" represents "10 lakhs" or "10,00,000", "crore(s)" represents "1,00,00,000" or "10 million" or "100 lakhs", and "billion" represents "1,00,00,00,000" or "1,000 million" or "100 crore".

Financial data and other information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', 'Fiscal Year', 'Fiscal' or 'FY' are to the twelve month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

In this Preliminary Placement Document, we have included each of the audited consolidated financial statements of our Company as at and for Fiscals 2024, 2023 and 2022, prepared in accordance with Ind AS, notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Companies Act, 2013 ("**Audited Consolidated Financial Statements**").

The Audited Consolidated Financial Statements were audited by the statutory auditors of our Company, S.R. Batliboi & Co. LLP, Chartered Accountants ("**Statutory Auditors**"), on which they have issued the respective audit reports, each dated April 28, 2022, May 12, 2023 and April 25, 2024.

For further information on the Audited Consolidated Financial Statements, see "***Financial Information***" on page 296.

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All figures in decimals, including those from or derived from the Audited Consolidated Financial Statements have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Our Company prepares its financial statements in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Please see "***Risk Factors – 56. Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our financial condition, results of operations and cash flows.***" on page 73.

Unless otherwise stated or unless the context requires otherwise, the financial information contained in this Preliminary Placement Document as at and for the year ended March 31, 2024 is derived from the Fiscal 2024 Audited Consolidated Financial Statements, financial information as at and for the year ended March 31, 2023 is derived from comparatives presented in Fiscal 2024 Audited Consolidated Financial Statements and financial information as at and for the year ended March 31, 2022 is derived from the comparatives presented in Fiscal 2023 Audited Consolidated Financial Statements.

Certain Non-GAAP Measures

In evaluating our business, we consider and use certain non-GAAP financial measures that are presented below as supplemental measures to review and assess our operating performance. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as an alternative to cash flows, profit/(loss) for any year or any other measure of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS or U.S. GAAP. We present these non-GAAP financial measures because they are used by our management to evaluate our operating performance. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS. The non-GAAP financial measures have limitations as analytical tools. Further, these non-GAAP financial measures may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited and has limited usefulness. Therefore, these matrices should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation.

EBITDA

We define EBITDA as aggregate of profit after tax for the period before share in profit/(loss) of jointly controlled entities and associates and non-controlling interests, net tax expense, finance costs, depreciation, depletion and amortisation expense and other expense (net of income), less net exceptional gain and other unallocable income (net of expenses), for the relevant year.

We have presented EBITDA in this Preliminary Placement Document because it is a supplementary measure used by our management and Board of Directors to understand and evaluate our core operating performance and trends. In particular, we believe that the exclusion of the expenses eliminated in calculating EBITDA can provide a useful measure for period-to-period comparisons of our core business. We believe that EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and Board of Directors.

EBITDA is not a measurement of financial profitability or liquidity under Ind AS and should not be considered as an alternative to performance measures derived in accordance with Ind AS.

We make no representations as to the methodology used to define and/or calculate EBITDA or whether it reflects an appropriate measure of our Company's operating performance or ability to service debt.

In addition, EBITDA is not a standardized term, hence a direct comparison between companies using such a term may not be possible. Our use of EBITDA thus has limitations as an analytical tool, and you should not consider them either in isolation or as a substitute for analysis of our financial results as reported under Ind AS. Because of these and other limitations, you should consider EBITDA along with other Ind AS-based financial performance measures, including various cash flow metrics, profit or loss after tax, and our other Ind AS financial results.

Return on capital employed

We define return on capital employed as a ratio of earning before interest and tax over the average capital employed, where (i) earning before interest and tax = EBITDA – depreciation and amortisation, and (ii) capital employed = net debt + total equity.

Free cash flow

We define free cash flow as net cash flow from operating activities, (i) less purchases of property, plant and equipment and intangibles less proceeds on disposal of property, plant and equipment, plus (ii) dividends paid and dividend distribution tax paid (iii) plus or minus other non-cash adjustments.

Basis of Presentation of Reserves and Resources

Ore Reserves and Mineral Resources

The reported reserves are defined as being either "**Ore Reserves**" if reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (the "**JORC Code**"). The reported mineral resources are defined as "**Mineral Resources**" if reported in accordance with the JORC Code (2012).

The reported Ore Reserves of each project, and Mineral Resources for certain projects, are derived following a systematic evaluation of geological data and a series of technical and economic studies by Vedanta's geologists and engineers. The results and procedures used in the majority of these studies have been periodically reviewed by independent consultants.

- The Mineral Resources and Ore Reserves of HZL's mines were audited as of March 31, 2024 by SRK Consulting (UK) Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in "***Annexure C – Mineral Resource and Ore Reserve Reporting***" of this Preliminary Placement Document on page 773.

- The Mineral Resources and Ore Reserves of Black Mountain Mining's Black Mountain mine were audited as of March 31, 2024 by SRK Consulting (UK) Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in "***Annexure C – Mineral Resource and Ore Reserve Reporting***" on page 773.

- The Mineral Resources and Ore Reserves of Black Mountain Mining's Gamsberg mines were audited as of March 31, 2024 by SRK Consulting (UK) Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in "***Annexure C – Mineral Resource and Ore Reserve Reporting***" on page 773.

- The Mineral Resources and Ore Reserves of Skorpion were audited as of March 31, 2024 by SRK Consulting (UK) Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in "***Annexure C – Mineral Resource and Ore Reserve Reporting***" on page 773.

- The Mineral Resources and Ore Reserves of the iron ore mines of our Company were audited as of March 31, 2024 by SRK Mining Services (India) Private Limited and are reported in accordance with the terms and definitions of the JORC Code (2012). The details of the responsible Competent Persons are included in "***Annexure C – Mineral Resource and Ore Reserve Reporting***" on page 773.

The estimation of the quantity and quality of the mineral occurrence is defined in two stages. In the first stage, the location, quantity, grade, geological characteristics and continuity of Mineral Resources are interpreted and estimated from specific geological evidence and knowledge. The geological evidence is gathered from exploration, sampling and testing information through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. Please see **"*Annexure B – Mineral Resources (Exclusive Reporting Basis)*"** on page 772. Furthermore, all Mineral Resources are reported on an exclusive basis where for the avoidance of doubt, the Mineral Resources exclude those Measured and Indicated Mineral Resources which have been modified to derive Ore Reserves. The definitions of the terms relied on in the JORC Code (2012) are included in the glossary to this Preliminary Placement Document. The effective date of the audits is March 31, 2024, as such all consultants confirm that they have not reviewed any additional technical information subsequent to this effective date whether with respect to material changes or otherwise.

This Preliminary Placement Document references various production expansion projections currently proposed by us, and in addition, associated capital expenditures. The Ore Reserve audits as completed by SRK Consulting (UK) Limited or all other consultants have been assessed in the context of current production levels and as such any expansion or associated capital expenditures have not been audited by all consultants.

All Mineral Resources and Ore Reserves are reported on a 100% basis and as such do not reflect the quantum which would be attributable to us based on its equity interest. This Preliminary Placement Document includes technical information, which requires subsequent calculations to derive subtotals, totals and weighted averages. Such calculations may involve a degree of rounding and consequently introduce a margin of error. Where such errors occur, we do not consider them to be material.

The JORC Code (2012) specifies that reporting of Mineral Resources and Ore Reserves should be accompanied by certain additional supplemental information, for example as referenced in Table 1 of the JORC Code (2012).

In the second stage, the "Ore Reserve" is defined. An "**Ore Reserve**" is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate that at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.

Although we provide certain life of mine estimates on the basis of Ore Reserves and Mineral Resources, investors are cautioned to use the life of mine estimates based solely on Ore Reserves in "***Annexure A — Life of Mines***" on page 771 as the base case for any assessment of the life of a mine.

SRK Consulting (UK) Limited noted that the geological information at Rampura Agucha, Sindesar Khurd, Rajpura Dariba and Kayad is modelled using commercial geological modelling software and the information at the Zawar Group mines is modelled using a combination of geological modelling software and on paper-based sections.

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources for Mining Operations

On October 31, 2018, the SEC adopted amendments to its disclosure rules to modernise the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the Exchange Act. These amendments became effective February 25, 2019, with compliance required for the first fiscal year beginning on or after January 1, 2021. Under the new SEC amendments, the historical property disclosure requirements for mining registrants included in Industry Guide 7 under the US Securities Act have been rescinded and replaced with disclosure requirements in subpart 1300 of Regulation S-K.

As a result of the adoption of subpart 1300 of Regulation S-K, the SEC's standards for mining property disclosures are now more closely aligned to the JORC Code's requirements. For example, the SEC now recognises estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources." In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be "substantially similar" to the corresponding standards under the JORC Code. However, despite these similarities, SEC standards are still not identical to the JORC Code. Accordingly, investors are cautioned that there can be no assurance that the reserves and resources reported by us under the JORC Code would be the same had it prepared its reserve or resource estimates under the standards adopted under subpart 1300 of Regulation S-K and that the technical information contained within this document does not constitute a Technical Report Summary in accordance with the requirements of subpart 1300 of Regulation S-K.

UNITED STATES INVESTORS ARE ADVISED THAT THE REPORTING OF MINERAL RESOURCES IN THIS PRELIMINARY PLACEMENT DOCUMENT IS ACCORDINGLY NOT COMPLIANT WITH SUBPART 1300 OF REGULATION S-K.

Oil, Condensate and Marketable Gas Reserves and Contingent Resources

Estimates of our proved, probable, and possible reserves and contingent resources as of March 31, 2024 have been prepared according to the Petroleum Resources Management System ("**PRMS**") approved in March 2007 and revised in June 2018 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, the Society of Petroleum Evaluation Engineers, the Society of Exploration Geophysicists, the Society of Petrophysicists and Well Log Analysts, and the European Association of Geoscientists & Engineers.

The PRMS standard is a referenced standard in published guidance notes of the London Stock Exchange. The proved, probable, and possible oil, condensate, and marketable gas reserves and the contingent resources were independently estimated by DeGolyer and MacNaughton as of March 31**,** 2024.

The contingent resources estimated herein are those volumes of oil or gas that are potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable because development is either pending or is under evaluation or is currently not considered viable under existing technical/commercial conditions. Because of the uncertainty of commerciality and the lack of sufficient exploration drilling, the Resources estimated herein cannot be classified as Reserves. The Resources estimates herein are provided as a means of comparison to other resources and do not provide a means of direct comparison to Reserves.

We retained DeGolyer and MacNaughton to conduct independent reviews of the proved, probable, and possible oil, condensate, and marketable gas reserves and the contingent resources as of March 31, 2024.

Reserves and Production

In this Preliminary Placement Document, unless expressly stated otherwise, references to reserves and production are to total reserves and total production, respectively. For example, total Ore Reserves and total production mean that part of the Ore Reserves from a mine and that part of the production at mines and operations, respectively, that our subsidiaries have an interest in or rights over.

We do not wholly own certain of its subsidiaries and therefore total reserves and total production include reserves and production, respectively, attributable to third-party interests in controlled subsidiaries. Rounding adjustments have been made in calculating some of the reserves and production information included in this Preliminary Placement Document. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources for Oil and Gas Programmes

There are significant differences between the reporting regimes under the PRMS approved in March 2007 by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, and the Society of Petroleum Evaluation and in the United States under the requirements as adopted by the SEC in its Industry Guide 4 — Prospectus Relating to Interests in Oil and Gas Programmes and Subpart 1200 of Regulation S-K (together "**Industry Guide 4**").

Evaluations of oil and gas reserves involve various uncertainties and require exploration and production companies to make extensive judgements as to future events based upon the information available. The crude oil and natural gas reserves data are estimates based primarily on internal technical analyses using standard industry practises. Such estimates reflect our best judgement at the time of their preparation, based on geological and geophysical analyses and appraisal work (which are dynamic processes), and may differ from previous estimates. Reserves estimates are subject to various uncertainties, including those relating to the physical characteristics of crude oil and natural gas fields. These physical characteristics are difficult to estimate and, as a result, actual production may be materially different from current estimates of reserves. Factors affecting the our reserve estimates include: the outcome of new production or drilling activities; assumptions regarding future performance of wells and surface facilities; the results of field reviews; an ability to acquire new reserves from discoveries or extensions of existing fields; an ability to apply improved recovery techniques; and changed economic conditions.

UNITED STATES INVESTORS ARE ADVISED THAT THE REPORTING REGIMES USED IN THIS PRELIMINARY PLACEMENT DOCUMENT ARE ACCORDINGLY NOT COMPLIANT WITH INDUSTRY GUIDE 4.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and certain other industry data forecasts pertaining to our businesses contained in this Preliminary Placement Document consists of estimates based on data and reports compiled by government bodies, professional organizations, industry publications and analysts, data from other external sources and knowledge of the markets in which we compete. The statistical information included in this Preliminary Placement Document relating to the various sectors in which we operate has been reproduced from various trade, industry, regulatory / government publications and websites, and more particularly described in the section titled "***Industry Overview***" on page 131.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled 'Industry Overview Report for Vedanta Ltd.' dated July 5, 2024 ("**ICRA Report**") prepared by ICRA Analytics Limited ("**ICRA**"), which is a report exclusively commissioned and paid for by our Company and prepared by ICRA pursuant to a service agreement dated June 14, 2024 in connection with the Issue.

References to various segments in the "***Industry Overview***" section on page 131 and information derived from therein are references to industry segments and in accordance with the presentation, analysis and categorisation in the ICRA Report. Our segment reporting in our financial statements is based on the criteria set out in Ind AS 108 – Operating Segments and we do not present such industry segments as operating segments.

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Accordingly, investment decisions should not be based solely on such information. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors – 37. Third party statistical and industry related data in this Preliminary Placement Document may be incomplete or unreliable and any reliance on such information for making an investment decision in this Issue is subject to inherent risk.***" on page 64.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute 'forward-looking statements'. The prospective investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'goal', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'seek to', 'should', 'will', 'will continue', 'will pursue', 'would', 'expected to', 'will likely result', 'is likely', 'are likely', 'will achieve' or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements and appear in a number of places throughout this Preliminary Placement Document. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts. These forward-looking statements contained in this Preliminary Placement Document (whether made by our Company or any third party), are projections, predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by such forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- The Proposed Demerger remains subject to regulatory approvals and lender consents. It may not be consummated or result in the expected benefits;
- The Proposed Demerger could have materially adverse tax consequences to investors;
- Vedanta Resources Limited, our parent company, has a significant amount of indebtedness and its ability to refinance its existing indebtedness is dependent on fees and distributions received from our Group;
- Our future expansions and acquisitions are dependent upon our ability to raise capital;
- Our ability to refinance our existing indebtedness are dependent upon our ability to raise capital or obtain funding;
- The volatility of commodity prices may cause a material adverse effect on our revenue, results of operations, cash flows and financial condition;
- Our results of operations have been and are expected to continue to be substantially dependent on the reserves, production and the cost of production at certain key assets; if we cannot secure additional reserves at competitive costs, our profitability and operating margins could decline;
- Our businesses depend upon certain third parties for the supply of our raw material, equipment and services, the execution of projects and, as well as the offtake of our production;
- We are subject to covenants under our credit facilities that limit the flexibility in managing our business; and
- We depend on the experience and management skill of certain of our Key Managerial Personnel and Senior Management.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections titled "***Risk Factors***", "***Industry Overview***", "***Our Business***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations"*** on pages 48, 131, 189 and 96, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, any future gains, losses or impact on net income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure the prospective investors that such expectations will prove to be correct. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and our Company or the Book Running Lead Managers undertake no obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. Majority of our Directors, Key Managerial Personnel and members of Senior Management are resident citizens of India and a substantial portion of the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India vis-à-vis the civil liabilities of our Company or such directors and executive officers under laws other than Indian laws, including judgements under the civil liability provisions of the federal securities laws of the United States.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code, respectively. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except:

(a) where the judgment has not been pronounced by a court of competent jurisdiction;

(b) where the judgment has not been given on the merits of the case;

(c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;

(d) where the proceedings in which the judgment was obtained are opposed to natural justice;

(e) where the judgment has been obtained by fraud; and

(f) where the judgment sustains a claim founded on a breach of any law then in force in India.

Section 44A of the Civil Procedure Code provides that a foreign decree rendered by a superior court (within the meaning of that section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that such judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards, even if such an award is enforceable as a decree or judgment. The execution of a foreign decree under Section 44A of the Civil Procedure Code is also subject to the exception under Section 13 of the Civil Procedure Code.

Each of the United Kingdom, Republic of Singapore, United Arab Emirates and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

Our Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with public policy, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. We cannot assure that such approval will be forthcoming within a reasonable period of time, or at all or that conditions of such approvals would be acceptable.

EXCHANGE RATES

Fluctuations in the exchange rate between the Indian Rupee and foreign currencies will affect the foreign currency equivalent of the Indian Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Indian Rupees on the Equity Shares.

The following table sets forth, for the periods indicated, information with respect to the exchange rates between the Indian Rupee and the U.S. dollar (in ₹ per USD). The exchange rates are based on the reference rates released by the RBI/ FBIL. No representation is made that any Indian Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

1. US dollar

On July 12, 2024, the exchange rate (the RBI reference rate) was ₹ 83.54 to USD 1.

(₹ per US$)

	Period end(1)	Average(2)	High(3)	Low(4)
Fiscal ended				
March 31, 2024	83.37	82.79	83.40	81.65
March 31, 2023	82.22	80.37	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
Months ended				
June 30, 2024	83.45	83.47	83.59	83.07
May 31, 2024	83.30	83.39	83.52	83.08
April 30, 2024	83.52	83.40	83.52	83.23
March 31, 2024	83.37	83.00	83.37	82.68
February 29, 2024	82.92	82.96	83.09	82.84
January 31, 2024	83.08	83.12	83.33	82.85

(Source: www.rbi.org.in and www.fbil.org.in)

(1) The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;
(2) Average of the official rate for each working day of the relevant period;
(3) Maximum of the official rate for each working day of the relevant period; and
(4) Minimum of the official rate for each working day of the relevant period.

Notes:
The RBI/ FBIL reference rates are rounded off to two decimal places.

2. Euro

On July 12, 2024, the exchange rate (the RBI reference rate) was ₹ 90.77 to Euro 1.

(₹ per Euro)

	Period end(1)	Average(2)	High(3)	Low(4)
Fiscal ended				
March 31, 2024	90.22	89.80	92.45	87.07
March 31, 2023	89.61	83.72	90.26	78.34
March 31, 2022	84.66	86.56	90.51	83.48
Months ended				
June 30, 2024	89.25	89.89	91.02	89.25
May 31, 2024	90.12	90.10	90.83	89.48
April 30, 2024	89.34	89.44	90.49	88.56
March 31, 2024	90.22	90.27	90.91	89.58
February 29, 2024	89.86	89.55	90.13	89.06
January 31, 2024	89.88	90.77	91.92	89.88

(Source: www.rbi.org.in and www.fbil.org.in)

(1) The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;
(2) Average of the official rate for each working day of the relevant period;
(3) Maximum of the official rate for each working day of the relevant period; and
(4) Minimum of the official rate for each working day of the relevant period.

Notes:
The RBI/ FBIL reference rates are rounded off to two decimal places.

The exchange rates set out above were not the exchange rates used in, and may have differed at all relevant times from, the exchange rates used in the preparation of our financial statements.

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/ prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further any references to any agreement, document, statute, rules, guidelines, regulations or policies shall include amendments made thereto, from time to time.

*The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections titled "**Indian Taxation**", "**Industry Overview**", "**Financial Information**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and "**Legal Proceedings**" on pages* 260, 131, 296, 96 *and* 274, *respectively, shall have the meaning given to such terms in such sections.*

General Terms

Term	Description
"the Company" or "our Company" or "the Issuer"	Vedanta Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 1st Floor, 'C' Wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai – 400 093, Maharashtra, India
"we", "us", or "our"	Unless the context otherwise indicates or implies, refers to our Company, together with our Subsidiaries, Joint Ventures / Jointly Controlled Entities (as applicable) and Associates, on a consolidated basis

Company Related Terms

Term	Description
"Articles" or "Articles of Association" or "AoA"	Articles of association of our Company, as amended from time to time
Associates* **for the purpose of financial information, Associates would mean associates as at and during the relevant year.*	The associates of our Company, being: 1. Gaurav Overseas Private Limited; and 2. RoshSkor Township (Pty) Limited
Audit and Risk Management Committee	Audit and risk management committee of our Company, as disclosed in "***Board of Directors and Senior Management***" on page 214
Audited Consolidated Financial Statements	Each of the audited consolidated financial statements of our Company and its Subsidiaries, Associates, Joint Ventures / Jointly Controlled Entities (as applicable), as at and for Fiscals 2024, 2023 and 2022, prepared in accordance with Ind AS, notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Companies Act
BALCO	Bharat Aluminium Company Limited
BMML	Black Mountain Mining (Proprietary) Limited
"Board of Directors" or "Board" or "our Board"	The board of directors of our Company or any duly constituted committee thereof
Chairman	Chairman of the Board of Directors, namely, Anil Agarwal
"Chief Financial Officer" or "CFO"	Chief financial officer of our Company, namely, Ajay Goel
CIHL	Cairn India Holdings Limited
Citi	Citigroup Global Markets India Private Limited
Committee of Directors	Committee of directors of our Company
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely, Prerna Halwasiya
Corporate Office	The corporate office of our Company located at Core 6, 3rd Floor, Scope Complex 7, Lodhi Road, New Delhi – 110 003, Delhi, India
Corporate Social Responsibility Committee	Corporate social responsibility committee of our Company, as disclosed in ***"Board of Directors and Senior Management"*** on page 214

Term	Description
Director(s)	The directors on the Board of our Company, as disclosed in ***"Board of Directors and Senior Management"*** on page 214
Equity Shares	Equity shares of our Company, having a face value of ₹ 1 each
ESOP 2016	The Vedanta Limited Employee Stock Option Scheme (ESOS) 2016
Executive Director	An executive non-independent director in terms of Companies Act, 2013, as disclosed in "***Board of Directors and Senior Management***" on page 214
Fiscal 2024 Audited Consolidated Financial Statements	The audited consolidated financial statements for Fiscal 2024 of our Company and its Subsidiaries, its Associates and Joint Ventures / Jointly Controlled Entities (as applicable), comprising the consolidated balance sheet as at March 31, 2024, the consolidated statement of profit and loss and the consolidated statement of cash flows for the year ended March 31, 2024 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information prepared in accordance with Indian Accounting Standards (Ind AS), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Companies Act, 2013
Fiscal 2023 Audited Consolidated Financial Statements	The audited consolidated financial statements for Fiscal 2023 of our Company and its Subsidiaries, its Associates and Joint Ventures / Jointly Controlled Entities, comprising the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss and the consolidated statement of cash flows for the year ended March 31, 2023 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information prepared in accordance with Indian Accounting Standards (Ind AS), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Companies Act, 2013
Fiscal 2022 Audited Consolidated Financial Statements	The audited consolidated financial statements for Fiscal 2022 of our Company and its Subsidiaries, its Associates and Joint Ventures / Jointly Controlled Entities, comprising the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss and the consolidated statement of cash flows for the year ended March 31, 2022 read along with the notes thereto, including a summary of significant accounting policies and other explanatory information prepared in accordance with Indian Accounting Standards (Ind AS), read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Companies Act, 2013
"Foreign Currency Convertible Bonds" or "FCCBs"	Foreign currency convertible bonds issued by our Company
Group	Collectively, our Company, its Subsidiaries*, its Joint Ventures / Jointly Controlled Entities* and its Associates* **for the purpose of financial information, Subsidiaries, Joint Ventures / Jointly Controlled Entities and Associates would mean subsidiaries, joint ventures / jointly controlled entities and associates, respectively, as at and during the relevant year.*
HZL	Hindustan Zinc Limited
Non-Executive Independent Director(s)	An independent Director appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, as disclosed in "***Board of Directors and Senior Management***" on page 214
"Joint Ventures*" or "Jointly Controlled Entities*" **for the purpose of financial information, Joint Ventures / Jointly Controlled Entities would mean joint ventures / jointly controlled entities as at and during the relevant year.*	The joint ventures of our Company, being: 1. Gergarub Exploration and Mining (Pty) Limited; 2. Goa Maritime Private Limited; 3. Madanpur South Coal Company Limited; and 4. Rosh Pinah Health Care (Proprietary) Limited
JM Financial	JM Financial Limited
Key Managerial Personnel	Key managerial personnel of our Company, as disclosed in "***Board of Directors and Senior Management***" on page 214
Material Subsidiaries	Such subsidiaries which have been identified as material subsidiaries in terms of our policy for determining material subsidiaries, namely, BALCO, BMML, CIHL, HZL, MEL and TSPL
MEL	Meenakshi Energy Limited
"Memorandum" or "Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company, as disclosed in "***Board of Directors and Senior Management***" on page 214
Non-Executive Director	A non-independent, non-executive Director appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, as disclosed in "***Board of Directors and Senior Management***" on page 214
Nuvama	Nuvama Wealth Management Limited (*formerly known as Edelweiss Securities Limited*)
Preferences Shares	Redeemable preferences shares of our Company, having a face value of ₹ 10 each

Term	Description
Promoters	The promoters of our Company, namely, Finsider International Company Limited and Anil Agarwal
Promoter Group	Unless the context requires otherwise, the promoter group of our Company as determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	The registered office of our Company located at 1st Floor, 'C' Wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai – 400 093, Maharashtra, India
"Registrar of Companies" or "RoC"	Registrar of Companies, Maharashtra at Mumbai
"Registrar of Companies, Goa" or "RoC, Goa"	Registrar of Companies, Goa, Daman and Diu
Senior Management	The members of the senior management of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as disclosed in "***Board of Directors and Senior Management***" on page 214
Shareholders	Equity shareholders of our Company, from time to time
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company, as disclosed in "***Board of Directors and Senior Management***" on page 214
Statutory Auditors	The current statutory auditors of our Company, namely, S.R. Batliboi & Co. LLP, Chartered Accountants
Subsidiaries	Subsidiaries of our Company, being: 1. Amica Guesthouse (Proprietary) Limited; 2. AvanStrate Inc.; 3. AvanStrate Korea Inc.; 4. AvanStrate Taiwan Inc.; 5. BALCO; 6. BMML; 7. Bloom Fountain Limited; 8. Cairn Energy Hydrocarbons Limited; 9. CIHL; 10. Cairn Lanka Private Limited[a]; 11. Desai Cement Company Private Limited[m]; 12. ESL Steel Limited; 13. Ferro Alloys Corporation Limited; 14. Fujairah Gold FZC; 15. Hindmetal Exploration Services Private Limited[d]; 16. Hindustan Zinc Alloys Private Limited[n]; 17. Hindustan Zinc Fertilisers Private Limited[k]; 18. HZL; 19. Killoran Lisheen Mining Limited; 20. Lisheen Milling Limited; 21. Lisheen Mine Partnership; 22. MALCO Energy Limited; 23. MEL[b]; 24. Monte Cello BV; 25. Namzinc (Proprietary) Limited; 26. Sesa Iron and Steel Limited; 27. Sesa Mining Corporation Limited[c]; 28. Sesa Resources Limited[e]; 29. Skorpion Mining Company (Proprietary) Limited; 30. Skorpion Zinc (Proprietary) Limited; 31. TSPL; 32. Thalanga Copper Mines Pty Limited; 33. THL Zinc Holding BV; 34. THL Zinc Ltd; 35. THL Zinc Namibia Holdings (Proprietary) Limited; 36. THL Zinc Ventures Ltd; 37. Vedanta Aluminium Metal Limited[f]; 38. Vedanta Base Metals Limited[g]; 39. Vedanta Copper International VCI Limited[j]; 40. Vedanta Displays Limited[h]; 41. Vedanta Iron and Steel Limited[i]; 42. Vedanta Lisheen Holdings Limited; 43. Vedanta Lisheen Mining Limited; 44. Vedanta Semiconductors Private Limited[h]; 45. Vedanta Zinc Football & Sports Foundation[o];

Term	Description
	46. Vizag General Cargo Berth Private Limited; 47. Western Cluster Limited; and 48. Zinc India Foundation[l]. [a] *Cairn Lanka Private Limited is under the process of liquidation.* [b] *MEL has been acquired on December 27, 2023 under the liquidation proceedings of the Insolvency and Bankruptcy Code, 2016 as a 100% subsidiary of our Company.* [c] *The National Company Law Tribunal, Mumbai and National Company Law Tribunal, Chennai had passed orders dated June 6, 2022 and March 22, 2023, respectively to sanction the scheme of amalgamation of Sterlite Ports Limited, Paradip Multi Cargo Berth Private Limited, Maritime Ventures Private limited, Goa Sea Port Private Limited, wholly owned subsidiaries/ step down subsidiaries of Sesa Resources limited, with Sesa Mining Corporation Limited. The MCA statutory filing has been completed on January 18, 2024, which is the effective date of merger.* [d] *Hindmetal Exploration Services Private Limited incorporated on February 26, 2024 as a 100% subsidiary of Hindustan Zinc Limited, in which no transactions have taken place during the year.* [e] *Sesa Iron and Steel Limited incorporated on September 6, 2023 as a 100% subsidiary of Vedanta Limited.* [f] *Vedanta Aluminium Metal Limited incorporated on October 6, 2023 as a 100% subsidiary of Vedanta Limited.* [g] *Vedanta Base Metals Limited incorporated on October 9, 2023 as a 100% subsidiary of Vedanta Limited.* [h] *Vedanta Displays Limited & Vedanta Semiconductors Private Limited has been acquired on July 27, 2023 from Twin star Technologies Ltd. via share purchase agreement.* [i] *Vedanta Iron and Steel Limited incorporated on October 10, 2023 as a 100% subsidiary of Vedanta Limited.* [j] *Vedanta Copper International VCI Company Limited incorporated on November 14, 2023 as a 100% subsidiary of MALCO Energy Limited, in which no transactions have taken place during the year.* [k] *Incorporated on September 7, 2022.* [l] *Incorporated on August 5, 2022.* [m] *Acquired on November 15, 2021.* [n] *Incorporated on November 17, 2021.* [o] *Incorporated on December 21, 2021.*
TSPL	Talwandi Sabo Power Limited
Vice Chairman	Vice chairman of the Board of Directors, namely, Navin Agarwal

Issue Related Terms

Term	Description
"Allocated" or "Allocation"	Allocation of Equity Shares, by our Company in consultation with the Book Running Lead Managers, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms submitted by them, in compliance with Chapter VI of the SEBI ICDR Regulations
"Allotment" or "Allotted" or "Allot"	Allotment and issue of Equity Shares pursuant to the Issue
Allottees	Successful Bidders to whom Equity Shares are issued and allotted pursuant to the Issue
Application Form	Serially numbered, specifically addressed bid cum application form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue
Application Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue, including any revisions thereof determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form
Bid(s)	Indication of a Bidder's interest including all revisions and modifications of interest, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bidder(s)	Any Eligible QIB, who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form
"Book Running Lead Managers" or	Citi, JM Financial and Nuvama, together with any other book running lead manager appointed by

Term	Description
"BRLMs" or "Lead Manager(s)"	the Company
"CAN" or "Confirmation of Allocation Note"	Note or advice or intimation to Successful Bidders confirming Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●]
Designated Date	The date of credit of Equity Shares pursuant to the Issue to the Allottees' demat accounts, as applicable to the relevant Allottees
Eligible FPIs	FPIs under FEMA, the SEBI FPI Regulations and any other applicable law, other than individuals, corporate bodies and family offices, that are eligible to participate in this Issue, participating through Schedule II of the FEMA Rules
Eligible QIBs	QIBs that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations. In relation to the Issue, this term shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs. Subject to (ii) above, in the United States, persons reasonably believed to be "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act may participate in the Issue. Further, except as provided in (ii) above, other non-resident QIBs (including FVCIs) are not permitted to participate in the Issue
Escrow Account	Special non-interest bearing, no-lien, current bank accounts, without any cheques or overdraft facilities, opened with the Escrow Agent, subject to the terms of the Escrow Agreement, into which the Application Amount shall be deposited by the Bidders and from which refunds, if any, shall be remitted to unsuccessful Bidders, as set out in the Application Form
Escrow Agent	IndusInd Bank Limited
Escrow Agreement	Agreement dated July 15, 2024, entered into by and amongst our Company, the Escrow Agent and the Book Running Lead Managers for collection of the Application Amounts and remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	Floor price of ₹ 461.26 for each Equity Share, calculated in accordance with Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Shareholders accorded on June 21, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations
GIR	General index registration
Issue	Offer, issuance and Allotment of Equity Shares to Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	[●], the date after which our Company (or Book Running Lead Managers on behalf of our Company) shall cease acceptance of Application Forms and the Application Amount
Issue Opening Date	July 15, 2024, the date on which our Company (or the Book Running Lead Managers on behalf of our Company) shall commence acceptance of the Application Forms and the Application Amount
Issue Period	Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Application Amount
Issue Price	A price per Equity Share of ₹ [●], including a premium of ₹ [●]
Issue Size	Aggregate size of the Issue, up to ₹ [●] crores
Monitoring Agency	ICRA Limited
Monitoring Agency Agreement	Agreement dated July 15, 2024 entered into by and between our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency in accordance with regulation 173A of the SEBI ICDR Regulations, for monitoring the Proceeds
Mutual Fund	A mutual fund registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Placement Agreement	Placement agreement dated July 15, 2024 by and among our Company and the Book Running Lead Managers
Placement Document	Placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document	This preliminary placement document cum application form, dated July 15, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules made thereunder
"QIB" or "Qualified Institutional Buyer"	Qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with the applicable rules of the PAS Rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Application Amount submitted by such Bidder pursuant to the Issue
Regulation S	Regulation S under the U.S. Securities Act
Relevant Date	July 15, 2024, which is the date of the meeting in which the Committee of Directors decided to

Term	Description
	open the Issue
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount and who will be Allocated Equity Shares
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Business and Industry Related Terms

Term	Description
2P	gross proved plus probable reserves
alloy	a compound of two or more metals
alumina	the calcined product from an alumina refinery containing at least 98% aluminium oxide (Al2O3)
anode	the electrode by which current enters the cell. For copper refining, the impure copper is used as an anode. For zinc refining, lead anodes are used. For aluminium refining, a carbon anode is used
anode slime	a deposit of insoluble residue formed from the dissolution of the anode in commercial electrolysis. In copper refining, this slime contains the precious metals that are recovered from it
bauxite	a general term for a rock composed of a mixture of hydrated aluminium oxides and hydroxides and generally contaminated with compounds of iron; it is the main ore from which aluminium is produced
bnboe	billion barrels of oil equivalent
boe	barrels of oil equivalent
boepd	barrels of oil equivalent per day
bopd	barrels of oil per day
cathode	the cathode is the conductor through which electricity leaves the cell. For copper refining, the cathode is where the refined copper is deposited. For aluminium smelting, the cathode is known as the pot lining
cells	cells are the containers in which the electrolytic process for formation of metal takes place. For aluminium smelting, these are known as pots
concentrate	material which has been processed to increase the percentage of the valuable mineral to facilitate transportation and downstream processing
copper concentrate	a product of the flotation process with a copper content typically ranging between 24% and 40%
cut-off grade	the lowest grade of mineralised material considered economic to mine; cut-off grade is used in the calculation of the Ore Reserves for a given deposit
debottlenecking	the removal of a constraint on production by increasing the productivity of one part of an operation
deposit	a deposit is a concentration (or occurrence) of material of possible economic interest, in or on the earth’s crust, that may include mineralised material that cannot be estimated with sufficient confidence to be classified in the Inferred category. Portions of a deposit, that do not have reasonable and realistic prospects for eventual economic extraction are not included in a Mineral Resource
dmt	dry metric tonnes
exploration	prospecting, sampling, mapping, drilling and other work involved in searching for ore
g/t	grams per tonne
Fe	symbol for the chemical element, iron
frame contracts	prospecting, sampling, mapping, drilling and other work involved in searching for ore
grade	proportion (by weight) of the valuable element within the mineralised rock
greenfield	new development project on previously undeveloped land that is built from scratch
GW	gigawatt, a unit of electrical energy equal to 1 billion watts
HG	high grade; an international standard of grading for zinc ingots
hydrometallurgical	the treatment of metal or the separation of metal from ores and ore concentrates by liquid processes, such as leaching, extraction and precipitation to extract and recover metals from their ores
JORC Code (2012)	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
km	kilometres
km2	square kilometres
kt	kilo-tonnes
ktpa	kilo-tonnes per annum
KV	kilovolts
lb	imperial pound (mass) equivalent to 0.4536 kilograms
leaching	extracting a soluble metallic compound from an ore by selectively dissolving it in a suitable solvent
lead concentrate	product of the flotation process with a lead content typically ranging between 50% and 70%

Term	Description
life of mine	the remaining life of a mine in years calculated by deducting the scheduled production rates (i.e. the rate at which material will be removed from the mine, from the current defined reserves)
mill	a plant in which ore is treated and metals are recovered or prepared for smelting; also a revolving drum used for the grinding of ores in preparation for treatment
million oz or moz	millions of ounces
mineral	a natural, inorganic, homogeneous material that can be expressed by a chemical formula
mineralisation	the process by which minerals are introduced into a rock. More generally, a term applied to accumulations of potentially economic or related minerals in quantities ranging from anomalous to economically recoverable
Million Units	million kilo watt hours
mm	millimetres
mmbbls	million barrels
mmboe	million barrels of oil equivalent
mmscfd	million standard cubic feet per day
MT	metric tonnes
mt	million tonnes
mtpa	million tonnes per annum
MW	megawatt, a unit of electrical energy equal to one million watts
open-pit mine	a mine that is entirely on the surface. Also referred to as an open-cut or opencast mine
ore	a mineral or mineral aggregate containing precious or useful minerals in such quantities, grade and chemical combination to make extraction economic
overburden	waste material overlying ore in an open-pit mine
pig iron	pig iron is raw iron that is the immediate product of smelting iron ore with coke and limestone in a blast furnace
plant	fixed or moveable equipment required in the process of winning or processing the ore
plant load factor	in relation to a given period, is expressed as the percentage of total kilowatt hours per unit generated at generator terminals to installed capacity, expressed in kilowatts multiplied by number of hours in that period
PSC	production sharing contracts. These contracts are a common type of contract signed between a government and a resource extraction company (or group of companies) concerning how much of the resource (usually oil) extracted from the country each will receive
PW	Prime Western; an international standard of grading for zinc ingots
Pyrometallurgical	pertaining to metallurgical operations that involve processing temperatures above ambient conditions, generally involving chemical reactions as distinct from metal casting substantially which involves only a physical transformation, such as, solidification
Rc	refining charge; the price paid by mining companies to smelters for refining the contained precious metals (and copper) in their concentrates to produce a payable metal. The Rc is based on the payable metal content (after deductions)
refining	the final process of upgrading of the metal quality, although for aluminium, it is the intermediate stage of converting bauxite to alumina
refining charge	the fees charged by a refinery for purifying crude metallic products
RLE	roast-leach-electro win; a process utilised in many hydrometallurgical zinc smelters whereby zinc concentrate is first roasted to remove the Sulphur content, which comes out in the form of Sulphur Dioxide gas, and then subjected to leaching and electrolysis
slag	the vitreous mass separated from the fused metals in the smelting process
smelting	a thermal process whereby molten metal is liberated from a concentrate, with impurities separating into a lighter slag
spot market	a market in which commodities are bought and sold for cash and delivered immediately
spot price	the current price of a metal for immediate delivery
t or tonne	metric tonne equivalent to 2,204.62 lb or 1,000 kilograms
TcRc	treatment charge and refining charge levied by smelters and refineries for the smelting and refining of copper concentrate from mines into copper metal
total production	that part of production at mines and operations in which subsidiaries of the Company have an interest; in this Preliminary Placement Document, unless expressly stated otherwise, production also refers to total production
total reserves	that part of the reserves from a mine in which subsidiaries of the Company have an interest; in this Preliminary Placement Document, unless expressly stated otherwise, reserves also refer to total reserves
tpa	tonnes per annum
zinc concentrate	product of flotation process with a zinc content typically ranging between 45% and 60%

Terms and definitions of the JORC Code (2012)

Term	Description
Ore Reserves	Those portions of Mineral Resources that, after the application of all Modifying Factors, result in an estimated tonnage and grade which, in the opinion of the Competent Person making the estimates, can be the basis of a technically and economically viable project, after taking account of material relevant Modifying Factors. Deriving an Ore Reserve without a mine design or mine plan through a process of factoring of the Mineral Resource is unacceptable.
Proved Ore Reserve	The economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors.
Probable Ore Reserve	The economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
Measured Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.
Indicated Mineral Resource	That part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit.
Inferred Mineral Resource	That part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

Conventional and General Terms/ Abbreviations

Term	Description
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
Arbitration Act	The Arbitration and Conciliation Act, 1996
Assessment Year	Period of 12 months ended March 31 of that particular year in respect of our Company unless otherwise stated
BSE	BSE Limited
CAGR	Compound annual growth rate
Calendar Year	Year ending on December 31
CDSL	Central Depository Services (India) Limited
CEO	Chief executive officer
CIN	Corporate identity number
Civil Procedure Code	The Code of Civil Procedure, 1908
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, each, as applicable
Companies Act, 1956	The erstwhile Companies Act, 1956, and the rules made thereunder
Companies Act, 2013	The Companies Act, 2013, and the rules made thereunder
CrPC	The Code of Criminal Procedure, 1973
CSR	Corporate social responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DP ID	Depository participant identification number
DPIIT	Department for Promotion of Industry and Internal Trade
EGM	Extraordinary general meeting

Term	Description
FBIL	Financial Benchmarks India Private Limited
FDI	Foreign direct investment
FDI Policy	Consolidated FDI policy issued by the DPIIT, Government of India, with effect from October 15, 2020
FEMA	The Foreign Exchange Management Act, 1999, and the regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FII	Foreign institutional investors
FIR	First information report
"Financial Year" or "Fiscal Year(s)" or "Fiscal"	Period of 12 months ended March 31 of that particular year in respect of our Company unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the PAS Rules
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
FPI Operational Guidelines	SEBI circular dated November 5, 2019 which issued the operational guidelines for FPIs
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 and registered with SEBI thereunder
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
General Meeting	AGM or EGM
"Government" or "GoI"	Government of India, unless otherwise specified
GST	Goods and services tax
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards as issued by the International Accounting Standards Board
"Income Tax Act" or "IT Act"	The Income Tax Act, 1961
"Indian Accounting Standards" or "Ind AS"	Indian Accounting Standards as specified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standard) Rules, 2015, as amended
"INR" or "Rupees" or "₹" or "Indian Rupees" or "Rs."	Indian Rupees
IPC	Indian Penal Code, 1860
Member State	Each member state of the European Economic Area which has implemented the Prospectus Directive
MCA	The Ministry of Corporate Affairs, Government of India
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014
RBI	The Reserve Bank of India
Rule 144A	Rule 144A under the U.S. Securities Act
SAT	Securities Appellate Tribunal
SCR (SECC) Regulations	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011
SEC	United States Securities and Exchange Commission
SFA	The Securities and Futures Act Chapter 289 of Singapore
SI-NBFC	Systemically important non-banking financial companies
Stock Exchanges	BSE and NSE

Term	Description
STT	Securities transaction tax
Supreme Court	Supreme Court of India
VCF	Venture capital fund
"U.S.$" or "U.S. dollar" or "USD"	United States Dollar, the legal currency of the United States of America
"USA" or "U.S." or "United States"	The United States of America, its territories and possessions, any state of the United States, and the District of Columbia.
U.S. Securities Act	The United States Securities Act of 1933
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

SUMMARY OF BUSINESS

*Please read "**Presentation of Financial and Other Information – Financial data and other Information**" on page 10 before reading this section. This section should also be read together with "**Risk Factors**", "**Industry Overview**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**", "**Selected Financial Information**" and "**Financial Information**" on pages 48, 131, 96, 40 and 296, respectively.*

*This section contains forward-looking statements. Actual results of our Company and our Subsidiaries may differ materially from those expressed in or implied by these forward-looking statements. See "**Forward-Looking Statements**" on page 16 for a discussion of the risks and uncertainties related to those statements and "**Risk Factors**" on page 48 for a discussion of certain factors that may affect our business, financial condition, results of operations or cash flows.*

Unless stated or the context requires otherwise, all financial information is presented on a consolidated basis, and such financial information contained in this Preliminary Placement Document as at and for the year ended March 31, 2024 is derived from the Fiscal 2024 Audited Consolidated Financial Statements, financial information as at and for the year ended March 31, 2023 is derived from comparatives presented in Fiscal 2024 Audited Consolidated Financial Statements and financial information as at and for the year ended March 31, 2022 is derived from the comparatives presented in Fiscal 2023 Audited Consolidated Financial Statements.

*Certain information in this section includes extracts from a report by ICRA Analytics Limited titled 'Industry Overview Report for Vedanta Ltd.' dated July 5, 2024 (the "**ICRA Report**"), which has been exclusively commissioned and paid for by us in connection with this Issue. The relevant industry sources are indicated at all relevant places within this section. For more information, see "**Risk Factors — Risks Relating to Business — 37. Third party statistical and industry related data in this Preliminary Placement Document may be incomplete or unreliable and any reliance on such information for making an investment decision in this Issue is subject to inherent risk.**" on page 64. None of our Company, the Book Running Lead Managers or any other person connected with the Issue has independently verified all the information contained in the ICRA Report.*

Overview

We are a globally diversified natural resource group engaged in exploring, extracting and processing minerals and oil and gas. We are the largest aluminium producer in India accounting for approximately 56.5% of the overall smelting capacity in the country and are the second largest producer of zinc and the third largest silver producing company in the world (*Source: ICRA Report*). We have operations in India, Namibia, Ireland, South Africa, Liberia, UAE, Japan, South Korea and Taiwan. This geographical reach and diverse portfolio of commodities allows us to capitalise on regional market demands and economic strengths.

Our Group is primarily engaged in the following businesses: (i) aluminium ("**Aluminium Business**"), (ii) zinc, lead and silver ("**Zinc, Lead and Silver Business**"), (iii) oil and gas ("**Oil and Gas Business**"), (iv) copper ("**Copper Business**") (v) iron ore ("**Iron Ore Business**"), (vi) steel ("**Steel Business**") and (vii) commercial power generation ("**Commercial Power Generation Business**").

(i) *Aluminium Business* – Our Aluminium Business is the largest aluminium producer in India and accounts for approximately 56.5% of the overall smelting capacity in the country (*Source: ICRA Report*), with present installed capacity of 2.4 mtpa aluminium capacity. We have a market share of approximately 45% in producing primary aluminium sector in India (*Source: ICRA Report*). Our Aluminium Business is conducted by our Company in Odisha and also through our Subsidiary, Bharat Aluminium Company Limited ("**BALCO**"), in Chhattisgarh, India. Our Company's operations include 1.8 mtpa smelter at Jharsuguda in Odisha, an alumina refinery at Lanjigarh and captive power plants. BALCO's operations include the Chotia coal block, a 1,410 MW captive power plant, a 245 ktpa aluminium smelter, a 325 ktpa aluminium smelter and the fabrication facilities in Chhattisgarh.

(ii) *Zinc, Lead and Silver Business* – Our Zinc, Lead and Silver Business comprises operations in India ("**Zinc India**") and outside India ("**Zinc International**"). Our Zinc India Business is conducted through our Subsidiary, Hindustan Zinc Limited ("**HZL**"). HZL is the second largest producer of zinc and the third largest silver producing company in the world (*Source: ICRA Report*) and has five zinc-lead mines at the Agucha, Kayad, Sindesar Khurd, Dariba and Zawar facilities in Rajasthan. Our Zinc International Business is conducted through several subsidiaries, namely THL Zinc Namibia Holdings Limited and its subsidiaries ("**Skorpion**") in Namibia, Vedanta Lisheen Holdings Limited and its subsidiaries ("**Lisheen**") in Ireland and Black Mountain Mining Pty Ltd ("**Black Mountain Mining**") in South Africa. In Fiscal Year 2024, Zinc India produced 817 kt of zinc, 216 kt of lead and 746 tonnes of silver, while Zinc International produced 208 kt of metal-in-concentrate.

(iii) *Oil and Gas Business* – Our Oil and Gas Business is conducted by our Company and its Subsidiary, Cairn Energy Hydrocarbons Limited (“**CEHL**”). We contributed approximately 25% of India’s domestic crude oil production during Fiscal Year 2024 (*Source: ICRA Report*). Our Oil and Gas Business produced 46.7 mmboe of gross operated production in Fiscal Year 2024 across its diversified asset base of 62 blocks in India. The blocks are primarily located across the Indian basins in Barmer, Krishna-Godavari, Cambay, Assam, Gujarat Kutch and Cauvery.

(iv) *Copper Business* – Our Copper Business comprises operations in India and the UAE. Our Copper Business in India is conducted by our Company and its business in the UAE is operated by its Subsidiary, Fujairah Gold FZC (“**Fujairah Gold**”).

(v) *Iron Ore Business* – Our Iron Ore Business comprises operations in India and Liberia. We are one of the leading iron ore producers in India in Fiscal Year 2024 (*Source: ICRA Report*). Our Iron Ore Business is conducted by our Company in Goa and Karnataka, India and our Iron Ore Business in Liberia is conducted through our Subsidiary, Western Cluster Limited (“**WCL**”).

(vi) *Steel Business* – Our Steel Business is conducted through our Subsidiary, ESL Steel Limited (“**ESL**”). ESL’s manufacturing facility is a greenfield integrated steel plant located near Bokaro, Jharkhand, India, which has a current capacity of 1.7 mtpa.

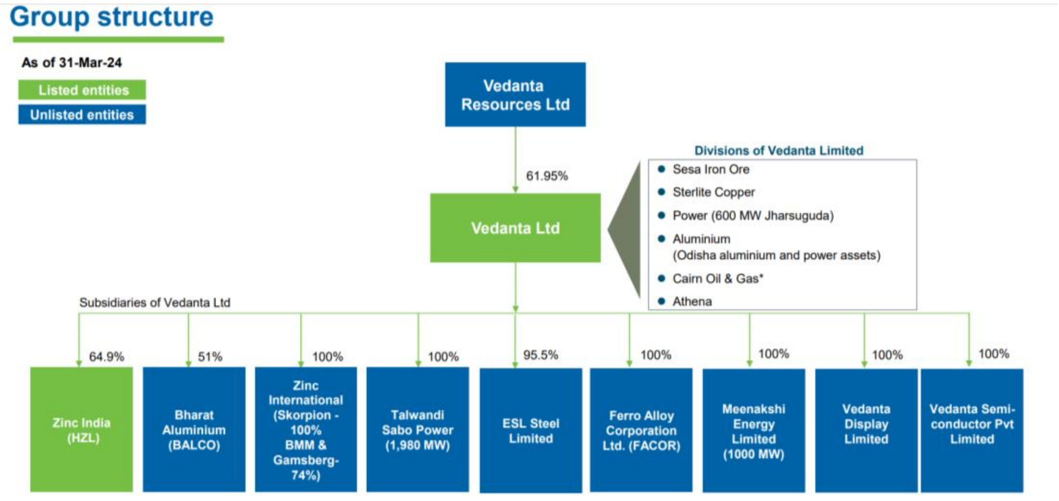
(vii) *Commercial Power Generation Business* – Our Commercial Power Generation Business is primarily conducted by our Company and our Subsidiary, Talwandi Sabo Power Limited (“**TSPL**”). Our Commercial Power Generation Business has power purchase agreements (“**PPAs**”) in place with public utilities involved in power distribution for 2,580 MW of our merchant capacity.

For Fiscal Years 2022, 2023 and 2024, we reported revenue from operations of ₹131,192 crore, ₹145,404 crore and ₹141,793 crore, and EBITDA of ₹45,319 crore, ₹35,241 crore and ₹36,455 crore, respectively.

In this section Revenue from Operations for Aluminium Business, Zinc India Business, Zinc International Business, Oil and Gas Business, Copper Business, Iron Ore Business and Power Business (Commercial Power Generation business) represents External Revenue of the Respective Business Segments as per Ind AS 108 - Operating Segments.

Group Structure

The following chart depicts our Group’s corporate structure as of March 31, 2024. We own other subsidiaries that are not material and are not shown in the chart below.



Proposed Demerger

On September 29, 2023, we announced our plan to demerge our business units into independent companies (the “**Proposed Demerger**”), namely:

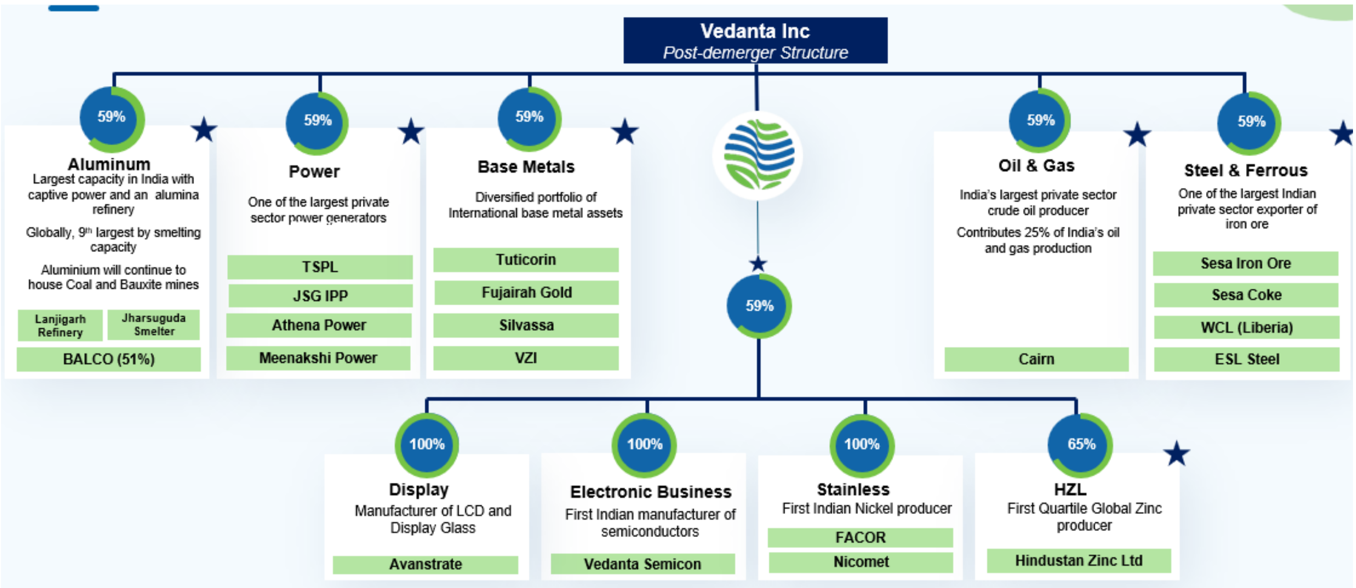
- Our Company, comprising our Zinc India Business, our semiconductor business, our display business and our ferrochrome and nickel businesses (i.e., Ferro Alloys Corporation Limited and Nicomet);

- Vedanta Aluminium, comprising our Aluminium Business (including the 51% stake in BALCO);

- Vedanta Oil and Gas, comprising our Oil and Gas Business;
- Vedanta Base Metals, comprising our downstream Copper Business and Zinc International;
- Vedanta Iron and Steel, comprising our Iron Ore Business and our Steel Business; and
- Vedanta Power, comprising our Commercial Power Generation Business (including Athena Chhattisgarh Power Limited and Meenakshi Energy Limited).

The Proposed Demerger is planned to be a simple vertical split, for every one share of our Company, shareholders will additionally receive one share of each of the five newly listed companies. The composite scheme of arrangement was approved by the board of directors of our Company on September 29, 2023 and in furtherance to that, our Company filed (seeking no objection letter) with both BSE Limited and National Stock Exchange of India Limited on October 20, 2023. Once these the necessary observation letters are received, our Company will subsequently file the Proposed Demerger scheme with the NCLT.

The Proposed Demerger aims to, *inter alia*, create independent global scale companies focusing exclusively on mining, production and/or supply of aluminium, iron ore, copper, oil and gas and on generation and distribution of power and exploring new opportunities and taking advantage of the growth potential in the respective sectors, attract different sets of investors, strategic partners, lenders, and other stakeholders enabling independent collaboration and expansion in the respective companies without committing the existing organisation in its entirety and enable investors to separately hold investments in businesses with different investment characteristics thereby enabling them to select investments which best suit their investment strategies and risk profiles.



Production release for the first quarter ended June 30, 2024

On July 3, 2024, we announced our production release for the first quarter ended June 30, 2024. A summary of the production release is included as "***Annexure D – Production Releases for the First Quarter ended June 30, 2024***" on page 774.

Strengths

1. ***Long-life and diversified asset base.***

   We have an extensive and diverse portfolio, which is characterised by global cost leadership in several core businesses superior margins and free cash flow generation across commodity cycle. Our commodity mix, focused on base metals and oil, and strong fundamentals and demand further gives resilience to our business.

   Our Company operates a 1.8 mtpa smelter in Jharsuguda and our subsidiary, BALCO, operates a further 0.6 mtpa smelter. Our Aluminium Business is the largest aluminium producer in India and accounts for approximately 56.5% of the overall smelting capacity in the country (*Source: ICRA Report*). Our Aluminium Business is also equipped with captive power plants and an alumina refinery at Lanjigarh. With ongoing investments in capacity creation and efforts for structural cost reduction and operational efficiency, we continue to reinforce our cost competitiveness. HZL's Rampura Agucha mine is the largest zinc mine globally on a production basis and its Chanderiya zinc smelter is the third largest smelter globally on a production basis (*Source: Wood Mackenzie*), and the Sindesar Khurd mine now stands as the second largest silver producing mine globally (*Source: ICRA Report*). The overall mine life for Zinc International is more than 20 years and Zinc India has a mine life of more than 25 years. Our Oil and Gas Business produced 46.7 mmboe of gross operated production in Fiscal Year 2024 across its diversified multi-locational asset bases in India. As at March 31, 2024, our Oil and Gas Business has a net working interest proved plus probable reserves and 2C resources of 998 mmboe. HZL is the second largest producer of zinc and the third largest silver producing company in the world (*Source: ICRA Report*). Our Iron Ore Business is also one of the leading iron ore producers in India in Fiscal Year 2024 (*Source: ICRA Report*), where we operate two metallurgical coke plants and a pig iron plant with an installed rated capacity of 522 ktpa, 120 ktpa and 950 ktpa, respectively, in Goa and Maharashtra.

We also recently venture into new greenfield businesses such as semiconductor and display production to further diversify our portfolio. In 2022, we incorporated Vedanta Semiconductors Private Limited and Vedanta Displays Limited to spearhead our foray into semiconductors and display glass respectively.

2. ***Well-placed to contribute and capitalise on India's high growth markets and benefit through the cycle with an attractive commodity mix.***

We primarily operate in India, and have invested in building the necessary facilities, networks, and systems in both countries to extract and process minerals effectively. Having existing operations also means we are familiar the local operational landscape, including regulatory affairs, supply chains, and community relations, which can help mitigate risks and challenges. India remains the fastest growing economy globally. It witnessed a rise in growth rate from approximately 7% in 2022 to approximately 7.8% in 2023 and the country is projected to grow by approximately 6.8% in 2024 and approximately 6.5% in 2025 (*Source: ICRA Report*). The industry and services sector demonstrated strong performance, acting as the primary growth drivers of Fiscal Year 2024 (*Source: ICRA Report*). India also recorded the highest growth in this period among major advanced and emerging economies and, as per IMF, it is possible for India to become the third-largest economy by the year 2027 (*Source: ICRA Report*).

The global primary aluminium consumption has grown marginally in the past two years, up by 1.0% and 0.7% during 2023 and 2022 to 69.9 mt and 69.2 mt respectively (*Source: ICRA Report*). Global demand for aluminium in China grew by 5.5% on year in 2023 while demand in world (excluding China) fell by 5.2% owing to weaker macroeconomic scenario (*Source: ICRA Report*). Furthermore, India is currently the fastest-growing developing economy globally, witnessing a surge in construction activities and infrastructure development, which rapid growth has significantly increased the demand for aluminum and has contributed to the overall market expansion (*Source: ICRA Report*). Going ahead in Fiscal Year 2025, India's aluminium consumption is likely to witness a growth of approximately 10% on the back of sustained demand from renewables, defence, aerospace, electronics and appliances (*Source: ICRA Report*).

Zinc demand went up by 1.3% in 2023 to 13.6 mt from 13.4 mt in 2022 led by strong demand pull from India and China while weakness in United States, Europe, Taiwan and Japan moderated the overall global demand in 2023 (*Source: ICRA Report*). Global demand is expected to reach 13.96 mt in 2024, up by 1.8% with main contributors to this growth projected to be India, Italy, Japan, Southeast Asia, South America, and the Middle East (*Source: ICRA Report*). Global silver demand is expected to increase by approximately 2% in 2024, due to continued increase in demand pull from the industrial applications and expected recovery in jewelry and silverware demand led by higher discretionary spending and restocking, and India is anticipated to make the largest contribution, partly due to the resumption of restocking by retailers (*Source: ICRA Report*).

The growing global population is a significant driver of exploring the energy reserves in order to meet its energy demand requirements. The demand for primary fuels is also likely to increase in the long term with the exception of coal, where oil demand is likely to witness strong growth while natural gas demand is set to increase by 19.9 mboe/d over the outlook period, reaching 87 mboe/d in 2045 (*Source: ICRA Report*). India, other Asia, China, Africa, and the Middle East are expected to contribute the most to the increase in non-OECD oil demand (*Source: ICRA Report*). Over the course of the anticipated period, India's oil demand will increase by 6.6 mb/d (*Source: ICRA Report*).

Iron ore is a key ingredient for the manufacturing of steel and pig iron. The market for iron ore mining has grown from 2,450 mt in 2019 to 2,544 mt in 2023 registering a compound annual growth rate of 0.9% over the last five years (*Source: ICRA Report*). India's iron ore consumption has been on the upward trend over the last one decade due to a rise in the manufacturing of sponge iron and crude steel; however, the iron ore apparent consumption stood at 235.2 million tonnes in Fiscal Year 2024, marginally down by approximately 1% compared to 238.5 million tonnes in Fiscal Year 2023 as a result of a spurt in ore exports during the year (*Source: ICRA Report*).

Our Group has a strong market share in India in these key commodities, where it has a long history of established operations and experience in the country. Our Aluminium Business has a significant market share of approximately 45% in producing primary aluminium sector in India and account for approximately 56.5% of the overall smelting capacity in the country (*Source: ICRA Report*). HZL is the market leader for zinc, with a significant approximately 75% market share (in domestic consumption terms) and ranked as the second largest producer of zinc in the world (*Source: ICRA Report*). It is also the leading producer of refined lead in India with a market share of approximately 66% during Fiscal Year 2024 (*Source: ICRA Report*). HZL is the only primary silver producer in India and is the third largest silver producing company in the world with a market share of approximately 3% globally (*Source: ICRA Report*). Meanwhile, our Oil and Gas Business contributed approximately 25% of India's domestic crude oil production during Fiscal Year 2024 (*Source: ICRA Report*). We are also one of the leading iron ore producers in India in Fiscal Year 2024 (*Source: ICRA Report*).

3. Proven track record of operational excellence with high productivity and consistent utilisation rates.

Our Group has a track record of consistently delivering production growth across its assets. We prioritise adding to our reserves and resources at a faster rate than depletion through a focused approach on their drilling and exploration programme. We ensure this through disciplined approach to development, ensuring steady production growth across operations while prioritising efficiency and cost savings. We further leverages our management team's extensive sectoral and global experience alongside investments in digitalisation, automation and vertical integration to operate efficiently and responsibly. We have adopted digital solutions to enhance mining operations.

Our Group also focuses on operational efficiencies to drive sustainability performance. For example, our Aluminium Business has been able to achieve near 100% capacity utilisation with record aluminium production in Fiscal Year 2024 at 2.37 mt (*Source: ICRA Report*).

We are committed to reducing our carbon footprint. Our Aluminium Business, for example, has the lowest emission intensity at 16.6 MT Co2e/MT of aluminium produced compared to peers (*Source: ICRA Report*). In December 2020, we signed a declaration on climate change by pledging to move towards carbon neutrality at the Second India CEO Forum on Climate change as part of our carbon vision programme to substantially decarbonise by 2050. See also "***Our Business – Sustainability***" on page 211 for more details.

4. Strong financial metrics and return on capital employed.

Our Group has a track record of delivering consistent growth across all financial parameters, driven by sustained investment in new capacities and operational efficiencies, which have strengthened its financial foundation. Despite market volatilities, we have maintained a consistent performance. Our revenue from operations, profit after tax for the period before share in profit/(loss) of jointly controlled entities and associates, EBITDA, return on equity ratio, return on capital employed, return on investment, total assets, total equity, changes in working capital and free cash flow for Fiscal Years 2022, 2023 and 2024 are highlighted in the table below:

	Fiscal Year		
	2022	**2023**	**2024**
	(₹ crore, unless otherwise stated)		
Revenue from operations	131,192	145,404	141,793
Profit after tax for the period before share in profit/(loss) of jointly controlled entities and associates	23,709	14,506	7,537
EBITDA	45,319	35,241	36,455
Return on equity ratio (%)[(1)]	30	22	11
Return on capital employed (%)[(2)]	35	25	27
Return on investment (%)[(3)]	1.24	0.58	1.72
Total Assets	198,382	195,377	190,807
Total Equity	82,704	49,427	42,069
Changes in working capital	(4,766)	4,599	1,552
Net cash generated from operating activities	34,963	33,065	35,654
Free cash flow[(4)]	21,715	18,077	11,427

Note:

(1) Net profit after tax before exceptional items (net of tax) / average equity

(2) Return on capital employed is defined as a ratio of earning before interest and tax over the average capital employed, where (i) earning before interest and tax = EBITDA – depreciation and amortisation, and (ii) capital employed = net debt + total equity.

(3) Income from investments carried fair value through profit and loss/average current investments.

(4) Includes foreign exchange movements.

Strategy

1. ***Augment reserves and resources base.***

We look at ways to expand our reserves and resources base through targeted and disciplined exploration programmes, including bidding and acquiring mineral blocks. Our exploration teams aim to discover mineral and oil deposits in a safe and responsible way and to replenish the resources that support future growth. For example, during Fiscal Year 2024, additions of 12.7 million tonnes were made to reserve and resource, prior to depletion at Zinc India, and additions of 6.7 million tonnes of ore were made to reserve and resource after depletion at Zinc International. Specifically, the total reserves and resources of Zinc India is up by approximately 35% in the last five years, with an increase of 118 million tonnes, considering production of 6.51 million tonnes during the same period.

In 2017, the GoI launched the Open Acreage Licensing Programme ("**OALP**") along with the National Data Repository ("**NDR**") with an aim to accelerate exploration and production activities in India (*Source: ICRA Report*). Presently, we have 46 blocks under the OALP. These blocks offer a rich conventional and unconventional resource play. Furthermore, our Oil and Gas Business has won two discovered small fields in DSF Round II bid named as Hazarigaon and Kaza gas field located in Assam and Krishna-Godavari basins respectively. During Fiscal Year 2023, our Oil and Gas Business secured further eight blocks in the DSF Round III bid and one block in special coal bed methane round bid in 2021.

2. ***Optimise Group structure.***

Our Group is focused on simplifying its group structure and has undergone various re-organisations, consolidations and mergers in an effort to increase revenues, combine talent and technology, reduce cost and implement effective management. More recently, we announced the Proposed Demerger. The Proposed Demerger aims to, inter alia, create independent global scale companies focusing exclusively on mining, production and/or supply of aluminium, iron ore, copper, oil and gas and on generation and distribution of power and exploring new opportunities and taking advantage of the growth potential in the respective sectors, attract different sets of investors, strategic partners, lenders, and other stakeholders enabling independent collaboration and expansion in the respective companies without committing the existing organisation in its entirety and enable investors to separately hold investments in businesses with different investment characteristics thereby enabling them to select investments which best suit their investment strategies and risk profiles. See the section entitled "***— Proposed Demerger***" on page 32 for more information.

As part of our Group's ongoing objective of optimising its capital structure and shareholding in its subsidiaries, we may look to raise financing (debt and/or equity) in order to recalibrate such capital structure and increase our shareholding in one or more subsidiaries. We may also combine our organic growth of operations with the strategy of selectively making acquisitions in attractive businesses to complement our existing operations, to align those acquisitions with our expansion strategies, and to increase our revenues and profits.

3. ***Committed to environmental, sustainability and corporate governance leadership in the natural resources sector.***

Our Group is committed to conducting its business in a socially responsible, ethical and environmentally friendly manner and continue working towards improving the quality of life of the communities in its operational areas. We believe that we can positively impact and contribute to the realisation of integrated and inclusive development of the country, with programs impacting the overall socio-economic growth and empowerment of people. See also "***Our Business – Sustainability***" on page 211 for more details. Our sustainability framework guides to ensure a long-term, sustainable future for our business operations, meeting growth aspirations, and creating long-term value for all stakeholders.

Additionally, through its philanthropic arm, Anil Agarwal Foundation, our Group has impacted over 50 million lives and pledged ₹50 billion over next five years to strengthen the rural communities through a sustainable and inclusive growth model. The aim is to transform communities by providing nutrition and healthcare to 100 million women and children by 2030.

4. ***Focus on digitalisation and innovation to drive efficiency and resilience.***

We continue to focus on operational excellence and high asset utilisation to ensure cost efficiency, performance and consistent cash flows. We have been adopting a digital-first culture that ensures sustained technology innovation and digital literacy of the entire workforce.

5. Optimise capital allocation and maintain strong asset base.

A key strategic priority for us is to maintain and grow cash flow through disciplined approach on capital allocation towards capital expenditure and operating expenditure; along with disciplined management of working capital. Despite low commodity prices recently, we continued to deliver consistent EBITDA and free cash flows through a strong focus on our cost optimisation plan. As our Group continues to ramp up its portfolio of diversified, low-cost and well-invested assets, we expect to generate significant organic free cash flow with minimal remaining capital expenditure.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections titled "***Risk Factors***", "***Use of Proceeds***", "***Placement***", "***Issue Procedure***" and "***Description of the Equity Shares***" on pages 48, 83, 242, 229, 257, respectively.

Issuer	Vedanta Limited
Face Value	₹ 1 per Equity Share
Issue Price	₹ [●] per Equity Share (including a premium of ₹[●] per Equity Share)
Floor Price	₹461.26 per Equity Share, calculated in accordance with Regulation 176 under Chapter VI of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. The Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders through their special resolution passed through postal ballot dated June 21, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of up to [●] Equity Shares, aggregating up to ₹ [●] crores, at a premium of ₹ [●] each. A minimum of 10% of the Issue Size i.e., up to [●] Equity Shares, shall be available for Allocation to Mutual Funds only and up to [●] Equity Shares should be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board resolution authorizing the Issue	May 16, 2024
Date of shareholders' resolution authorizing the Issue	June 21, 2024
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. For further details, see "***Issue Procedure***", "***Selling Restrictions***" and "***Transfer Restrictions***" on page 229, 244 and 250, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by our Company in consultation with the BRLMs.
Dividend	See "***Description of the Equity Shares***" and "***Dividends***" on pages 257 and 95, respectively.
Indian taxation	For the statement of tax benefits available to our Company and its Shareholders under the applicable laws in India, see "***Indian Taxation***" on page 260.
Equity Shares issued and outstanding immediately prior to the Issue	3,71,75,04,871 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares
Listing and trading	Our Company has obtained in-principle approvals each dated July 15, 2024 in terms of Regulation 28(1)(a) of the SEBI Listing Regulations from the Stock Exchanges, for listing of the Equity Shares issued pursuant to this Issue. Our Company will make applications to each of the Stock Exchanges to obtain final listing and trading approval for the Equity Shares after the Allotment and after the credit of the Equity Shares to the beneficiary account of the Depository Participant. The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.
Lock-up	For details in relation to lock-up, see "***Placement – Lock-up***" on pages 242 for a description of restrictions on our Company and Promoters in relation to the Equity Shares.
Transferability restrictions	The Equity Shares to be allotted and issued pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For details in relation to other transfer restrictions, see "***Transfer Restrictions***" on page 250.
Use of proceeds	The proceeds from the Issue aggregate up to ₹[●] crores which is proposed to be utilised for: (i) repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by our Company and/or one of our Subsidiaries, THLZV; and (ii) general corporate purposes. See "***Use of Proceeds***" on page 83 for additional information regarding the use of proceeds from the Issue.
Risk factors	See "***Risk Factors***" on page 48 for a discussion of risks you should consider before investing in the Equity Shares.
Closing Date	The Allotment of the Equity Shares pursuant to the Issue is expected to be made on or about [●].
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects

	with the existing Equity Shares of our Company, including in respect of voting rights and dividends. The shareholders (as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Our shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act, 2013. For further details, see "***Dividends***" and "***Description of the Equity Shares***" on pages 95 and 257, respectively.	
Voting Rights	See "***Description of the Equity Shares – Voting Rights***" on page 258.	
Security codes for the Equity Shares	ISIN	INE205A01025
	BSE Code	500295
	NSE Symbol	VEDL

SELECTED FINANCIAL INFORMATION

*The following tables set out selected financial information derived from our Audited Consolidated Financial Statements, prepared in accordance with the applicable accounting standards (Ind AS), Companies Act, 2013, as applicable, and presented in "**Financial Information**" on page 296. The selected financial information presented below should be read in conjunction with "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" and "**Financial Information**", on pages 96 and 296, respectively, for further details. Unless stated or context requires otherwise, the financial information contained in this Preliminary Placement Document as at and for the year ended March 31, 2024 is derived from the Fiscal 2024 Audited Consolidated Financial Statements, financial information as at and for the year ended March 31, 2023 is derived from comparatives presented in Fiscal 2024 Audited Consolidated Financial Statements and financial information as at and for the year ended March 31, 2022 is derived from the comparatives presented in Fiscal 2023 Audited Consolidated Financial Statements.*

SUMMARY OF CONSOLIDATED BALANCE SHEET

(₹ in crores)

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	96,715	93,768	91,990
Capital work-in-progress	20,331	17,273	14,230
Intangible assets	2,248	1,976	1,476
Exploration intangible assets under development	2,558	2,256	1,649
Financial assets			
Investments	987	514	151
Trade receivables	2,409	2,532	3,001
Loans	5	10	3,166
Derivatives	3	-	-
Others	2,670	3,784	3,092
Deferred tax assets (net)	2,689	7,074	5,085
Income tax assets (net)	3,796	2,077	2,762
Other non-current assets	4,472	3,606	3,442
Total non-current assets	**1,38,883**	**1,34,870**	**1,30,044**
Current asset			
Inventories	13,001	15,012	14,313
Financial assets			
Investments	10,882	12,636	17,140
Trade receivables	3,607	4,014	4,946
Cash and cash equivalents	2,812	6,926	8,671
Other bank balances	1,515	2,328	6,684
Loans	3,364	3,760	2,304
Derivatives	168	214	258
Others	12,757	7,868	8,724
Income tax assets (net)	48	1,256	25
Other current assets	3,770	6,493	5,273
Total Current assets	**51,924**	**60,507**	**68,338**
Total Assets	**1,90,807**	**1,95,377**	**1,98,382**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	372	372	372
Other Equity	30,350	39,051	65,011
Equity attributable to owners of Vedanta Limited	**30,722**	**39,423**	**65,383**
Non-controlling interests	11,347	10,004	17,321
Total Equity	**42,069**	**49,427**	**82,704**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	50,633	43,476	36,205
Lease liabilities	536	144	150
Derivatives	-	20	6
Other financial liabilities	493	1,606	1,327
Provisions	3,105	3,426	3,386
Deferred tax liabilities (net)	10,152	5,922	4,435
Other non-current liabilities	5,158	4,309	4,674
Total non-current liabilities	**70,077**	**58,903**	**50,183**
Current liabilities			
Financial liabilities			
Borrowings	21,125	22,706	16,904
Lease liabilities	477	302	324

(₹ in crores)

Particulars	As at		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Operational buyers' credit/suppliers' credit	14,935	13,701	11,151
Trade payables	10,095	11,043	10,380
Derivatives	144	193	531
Other financial liabilities	17,569	24,861	17,094
Other current liabilities	11,477	13,238	7,777
Provisions	341	381	417
Income tax liabilities (net)	2,498	622	917
Total Current liabilities	**78,661**	**87,047**	**65,495**
Total Equity and Liabilities	**1,90,807**	**1,95,377**	**1,98,382**

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in crores, unless otherwise stated)

Particulars	For the year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from operations	1,41,793	1,45,404	1,31,192
Other operating income	1,934	1,904	1,540
Other income	2,550	2,851	2,600
Total income	**1,46,277**	**1,50,159**	**1,35,332**
Expenses			
Cost of materials consumed	44,115	44,470	37,397
Purchases of stock-in-trade	116	57	133
Changes in inventories of finished goods, work-in-progress and stock in trade	176	(377)	(2,049)
Power and fuel charges	23,547	30,950	20,939
Employee benefits expense	3,300	3,098	2,811
Finance costs	9,465	6,225	4,797
Depreciation, depletion and amortization expense	10,723	10,555	8,895
Other expenses	37,275	34,688	28,677
Total expenses	**1,28,717**	**1,29,666**	**1,01,600**
Profit before exceptional items and tax	**17,560**	**20,493**	**33,732**
Net exceptional gain/(loss)	2,803	(217)	(768)
Profit before tax	**20,363**	**20,276**	**32,964**
Tax expense:			
Other than exceptional items			
Net current tax expense	5,906	7,624	6,889
Net deferred tax expense/ (benefit)	400	(1,580)	2,544
Exceptional items			
Net deferred tax expense	8,339	1,269	402
Net current tax benefit	(1,819)	(1,543)	(580)
Net tax expense:	**12,826**	**5,770**	**9,255**
Profit after tax for the period before share in profit/ (loss) of jointly controlled entities and associates	**7,537**	**14,506**	**23,709**
Add: Share in profit/ (loss) of jointly controlled entities and associates	2	(3)	1
Profit for the period after share in profit/ (loss) of jointly controlled entities and associates (A)	**7,539**	**14,503**	**23,710**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement loss on defined benefit plans	(8)	(11)	(18)
Tax benefit	7	11	1
(Loss)/ gain on FVOCI equity investment	(17)	(37)	15
Items that will be reclassified to profit or loss			
Net (loss)/ gain on cash flow hedges recognized during the period	(53)	3,451	(271)
Tax benefit/ (expense)	15	(1,201)	90
Net gain/ (loss) on cash flow hedges recycled to profit or loss	(51)	(3,433)	371
Tax benefit/ (expense)	13	1,201	(131)
Net gain/ (loss) on FVOCI debt investment	2	(34)	-
Tax (expense)/ benefit	(0)	4	-
Exchange differences on translation	(1,814)	886	793
Tax benefit	18	84	13
Total other comprehensive (loss)/ income (B)	**(1,888)**	**921**	**863**
Total comprehensive income for the period (A+B)	**5,651**	**15,424**	**24,573**
Profit attributable to:			
Owners of Vedanta Limited	4,239	10,574	18,802
Non-controlling interests	3,300	3,929	4,908
Other comprehensive (loss)/ income attributable to:			
Owners of Vedanta Limited	(1,879)	987	823
Non-controlling interests	(9)	(66)	40

(₹ in crores, unless otherwise stated)

Particulars	For the year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Total comprehensive income attributable to:			
Owners of Vedanta Limited	2,360	11,561	19,625
Non-controlling interests	3,291	3,863	4,948
Earnings per equity share (₹):			
- Basic	11.42	28.50	50.73
- Diluted	11.33	28.32	50.38

SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ in crores)

Particulars	For the year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	20,363	20,276	32,964
Adjustments for:			
Depreciation, depletion and amortization	10,744	10,597	8,919
Impairment charge/(reversal) on property, plant and equipment/ Capital work-in-progress (CWIP)/ Other assets written off (net)	(185)	(771)	(2,621)
Other exceptional items	(2,618)	-	771
Provision for doubtful advances/ expected credit loss/ bad debts written off	261	426	244
Exploration costs written off	786	327	2,618
Liabilities written back	(135)	(256)	(65)
Other non-cash items	-	(66)	-
Net gain on sale of long-term investments	(178)	-	-
Fair value gain on financial assets held at fair value through profit or loss	(128)	(74)	(209)
Loss on sale/ discard of property, plant and equipment (net)	114	9	(128)
Foreign exchange loss (net)	263	492	235
Unwinding of discount on decommissioning liability	135	96	78
Transfer of CSR assets	-	117	-
Share based payment expense	70	77	79
Interest and dividend income	(1,727)	(2,283)	(1,887)
Interest expense	9,330	6,129	4,712
Deferred government grant	(308)	(273)	(245)
Changes in working capital			
Decrease/ (Increase) in trade and other receivables	180	1,662	(8,199)
Decrease/ (Increase) in inventories	1,670	(728)	(4,373)
(Decrease)/ Increase in trade and other payables	(298)	3,665	7,806
Cash generated from operations	**38,339**	**39,422**	**40,699**
Income taxes paid (net)	(2,685)	(6,357)	(5,736)
Net cash generated from operating activities	**35,654**	**33,065**	**34,963**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment (including intangibles, CWIP, capital advances and creditors)	(16,752)	(13,787)	(10,630)
Proceeds from sale of property, plant and equipment	195	133	325
Loans repaid by related parties	267	2,408	1,623
Deposits made	(2,361)	(4,203)	(11,966)
Proceeds from redemption of deposits	1,768	9,238	16,960
Short term investments made	(53,764)	(1,11,039)	(87,135)
Proceeds from sale of short-term investments	55,851	1,15,244	86,848
Interest received	1,678	1,674	1,868
Dividends received	40	18	1
Payment made to site restoration fund	(204)	(129)	(147)
Proceeds from sale of investment in subsidiary	84	-	-
Proceeds from sale of long-term investments	8	-	-
Purchase of long-term investments	(496)	(250)	-
Net cash used in investing activities	**(13,686)**	**(693)**	**(2,253)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of short-term borrowings (net)	(148)	(951)	875
Proceeds from current borrowings	10,770	23,846	13,256
Repayment of current borrowings	(18,770)	(18,319)	(10,337)
Proceeds from long-term borrowings	25,478	18,624	20,916
Repayment of long-term borrowings	(12,515)	(10,464)	(28,758)
Interest paid	(9,825)	(5,530)	(5,274)
Payment for acquiring non-controlling interest	-	(17)	-
Payment of dividends to equity holders of the Company, net of taxes	(18,572)	(29,959)	(16,681)
Payment of dividends to non-controlling interests	(1,928)	(11,190)	(2,668)
Payment of lease liabilities	(382)	(182)	(232)
Purchase of treasury shares for stock options	(200)	-	-
Net cash used in financing activities	**(26,092)**	**(34,142)**	**(28,903)**

(₹ in crores)

Particulars	For the year ended		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Effect of exchange rate changes on cash and cash equivalents	10	25	10
Net (decrease)/ Increase in cash and cash equivalents	**(4,114)**	**(1,745)**	**3,817**
Cash and cash equivalents at the beginning of the year	6,926	8,671	4,854
Cash and cash equivalents at end of the year	**2,812**	**6,926**	**8,671**

Reservations, Qualifications and Adverse Remarks

There are no reservations, qualifications and adverse remarks by our Statutory Auditors for the previous five Fiscals, except in respect of Fiscal 2021, the report on internal controls over financial reporting was qualified to include a material weakness in Group's internal controls for benchmarking the terms and authorisation of loans and guarantees between itself and its controlling shareholders and their affiliates, which were not effective and which could potentially result in loans being advanced and guarantees being issued in a manner which may impact the recognition, measurement and disclosure of such transactions in the financial statements.

With respect to this qualification, during the Fiscal 2022, our management took significant measures to successfully remediate the identified material weakness in Fiscal 2021. As part of remediation plan, we have updated our internal policies and procedures regarding authorizations for such related party transactions which now require that every related party transaction proposed to be undertaken by the subsidiaries outside our Group would need prior approval from the Board of our Company and/or our Audit and Risk Committee. Further, we have implemented new controls over estimation of the fair values of financial instruments entered into with our related parties, whereby the rationale for every input used in determination of the fair value is documented and reviewed by our management. Our management performed testing and concluded that, through this testing, the previously identified material weakness relating to certain control deficiencies in the design and operation of our internal control over financial reporting in connection with the preparation of our consolidated financial statements, has been remediated as of March 31, 2022.

Additionally, for details of the other matters and emphasis-of-matter included in the audit reports to the Fiscal 2024 Audited Consolidated Financial Statements and the Fiscal 2022 Audited Consolidated Financial Statements, respectively, please see "***Risk Factors – 17. The audited consolidated financial statements for the Fiscals 2020, 2021, 2022 and 2024 contain, inter alia, emphasis-of-matters.***" on page 56.

RELATED PARTY TRANSACTIONS

For details of the related party transactions of our Company during (i) Fiscal 2024; (ii) Fiscal 2023; and (iii) Fiscal 2022, as per the requirements under Ind AS 24 "Related Party Disclosures" read with Section 133 of the Companies Act, 2013, as amended and Ind AS rules 2015, as amended see "***Financial Information***" on page 296.

RISK FACTORS

*This Preliminary Placement Document contains certain forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document. For further information, see "**Forward-Looking Statements**" on page 16.*

*An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider the risks and uncertainties described below and the other information contained in this Preliminary Placement Document before making any investment decision relating to the Equity Shares. The risks and uncertainties described below are not the only risks that we currently face. The occurrence of any of the following events, or the occurrence of other risks that are not currently known to us or that are now deemed by us to be immaterial, could adversely affect our business, financial condition, results of operations, cash flows and prospects and could cause the market price of the Equity Shares to decline and you could lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us on a consolidated basis and the terms of the Issue, including the merits and risks involved. Investors should consult their respective tax, financial and legal advisors about the particular consequences of an investment in this Issue. Please read "**Presentation of Financial and Other Information — Financial Data and Other Information**" on page 10 before reading this section. This section should also be read together with "**Industry Overview**", "**Our Business**", "**Management's Discussion and Analysis of Financial Condition and Results of Operation**" and "**Selected Financial Information**" on pages 131, 189, 96 and 40, respectively.*

Unless stated otherwise in the risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. In making an investment decision with respect to this Issue, you must rely on your own examination of our Group and the terms of this Issue, including the merits and risks involved.

Unless stated otherwise, all financial information is presented on a consolidated basis. Our financial year ends on March 31 of every year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year.

*Certain information in this section includes extracts from the ICRA Report. None of our Company, the Book Running Lead Managers or any other person connected with the Issue has independently verified all the information contained in ICRA Report. For more information see "**Industry Overview**" on page 131.*

Risks Relating to Business

1. The Proposed Demerger remains subject to regulatory approvals and lender consents. It may not be consummated or result in the expected benefits.

Our Company has announced its intention to undertake the Proposed Demerger to demerge its business units into independent companies. The Proposed Demerger will result in six separate listed companies, namely: Vedanta Aluminium, Vedanta Oil and Gas, Vedanta Power, Vedanta Iron and Steel, Vedanta Base Metals and our Company. For details of the Proposed Demerger, see "***Our Business – Proposed Demerger***" on page 190.

The Proposed Demerger remains subject to the relevant regulatory (e.g. SEBI, NCLT and the Stock Exchanges), creditor, shareholders and other third-party approvals and consents. There is no assurance that we will obtain these approvals and consents and, accordingly, there is no assurance that the Proposed Demerger will be consummated. The Proposed Demerger is intended to be a continuation of our corporate structure simplification strategy and our initiative to unlock value and potential for faster growth in each vertical branch. If the Proposed Demerger is not consummated, we may not be able to achieve financial, operational, strategic and other potential benefits from the Proposed Demerger.

If the Proposed Demerger is consummated, we may still not achieve the economic benefits that we expect from the Proposed Demerger. Some of the businesses have not operated as independent businesses, and may face new and unforeseen challenges from the disintegration, including (but not limited to) capital and debt allocation, cash flows maintenance, redeployment of employees, unforeseen liabilities, union issues, the diversion of resources and management attention from our existing business structure, any of which could result in a material adverse effect on the respective company's results of operations, cash flows and financial condition.

Furthermore, the Issue is proposed to be undertaken pending the completion of the Proposed Demerger, and the record date for the Proposed Demerger is still to be decided. As a result, subscribers in the Issue who receive shares of our Company will be entitled to receive shares of Vedanta Aluminium, Vedanta Oil and Gas, Vedanta Power, Vedanta Steel and Ferrous Materials, and Vedanta Base Metals, in accordance with the share entitlement ratio specified in the Proposed

Demerger scheme. However, as the Issue will result in a change in our Company's issued share capital prior to the completion of the Proposed Demerger, there may be unforeseen delays in the implementation of the Proposed Demerger, including in the event we are required to submit additional information or documentation to SEBI, the Stock Exchanges, or the NCLT. We cannot assure you that the Proposed Demerger will be implemented in a timely manner, or at all. We may also incur additional costs towards harmonizing functions pursuant to the Proposed Demerger.

2. The Proposed Demerger could have materially adverse tax consequences to investors.

The Proposed Demerger has not been structured to achieve any particular non-Indian tax treatment, and no analysis has been conducted regarding the potential non-Indian tax consequence of the Proposed Demerger (which could be significantly adverse to a particular investor). The tax consequences of the Proposed Demerger to a particular investor will likely depend on applicable laws in the jurisdiction in which the investor is resident for tax purposes or otherwise in which it is generally subject to tax. For example, the Proposed Demerger could potentially be treated, in whole or in part, as a taxable distribution for U.S. investors and result in other adverse consequences to them as described in more detail in "***Certain U.S. Federal Income Tax Considerations – Passive Foreign Investment Company Considerations***" on page 271. Except to the very limited extent described in this Preliminary Placement Document, no information is being provided by our Company regarding the potential tax consequences of the Proposed Demerger. Accordingly, prospective investors should consult their own tax advisers regarding the potential tax consequences of the Proposed Demerger. Investors are liable for their own taxes and shall not have any recourse to our Company or its subsidiaries or the Book Running Lead Managers or any of their affiliates or any of their directors, employees or executives or any other person with respect their taxes.

3. Vedanta Resources Limited, our parent company, has a significant amount of indebtedness and its ability to refinance its existing indebtedness is dependent on fees and distributions received from our Group.

Our parent company, Vedanta Resources Limited ("**VRL**") has a significant amount of indebtedness, and a material amount of such indebtedness will mature in the near future. As a holding company, its ability to service its debt and other obligations will depend on the level of distributions, management and 'brand' fees, and/or intercompany lending and repayments, if any, received from our Group. Specifically, our Company's ability to declare and pay dividends is subject to variety of factors and there is no assurance that our Company will be able to continue to declare and pay dividends in the future for VRL to service its principal or interest payments. See also the section entitled "***— 64. We cannot assure payment of dividends on the Equity Shares in the future.***" on page 75.

While VRL has been successful in its refinancing and liability management endeavours, including the most recent liability management exercise in early 2024, there can be no assurance that it will continue to be successful in refinancing its indebtedness nor that it will continue to receive consistent cash income from our Group. If VRL is unable to pay its indebtedness (whether principal or interest), it could result in a material adverse effect on our results of operations and financial condition.

4. Our future expansions and acquisitions are dependent upon our ability to raise capital.

We will require capital, in the form of debt or equity for, among other purposes, expanding our operations, making acquisitions, managing acquired assets, acquiring new equipment, maintaining the condition of its existing equipment and maintaining compliance with environmental laws and regulations. From time to time, we evaluate the acquisition opportunities in the course of our business. To the extent that cash generated internally and cash available under our existing credit facilities may not be sufficient to fund our capital requirements, we may have to obtain financing in the form of debt or equity financing.

Factors that may affect our access to funding or increase its funding costs include (a) the financial and regulatory environments; (b) adverse changes in our operating results, financial condition or cash flows; (c) currency movements, interest rate increases or volatility or other potential market disruptions; (d) a decrease in bank appetite for risk as a result of tightened lending standards, regulatory capital requirements or otherwise and (e) downgrade in India's sovereign ratings. There can be no assurance that we will continue to be successful in obtaining the necessary funding to fund our future expansions and acquisitions, or be successful in obtaining such funding on terms favourable to us, or that any such future financing would not result in increased finance charges, increased financial leverage or decreased income or the imposition of more restrictive covenants on our businesses and operations. See also the section entitled "***— 9. We are subject to covenants under our credit facilities that limit the flexibility in managing our business.***" on page 52.

5. ***Our ability to refinance our existing indebtedness are dependent upon our ability to raise capital or obtain funding.***

We are dependent on our ability to obtain external funding to refinance our existing and upcoming indebtedness. We have a significant level of indebtedness, and a material amount of such indebtedness will mature in the near future. Failure to obtain necessary funding in a timely manner or failure to obtain terms favourable to us to repay such maturing indebtedness may have a material adverse effect on our business, results of operations, cash flows and financial condition.

Factors that may affect our access to funding or increase its funding costs include (a) the financial and regulatory environments; (b) adverse changes in our operating results, financial condition or cash flows; (c) currency movements, interest rate increases or volatility or other potential market disruptions; (d) a decrease in bank appetite for risk as a result of tightened lending standards, regulatory capital requirements or otherwise and (e) downgrade in India's sovereign ratings. There can be no assurance that we will continue to be successful in obtaining the necessary funding to refinance our existing indebtedness, or be successful in obtaining such funding on terms favourable to us, or that any such future financing would not result in increased finance charges, increased financial leverage or decreased income or the imposition of more restrictive covenants on our businesses and operations. See also the section entitled **"— *9. We are subject to covenants under our credit facilities that limit the flexibility in managing our business.*"** on page 52.

6. ***The volatility of commodity prices may cause a material adverse effect on our revenue, results of operations, cash flows and financial condition.***

Historically, the international commodity prices for oil and gas, zinc, copper, iron ore and aluminium, and the prevailing market treatment and refining charge ("**TcRc**") rate (the charge levied by smelters and refineries for the smelting and refining of copper concentrate from mines into copper metal) for copper have been volatile and subject to wide fluctuations in response to relatively minor changes in the supply of, and demand for, such commodities, market uncertainties, the overall performance of world or regional economies, actions taken by governments and international organisations, the related cyclicality in industries, government policies and regulations such as those relating to taxation, royalties, allowable production, import and export restrictions and environmental protection. For example, in Fiscal Year 2023, the decrease in the prices of aluminium, copper, silver and lead by 11%, 12%, 13% and 8%, respectively, negatively affected our revenue from operations and operating profit however, this was offset by the increase in zinc and Dated Brent prices by 2% and 18%, respectively. In Fiscal Year 2024, the increase in the prices of silver and lead by 10% and 1%, respectively, positively affected our revenue from operations and operating profit however, this was offset by the decrease in zinc, Dated Brent, aluminium, and copper prices by 25%, 14%, 11% and 2%, respectively. Additionally, cost of production of our metal production businesses is also affected by fluctuation in coal price, as a majority of our power requirements are met by captive power plants which are primarily coal-fuelled. Specifically, our Aluminium Business has high energy consumption due to the power-intensive nature of aluminium smelting. Any change in coal prices or the mix of coal that is utilised, primarily whether the coal is sourced locally or imported, can affect the cost of generating power and ultimately the cost of production of our Aluminium Business.

A portion of our alumina requirements is sourced internally from captive refinery at Lanjigarh, Odisha, and remaining volumes are sourced from global suppliers mostly at index-linked prices. The exposure to global prices indices affects the profitability of our aluminium operations. During Fiscal Year 2024, 88% of BALCO's and 52% of our Company's alumina requirement were sourced from third parties. The market price of the alumina that we purchase from third parties and the market price of the aluminium metals that we sell has experienced volatility in the past and any increase in the market price of the alumina relative to the market price of the aluminium that we sell would adversely affect the profitability and operating margins of our Aluminium Business, which could have a material adverse effect on our business, cash flows, financial condition and results of operations.

The revenue of our Zinc, Lead and Silver Business fluctuates based on the volume of sales and the London Metal Exchange Limited ("**LME**") price of zinc and lead and London Bullion Metal Association ("**LBMA**") price for silver. Our Zinc India Business is fully integrated, so its profitability is dependent upon the difference between the LME price of zinc, lead and silver and the cost of production, which includes the costs of mining and smelting.

Volatility in oil prices may have a material and adverse impact on our revenues and financial condition. Historically, international prices for crude oil and natural gas have fluctuated as a result of many macro-economic, geo-political and regional factors. The prices we receive for our sales of crude oil are generally linked to international price levels for crude oil such as Dated Brent, an international benchmark crude for low sulphur crude grades. Any change in the prices of international crude benchmarks such as Dated Brent would impact the revenue from our Oil and Gas Business. The implied price realisation of crude oil for Fiscal Year 2024 was within the range of 8.0% to 10.0% discount to Dated Brent for crude oil from the Rajasthan Block, Cambay Block and Ravva Block, due to the prevailing oil market conditions. Movements in discount affect our revenue realisation and any increase in quality differentials may adversely impact our revenues and profits. Crude oil price averaged $75.5 per barrel in Fiscal Year 2024, compared to $92.4 per barrel in Fiscal Year 2023.

Similarly, we purchase copper concentrate and blisters at the LME price for copper metal for the relevant quotational period less the TcRc that we negotiate with our suppliers which is influenced by the global copper concentrate and blister demand, supply of copper smelting and refining capacity, LME trends, LME-linked price participation among other factors. The TcRc has historically fluctuated independently from the copper LME price. We attempt to make the LME price a pass-through cost as our copper concentrate and blisters purchases and sales of finished copper products are based on LME prices. Nevertheless, we are also exposed to differences in the LME price between the quotational periods for the purchase of copper concentrate and sale of the finished copper products, and any decline in the copper LME price between these periods will adversely affect our business, cash flows, financial condition and results of operations.

Our profitability in our Steel Business is largely dependent on the prices of imported coking coal and movement in iron ore prices in the domestic market which is volatile. Both coking coal and iron ore together constitute approximately 62% of the cost of production for our Steel Business in Fiscal Year 2024. Prices of iron and steel are influenced by several macro-economic factors. These include global economic slowdown, the US-China trade war, the Russia-Ukraine conflict, supply chain destocking, government investment on infrastructure, the emphasis on developmental projects, demand-supply forces and production and inventory levels across the world, and especially in China. Iron and steel products are largely sold in the domestic market and prices of the products are subject to demand and supply factors and macro-economic factors. Any adverse movement in prices will have a direct impact on profit realisation and resultant margins.

7. ***Our results of operations have been and are expected to continue to be substantially dependent on the reserves, production and the cost of production at certain key assets; if we cannot secure additional reserves at competitive costs, our profitability and operating margins could decline.***

We have significant asset concentration risks, and any interruption in the operations at those assets could have a material adverse effect on our results of operations, cash flows and financial condition. For example, our Oil and Gas Business, which contributed 13% of our revenue from operations in Fiscal Year 2024, has been and is expected to continue to be substantially dependent on the reserves, production and cost of production of the Rajasthan Block, and any interruption in the operations or exploration and development activities at those oil and gas fields for any reason could have a material adverse effect on our results of operations, cash flows and financial condition. The Rajasthan Block produced 92.9%, 91.7% and 90.4% of our average daily net production from the oil and gas business in Fiscal Years 2022, 2023 and 2024, and oil and gas from the Rajasthan Block constituted 77.6% of our net aggregate proved plus probable oil and gas reserves and 2C resources on a barrel of oil equivalent basis as of March 31, 2024. Our ongoing capital expenditure programme has focused on development and exploration activities across all the assets, with approximately 66.5% of the capital expenditure for Fiscal Year 2024 have been invested in the Rajasthan Block. The Rajasthan Block PSC was originally valid until May 2020 but has since been extended to May 2030. For details in relation to ongoing legal proceedings pertaining to the extension of the tenure of the Rajasthan Block PSC, see, "***Legal Proceedings***" on page 274.

At our Zinc India Business, the Rampura Agucha mine produced 57%, 58% and 60% of HZL's total mined zinc metal in concentrate and 21%, 22% and 23% of HZL's total mined lead metal in concentrate produced in Fiscal Years 2022, 2023 and 2024 and constituted 28% of our total Proved and Probable Zinc India Ore Reserves as of 31 March 2024. Our India Zinc Business provided 36%, 50% and 37% of our EBITDA in Fiscal Years 2022, 2023 and 2024, respectively. Any interruption in the operations, exploration and development activities at the Rampura Agucha mine for any reason could have a material adverse effect on our results of operations, cash flows and financial condition.

If we cannot secure additional reserves at competitive costs, our profitability and operating margins could decline. Our ability to obtain additional reserves in the future could be limited by restrictions under our existing or future debt agreements, competition from its competitors, lack of suitable acquisition candidates, government regulatory and licencing restrictions, difficulties in obtaining mining leases and surface rights or the inability to acquire such properties on commercially reasonable terms, or at all. The results of appraising discoveries are uncertain which may result in reductions in projected reserves and production declines and may involve unprofitable efforts, not only from dry wells, but also from wells that are productive but uneconomic to develop. Appraisal and development activities may be subject to delays in obtaining governmental approvals or consents, shut-ins of connected wells, insufficient storage or transportation capacity or exhaustion and depletion of reserves or other geological and mechanical conditions all of which may result in a material increase of our costs of operations or delay anticipated revenues.

We may also not be able to accurately assess the geological characteristics of any Ore Reserves that we acquire. As the value of Ore Reserves depends on that part of the mineral deposits that are economically and legally exploitable at the time of the reserve calculation, a decrease in metal prices may result in a reduction in the value of Ore Reserves that we obtain as less of the mineral deposits contained therein would be economically exploitable at the lower prices. Exhaustion of reserves at particular mines may also have an adverse effect on our operating results that is disproportionate to the percentage of overall production represented by such mines. With the depletion of reserves, we may face higher unit extraction costs per mine.

8. ***Our businesses depend upon certain third parties for the supply of our raw material, equipment and services, the execution of projects and, as well as the offtake of our production.***

We source a majority of our copper concentrate and a substantial proportion of our alumina requirements for our Copper and Aluminium Businesses, respectively, from third parties. For example, for Fiscal Year 2024, BALCO and our Company sourced 88% and 52% of their respective alumina requirements from third parties and, due to the closure of the smelter at Tuticorin, we sourced all of our copper concentrates and blisters from external sources for production of copper cathodes at the Silvassa refinery. For the portion of our Aluminium Business where the required alumina is sourced internally, profitability for our Aluminium Business is dependent upon sourcing of key raw materials, such as bauxite, from third parties. As a result, the margins of our Copper and Aluminium Businesses depend upon our ability to obtain the required alumina and copper concentrate and blisters at prices that are low relative to the market prices of the copper and aluminium products that it sells. The market prices of the copper concentrate and alumina that we purchase from third parties and the market prices of the copper and aluminium metals that we sell have experienced volatility in the past, and any increases in the market price of the raw material relative to the market prices of the metal that we sell would adversely affect the results and margins of our Copper and Aluminium Businesses, which could have a material and adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Coal, which is the primary raw material for our Commercial Power Generation Business, is subject to the GoI's coal allocation policies. We could experience a shortfall in the quantity of coal in relation to its requirement or receive lower quality coal, which can result in increased costs and have a material and adverse effect on our business, financial condition, results of operations, cash flows and prospects.

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

For our Oil and Gas Business, we have dedicated infrastructure with public sector and domestic private sector refineries for expected levels of crude oil production from the Rajasthan Block. In certain cases, the relevant counterparty, either legally or as a result of geographic, infrastructure or other constraints or factors, is in practice the sole potential purchaser of the relevant production output. This is particularly the case for sales of gas which relies on the availability or construction of transmission and other infrastructure facilities, enabling the supply of gas produced to be supplied to end users. The absence of competitors for the transmission or purchase of gas produced may expose us to offtake and production delays, adverse pricing or other contractual terms or may restrict the availability of transmission or other necessary infrastructure. Stoppage of off-take or supply could result if the buyers fail to take delivery of volumes anticipated by these sales agreements. In Fiscal Year 2024, four customers accounted for approximately 95% of the total sales of the Rajasthan Block and any unforeseen disruption at these buyers' facilities would affect sales volume and therefore revenue generation. As we are subject to the risk of delayed off-takes or payment for delivered production volumes or counterparty default, any of these events could have an adverse impact on crude oil sales and cash flows.

9. ***We are subject to covenants under our credit facilities that limit the flexibility in managing our business.***

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

- Vedanta Resources Limited continuing to hold (directly or indirectly) more than 50.1% stake in our Company;
- undertaking any new project;
- effecting any scheme of acquisition, merger, amalgamation or reconstitution

- implementing a new scheme of expansion or creation of a subsidiary; and

- opening of current accounts with any other banks from which our Company is not availing any credit facilities.

Our future borrowings may also contain similar restrictive provisions. For example, low commodity prices may adversely impact our profitability and therefore our ability to meet the financial covenants and ratios. Although we have, in the past, successfully obtained similar covenant revisions and/or waivers for our material indebtedness, there can be no guarantee that at such time that we would be able to obtain waivers/relaxations from existing and future lenders commensurate with the then prevailing commodity pricing environment or our financial condition. If we fail to meet our debt service obligations or covenants (or receive approvals from our lenders to undertake certain transactions) provided under the financing agreements, the relevant lenders could declare us to be in default under the terms of our agreements, accelerate the maturity of our obligations or take over the financed project or other security made available to our lenders. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay borrowings. In such an event, we may be forced to renegotiate our financing agreements with our lenders on terms that may not be favourable to us.

Although we comply with our material covenants under our credit facilities for Fiscal Years 2022, 2023 and 2024, there is no assurance that we will remain in compliance with our covenants, and any such breach could have a material adverse effect on our business, results of operations, cash flows and financial condition.

In addition, our lenders may recall all or part of such unsecured amounts borrowed by us on short or no notice. Such recalls on borrowed amounts may be contingent upon happening of an event beyond our control and there can be no assurance that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls, which may adversely affect our results of operations and cash flows.

10. We depend on the experience and management skill of certain of our Key Managerial Personnel and Senior Management.

Our ability to maintain and grow our existing business and integrate new businesses will depend on our ability to maintain the necessary management resources and on our ability to attract, train and retain personnel with skills that enable it to keep pace with growing demands and evolving industry standards. We are in particular dependent to a large degree on the continued service and performance of our senior management team and other key team members in our business units. These key personnel possess technical and business capabilities that are difficult to replace. The loss or diminution in the services of our executive management or other key team members, or our failure otherwise to maintain the necessary management and other resources and grow our business, could have a material adverse effect on our business, results of operations, cash flows, financial condition and prospects. In addition, as our business develops and expands, we believe that our future success will depend on our ability to attract and retain highly skilled and qualified personnel, which is not guaranteed.

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

11. There are outstanding legal proceedings involving our Company, Directors and Material Subsidiaries and other outstanding litigation involving our Company on a consolidated basis, which may be considered material by the Company. Any adverse outcome in such proceedings may impact our ability to raise capital in the future and may have an adverse effect on our reputation, business, results of operations, cash flows, financial condition and prospects.

As on the date of this Preliminary Placement Document, our Company, certain of our Directors and Material Subsidiaries are involved in several legal and regulatory proceedings, including criminal matters, regulatory actions initiated by regulatory and statutory authorities and certain material civil or tax proceedings, which are pending at different levels of adjudication before various courts, tribunals and other authorities. Further, our Promoters may be involved in certain litigation initiated against them by a government department or statutory authority. For further details of some of these legal proceedings, see "***Legal Proceedings***" on page 274. We cannot assure you that the outcome of any of these legal proceedings will be favourable. Any adverse decision in these cases or in any future proceedings in which we may become involved, may adversely affect our business, results of operations, financial condition and cash flows. Such proceedings could divert our management's time and attention and consume our financial resources in their defence or prosecution. In addition, should any new developments arise, such as changes in Indian law or rulings against us by the regulators, appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and current liabilities. If we fail to successfully defend our claims or if our provisions prove to be inadequate, our business, results of operations, financial condition and cash flows could be adversely affected.

These also include certain SEBI related proceedings, under which SEBI had taken certain actions against our Company and certain Directors. For instance, the Chairman, SEBI had issued an order dated April 19, 2001 against Sterlite Industries India Limited (now merged with our Company) ("**SIIL**") in relation to alleged violations of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to securities market) Regulations, 1995, pursuant to which SEBI had prohibited SIIL from accessing the capital markets for a period of two years. This order has been subsequently overruled by the Securities Appellate Tribunal ("**SAT**") *vide* order dated October 22, 2001, and SEBI has filed an appeal before the Bombay High Court. Further, in a separate litigation SEBI had issued an order dated March 12, 2024 against our Company and certain of our Directors and others alleging *inter alia* violations of certain provisions of the Companies Act and SEBI Listing Regulations for delay in payment of dividend by Cairn India Limited (now merged with our Company) to Cairn UK Holdings Limited, pursuant to which SEBI *inter alia* prohibited certain of our Directors and others from dealing in securities for a period of one to two months, as applicable. The SAT *vide* order dated March 20, 2024, has currently granted a stay on the effect and operation of the SEBI order. Both of these matters are currently pending. For further details, see "***Legal Proceedings – Litigation Involving our Company – Litigation against our Company – Actions initiated by statutory or regulatory authorities***" on page 276. Any unfavourable decisions in these matters, especially any matter resulting in prohibition on our Company or any of our Directors from dealing in securities, could affect the ability of our Company to raise further capital during the period of such prohibition.

12. ***Our Promoters and members of our Promoter Group will continue to hold a significant equity stake in our Company after the Issue and their interests may differ from those of the other shareholders.***

As of the date of this Preliminary Placement Document, our Promoters and Promoter Group held 59.32% of our total listed Equity Share capital prior to the Issue. After the completion of the Issue, our Promoters along with the members of our Promoter Group will continue to collectively hold majority of the shareholding in our Company and will continue to exercise control over our business policies and affairs and all matters requiring Shareholders' approval, including the composition of our Board, the adoption of amendments to our constitutional documents, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditure or any other matter requiring special resolution. The interests of our Promoters as our controlling shareholders could conflict with our interests or the interests of our other shareholders. We cannot assure you that our Promoters and members of our Promoter Group will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

13. ***Our Promoters, Directors, Key Managerial Personnel and Senior Management have interests in our Company other than normal remuneration or benefits. They may enter into ventures that may lead to conflicts of interest with our business.***

Certain of our Promoters, Directors, Key Managerial Personnel and Senior Management have interests in our Company that are in addition to reimbursement of expenses and normal remuneration payable to them. Furthermore, certain Promoters, Directors, Key Managerial Personnel and Senior Management may be deemed to be interested to the extent of Equity Shares held by them, as well as to the extent of any dividends, bonuses or other distributions on such Equity Shares. We cannot assure you that our Promoters, Directors, Key Managerial Personnel and Senior Management will exercise their rights as shareholders to the benefit and best interest of our Company. For further information, see "***Board of Directors and Senior Management***" on page 214.

Furthermore, certain of our Promoters and Directors may have interests in entities outside our Group, and this may result in conflict of interest with us. In the event that any conflicts of interest arise, our Promoters and Directors may make decisions regarding our operations, financial structure or commercial transactions that may not be in our shareholders' best interest. Such decisions could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. Should we face any such conflicts in the future, there is no guarantee that they will be resolved in our favour.

Our Promoters holding Equity Shares may also take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders.

14. ***We have in the past entered into related party transactions and will continue to do so in the future.***

In the ordinary course of our business, we have in the past entered into transactions with our related parties and it is likely that we may enter into related party transactions in the future. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with an unrelated party or that our shareholders would not question the related party transactions that we enter into.

While we will conduct all related party transactions subject to the Board's or Shareholders' approval, as applicable, and in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions of the SEBI Listing Regulations and other applicable law, such related party transactions may potentially involve conflicts of interest. For example, in Fiscal Year 2021, some of our shareholders raised corporate governance concerns relating to intercompany loans extended by certain wholly owned overseas subsidiaries, including Cairn India Holdings Limited ("**CIHL**"). In response, during Fiscal Year 2022, we updated our policies and procedures regarding authorisations for such related party transactions which now require that every related party transaction proposed to be undertaken by our subsidiaries outside our Group would need prior approval from the board of directors and/or the audit committee of our Company. We will endeavour to duly address such conflicts of interest as and when they may arise, however, we cannot assure you that such future transactions, individually or in the aggregate, may not involve potential conflict of interest which will not have an adverse effect on our business, results of operations, cash flows and financial condition. In respect of loans or advances that our Company and subsidiaries provide to related parties, there can be no assurance that we will be able to recover all or any part of such loans or advances which, if unrecoverable, may have an adverse effect on our business, results of operations, cash flows and financial condition.

15. ***Third-party interests in our subsidiaries may restrict our ability to deal freely with our subsidiaries, which may have a material adverse effect on our results of operations and financial condition.***

We do not wholly own all of our operating subsidiaries, and although we hold majority stakes in all of our subsidiary businesses and we have direct or indirect management control, certain of these operating subsidiaries have other shareholders who, in some cases, hold substantial interests. As a result of this, these subsidiaries may be subject to additional legal or regulatory requirements, or we may be prevented from taking certain courses of action without the prior approval of a particular or a specified percentage of shareholders (including in certain cases majority of minority approval, e.g., in case of material related party transactions) and/or regulatory bodies (under shareholders' agreements, relationship agreements or by operation of law). The existence of minority or other interests in our subsidiaries may limit our ability to increase our equity interests in these subsidiaries, combine similar operations, utilise synergies that may exist between the operations of different subsidiaries, move funds among the different parts of its businesses or reorganise the structure of our business in a tax efficient manner, which may have a material adverse effect on our results of operations, cash flows and financial condition.

There is also a risk that other parties with interests in our assets may elect not to participate in certain activities relating to those assets which require such party's consent. In such circumstances, it may not be possible for such activities to be undertaken by us alone or in conjunction with other participants at the desired time or at all. In addition, other joint operation partners may default in their obligations to fund capital or other funding obligations in relation to the assets. In certain circumstances, we may be required under the terms of the relevant operating agreement to contribute all or part of any such funding shortfall, which could adversely impact our business, financial condition, cash flows or results of operations. In order to mitigate such risks, execution of projects is undertaken after aligning the partners for the oil and gas development activities.

16. ***Our funding requirements and the proposed deployment of Proceeds have not been appraised by any bank or financial institution or any other independent agency or the BRLMs.***

We propose to utilise the proceeds for the purposes described in "***Use of Proceeds***" on page 83. The funding requirements are based on internal management estimates and current conditions which are subject to changes due to changes in external circumstances, costs, other financial condition or business strategies. As a consequence of any increased costs, our actual deployment of funds may be higher than our management estimates and may place a burden on our finance plans. Our proposed deployment of proceeds has not been appraised by any bank or financial institution or any other independent agency or the BRLMs and is based on management estimates. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, financial condition, results of operations and cash flows. We have appointed ICRA as the monitoring agency for monitoring the utilization of proceeds in accordance with Regulation 173A of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations. Further, the application of the proceeds in our business may not lead to an increase in the value of your investment. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the proceeds to achieve profitable growth in our business.

17. ***The audited consolidated financial statements for the Fiscals 2020, 2021, 2022 and 2024 contain, inter alia, emphasis-of-matters.***

Our statutory auditors, S.R. Batliboi & Co. LLP, have in their audit report to the Fiscal 2024 Audited Consolidated Financial Statements included an emphasis-of-matter paragraph by drawing reference to a note to the Fiscal 2024 Audited Consolidated Financial Statements with respect to accounting for an acquisition approved by the NCLT, Hyderabad Bench, overriding the applicable Ind AS requirements. Furthermore, our statutory auditors have included emphasis-of-matter paragraphs by drawing reference to a note in the audited consolidated financial statements for the Fiscal 2020 pertaining to the uncertainties related to Covid-19; and for Fiscals 2020, 2021 and 2022, with respect to the GoI's share of profit oil by the Director General of Hydrocarbons and one of the pre-conditions for the extension of the Rajasthan Block PSC is the settlement of these demands. The addendum to the Rajasthan Block PSC has since been signed and the Rajasthan Block PSC has been extended to May 2030.

The above emphasis-of-matter indicate matters of significance associated with the financial statements of our Company which our statutory auditors consider to be important enough to warrant a mention in their audit reports but without qualifying its opinion therein. Potential investors must therefore exercise caution when reading such financial statements to evaluate financial condition, results of operations and cash flows.

In relation to Fiscal 2024 Audited Consolidated Financial Statements, auditors report under paragraph report on other legal and regulatory requirements included a modification to indicate that audit trail feature was not enabled for direct changes to data in certain database when using system administrator access rights. There can be no assurance that our current or future statutory auditors will not include matters of emphasis or other similar comments in the audit reports to our audited financial statements or will not affect our financial results in future Fiscals. Investors should consider these matters of emphasis and related remarks in evaluating our financial condition, results of operations and cash flows. Any such modification in the auditors' report on our financial statements in the future may also adversely affect the trading price of the Equity Shares.

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

Mining is subject to complex and comprehensive laws and regulatory requirements. These laws and regulatory requirements are subject to change. If we are affected, directly or indirectly, by the application or interpretation of any such statute, enforcement proceedings initiated under it, it may have a material adverse effect on our business, financial condition and result of operations. For example, recently the Mines and Minerals (Development and Regulation) Amendment Act, 2023 dated August 9, 2023 ("**MLAA**") brought forth amendments in the Mines and Minerals (Development and Regulation) Act, 1957 ("**MMDR Act**"). The MLAA has introduced, among other things, the requirement of an exploration license, to be granted for reconnaissance or prospecting or both activities for specified minerals including copper bearing minerals, lead bearing minerals, silver, and zinc bearing minerals. Such exploration licenses are to be granted by the State Government through auction by way of competitive bidding, and will be valid for five years. If we are affected, directly or indirectly, by the application or interpretation of any such statute, as and when notified, including any enforcement proceedings initiated under it and any adverse publicity that may be generated due to prosecution, it may have a material adverse effect on its business, financial condition and result of operations.

Furthermore, we are subject to complex and comprehensive oil and gas regulations. Any new or changed oil and gas regulations could require changes to the manner in which we conduct our business, and result in an increase in compliance costs, which could have a material adverse effect on our business, financial condition, cash flows and results of operations. The costs, liabilities and requirements associated with complying with existing and future laws and regulations, within India or in other jurisdictions may also be substantial and time-consuming and may delay the commencement or continuation of oil and gas exploration or metal mining and production activities. For example, upon the expiry of oil and gas licences, contractors are generally required, under the terms of relevant licences or local law, to dismantle and remove equipment, cap or seal wells and generally make good production sites. There can, however, be no assurance that we will not in the future incur decommissioning charges in excess of those currently provided for, since local or national governments may require decommissioning to be carried out in circumstances where there is no express obligation to do so, particularly in case of future oil and gas licence renewals. This and any changes to applicable regulations could require changes to the manner in which we conduct our business and result in an increase in compliance costs, which could also have a material adverse effect on our results of operations, cash flows and financial condition.

19. ***Our operations are subject to extensive governmental, health and safety and environmental regulations, which require it to obtain and comply with the terms of various approvals, licences and permits. Any failure to obtain, renew or comply with the terms of such approvals, licences and permits in a timely manner may have a material adverse effect on our results of operations, cash flows and financial condition.***

Numerous governmental permits, approvals and leases are required for our operations as the industries in which it operates and seeks to operate are subject to numerous laws and extensive regulation by national, state and local authorities in jurisdictions including India, Namibia, Ireland, South Africa, Liberia, UAE, Japan, South Korea and Taiwan and any other jurisdictions where we may operate in the future. Our operations are also subject to laws and regulations relating to employment, the protection of the health and safety of employees as well as the environment, including conservation and climate change. For instance, we are required to obtain various environmental and labour-related approvals in connection with its operations in India, including clearances from the Ministry of Environment, Forest and Climate Change, GoI and from the relevant Pollution Control Boards in the various states in India in which we operate, and registration under the Factories Act, 1948 of India, as amended (the "**Factories Act**") to establish and operate its facilities. Certain of such approvals are valid for stipulated periods of time and require periodic renewals. At times, there may be instances where our Company or Material Subsidiaries are in the process of renewing licenses which are material for their business and operations.

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

Furthermore, our global presence exposes it to a number of jurisdictions in which regulations or laws have been or are being considered to limit or reduce greenhouse gas emissions. These changes can result in increased cost of fossil fuels, imposition of levies for emissions in excess of certain permitted levels and increased administrative costs for monitoring and reporting. Increasing regulation of greenhouse gas emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets, can result in increased costs and reduced demand growth. For example, our smelting and mineral processing operations are energy intensive and depend heavily on fossil fuels. Increasing regulation of climate change issues such as greenhouse gas emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets, may raise energy costs and costs of production.

Moreover, our operations in the mining and minerals sector are subject to significant regulatory oversight, which can change in response to environmental, social, and political pressures. There is a risk that new laws or regulations could impose restrictions or outright bans on mining activities in some of the regions where we operate. Such regulatory changes could lead to operational disruptions, financial losses from halted projects, and substantial costs associated with compliance or legal challenges. The implementation of a mining ban could adversely affect our revenue streams and overall financial health, reduce the value of our investments in mining assets, and negatively impact our workforce and local economies dependent on our activities.

Failure by our Company to comply with applicable laws, regulations or recognised international standards, or to obtain or renew the necessary permits, approvals and leases may result in the loss of the right to operate its facilities or continue its operations, the imposition of significant administrative liabilities, or costly compliance procedures, or other enforcement measures that could have the effect of closing or limiting production from its operations. For instance, the Tamil Nadu Pollution Control Board rejected our application for renewal of consent to operate our copper smelter at Tuticorin in Tamil Nadu and issued an order directing the closure of our operations at the smelter with immediate effect, pursuant to which our operations at this facility have been suspended. We filed a review petition before the Supreme Court of India challenging the closure, which is currently pending. For further details, see *"**Legal Proceedings**"* on page 274.

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

20. ***We avail certain benefits under certain GoI incentive schemes. Cancellation or our inability to meet the conditions under such schemes may result in adversely affect our business operations, cash flows, results of operations and financial condition.***

We currently benefit from incentives and schemes granted by the GoI. For example, the GoI provides a variety of export incentives to Indian companies exporting copper, aluminium and zinc from India. We also currently benefit from significant tax holidays, exemptions and tax deferral schemes, which apply for limited periods. See the section entitled "***Management's Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors Affecting Our Results of Operations — Indian Government Policy***" on page 101 for more information. There is no guarantee that we will continue receiving or benefiting from such policies (or similar policies), and it may be possible that the GoI discontinue such policies in the future.

We have filed applications through SPVs for grant of subsidies from the GoI in setting up our semiconductor and display fabs in India. We may be required to satisfy certain conditions or contractual obligations before recognising government grants. However, there can be no assurance that we will be able to fully satisfy these conditions or perform such obligations, and it may be possible that the GoI may discontinue such grants in the future at the GoI's discretion or require us to repay part or all of the grants we may have previously received. There is no assurance that we could continue to be able to meet the requirements to be entitled to such grants, and there can further be no assurance that the grants that we could have enjoyed will not be challenged, altered or discontinued subsequently. Any alteration, suspension or termination of our government grants could have a material adverse effect on our business, financial condition, results of operations, cash flows, profitability and prospects.

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

Although substantially all of our revenue from operations is tied to commodity prices that are typically priced by reference to the US dollar, most of its expenses are incurred and paid in Indian Rupee. In addition, in Fiscal Year 2024, 64% of our revenue from operations was derived from commodities that were sold to customers within India. The exchange rates between the Indian Rupee and the US dollar and between other currencies and the US dollar have changed substantially in recent years and may fluctuate substantially in the future. See "***Management's Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors Affecting Our Results of Operations — Exchange Rates***" on page 104 for details. Our results of operations and financial condition could be adversely affected if the US dollar depreciates against the Indian Rupee or other currencies. We progressively hedge short-term exposures to mitigate near-term currency fluctuations. However, large or prolonged movements in exchange rates may have a material adverse effect on our results of operations, cash flows and financial condition.

22. ***We are exposed to the political, economic, legal, regulatory and social risks of the countries in which it operates.***

We have operations in India, Namibia, Ireland, South Africa, Liberia, UAE, Japan, South Korea and Taiwan. We are exposed to the political, economic, legal, regulatory and social risks of the countries in which it operates or intends to operate. These risks potentially include expropriation and nationalisation of property, instability in political, economic or financial systems, uncertainty arising from underdeveloped legal and regulatory systems, corruption, civil strife or labour unrest, acts of war, armed conflict, terrorism, outbreaks of infectious diseases, prohibitions, limitations or price controls on hydrocarbon exports and limitations or the imposition of tariffs or duties on imports of certain goods. The combination of a finished steel export tax, an increase of iron ore export taxes and a removal of import duties on coking coal have eased cost of production in the region have negatively affected domestic Indian price sentiment. Prices of iron and steel are influenced by several macro-economic factors, such as global economic slowdown, the US-China trade war, Russia-Ukraine conflict, supply chain destocking, government investment on infrastructure, the emphasis on developmental projects, demand-supply forces, the Purchasing Managers' Index in India and production and inventory levels across the world, especially in China.

Furthermore, countries in which we have operations or intends to have operations have transportation, telecommunications and financial services infrastructures that may present logistical challenges not associated with doing business in more developed locales. Additionally, we may have difficulty ascertaining its legal obligations and enforcing any rights it may have. Social unrest in the countries and communities in which we operate make us vulnerable to community opposition and protests, which could lead to material fines, delays and the revocation of an operation's licence to operate. Although we engage in enhancing its community engagement systems and grievance mechanisms, any failure to maintain these systems could result in their inability to manage civil unrest in and around its operations.

Moreover, once we have established operations in a particular country, it may be expensive and logistically burdensome to discontinue such operations should economic, political, physical or other conditions subsequently deteriorate. All of these factors could have a material adverse effect on our businesses, results of operations, cash flows, financial condition or prospects.

23. ***We may face numerous protective trade restrictions, including anti-dumping laws, countervailing duties and tariffs, which could adversely affect its financial condition, cash flows and results of operations.***

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

In addition, we are subject to the general risk of doing business overseas and may therefore be affected by global trade wars. For example, there is global economic uncertainty following the recent announcement by the United States to levy certain import tariffs on certain Chinese goods. Furthermore, the developing strain on the diplomatic relations between India and China may impact our operations. Our Aluminium and Commercial power Generation Businesses procure several spares and consumables, carbon-related commodities and relining material, alloys and other smaller items from China. While these items are available globally, they were procured from China due to competitive pricings. Alternative sourcing for commodities, alloying, relining, etc. may result in a slight cost increase on these products. Foreign vendors are also working on various technical projects also provide the various technology used in our refinery, smelters and power plants.

While we are actively monitoring these developments and any other indirect impact that may arise across its operations and dynamically evaluating all opportunities and risks to ensure business continuity, there can be no assurance that any of the above circumstances would not adversely affect our results of operations, cash flows and financial condition.

24. ***If our planned expansions and new projects are delayed, our results of operations, cash flows and financial condition may be materially and adversely affected.***

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

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

We do not currently have all of the leases, licences, permits, consents and approvals that are or will be required for its planned expansions and new projects. There can be no assurance that we or our subsidiaries will be able to obtain or renew all necessary leases, licences, permits, consents and approvals in a timely manner or at all. For details, see ***"— 19. Our operations are subject to extensive governmental, health and safety and environmental regulations, which require it to obtain and comply with the terms of various approvals, licences and permits. Any failure to obtain, renew or comply with the terms of such approvals, licences and permits in a timely manner may have a material adverse effect on our results of operations, cash flows and financial condition."*** on page 57.

Any delay in completing planned expansions, revocation of existing clearances, failure to obtain or renew regulatory approvals, non-compliance with applicable regulations or conditions stipulated in the approvals obtained, suspension of current projects, or cost overruns or operational difficulties once the projects are commissioned may have a material adverse effect on our business, results of operations, cash flows and financial condition. Any delay in completing planned expansions could have a material adverse effect on our credit ratings, which may increase its borrowing costs.

25. Any business acquisitions by us entails significant risks.

We may from time to time pursue acquisitions to expand our business. For example, we recently acquired Athena Chhattisgarh Power Limited ("**Athena**") in 2022 and Meenakshi Energy Limited ("**Meenakshi**"), both of which owned coal-based thermal power plants, therefore expanding our Commercial Power Generation Business. However, there can be no assurance that we will be able to identify suitable acquisition, strategic investment or joint venture opportunities, obtain the financing necessary to complete and support such acquisitions, investments or joint ventures, integrate such businesses, investments or joint ventures or that any business acquired will be profitable. If we attempt to acquire non-Indian companies, they may not be able to satisfy certain Indian regulatory requirements for such acquisitions and may need to obtain prior approval of the RBI, which they may not be able to obtain. The funding of such acquisitions by us may require certain approvals from regulatory authorities in India.

In addition, acquisitions and investments involve a number of risks, including possible adverse effects on our operating results, diversion of management's attention, loss of goodwill on account of change in ownership, failure to retain key personnel, risks associated with unanticipated events or liabilities, including environmental liabilities, and difficulties in the assimilation of the operations, technologies, systems, services and products of the acquired businesses or investments. Any failure to achieve successful integration of such acquisitions or investments could have a material adverse effect on our business, results of operations, cash flows and financial condition.

26. Our venture into new greenfield businesses such as semiconductor and display production businesses entails significant risks.

In 2022, we incorporated Vedanta Semiconductors Private Limited and Vedanta Displays Limited to spearhead our foray into semiconductors and display glass businesses, respectively, which is significantly different from our primary business in the natural resources sector. The semiconductors and display glass businesses are relatively new in India, and India does not yet manufacture glass substrates, display glass/panels or semiconductors. Venturing in new greenfield businesses such as semiconductors and display glass entails significant risks, and our success in these new businesses is dependent on our ability to navigate technological complexities, secure adequate funding, and effectively manage supply chain logistics.

While we are hoping to leverage the expertise that it has, for example from its overseas subsidiary Avanstrate Inc., which is one of the top global manufacturers of liquid-crystal display (LCD) glass substrates, there is no assurance that our expansion into the semiconductors and display glass businesses will be successful, which in turn could result in a material adverse effect on our business, financial condition, cash flows or results of operations.

27. Our insurance coverage may prove inadequate to satisfy future claims against it.

We maintain insurance which it believes is typical in the respective industries in which it operates and in amounts which it believes to be commercially appropriate. Nevertheless, We may become subject to liabilities, including liabilities for pollution or other hazards, against which it has not insured adequately or at all, or cannot insure. Our insurance policies contain certain customary *exclusions* and limitations on coverage which may result in its claims not being honoured to the full extent of the losses or damages it has suffered. For example, machinery breakdown in our aluminium facilities is not fully covered by insurance. In addition, our operating entities in India can only seek insurance from domestic insurance companies or foreign insurance companies operating in joint ventures with Indian companies and these insurance policies may not continue to be available at economically acceptable premiums. This is especially risky for the exploration and production of crude oil and natural gas, which is inherently hazardous. A range of factors incorporating natural and manmade factors may result in oil spills, fires, equipment failure, loss of well control, leakage of hydrocarbons or hydrogen sulphide etc., which can result in death, injury and damage to production facilities and the environment. The occurrence of a significant adverse event, the risks of which are not fully covered or honoured by such insurers, could have a material adverse effect on our results of operations, cash flows and financial condition.

28. ***Defects in title or loss of any leasehold interests in our properties could limit its ability to conduct operations on such properties or result in significant unanticipated costs.***

Our ability to mine the land on which it has been granted mining lease rights and to make use of its other industrial and office premises is dependent on its acquisition of surface rights. Surface rights and title to land are required to be negotiated separately with landowners, although there is no guarantee that these rights will be granted. Any delay outside of the ordinary course of business in obtaining or inability to obtain or any challenge to its title or leasehold rights to surface rights could negatively affect our financial condition, cash flows and results of operations. For example, our Material Subsidiary, BALCO is currently involved in proceedings before the Supreme Court of India in relation to inter alia a dispute challenging its possession of forest land for its operations. For details, see "***Legal Proceedings***" on page 274.

29. ***We may face impairment risks and the risk of loss of dividend income in relation to our subsidiaries and other investments.***

We have invested a significant amount of capital in our subsidiaries, associates and joint ventures. The business performance of entities that we have invested in has given rise to impairment charges in the past. The performance of our subsidiaries or other investments are susceptible to various factors including change in regulations, sector dynamics and macro-economic events, among others, that may lead to impairment charges, should the recoverable amount of the investment fall below its carrying value. Additionally, we have subsidiaries that are listed, such as HZL. Any changes in the fair value of these investments may adversely affect our financial condition. To receive investment income, we are dependent on the distribution of funds from our subsidiaries. This distribution is typically in the form of dividends, the declaration of which is beyond our control or influence, and may depend on external factors affecting the industry that the subsidiary operates in, or other factors, including claims or actions by third parties. There can be no assurance that we will continue to receive dividend at the current levels, or at all, and this may have a material and adverse effect on our business, financial condition, cash flows and results of operations.

30. ***We are subject to risks associated with negative publicity or damage to our reputation.***

We value and rely on our reputation to maintain and grow our business operations. Negative publicity associated with our operations could cause loss of business, divert management attention and other resources and incur litigation costs. We conduct business with a number of counterparties, including customers and suppliers. If any of such counterparties, or any of our former employees, is dissatisfied with us, whether or not justified, and raises any complaints or allegations relating to our operations and/or our Directors or employees, our business may be adversely affected. Any negative publicity on any form of media following such complaints or allegations, regardless of whether the court has ruled in our favour or otherwise, may also damage our reputation and impact customers' perceptions of our brand, which may in turn materially and adversely affect our business, cash flows and results of operations.

31. ***As the securities of our Company are listed on the Stock Exchanges, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations.***

The securities of our Company are listed on the Stock Exchanges and consequently, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. Although our Company endeavours to comply with all such obligations or reporting requirements, there have been instances of non-compliance or delays in complying with such obligations or reporting requirements, and penalties have been levied on our Company in relation to such non-compliance or delay from time to time. We cannot assure you that such instances of non-compliance or delays may not take place in the future, which may adversely affect our reputation, results of operations and cash flows. For further details, see "***Legal Proceedings – Litigation Involving our Company – Litigation against our Company – Actions initiated by statutory or regulatory authorities***" on page 276.

32. ***We are affected by climate change and decarbonisation, and failure of our ESG initiatives may adversely affect our reputation and loss of business opportunities.***

Climate change may have various impacts on us 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. Our operations are likely to be affected by rising regulatory changes and investor demands aimed at limiting or reducing greenhouse emissions. This will lead to higher costs for fossil fuels, penalties for emissions exceeding permitted limits and increased administrative costs for compliance monitoring and reporting. For instance, the carbon border adjustment mechanism ("**CBAM**") will be applicable to our Aluminium Business as well as Iron Ore Business and our Steel Business. We would need to potentially pay additional taxes for imports into countries implementing CBAM. Also, CBAM could increase our risk exposure due to decreased market access.

Increasing scrutiny and rapidly evolving expectations, including by governmental and non-governmental organisations, consumer advocacy groups, third-party interest groups, investors, consumers, customers, employees and other stakeholders, regarding environmental, social, and governance ("**ESG**") practices and performance, particularly as they relate to the environment, sustainability, climate change, health and safety, supply chain management, diversity, labour conditions and human rights, could adversely affect our business, cash flows, results of operations or financial condition. The standards for tracking and reporting on ESG matters are relatively new, have not been harmonized and continue to evolve. Legislators and regulators have imposed, and likely will continue to impose, ESG-related legislation, rules and guidance, which may conflict with one another, create new disclosure obligations, result in additional compliance costs or expose us to new or additional risks. In addition, customers and other stakeholders have encouraged or insisted on, and likely will continue to encourage or insist on in the future, the adoption of various ESG practices that may conflict with one another and may exceed the requirements of applicable laws or regulations. Furthermore, certain organizations that provide information to investors have developed ratings for evaluating companies on their approach to various ESG matters. Implementing any necessary enhancements to our global processes and controls to reflect the increased scrutiny and rapidly evolving expectations regarding ESG matters may be complex, time-consuming and costly.

However, we may be unable to successfully implement our ESG efforts or the changes we implement in connection with our ESG efforts may not generate the intended effects, which could adversely affect our business, cash flows, results of operations or financial condition. For example, our ESG goals and commitments could hinder our ability to obtain sufficient amounts of products or materials, either at a reasonable cost or at all, including because our ESG goals and commitments could reduce the number of manufacturers or suppliers with business practices or access to materials that satisfy the requirements of our ESG goals and commitments. In addition, we expect that stakeholders will compare our ESG goals and commitments against those of our competitors. Our competitors could have more robust ESG goals and commitments or be more successful at implementing their ESG goals and commitments than us, which could adversely affect our reputation. Our competitors could also decide not to establish ESG goals and commitments at a scope or scale that is comparable to our ESG goals and commitments, which could result in our competitors having lower supply chain or operating costs.

Our reputation may be affected by our perceived ESG credentials and our ability to meet our ESG goals. Despite our efforts, any actual or perceived failure to achieve our ESG goals or the perception (whether or not valid) that we have failed to act responsibly with respect to ESG matters, comply with ESG laws or regulations or meet societal, investor and consumer ESG expectations could result in negative publicity and reputational damage, lead consumers or customers to purchase competing products or investors to choose not to invest in our company or cause dissatisfaction among our employees or other stakeholders, which could adversely affect our business, cash flows, results of operations or financial condition.

33. We do not own the 'Vedanta' trademark or logo and have a license to use the brand name, trademark and logo for our operations. An inability to maintain or renew our license agreement could adversely affect our reputation, business, financial condition, results of operations and cash flows.

Our Company has entered into a brand license and strategic services agreement dated March 18, 2023 (as amended and restated on January 25, 2024) with Vedanta Resources Limited ("**VRL**") and Vedanta Resources Investments Limited ("**VRIL**") ("**Agreement**"). Prior to the Agreement, VRL had granted a non-exclusive license to Vedanta UK Holdings Limited to use the 'Vedanta' name, logo and trademarks ("**Trademarks**"), which in turn granted such license to VRIL. Pursuant to this Agreement, VRIL has granted a non-exclusive, non-assignable and non-transferable license to our Company to use the Trademarks in accordance with the terms of the Agreement. The Agreement is valid for a period of 15 years until March 31, 2038 and upon expiry or termination of the Agreement, the sub-license will automatically convert into a direct license between Vedanta Resources Limited and our Company. A failure to renew the Agreement or failure to comply with our obligations under this Agreement or an inability to successfully enforce our intellectual property rights pursuant to this Agreement may have an adverse impact on our reputation, brand recognition, business, financial condition, results of operations and cash flows.

34. Our Registered Office is located on leased premises. An inability to renew or maintain our lease agreement may adversely affect our business operations. Further, we may be unable to enforce our rights in the event of any inadequate preservation, stamping or non-registration of agreements in relation to our properties.

Our Registered Office in Andheri (East), Mumbai, Maharashtra, India is located on leased premises and our Company has been granted the right to use these premises on a leave and license basis for a period of three years from July 26, 2021 to July 25, 2024. A failure to observe and perform our obligations under the leave and license agreement in relation to our Registered Office may lead to termination or non-renewal of such license in the future, which may adversely affect our operations. There can be no assurance that we will be able to renew such an agreement at commercially favourable terms, or at all. If we are unable to renew such agreement in a timely manner or if there is any premature termination of such agreement, it may cause disruptions in our business and we may incur substantial costs associated with shifting to new premises, all of which may adversely affect our business operations.

Additionally, we regularly enter into agreements with third parties in relation to the purchase and /or use of premises or land parcels for our offices, facilities and business operations. The terms, tenure and the nature of the agreements vary depending on, amongst other things, the subject matter of the agreement and the third party involved. Further, some of the agreements executed by us may be inadequately stamped or unregistered and the originals or copies of such agreements may not have been adequately preserved or maintained by us. While such agreements may be enforceable in accordance with the dispute resolution mechanism set out in such agreements, any inadequately stamped or unregistered documents may not be admissible as evidence in a court of law until the applicable stamp duty, with penalty, has been paid and registered, and any inadequately preserved documents may not be produced as evidence, which could affect our ability to enforce our rights under the agreements in a timely manner or without incurring any additional costs and could have an adverse impact on the ongoing nature of our business operations.

35. We could be subject to weaknesses, disruptions, failures or infiltrations of, or inadequacies in, its information technology systems.

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

Although we have back-up systems and cyber security measures in place, our back-up procedures, cyber defences and capabilities in the event of a failure, interruption, or breach of security may not be adequate. Insurance and other safeguards we use may not be available or may only partially reimburse it for losses related to operational failures or cyber-attacks. As we grow and our reliance on information technology and systems increases, protecting systems from cyber security attacks and threats may become increasingly challenging and costly. We may be unable to prevent or address any disruption to the operation of its information technology systems in a timely manner, or upgrade its information technology or communications systems. Any such failure could result in its inability to perform, or result in prolonged delays in the performance of, critical business and operational functions, the loss of key business information and data, or a failure to comply with regulatory requirements.

36. We have not been able to locate certain of our corporate and secretarial records and form filings.

We are unable to locate certain of our corporate records, secretarial documents and form filings with the RoC with respect to certain allotments of equity shares of our Company in the past. While we have conducted searches and inspections of documents and forms available in the digital records maintained on the MCA portal and the documents and forms filed by our Company with the RoC, Goa and RoC, Mumbai, we have not been able to locate or trace these records. Accordingly, reliance has been placed on the details provided in the report dated July 15, 2024 issued by VJ & Associates, an independent practicing company secretary, as well as on the due diligence of the other relevant corporate records available with our Company to ascertain the information sought from the missing corporate records for our disclosures in the section "***Capital Structure***" on page 90. However, due to the absence of such historical records, we cannot assure you that we will not be subject to risks arising from the unavailability of these documents. This may affect investor confidence and our Company's corporate governance. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future or that we will not be subject to any penalty imposed by the competent regulatory authority in this regard. Any actions including legal proceedings if initiated by regulatory or statutory authorities, may have an adverse effect on our financial condition.

37. ***Third party statistical and industry related data in this Preliminary Placement Document may be incomplete or unreliable and any reliance on such information for making an investment decision in this Issue is subject to inherent risk.***

We have availed the services of an independent third-party research agency, ICRA Limited, appointed by our Company to prepare an industry report titled 'Industry Overview Report for Vedanta Ltd.' dated July 5, 2024, for the purpose of inclusion of information pertaining to the industries in which we operate in this Preliminary Placement Document. Further, information regarding market position, growth rates and other industry data pertaining to our businesses contained in this Preliminary Placement Document also consists of estimates based on data reports compiled by professional organisations and analysts, data from other external sources and our knowledge of the markets in which we compete. Our Company has not independently verified third-party statistical and industry related data obtained from ICRA Limited or other industry publications and sources referred to in this Preliminary Placement Document and, therefore, we cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in other industry publications. Therefore, discussions of matters relating to the economy and the industries in which we operate in this Preliminary Placement Document are subject to the caveat that the statistical and other external data upon which such discussions are based may be incomplete or unreliable. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analyses and estimates, so we rely on internally developed estimates. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Preliminary Placement Document. Prospective investors are advised not to unduly rely on the commissioned report or extracts thereof or the industry data as mentioned above as included in this Preliminary Placement Document, when making their investment decisions.

38. ***Our non-convertible debentures are listed on the BSE and we are subject to rules and regulations with respect to such listed non-convertible debentures. If we fail to comply with such rules and regulations, we may be subject to certain penal actions, which may have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our non-convertible debentures are listed on the debt segment of BSE. We are required to comply with various applicable rules and regulations, including the SEBI Listing Regulations and other circulars, regulations, rules and guidelines issued by SEBI from time to time, in terms of our listed non-convertible debentures. If we fail to comply with such rules and regulations, we may be subject to certain penal actions by BSE and other governmental, statutory and regulatory authorities, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

Operating Risks

39. ***Our operations are subject to operating risks common to the industries in which we operate could result in decreased production, increased cost of production and increased cost of or disruptions in transportation, which could adversely affect our business, results of operations, cash flows and financial condition.***

The success of each of our businesses is subject to operating conditions and events common to the industry in which it operates which are beyond its control that could, among other things, increase its mining, transportation or production costs, disrupt or halt operations at its mines and production facilities permanently or for varying lengths of time, or interrupt the transportation of our products to our customers. These conditions and events include:

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

- *Disruptions in mining, drilling and production due to equipment failures, unexpected maintenance problems and other interruptions.* All of our operations are vulnerable to disruptions. Metal processing plants are especially vulnerable to interruptions, particularly where an event causes a stoppage which necessitates a shut down in operations. Stoppages in certain types of our smelters, even if lasting only a few hours, can cause the contents of furnaces or cells to solidify, resulting in a plant closure for a significant period and necessitating expensive repairs. Oil and gas drillings may also involve unprofitable efforts, not only with respect to dry wells, but also with respect to wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs.

- *Availability of raw materials for energy requirements*. Any shortage of or increase in the prices of the raw materials needed to satisfy our energy requirements may interrupt our operations or increase its cost of production. We are particularly dependent on coal which is used in many of our captive power plants and independent power plants. Our Aluminium Business, which has high energy consumption due to the energy intensive nature of aluminium smelting, is significantly dependent on receiving allocations from domestic coal suppliers.

- *Availability of water*. The mining operations of our Zinc, Lead and Silver Business and our Aluminium Business and our captive power plants depend upon the supply of a significant amount of water. There is no assurance that the water required for these operations will continue to be available for us in sufficient quantities or that the cost of water will not increase.

- *Disruptions to or increased costs of transport services*. We depend upon seaborne freight, inland water transport, rail, trucking, overland conveyor and other systems to transport bauxite, alumina, zinc concentrate, copper concentrate, iron ore, oil, natural gas, metallurgical coke, pig iron, coking coal and other supplies to its operations and to deliver its products to customers. Any disruption to or increase in the cost of these transport services, including as a result of fuel cost increases, interruptions, availability of railway wagons, that decrease the availability of these transport services or increases in demand for transport services from our competitors or from other businesses, or any failure of these transport services to be expanded in a timely manner to support an expansion of our operations.

- *Accidents at mines, smelters, refineries, cargo terminals and related facilities, including as a result of the occurrence of natural disasters*. Any accidents or explosions, including as a result of the occurrence of natural disasters, causing personal injury or fatality, property damage or environmental damage at or to our mines, smelters, refineries, cargo terminals and related facilities may result in significant losses, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licences. Risks associated with open-pit mining operations include flooding of the open-pit and collapses of the open-pit wall. Risks associated with underground mining operations include underground fires and explosions (including those caused by flammable gas), cave-ins or ground falls, discharges of gases or toxic chemicals, flooding, sinkhole formation and ground subsidence. Injuries to and deaths of workers at our mines and facilities have occurred in the past and may occur in the future.

- *Industrial actions or disputes*. Industrial actions or disputes may lead to business interruptions and halts in production. In addition, we may be subject to union demands and litigation for pay raises and increased benefits, and the existing arrangements with the trade unions may not be renewed on terms favourable, or at all.

- *Tailings dam failure.* A release of waste material from tailings dams of any of our production facilities may lead to loss of life, injuries, environmental damage, reputational damage, financial costs and production impacts. Tailings dam failure is considered to be a catastrophic risk, which is a very high severity but very low frequency event that must be treated with the highest priority.

Although we have not experienced any material incident or condition as described above in the last three Fiscal Years, there is no assurance that any such incident or condition may not occur in the future, and any occurrence of such incident or condition could have a material adverse effect on our business, results of operations, cash flows and financial condition.

40. Suspension of our mining operations, either temporarily or permanently, could have a material adverse effect on our business, results of operations, cash flows and financial condition.

We have mining operations particularly in our Aluminium Business, our Zinc, Lead and Silver Business and our Iron Ore Business; as such, we face the risk of mine closures, either temporarily or permanently, due to economical, technical, regulatory, social or other factors. For example, due to the adverse environmental impact associated with mining activities, we may face adverse impact on our financial condition concerning the areas in which we conduct mining operations.

Although we have not experienced any such material impact in the last three Fiscal Years, there is no assurance that it will not occur in the future. we are also subject to regulatory consents to operate our mines which could be granted, revoked or terminated by the GoI, either due to policy change or change in law. See also "***— Risks Relating to Business — 19. Our operations are subject to extensive governmental, health and safety and environmental regulations, which require it to obtain and comply with the terms of various approvals, licences and permits. Any failure to obtain, renew or comply with the terms of such approvals, licences and permits in a timely manner may have a material adverse effect on our results of operations, cash flows and financial condition.***" on page 57.

Suspension of our mining operations, either temporarily or permanently, could have a material adverse effect on our business, results of operations, cash flows and financial condition and could also exacerbate our dependency on third-party suppliers. See also "***— Risks Relating to Business — 8. Our businesses depend upon certain third parties for the supply of our raw material, equipment and services, the execution of projects and, as well as the offtake of our production.***" on page 52.

41. Our oil and gas operations may be subject to operating risks which may have a material adverse effect on our financial condition, cash flows and results of operations.

We have operating and maintenance procedures to maintain the integrity of our production facilities but there is a risk that unplanned events, inadequate application of these procedures or higher than expected levels of corrosion could disrupt production, which would have an adverse impact on oil sales, which ultimately could materially and adversely affect our financial condition and operating results.

Due to the waxy nature of crude oil, we use hot water injection recovery techniques at our crude oil fields. Injection of hot water requires that the temperature of the water is maintained at a certain level to ensure that the temperature of the crude oil is not reduced by the water used in the injection process to the point where solidification may occur. If the temperature of the injection water is not maintained at the required level, the overall field production rate and ultimate recovery may be adversely impacted. Furthermore, the waxy nature of the crude oil requires that the temperature of crude oil transported through the 24-inch insulated oil pipeline and connecting spur lines should be kept at a temperature greater than the temperature at which crude oil starts to solidify (i.e., pour point). Maintaining the temperature of the crude oil above pour point temperature has required the installation of a specialised heating system and heating stations at various points along the pipeline. If the specialized heating system does not perform as expected, or there are problems associated with the performance of the heating stations, or there are problems supplying fuel to the power generation systems at these heating stations, then the temperature of crude oil may not be maintained, which would have an adverse impact on the rate at which oil can be transported through the pipeline. Any reduction in the crude oil production, ultimate recovery, or in the oil transportation may have a material adverse effect on our business, cash flows, financial condition and results of operations.

Oil processing facility in the northern fields of the Rajasthan Block require reliable fuel supply for power generation and heating, to ensure the quality of our crude oil production. Currently, the fuel supply for power generation and heating requirements are being met through associated natural gas from the Mangala field, supplemented as required by natural gas from the Raageshwari Deep Gas field. While the current gas supply is adequate to ensure a continuous efficient fuel supply, there is no guarantee that the current estimates of the future fuel requirements can be supplied from the gas associated with existing and future oil production, supplemented by supply of remaining gas from the Raageshwari Deep Gas field, after accounting for gas sales. Thus, the facilities have been augmented by alternative energy source in form of grid power supply. Sustained failure of power systems due to unavailability of fuel supply and/or grid power availability could lead to disruption in operations, having a material adverse effect on our results of operations, cash flows and financial condition.

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

The field development plans for the northern fields of the Rajasthan Block assume, the use of enhanced oil recovery techniques to extract an additional incremental percentage of the estimated oil in place in the reservoirs. Enhanced oil recovery screening studies of the northern fields have concluded that polymer flooding or alkaline surfactant polymer, or ASP, flooding, two common enhanced oil recovery techniques, are the preferred enhanced oil recovery options. Risks associated with the project include improper chemical selection, inadequate subsurface response to injected fluid(s) and inadequate processing of produced fluids thereby impacting performance of surface facilities and continuous sourcing of polymer for ongoing operations. Furthermore, if the polymer is not maintained at the correct temperature in the reservoir and, then it may degrade and not function correctly, thereby reducing the incremental amount of crude oil that is expected to be recovered. There is also a risk that the polymer handling facilities at the surface may perform at lower efficiency than designed, which may lead to degradation of the polymer and ultimately its higher consumption. All of these factors could have a material adverse effect on our business, results of operations, cash flows, financial condition and prospects.

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

We also rely on pipelines for the transportation of crude oil to refineries. These pipelines, due to their geographical spread and exposure to various environmental and operational hazards, are susceptible to disruptions or stoppages that could significantly impact our Oil and Gas Business's operations and financial performance. Disruptions could result from a range of factors including but not limited to natural disasters (such as earthquakes, floods, or severe weather conditions), mechanical failures, maintenance issues, ageing infrastructure, and accidents. Political unrest or terrorist activities in regions where these pipelines operate also pose a substantial risk of disruption. Furthermore, any disruptions could lead to a temporary or prolonged inability to supply crude oil to refineries, potentially resulting in substantial revenue losses and contractual penalties. Additionally, such events could necessitate significant capital expenditures to repair damages, which could adversely affect our financial condition and operational results.

42. Vedanta's oil and gas business involves joint venture partnerships under the relevant PSC. Differences of opinion between partners and regulators may occur on cost recovery and other PSC provisions which may adversely impact the financial position of the Company.

The operating blocks of our Oil and Gas Business operates under the relevant production sharing contract ("PSC"). These operating blocks have joint venture partners. Pursuant to the provisions of the joint operating agreement, our joint venture partner has an obligation to pay the cash calls raised for the smooth functioning of the petroleum operations. However, the joint venture partner has withheld payment of certain cash calls and settled at exchange rates to its own benefit.

43. Oil and gas exploration activities are capital intensive and inherently uncertain in their outcome.

Oil and gas exploration activities are capital intensive and inherently uncertain in their outcome. There is a risk that our Group or the operators of assets in which our Group has an interest will undertake exploration activities and incur significant costs in so doing with no assurance that such expenditure will result in the discovery of hydrocarbons, whether or not in commercially viable quantities.

44. There are general risks relating to the operation of our Commercial Power Generation Business.

Operating power plants on a standalone basis involves many operational risks which are unique to the Commercial Power Generation Business as compared to our other businesses, including the following:

- *Dependence on third parties.* Third parties must be hired for the construction, delivery and commissioning of power facilities, the supply and testing of equipment and transmission and the distribution of any electricity we generate and there are associated risks. For instance, contractors hired may not be able to complete construction and installation on time, within budget, or to the specifications in the contracts with them, or such contractors may otherwise cause delays in meeting project milestones or achieving commercial operation by the scheduled completion date, which could in turn cause forecast budgets to be exceeded or result in delayed payment by customers, invoke liquidated damages or penalty clauses or performance guarantees or result in termination of contracts. In addition, as a result of increased industrial development in India in recent years, the demand for contractors with specialist design, engineering and project management skills and services has increased, resulting in a shortage of and increasing costs of services of such contractors. There can be no assurance that such skilled and experienced contractors will continue to be available at reasonable rates, and we may be exposed to risks relating to the cost and quality of their services, equipment and supplies.

- *Dependence on coal.* We may not receive the coal block allocations that we expect or, may not be allowed to use such allocations for our Commercial Power Generation Business. Any coal block allocations that we receive may not be sufficient for its planned operations and we may not be successful in procuring sufficient supply of coal at economically attractive prices, or at all. Moreover, the coal block allocation letters contain certain restrictive covenants which we are subject to, including specified end use and submission of mining plans within a certain specified period. We also could experience a shortfall in the quantity of coal against its requirement or receive lower quality coal, which can result in increased costs. If we are unable to secure sufficient coal linkage for your power plants, we will be depended on open market purchases and fluctuation of coal prices.

- *Power purchase agreements*. The power purchase agreements ("**PPAs**") and other agreements that we have entered into, or may enter into, may require us to guarantee certain minimum performance standards, such as plant availability and generation capacity, to the power purchasers. If our facilities do not meet the required performance standards, the power purchasers may not reimburse us for any increased costs arising as a result of not operating within the agreed norms, which may in turn have a material adverse effect on our results of operations, cash flows and financial condition. Furthermore, power sold to different merchants will also be subject to the fluctuation of merchant power rates.

Any of the above could have a material and adverse effect on our business, cash flows, financial condition and results of operations.

45. We are exposed to competitive pressures in the various businesses in which it operates.

The mines and minerals, commercial power generation, and oil and gas industries are highly competitive. We will continue to compete with other industry participants in the search for and acquisition of mineral and oil and gas assets and licences. Competitors include companies with, in many cases, greater financial resources, local contacts, staff and facilities than ours.

Competition for exploration and production licences as well as for other investment or acquisition opportunities may increase in the future. This may lead to increased costs in the carrying out of our activities, reduced available growth opportunities and may have a material adverse effect on its businesses, financial condition, results of operations, cash flows and prospects.

46. There are uncertainties inherent in estimating our Ore Reserves and Mineral Resources and oil, condensate and sales-gas reserves, and if the actual amounts of such reserves and resources are less than estimated, our results of operations, cash flows and financial condition may be materially and adversely affected.

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

For example, there are differences between our Company's estimates of its reserves and contingent resources and the estimates of DeGolyer and MacNaughton, independent petroleum engineering consultants, due to their different methodologies. Please see the section entitled "***Our Business — Description of the Businesses — Oil and Gas Business — DeGolyer and MacNaughton's Evaluation of Reserves***" on page 203 for more information.

This Preliminary Placement Document, including "***Annexure A —Life of Mines***" on page 771 and "***Annexure B — Mineral Resources (Exclusive Reporting Basis)***" on page 772, uses the term "Resources," which are comprised of "Measured," "Indicated" and "Inferred" Mineral Resources. There is a great amount of uncertainty as to the existence of "Inferred" Mineral Resources and uncertainty as to their technical, economic and legal feasibility. It cannot be assumed that all or any part of an "Inferred" Mineral Resource will ever be upgraded to a higher category. Investors should not assume that all or any part of "Measured" or "Indicated" Mineral Resources will ever be converted into Ore Reserves and are also cautioned not to assume that all or any part of an "Inferred" Mineral Resource exists or is economically or legally mineable. On October 31, 2018, the SEC adopted amendments to its disclosure rules to modernise the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the Exchange Act. These amendments became effective February 25, 2019, with compliance required for the first fiscal year beginning on or after January 1, 2021. Under the new SEC amendments, the historical property disclosure requirements for mining registrants included in Industry Guide 7 under the US Securities Act have been rescinded and replaced with disclosure requirements in subpart 1300 of Regulation S-K. As a result of the adoption of subpart 1300 of Regulation S-K, the SEC's standards for mining property disclosures are now more closely aligned to the JORC Code's requirements. For example, the SEC now recognises estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources." In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be "substantially similar" to the corresponding standards under the JORC Code. However, despite these similarities, SEC standards are still not identical to the JORC Code. Accordingly, investors are cautioned that there can be no assurance that the reserves and resources reported by us under the JORC Code would be the same had it prepared its reserve or resource estimates under the standards adopted under subpart 1300 of Regulation S-K and that the technical information contained within this document does not constitute a Technical Report Summary in accordance with the requirements of subpart 1300 of Regulation S-K. See the section entitled "***Presentation of Financial and Other Information — Basis of Presentation of Reserves and Resources — Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources for Mining Operations***" on page 13 for more information.

As a result, the Ore Reserves and Mineral Resources data contained in this Preliminary Placement Document are subject to material assumptions and uncertainties. If any of these assumptions and estimates turns out to be incorrect, we may need to revise its estimates downwards and this may adversely affect its business plans and the total value of its asset base, which could increase its costs and decrease profitability. If this occurs, our results of operations, cash flows and financial condition may be materially and adversely affected.

In addition, "***Annexure B — Mineral Resources (Exclusive Reporting Basis)***" on page 772 contains management's life of mine estimates based on Mineral Resource plus Ore Reserves and current production rates. The reporting methodology for Mineral Resources differs from that of Ore Reserves under international reporting codes as certain factors (termed "**Modifying Factors**", such as mining losses and dilution) are included in the reporting of Ore Reserves, whereas Mineral Resources are reported on an in-situ basis. For the purposes of proving and indication on the potential Life of Mine, Mineral Reserves and Mineral Resources (reported on an exclusive basis) have been summed. 'Reserves and Resources' are reported in "***Annexure B — Mineral Resources (Exclusive Reporting Basis)***" on page 772 as the sum of Mineral Reserves (Proven and Probable) and Mineral Resources (including Measured, Indicated and Inferred) exclusive of Mineral Reserves. Consequently, considerable caution should be exercised when considering life of mine estimates based on Mineral Resource plus Ore Reserves. Life of mine estimates which include Mineral Resources have been undertaken by us and have not been subject to review by the Independent Consultants named in this Offering Circular. See the section entitled "***Presentation of Financial and Other Information — Basis of Presentation of Reserves and Resources — Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources for Mining Operations***" on page 13 for more information.

Although we provide certain life of mine estimates on the basis of Ore Reserves and Mineral Resources, investors are cautioned to use the life of mine estimates based solely on Ore Reserves in "***Annexure A — Life of Mines***" on page 771 as the base case for any assessment of the life of a mine. The life of mine estimates presented therein take into account the Fiscal Year 2024 production for all mines. It should be noted that the Ore Reserves are derived from Life-of-mine plans which in certain instances assume expanded production which is significantly increased when compared to current (2024) production capacity. Furthermore, the contribution of Inferred Mineral Resources to the estimation of Mine Life may be significant, with Inferred Mineral Resources representing the following percentages of "Reserves and Resources" shown; Rampura Agucha – 11.2%, Rajpura Dariba – 43.4%, Zawar Group – 47.3%, Kayad – 25.1%, Sindesar Khurd – 8.1, Bamnia Kalan – 49.3%, Skorpion – 30.1%, Swartberg – 25.1%, Gamsberg – 43.3%, Big Syncline – 96.8%, Gergarub Project – 30.9%, and WCL – Bomi – 6.6%. Accordingly, the mine lives for such instances will be significantly shorter than the Life-of-Mine years reported above.

47. ***Future production from our assets may vary from the forecast.***

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

For example, for our Oil and Gas Business, plateau production rates from the Rajasthan Block may be less than as forecasted. The estimates of production rates and field life contained in the field development plans for the Mangala, Bhagyam, Aishwariya, Raageshwari and Saraswati fields in the Rajasthan Block are based on our estimates of future field performance. Future field performance is subject to a number of risks that are beyond our control. See "— ***46. There are uncertainties inherent in estimating our Ore Reserves and Mineral Resources and oil, condensate and sales-gas reserves, and if the actual amounts of such reserves and resources are less than estimated, our results of operations, cash flows and financial condition may be materially and adversely affected***." on page 68 for more details.

Risks Relating to Investments in India

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

A substantial portion of our assets and employees are located in India, and we intends to continue to develop and expand its facilities in India. Consequently, our financial performance will be affected by changes in exchange rates and controls, interest rates, commodity prices, subsidies and controls, changes in government policies, including taxation policies, the outbreak of infectious diseases, social and civil unrest and other political, social and economic developments in or affecting India.

The GoI exercises significant influence over many aspects of the Indian economy. Since 1991, successive Indian governments have pursued policies of economic liberalisation, including by significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant and there are no assurance that such liberalisation policies will continue. The rate of economic liberalisation could change and specific laws and policies affecting metals and mining companies, foreign investments, currency exchange rates and other matters affecting investment in India could change as well. The provisional estimate of India's gross domestic product ("**GDP**") growth by Ministry of Statistics and Programme Implementation is estimated to grow at 8.2% GDP growth in Fiscal Year 2024.

Furthermore, negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business and financial performance.

Any other global economic developments or the perception that any of them could occur may adversely affect global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on its business, cash flows, financial condition and results of operations.

49. ***Terrorist attacks and other acts of violence involving India or neighbouring countries could adversely affect our operations directly, or may result in a more general loss of customer confidence and reduced investment in these countries that reduces demand for our products, which would have a material adverse effect on our business, results of operations, financial condition and cash flows.***

Terrorist attacks and other acts of violence or war involving India or neighbouring countries may adversely affect the Indian markets and the worldwide financial markets. The occurrence of any of these events may result in a loss of business confidence, which could potentially lead to economic recession and generally have a material adverse effect on our businesses, results of operations, financial condition and cash flows. In addition, any deterioration in international relations may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. Furthermore, any wars, acts of terrorism and uncertain political or economic prospects or instability in the Europe, particularly in Russia and Ukraine have adversely impacted global financial markets and an increase in the price of crude oil. The conflict in these two countries may continue in unforeseeable future and broaden across the region and lead to significant political uncertainties in a number of countries.

South Asia has also experienced instances of civil unrest and hostilities among neighbouring countries from time to time, especially between India and Pakistan. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armament and Kashmir. India has also experienced terrorist attacks in some parts of the country. These hostilities, attacks and tensions could lead to political or economic instability in India and a possible adverse effect on our business and our future financial performance. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk.

Social and civil unrest within other countries in Asia, could adversely influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares. Such activity or terrorist attacks could adversely affect the Indian economy by disrupting communications and making travel more difficult. Resulting political tensions could create a greater perception that investments in Indian companies involve a high degree of risk. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, we might not be able to continue its operations.

50. If natural disasters or environmental conditions in India, including floods and earthquakes, affect our mining and production facilities, our revenues could decline.

Our mines and production facilities are spread across India, and our sales force is spread throughout the country. Natural calamities such as floods, rains, heavy downpours and earthquakes could disrupt our mining and production activities and distribution chains and damage our storage facilities.

Substantially all of our facilities and employees are located in India and could be affected by natural disasters in the future. In addition, if there were a drought or general water shortage in India or any part of India where our operations are located, the GoI or local, state or other authorities may restrict our water supplies and other industrial operations in order to maintain water supplies for drinking and other public necessities, which would cause us to reduce or cease operations. Our business and operating activities could be disrupted if we do not respond, or are perceived not to respond, in an appropriate manner to any major crisis or if we are not able to restore or replace critical operational capacity.

51. If inflation were to rise in India and the jurisdictions in which we operate, we might not be able to increase the prices of our products and services at a proportional rate in order to pass costs on to our customers thereby reducing our margins.

Inflation rates in India and in other jurisdictions in which we operate have been volatile in recent years, and such volatility may continue in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of borrowings, wages and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. Consequently, we may also be affected and fall short of business growth and profitability. Any increase in inflation in India and the jurisdictions in which we operate can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business, results of operations, financial condition and cash flows. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our consumers. In such case, our business, results of operations, financial condition and cash flows may be adversely affected.

52. Labour laws in India may adversely affect our profitability.

We have a large number of employees and any further changes in labour rules and regulations may increase our employee benefits expenses, which could have an adverse effect on our results of operations. Uncertainty in the applicability, interpretation or implementation of any amendment or change in governing laws, regulations or policies, including by reason of an absent or limited body of administrative or judicial precedents may be time consuming and costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future. There can be no assurance that such future legislative or regulatory changes will not have any adverse effect on our business, results of operations, financial condition and cash flows.

53. ***Restrictions on foreign investment in India may prevent us from making future acquisitions or investments in India, which may have a material adverse effect on our results of operations, financial condition and cash flows.***

India regulates ownership of Indian companies by foreigners, as well as external commercial borrowing by Indian companies, although restrictions on foreign investment and external commercial borrowing have been relaxed significantly in recent years. These regulations and restrictions may apply to our acquisitions, or our other members who are not residents in India, of shares in Indian companies or the provision of funding by us or any other non-Indian resident entity to Indian companies. There can be no assurance that we will be able to obtain any required approvals for future acquisitions or investments in India, or that we will be able to obtain such approvals on satisfactory terms.

54. ***A slowdown in economic growth in India and other countries in which we operate could cause its business to suffer.***

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

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

Economic downturn and adverse credit market conditions, whether in response to global trade wars or other factors, may negatively impact us and our customers and suppliers. In addition, our and our customers' and suppliers' access to capital and funding sources, cost of capital and ability to meet liquidity needs could be adversely affected in a prolonged economic downturn or deterioration in the global economies, which in turn could have a material adverse impact on our business, cash flows, financial condition and results of operations.

55. ***We may be affected by competition laws in India and any adverse application or interpretation of the Competition Act could adversely affect its business.***

The Competition Act, 2002, as amended (the "**Competition Act**"), regulates practises having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Furthermore, any agreement among competitors which, directly or indirectly, involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of clients in the relevant market or, directly or indirectly, results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition and is considered void. Furthermore, the Competition Act also prohibits certain vertical agreements such as for tying, bundling, resale price maintenance, exclusive distribution and exclusive supply agreements, which cause or could cause an appreciable adverse effect on competition in India. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished with appropriate monetary penalties.

The Competition Commission of India (the "**CCI**") also has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects.

56. ***Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors outside India may be more familiar with and may consider material to their assessment of our financial condition, results of operations and cash flows.***

Our financial statements are prepared in accordance with Ind AS. Ind AS differ in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors outside India may be familiar. No attempt has been made to reconcile any information given in this Preliminary Placement Document to any other principles or to base it on any other standards. If our financial statements were to be prepared in accordance with such other accounting principles, our financial condition, results of operations and cash flows may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons unfamiliar with Ind AS and other Indian accounting principles on the financial information presented in this Preliminary Placement Document should accordingly be limited.

57. ***Investors in the Equity Shares offered in the Issue may be unable to enforce a judgment of a foreign court against our Company, Directors, members of the Senior Management or Key Management Personnel, the BRLMs or any of their directors or executive officers in India, except by way of a lawsuit in India.***

Our Company and its subsidiaries are incorporated under the laws of India. Substantially all of our directors and key management personnel are residents of India and substantially all of our assets are located in India. As a result, it may not be possible for investors to effect service of process upon such persons outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. Further, any judgment or award in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Civil Procedure Code. The Civil Procedure Code only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Furthermore, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the Reserve Bank of India to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such an amount may also be subject to income tax in accordance with applicable law.

58. ***Indian laws contain restrictions on the acquisition and transfer of Indian securities by persons resident outside India. The conversion of the Rupee proceeds from such sale into foreign currency and the repatriation of such foreign currency from India could require the RBI's approval. Approvals required from the RBI or any other government authority may not be obtained on terms favourable to a non-Indian resident investor or at all.***

Indian laws contain certain restrictions on the acquisition and transfer of Indian securities by persons resident outside India. For further details, see "***Issue Procedure – Qualified Institutional Buyers***" on page 233. The information has been provided for the benefit of investors and such information below does not purport to be a complete analysis of the restrictions under Indian laws for the acquisition and/or transfer of securities in an Indian company by a person resident outside India. Our Company, the BRLMs and their respective officers, directors, representatives, agents, affiliates and associates accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire any Equity Shares offered in the Issue.

Any person not resident in India seeking to sell or transfer the Equity Shares (other than through a sale on one of the Stock Exchanges) should seek advice from Indian legal advisers as to the applicable requirements. If any approval is required, our Company cannot guarantee that any approval will be obtained in a timely manner or at all. Due to possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realising gains during periods of price increases or limiting losses during periods of price declines.

There are certain restrictions on the conversion of Indian Rupees into foreign currency. FEMA together with rules and regulations thereunder regulates transactions involving foreign exchange and provides that certain transactions cannot be carried out without the general or special permission of the RBI. FEMA has eased restrictions on current account transactions. However, the RBI continues to exercise control over capital account transactions (i.e., those which alter the assets or liabilities, including contingent liabilities, of persons). The RBI has from time to time issued regulations, circulars and guidelines under FEMA to regulate the various kinds of capital account transactions, including certain aspects of the purchase and issuance of shares of Indian companies. Approvals required from the RBI or any other government authority may not be obtained on terms favourable to a non-Indian resident investor or at all.

59. Any downgrading of India's sovereign rating by a credit rating agency could have a negative impact on our business.

Our borrowing costs and our access to the capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business, results of operations, financial condition, cash flows and the price of the Equity Shares.

Risks Relating to the Equity Shares and the Issue

60. We may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advise investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility. We may be subject to general market conditions which may include significant price and volume fluctuations. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation. In the event our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

61. Your ability to acquire and sell Equity Shares offered in this Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Preliminary Placement Document.

No actions have been taken to permit a public offering of the Equity Shares offered in this Issue in any jurisdiction. As such, your ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in this Preliminary Placement Document. For details, see "***Selling Restrictions***" on page 244. Furthermore, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. For details, see "***Transfer Restrictions***" on page 250. You are required to inform yourself about and observe these restrictions. Our Company, its representatives and its agents will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

62. ***An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of one year from the date of allotment of the Equity Shares.***

The Equity Shares in this Issue are subject to restrictions on transfers. Pursuant to the SEBI ICDR Regulations, for a period of one year from the date of allotment of Equity Shares allotted pursuant to the Issue. Eligible Investors subscribing to the Equity Shares in the Issue may only sell their Equity Shares on the Stock Exchanges and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. Furthermore, allotments made to FVCIs, VCFs and AIFs in this Issue are subject to the rules and regulations that are applicable to each of them, respectively including in relation to lock-in requirements. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

63. ***After this Issue, the price of our Equity Shares may be volatile, and you may not be able to sell the Equity Shares at or above the Issue Price.***

The Issue Price will be determined by us in consultation with the Book Running Lead Manager, based on Bids received in compliance with Chapter VI of the SEBI Regulations and the provisions of the Companies Act, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is completed. We cannot provide assurance that you will be able to resell the Equity Shares profitably. We cannot assure that an active trading market for the Equity Shares can be sustained post the Issue or that the trading price of the Equity Shares will correspond to the historically traded price.

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian financial services industry and the perception in the market about investments in the power generation industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition, or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Furthermore, the trading price of our Equity Shares have been volatile in the past and for more details see "***Market Price Information***" on page 80. Each of these factors, among others, could adversely affect the price of our Equity Shares. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares are offered in this Issue or the price at which the Equity Shares will trade in the market subsequent to this Issue.

64. ***We cannot assure payment of dividends on the Equity Shares in the future.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, resources required to fund acquisitions and/or new businesses, cash flows required to meet contingencies, outstanding borrowings, past dividend trends, prevailing legal requirements, regulatory conditions or restrictions laid down under relevant applicable laws including tax laws, dividend pay-out ratios of companies in the same industry and economic viability.

Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and subsequent approval of Shareholders and will depend on factors that our Board of Directors and Shareholders deem relevant, including among others, our future earnings, financial condition, cash flows, capital requirements, capital expenditures, business prospects and restrictive covenants under our financing arrangements, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Board may also, from time to time, declare interim dividends from the profits of the Financial Year in which such interim dividend is sought to be declared. Additionally, under some of our loan agreements, we are not permitted to declare any dividends without prior consent from the lenders if there is an event of default under such loan agreements or unless we have paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof.

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or the dividend amounts, if any, in the future. There is no guarantee that any dividends will be paid or that the amount thereof will not be decreased in the future. Accordingly, realisation of a gain on investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. We cannot assure you that we will be able to pay dividends at any point in the future.

65. ***Fluctuations in the exchange rate between the Indian Rupee and other currencies could have an adverse effect on the value of our Equity Shares in those currencies, independent of our operating results.***

Our Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Indian Rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for such sale, may reduce the proceeds received by investors. The exchange rate between the Indian Rupee and other currencies (such as, the U.S. dollar, the Euro, the Pound Sterling and the Singapore dollar) has changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from our Equity Shares in foreign currency terms, independent of our operating results. In addition, our Company's valuation could be harmed by a devaluation of the Rupee if investors in jurisdictions outside India analyse its value based on the relevant foreign currency equivalent of our Company's financial condition and results of operations.

66. ***Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their percentage ownership of the outstanding Equity Shares.***

A company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless these rights have been waived adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution. If we offers to our shareholders rights to subscribe for additional Equity Shares or any right of any other nature, we will have discretion as to the procedure to be followed in making the rights available to our shareholders or in disposing of the rights for the benefit of our shareholders and making the proceeds available to the shareholders. We may choose not to offer the rights to our shareholders having an address outside India.

However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing.

If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

67. ***Any future issuance of the Equity Shares by us or sales of the Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of our investors' shareholdings.

Except for the customary lock-up on our ability to issue equity or equity linked securities discussed in "***Placement***" on page 242, there is no restriction on our ability to issue Equity Shares or our major shareholders' ability to dispose-off their Equity Shares, and we cannot assure you that we will not issue Equity Shares or that any major shareholder will not dispose of, encumber, or pledge, its Equity Shares. Future issuances of Equity Shares may dilute your shareholding and may adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the then current trading price of our Equity Shares. Sales of Equity Shares by our major shareholders may also adversely affect the trading price of our Equity Shares. We have also issued employee stock options to certain of our employees. To the extent such outstanding employee stock options are exercised, there will be further dilution to investors in this Issue, which may also adversely affect the trading price of the Equity Shares. For details, see "***Capital Structure***" on page 90.

68. ***There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.***

The price of the Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based, amongst others, on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to, and do not, inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

69. ***Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on equity shares sold on an Indian stock exchange. Any capital gain exceeding ₹100,000, realized on the sale of listed equity shares on a recognised stock exchange, held for more than 12 months may be subject to long-term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess). This beneficial provision is, inter alia, subject to payment of STT on both acquisition and sale of the equity shares. Further any capital gain realised on the sale of listed equity shares of an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess), without indexation benefits. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less immediately preceding the date of transfer, will be subject to short-term capital gains tax in India at the rate of 15% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument, if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain realised upon the sale of the Equity Shares.

Any dividend distributed by a domestic company is subject to tax in the hands of the shareholders at the applicable rate. Further, our Company is required to withhold tax on such dividends distributed. Non-resident shareholders may claim benefit of the applicable tax treaty, subject to satisfaction of certain conditions. We may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller.

The Government of India has announced the interim union budget for the financial year 2024-2025 and has enacted the Finance Act, 2024. While the Finance Act, 2024 does not propose significant changes to IT Act, the full union budget which is likely to be announced in the month of July, 2024, may introduce amendments to the IT Act. There is no certainty on the impact of the full union budget on tax laws or other regulations, which may adversely our business, financial condition, or results of operations. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares. We cannot predict whether any tax laws or other regulations impacting it or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations could have a material adverse effect on the trading price of our Equity Shares.

70. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers of the Equity Shares between non-residents and residents and issuances of shares to non-residents by our company are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified under applicable law. If such issuances or transfers are not in compliance with such pricing guidelines or reporting requirements and does not fall under any of the specified exceptions, then prior approval of the RBI will be required. Furthermore, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA

Rules, all investments under the foreign direct investment route by entities of a country which share a land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Furthermore, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of the Equity Shares in India into foreign currency and repatriate that foreign currency from India may require a no-objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all. These foreign investment restrictions may adversely affect the liquidity and free transferability of the Equity Shares and could result in an adverse effect on the price of the Equity Shares. The GoI may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the GoI experiences extreme difficulty in stabilizing the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the GoI's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. There can be no assurance that any approval required from the RBI, or any other government agency can be obtained on any particular terms, or at all.

71. ***The Indian tax regime has undergone substantial changes which could adversely affect our business and the trading price of our Equity Shares.***

Any change in Indian tax laws could have an effect on our operations. For instance, the Government of India implemented two major reforms in Indian tax laws, namely the Goods and Services Tax ("**GST**"), and provisions relating to general anti-avoidance rules ("**GAAR**"). The indirect tax regime in India underwent a complete overhaul. Any dividend distribution by a domestic company is subject to tax in the hands of the investor at their applicable income tax rate. Taxes are to be withheld by the Indian company on such dividends at the applicable rate. Non-resident shareholders may claim benefit of the applicable tax treaty read with the Multilateral Instrument, if and to the extent applicable, subject to satisfaction of certain conditions. We may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, the Government of India has announced the interim union budget for the financial year 2024-2025 and has enacted the Finance Act, 2024. While the Finance Act, 2024 does not propose any significant changes to the IT Act, the full union budget which is likely to be announced in July, 2024, which may introduce amendments to the IT Act. There is no certainty on the impact of the full union budget on tax laws or other regulations, which may adversely affect our business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Equity Shares. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our products and services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether if at all, any laws or regulations would have an adverse effect on our business. Further, any adverse order passed by the appellate authorities/ tribunals/courts would have an effect on our profitability. In addition, we are subject to tax related inquiries and claims.

72. ***Applicants to this Issue are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.***

In terms of Regulation 179 (1) of the SEBI ICDR Regulations, applicants to the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investors' demat account with the depository participant could take approximately seven days and up to ten days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operations or financial condition, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. We may complete the Allotment of the Equity Shares even if such events may limit the investor's ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

73. Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.

Subject to the relevant transfer restrictions, investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Furthermore, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

74. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as our shareholder than as a shareholder of an entity in another jurisdiction.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, 3,71,75,04,871 Equity Shares are issued, subscribed and fully paid up. The Equity Shares have been listed and are available for trading on BSE and NSE.

On July 12, 2024, the closing price of the Equity Shares on BSE and NSE was ₹ 449.45 and ₹ 449.70 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

A. The following tables set out the reported high, low and average of the closing prices of our Equity Shares on NSE and BSE and number of Equity Shares traded on the days on which such high and low prices were recorded for the Fiscals 2024, 2023 and 2022:

NSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in crores)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in crores)	Average price for the year (₹)	Total Volume of Equity Shares traded in the fiscals	Total Turnover of Equity Shares traded in the fiscals (₹ in crores)
Fiscal 2024	300.35	May 29, 2023	13,277,968	397.93	208.35	September 28, 2023	17,396,618	365.96	259.25	2,534,169,293	65,451.14
Fiscal 2023	437.75	April 11, 2022	6,488,235	282.90	213.95	July 1, 2022	26,130,465	559.71	298.87	3,203,687,884	93,222.10
Fiscal 2022	413.40	March 28, 2022	8,658,384	357.89	213.20	April 12, 2021	14,765,942	319.70	310.68	4,057,830,849	127,679.99

(Source: www.nseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

BSE

Fiscal	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in crores)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in crores)	Average price for the year (₹)	Total Volume of Equity Shares traded in the fiscals	Total Turnover of Equity Shares traded in the fiscals (₹ in crores)
Fiscal 2024	300.35	May 29, 2023	649,478	19.46	208.25	September 28, 2023	972,550	20.45	259.23	288,523,779	7,488.05
Fiscal 2023	437.50	April 11, 2022	302,646	13.19	213.95	July 1, 2022	1,119,848	24.00	297.42	237,133,480	6,760.15
Fiscal 2022	413.40	March 28, 2022	465,158	19.19	212.90	April 12, 2021	1,069,664	23.20	311.31	301,099,957	9,510.00

(Source: www.bseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

B. The following tables set out the reported high, low and average of the closing prices of our Equity Shares recorded on NSE and BSE and the number of Equity Shares traded on the days on which such high and low prices were recorded and the volume of Equity Shares traded in each of the last six months:

NSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in crores)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in crores)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in crores)
June 2024	470.25	June 21, 2024	17,801,714	835.28	417.85	June 4, 2024	30,797,125	1,303.21	449.69	419,437,583	18,638.20
May 2024	491.70	May 21, 2024	34,592,201	1,664.69	394.65	May 9, 2024	6,134,997	245.65	437.88	354,857,311	15,874.22
April 2024	406.30	April 29, 2024	11,228,541	451.98	287.50	April 1, 2024	17,331,916	490.74	357.95	522,557,171	18,663.14
March 2024	285.70	March 5, 2024	19,847,512	558.98	251.90	March 13, 2024	15,451,474	398.23	271.40	179,935,720	4,877.89
February 2024	283.00	February 6, 2024	11,559,491	321.92	262.95	February 28, 2024	17,579,831	471.02	271.20	287,950,165	7,852.65
January 2024	274.60	January 11, 2024	24,108,269	655.27	252.15	January 23, 2024	8,740,319	224.63	265.47	228,451,453	6,073.91

(Source: www.nseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In case of two days with the same high or low price, the date with the higher volume has been chosen.

BSE

Month	High (₹)	Date of High	No. of Equity Shares traded on date of high	Total Turnover of Equity Shares traded on date of high (₹ in crores)	Low (₹)	Date of Low	No. of Equity Shares traded on date of low	Total Turnover of Equity Shares traded on date of low (₹ in crores)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in crores)
June 2024	470.25	June 20, 2024	1,538,285	72.15	417.35	June 4, 2024	1,884,610	79.61	449.67	147,626,738	6,378.87
May 2024	491.45	May 21, 2024	1,531,911	73.78	394.60	May 9, 2024	535,106	21.40	437.84	17,758,921	789.17
April 2024	406.30	April 29, 2024	1,064,754	42.83	287.35	April 1, 2024	539,118	15.26	357.92	29,210,743	1,053.88
March 2024	285.60	March 5, 2024	2,586,354	72.86	251.85	March 13, 2024	726,147	18.69	271.36	16,553,473	450.57
February 2024	282.85	February 6, 2024	483,730	13.44	262.80	February 28, 2024	669,999	17.94	271.12	107,721,784	2,890.79
January 2024	274.60	January 11, 2024	967,058	26.25	252.15	January 23, 2024	486,890	12.57	265.43	18,801,084	499.28

(Source: www.bseindia.com)

1. High, low and average prices are based on the daily closing prices.
2. In case of two days with the same high or low price, the date with the higher volume has been chosen.

C. The following table sets forth the market price on the Stock Exchanges on May 17, 2024, i.e., the first working day following the approval of our Board for the Issue:

BSE						NSE					
Open (₹)	**High (₹)**	**Low (₹)**	**Close (₹)**	**Number of Equity Shares traded**	**Volume (₹)**	**Open (₹)**	**High (₹)**	**Low (₹)**	**Close (₹)**	**Number of Equity Shares traded**	**Volume (in ₹ crores)**
436.30	445.00	432.55	442.50	871,687	38.32	436.00	445.00	432.60	442.65	13,366,917	588.07

(Source: www.bseindia.com and www.nseindia.com)

USE OF PROCEEDS

The proceeds of the Issue ("**Proceeds**") aggregates to ₹[●] crores.

Purpose of the Issue

Subject to compliance with applicable laws and regulations and as approved by the Board, our Company proposes to utilise the Proceeds for the following objects:

1. Repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by our Company and/or one of our Subsidiaries, THL Zinc Ventures Ltd ("**THLZV**"); and

2. General corporate purposes.

(collectively, referred to hereinafter as the "**Objects**").

Requirements of Funds

The Proceeds are proposed to be used in accordance with the details provided in the following table:

S. No.	Particulars	Amount	Tentative timelines for utilization of Proceeds
		(₹ crores)	
1.	Repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by our Company and/or one of our Subsidiaries, THLZV	[●]	March 31, 2025
2.	General corporate purposes (1)(2)	[●]	[●]
Total(2)		[●]	[●]

(1) *Subject to Allotment of Equity Shares, pursuant to the Issue. The amount to be utilised for general corporate purposes alone shall not exceed 25% of the Proceeds.*
(2) *To be determined upon the finalisation of the Issue Price.*

Our main objects clause and objects incidental or ancillary to the attainment of the main objects clause of our Memorandum of Association enable us to undertake: (i) our existing business activities and other activities set out therein; and (ii) the Objects proposed to be funded from the Proceeds.

Proposed schedule of implementation and deployment of Proceeds

We propose to deploy the Proceeds towards the Objects by the end of March 31, 2025. The fund requirements, the deployment of funds and the intended use of the Proceeds as described herein are based on our current business plan, management estimates and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution or independent agency or the Book Running Lead Managers, in connection with the Issue. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management and obtaining necessary approvals / consents, as applicable, in accordance with applicable law. This may entail rescheduling or revising the funding requirements, subject to compliance with applicable laws.

In the event that the Proceeds are not utilized (in full or in part) by the end of March 31, 2025, due to factors stated above and other factors such as (i) economic and business conditions; (ii) the timing of completion of the Issue; (iii) market conditions outside the control of our Company; and (iv) any other business and commercial considerations, the remaining Proceeds shall be utilized (in full or in part) in subsequent periods as may be determined by our Company, in accordance with applicable laws. If the actual utilisation towards the Objects is lower than the proposed deployment such balance will be used towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Proceeds. Our Company's management shall have flexibility in utilising surplus amounts, if any, as may be approved by our Board or a duly appointed committee from time to time, in accordance with applicable law. Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity, subject to applicable law. Further, our Board retains the right to change the above schedule of implementation and deployment of the Proceeds, including the manner, method, and timing of deployment of the Proceeds, in case of change in our business requirements and other commercial considerations. For details on risks involved, see "***Risk Factors – 16. Our funding***

requirements and the proposed deployment of Proceeds have not been appraised by any bank or financial institution or any other independent agency or the BRLMs.*"* on page 55.

Details of Objects

1. Repayment or pre-payment in full or in part, of certain outstanding borrowings availed by our Company and/or one of our Subsidiaries, THL Zinc Ventures Ltd

Our Company and our Subsidiary, THLZV, have entered into various financing arrangements with banks and financial institutions, for availing loans in the form of term loans, external commercial borrowings, working capital loans, non-convertible debentures, amongst others.

We propose to utilise an amount of up to ₹ [●] crores from the Proceeds for repayment or pre-payment of any or all, in full or in part, of outstanding borrowings availed by our Company and/or one of our Subsidiaries, THLZV, which are set out below. The portion of Proceeds proposed to be utilised towards this Object, will be utilised towards the repayment or pre-payment of any or all, in full or in part, of such borrowings availed by our Company and/or one of our Subsidiaries, THLZV, as listed in the table below, as well as any fresh or existing borrowings taken by our Company and / or our Subsidiaries. In the event our Company decides to repay or prepay outstanding borrowings availed by our Subsidiary, THLZV, as listed below, our Company will utilize such portion of the Proceeds, by investing in THZLV through debt or equity or both or entering into any other arrangement, as may be permissible under applicable laws.

The repayment/ prepayment of the borrowings by our Company and/or our Subsidiary, THLZV, will help reduce our overall outstanding indebtedness, debt servicing costs, assist us in maintaining a favourable debt-equity ratio and enable better utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that since our debt-equity ratio will improve, it will enable us to raise further resources at competitive rates and additional funds/ capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

Our Company and/or our Subsidiaries, THLZV, will make necessary intimations to the lenders as may be required under the borrowing arrangements. Further, pursuant to the terms of the borrowing arrangements, prepayment of such borrowings may attract prepayment charges as prescribed by the respective lenders. Such prepayment charges, as applicable, will also be funded out of the Proceeds.

The following table provides details of certain loans availed by our Company and our Subsidiary, THLZV, as on June 25, 2024 out of which our Company shall have a discretion to repay or prepay, in full or in part, any or all the borrowings specified below, from the Proceeds.

Name of the lender	Date of the sanction letter / loan agreement / debenture trust deed	Nature of borrowing	Purpose for which disbursed loan amount was utilized*	Amount sanctioned / availed as on June 25, 2024 (₹ in crore)	Amount outstanding as on June 25, 2024 (₹ in crore)	Tenor/ Repayment Schedule	Prepayment charges/ conditions
Borrowings by our Company							
Deutsche Bank, AG	Facility agreement dated May 1, 2023 ("**Deutsche Bank Agreement**")	Rupee term loan facility	Long-term working capital	1,100	1,100	Repayable on the final repayment date, i.e., 24 months after the utilization date (as defined in the Deutsche Bank Agreement)	The loan may be prepaid by giving a three-day prior written notice, and be prepaid together with payment of a pre-determined prepayment charges
Series A debenture holders, namely: (a) OCM India Opportunities XI Alternate Investment Fund; and (b) OCM India Opportunities XB Alternate Investment Fund.	Debenture trust deed dated September 27, 2023 (as amended and restated pursuant to an amendment and restatement deed dated December 19, 2023) ("**DTD**")	Unlisted, secured, redeemable Serie A non- convertible debentures	General corporate purposes	2,500	2,500	Repayable on the redemption date (as defined in the DTD)	The debenture may be redeemed prior to the scheduled repayment date, with written notice of redemption and payment of a pre-determined prepayment charges
Union Bank of India	Term loan facility agreement dated December 20, 2021 ("**UBI Agreement**")	Rupee term loan facility	(i) repayment/prepayment/refinancing of non-convertible debentures and/or commercial papers issued by the Company for meeting capital expenditure requirements; (ii) reimbursement of capital expenditure funded from internal accruals; and (iii) funding ongoing and future capital expenditure.	8,000	6,400	24 consecutive quarterly structured repayment instalments. The first repayment instalment had fallen due for repayment on December 31, 2021.	Prepayable (in whole or in part) by giving prior notice and be prepaid together with payment of a pre-determined prepayment charges

Name of the lender	Date of the sanction letter / loan agreement / debenture trust deed	Nature of borrowing	Purpose for which disbursed loan amount was utilized*	Amount sanctioned / availed as on June 25, 2024 (₹ in crore)	Amount outstanding as on June 25, 2024 (₹ in crore)	Tenor/ Repayment Schedule	Prepayment charges/ conditions
Borrowings by our Subsidiary, THLZV							
Various lenders (as described in the Oaktree Agreement) including: (a) Oaktree-TCDRS Strategic Credit, LLC; and (b) Oaktree-Forrest Multi-Strategy, LLC.	Facility agreement dated May 22, 2023 ("**Oaktree Agreement**")	US dollar term loan facility	(i) payment for the redemption and cancellation of all optionally convertible redeemable preference shares issued by THLZV and held by the Company; (ii) subscribing for optionally convertible redeemable preference shares issued by the THL Limited; and (iii) payment of any fees, costs and expenses in connection with the transactions contemplated under the finance documents (as defined in the Oaktree Agreement)	7,470[(1)]	7,470[(1)]	Repayable in instalments by repaying on the repayment dates (as disclosed below), an amount which reduces the amount of the outstanding loans equal to the relevant percentage set out in the Oaktree Agreement: (a) 24 months after the first utilization date (as defined in the Oaktree Agreement); (b) 30 months after the first utilization date (as defined in the Oaktree Agreement); (c) Termination date (as defined in the Oaktree Agreement)	(a) Subject to (b) and (c) below, the loans may be prepaid (in whole or in part) by giving prior written notice; (b) The loans may be prepaid only after the last day of the availability period (as defined in the Oaktree Agreement); (c) Any amount prepaid shall be paid together with pre-determined prepayment charges
Total				19,070	17,470		

** A S C B S R and Company LLP, Chartered Accountants, pursuant to their certificate dated July 15, 2024, have confirmed that these borrowings have been utilized for the purposes for which they were availed, as provided in the relevant borrowing documents.*

Notes:

(1) The amount is in US$. Accordingly, an exchange rate of 1 US$ = ₹ 83, has been considered for this purpose.

2. General corporate purposes

Our Company proposes to deploy the balance Proceeds, aggregating to ₹ [●] crores, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Proceeds, in compliance with applicable laws. The general corporate purposes may include, but are not restricted to meeting funding requirements which our Company may face in the ordinary course of business, any additional capital expenditure, funding growth opportunities, repayment or prepayment of our borrowings including interest or related borrowing costs thereon, payments for strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, meeting working capital requirements of our Company incurred in the ordinary course of business, meeting exigencies, taxes and expenses, logistics expenses, installation expenses, accessories, freight, and other expenses or payments to creditors in relation to our proposed capital expenditure, and any other purpose as may be approved by the management from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013, where applicable. The allocation or quantum of utilization of funds towards the specific purposes described above will be determined based on our business requirements and other relevant considerations, from time to time.

Interim use of Proceeds

Pending utilization of the Proceeds from the Issue, our Company shall deposit such proceeds in one or more scheduled commercial banks in the Second Schedule of the Reserve Bank of India Act, 1934 or to temporarily invest the funds in creditworthy instruments, including money market, mutual funds, and deposits with banks and/or financial institutions. Such investments will be in accordance with the investment policies as approved by our Board and/or a duly authorized committee of our Board, from time to time, and in accordance with applicable laws.

Monitoring of utilisation of funds

Our Company has appointed ICRA Limited as the monitoring agency in accordance with Regulation 173A of the SEBI ICDR Regulations for monitoring the utilisation of Proceeds as the size of our Issue exceeds ₹100 crore. The report of the Monitoring Agency shall be placed before the Audit Committee on a quarterly basis, promptly upon its receipt, until such time as the Proceeds have been utilized in full or the Objects for which the Proceeds were raised have been achieved. Further, the Board and the management of our Company shall provide their comments on the findings of the Monitoring Agency, as specified in Schedule XI of the SEBI ICDR Regulations. Such report, along with the comments (if any) of the Monitoring Agency shall be submitted to the Stock Exchanges within 45 days from the end of each quarter and uploaded on the website of our Company at www.vedantalimited.com, or such other time as may be prescribed under the SEBI Listing Regulations.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Proceeds. On an annual basis, our Company shall (i) prepare a statement of funds utilised for purposes other than those stated in this Preliminary Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Proceeds remain unutilised; and (ii) disclose every year, the utilization of the Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Proceeds have been utilised in full. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above or the Objects for which the Proceeds were raised have been achieved. This information will also be published on our website and our Company shall furnish an explanation for the deviations and category-wise variations in the director's report in its annual report, after placing the same before the Audit Committee.

Other confirmations

As permissible under applicable laws, our Company's management will have flexibility in deploying the Proceeds. The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us.

Neither our Promoters, nor our Promoter Group, nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Proceeds. Further, neither our Promoters nor our Promoter Group, nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Promoter Group, Directors or Senior Management are not eligible to subscribe in the Issue.

Since, the Proceeds of the Issue are proposed to be utilised towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under Schedule VII of the SEBI ICDR Regulations are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation statement and the total borrowings, on a consolidated basis, as at March 31, 2024 derived from the Fiscal 2024 Audited Consolidated Financial Statements and as adjusted for the Issue. This table should be read in conjunction with "***Financial Information***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" on pages 296 and 96, respectively.

(₹ in crores, unless otherwise stated)

Particulars	Pre-Issue as at March 31, 2024	As adjusted for the Issue(1)
Borrowings		
Non-current borrowings	50,633	[●]
Current borrowings	21,125	[●]
Total Borrowings (A)	**71,758**	[●]
Equity		
Equity Share Capital	372	[●]
Other Equity	30,350	[●]
Non-controlling interests	11,347	[●]
Total Equity (B)	**42,069**	[●]
Total Capitalization (A + B)	**1,13,827**	[●]
Total Borrowings/total Equity (A) / (B)	**1.71**	[●]

(1) *The corresponding post-Issue capitalisation data for each of the amounts given in the above table is not determinable at this stage and hence the same has not been provided in the above statement.*

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(In ₹, except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORIZED SHARE CAPITAL**	
	Equity Share capital, comprising:	
	44,02,01,00,000 Equity Shares (of face value of ₹1 each)	44,02,01,00,000
	Preference Share capital, comprising:	
	3,01,00,00,000 Preference Shares (of face value of ₹10 each)	30,10,00,00,000
	Total	74,12,01,00,000
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	3,71,75,04,871 Equity Shares (of face value of ₹1 each)	3,71,75,04,871*
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares aggregating up to ₹[●] crores(1)(2)(3)	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares(2)(3)	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue(4)	1,90,09,12,55,205
	After the Issue(2)	[●]

* *Includes 2,98,632 Equity Shares currently under abeyance and pending for allotment, as they are subjudice. Accordingly, these Equity Shares do not form part of the listed Equity Share capital.*

(1) *The Issue has been authorised by the Board pursuant to a resolution* dated *May 16, 2024 and by the Shareholders of our Company pursuant to a special resolution passed through postal ballot on June 21, 2024.*

(2) *To be determined upon finalisation of the Issue Price. The securities premium account after the Issue is calculated on the basis of Proceeds. Adjustments do not include Issue related expenses.*

(3) *Subject to finalisation of Allotment*

(4) *As on the date of this Preliminary Placement Document.*

Equity Share capital history of our Company

The history of the Equity Share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

Date of allotment	Nature of allotment	No. of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration
November 10, 1965*	Initial subscription to the Memorandum of Association	1,000	500(1)	500	With respect to this allotment, the details of nature of consideration were not available in the RoC Search Report*
January 5, 1968*	Preferential allotment	20,000	500	500	Cash
April 11, 1978*	Bonus issue in the ratio of 2:3	14,000	500	N.A.	N.A.
May 21, 1980*	Allotment pursuant to scheme of amalgamation	38,500	500	With respect to this allotment, the details of the issue price were not available in the RoC Search Report*	With respect to this allotment, the details of nature of consideration were not available in the RoC Search Report*
January 22, 1982*	Initial public offering of our Company	-(2)	10(3)	12.50	N.A.
December 12, 1986*	Bonus issue in the ratio of 2:5	14,70,000	10	N.A.	N.A.
February 1, 1992*	Preferential allotment	8,64,360	10	30	With respect to this allotment, the details of nature of consideration were not available in the RoC Search Report*

Date of allotment	Nature of allotment	No. of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration
February 1, 1992*	Allotment pursuant to conversion of debentures	12,96,540	10	30	N.A.
May 29, 1993*	Bonus issue in the ratio of 1:1	73,05,900	10	N.A.	N.A.
March 15, 1994*	Preferential allotment	32,80,200	10	60	With respect to this allotment, the details of nature of consideration were not available in the RoC Search Report*
December 4, 1995*	Rights issue	17,41,587	10	100	With respect to this allotment, the details of nature of consideration were not available in the RoC Search Report*
March 27, 1997*	Rights issue	44,898	10	100	With respect to this allotment, the details of nature of consideration were not available in the RoC Search Report*
August 19, 1997*	Rights issue	2,525	10	100	With respect to this allotment, the details of nature of consideration were not available in the RoC Search Report*
March 3, 2005*	Bonus issue in the ratio of 1:1	1,96,81,010	10	N.A.	N.A.
Pursuant to the board resolution dated June 30, 2008, each equity share of our Company of face value ₹10 each was sub-divided into Equity Shares of ₹ 1 each. Therefore, an aggregate of 3,93,62,020 issued, subscribed and paid-up equity shares of face value ₹ 10 each were split into 39,36,20,200 Equity Shares of ₹ 1 each					
August 25, 2008	Bonus issue in the ratio of 1:1	39,36,20,200	1	N.A.	N.A.
July 22, 2009*	Preferential allotment	3,32,74,000	1	161.46	Cash
January 14, 2010*	Allotment pursuant to conversion of FCCBs	20,34,128	1	346.88	Cash
March 15, 2010*	Allotment pursuant to conversion of FCCBs	84,13,274	1	346.88	Cash
April 5, 2010*	Allotment pursuant to conversion of FCCBs	88,14,567	1	346.88	Cash
April 23, 2010*	Allotment pursuant to conversion of FCCBs	1,83,76,377	1	346.88	Cash
May 17, 2010*	Allotment pursuant to conversion of FCCBs	15,49,813	1	346.88	Cash
March 12, 2011*	Allotment pursuant to scheme of amalgamation of Sesa Industries Limited with Sesa Goa Limited	93,98,864	1	With respect to this allotment, the details of the issue price were not available in the RoC Search Report*	With respect to this allotment, the details of nature of consideration were not available in the RoC Search Report*
August 29, 2013*	Allotment pursuant to scheme of amalgamation and arrangement amongst Sterlite Industries (India) Limited, Madras Aluminium Company Limited, Sterlite Energy Limited, Vedanta Aluminium Limited and Sesa Goa Limited and their respective shareholders and creditors and pursuant to the scheme of amalgamation of Ekaterina Limited with Sesa Goa Limited, and their respective shareholders and creditors. ("**Scheme of Amalgamation and Arrangement 2013**")	2,09,55,73,064	1	With respect to this allotment, the details of the issue price were not available in the RoC Search Report*	With respect to this allotment, the details of nature of consideration were not available in the RoC Search Report*
August 13, 2014	Allotment pursuant to the Scheme of Amalgamation and	14,952	1	With respect to this	Other than cash

Date of allotment	Nature of allotment	No. of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration
	Arrangement 2013, which was earlier kept in abeyance			allotment, the details of the issue price were not available in the RoC Search Report*	
February 23, 2015	Allotment pursuant to the Scheme of Amalgamation and Arrangement 2013, which was earlier kept in abeyance	4,800	1	With respect to this allotment, the details of the issue price were not available in the RoC Search Report*	Other than cash
April 28, 2017	Allotment pursuant to a scheme of arrangement between Cairn India Limited and Vedanta Limited, and their respective shareholders and creditors	75,25,00,000	1	With respect to this allotment, the details of the issue price were not available in the RoC Search Report*	Other than cash
March 26, 2018	Allotment pursuant to the Scheme of Amalgamation and Arrangement 2013, which was earlier kept in abeyance	2,400	1	With respect to this allotment, the details of the issue price were not available in the RoC Search Report*	Cash
October 26, 2021	Allotment pursuant to the Scheme of Amalgamation and Arrangement 2013, which was earlier kept in abeyance	2,400	1	With respect to this allotment, the details of the issue price were not available in the RoC Search Report*	Cash
June 5, 2023	Allotment pursuant to the Scheme of Amalgamation and Arrangement 2013, which was earlier kept in abeyance	7,200	1	With respect to this allotment, the details of the issue price were not available in the RoC Search Report*	Cash

Notes:

** The secretarial records for certain past allotments of Equity Shares made by our Company could not be traced as the relevant information was not available in the records maintained by our Company, the Ministry of Corporate Affairs at the MCA Portal and RoC, Goa and the RoC, respectively. Accordingly, we have relied on the search report dated July 4, 2024 prepared by VJ & Associates, independent practicing company secretary, and certified by their certificate dated July 15, 2024 ("**RoC Search Report**"). For details of risks arising out of missing or untraceable past secretarial records of our Company, see "**Risk Factors – 36. We have not been able to locate certain of our corporate and secretarial records and form filings.**" on page 63.*

(1) Equity shares allotted pursuant to initial subscription to the memorandum of association were partly paid-up, at the time of allotment, with ₹ 50 per equity share being called and paid up. Subsequently, these equity shares were fully-paid up on April 11, 1978.

(2) 22,05,000 equity shares of face value of ₹ 10 each were offered for sale through the initial public offering. Accordingly, there no increase in the cumulative

issued and paid-up equity share capital.
(3) At the time of the time of initial public offering, the face value of each equity share was reduced from ₹ 500 per equity share to ₹ 10 per equity share.
(4)2,98,632 equity shares are currently under abeyance and pending for allotment, as they are subjudice. Accordingly, these equity shares do not form part of the listed and paid-up equity share capital.

Employee stock option scheme

ESOP 2016

The ESOP 2016 was approved pursuant to resolution dated October 28, 2016, passed by our Board, and special resolution dated December 12, 2016 passed by our Shareholders, through postal ballot. Under the ESOP 2016, each employee stock option, when exercised will be converted into one Equity Share of the Company in accordance with the terms of the ESOP 2016.

The following table sets forth details in respect of the ESOP 2016 as on the date of this Preliminary Placement Document:

Particulars	Number of Equity Shares/ Options (as on June 30, 2024)
Maximum number of Equity Shares which may be issued under the scheme (A)	14,82,50,244
Total number of options granted (B)	10,59,59,898
Options vested	1,57,05,980
Options exercised	1,53,47,424
Options lapsed or forfeited	5,44,15,671
Options outstanding to be exercised	3,61,96,803
Options that can be further granted (A) – (B)	4,22,90,346

Pre-Issue and post-Issue shareholding pattern

The pre-Issue and post-Issue shareholding pattern of our Company is set forth below:

S. No.	Category	Pre-Issue (as on July 12, 2024)#		Post-Issue*	
		No. of Equity Shares held	% of shareholding	No. of Equity Shares held	% of shareholding
A.	**Promoters' holding^**				
1.	Indian				
	Individuals	1,42,996	Negligible	[●]	[●]
	Bodies corporate	0	-	[●]	[●]
	Sub-total	**1,42,996**	**Negligible**	[●]	[●]
2.	Foreign promoters	2,20,47,24,753	59.31	[●]	[●]
	Sub-total (A)	**2,20,48,67,749**	**59.32**	[●]	[●]
B.	**Non-Promoters' holding**				
1.	Institutional investors	93,25,78,928	25.09	[●]	[●]
2.	Non-institutional investors				[●]
	Bodies corporate	11,68,40,929	3.14	[●]	[●]
	Directors and relatives	1,76,397	Negligible	[●]	[●]
	Indian public	41,53,95,890	11.17	[●]	[●]
	Others including non-resident Indians (NRIs)	4,73,46,346	1.27	[●]	[●]
	Sub-total (B)	**1,51,23,38,490**	**40.68**	[●]	[●]
	Grand Total (A+B)	**3,71,72,06,239**	**100.00**	[●]	[●]

Note: 2,98,632 Equity Shares are currently under abeyance and pending for allotment, as they are subjudice. Accordingly, these Equity Shares do not form part of the listed and paid-up Equity Share capital.

This shareholding data is based on the beneficiary position data of our Company as of July 12, 2024.
^ *This includes shareholding of the members of the Promoter Group.*
* *The post-Issue shareholding pattern shall be filled-in before filing of the Placement Document with the Stock Exchanges.*

Other confirmations

(i) Except as disclosed in "– ***Equity Share capital history of our Company***" on page 90, our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash.

(ii) Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of the notice of the postal ballot to our Shareholders, dated May 16, 2024, for the approval of this Issue.

DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the Companies Act and our Articles of Association. Our Board has approved and adopted a formal dividend distribution policy on February 8, 2022 in terms of Regulation 43A of the SEBI Listing Regulations. For further information, see "***Description of the Equity Shares***" on page 257.

The following table sets forth the details of the dividends (including interim dividend, if any) declared by our Company on the Equity Shares in Fiscals 2024, 2023 and 2022, derived from our Audited Consolidated Financial Statements:

Period/ Financial Year	Face Value of Equity Share (in ₹)	Total dividend per Equity Share (in ₹)	Dividend rate (%)	Total amount of dividend (in ₹ crores)
Fiscal 2024				
1st Interim Dividend	1.00	18.50	1,850%	6,877
2nd Interim Dividend	1.00	11.00	1,100%	4,089
Fiscal 2023				
1st Interim Dividend	1.00	31.50	3,150%	11,710
2nd Interim Dividend	1.00	19.50	1,950%	7,249
3rd Interim Dividend	1.00	17.50	1,750%	6,506
4th Interim Dividend	1.00	12.50	1,250%	4,647
5th Interim Dividend	1.00	20.50	2,050%	7,621
Fiscal 2022				
1st Interim Dividend	1.00	18.50	1,850%	6,877
2nd Interim Dividend	1.00	13.50	1,300%	5,019
3rd Interim Dividend	1.00	13.00	1,300%	4,832
April 1, 2024, till July 15, 2024				
1st Interim Dividend	1.00	11.00	1,100%	4,089

Note: The dividend amounts mentioned in the above table represents the dividend declared in that Fiscal year, which was paid in the subsequent Fiscal year.

The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, current Financial Year's profits and retained earnings; availability of cash and liquid investments to pay dividend; deleveraging plans of our Company, capital expenditures and organic/inorganic plans of our Company; contingency plans; Company's future prospects including its continued ability to sustain its profits; uncertain or recessionary economic and business conditions; regulatory environment; and prevailing and expected commodity prices in the market.

The Equity Shares to be issued in connection with this Issue shall qualify for any dividend, including interim dividend, if any, that is declared in respect of the fiscal in which they have been allotted.

Also see "***Risk Factors – 64. We cannot assure payment of dividends on the Equity Shares in the future.***" on page 75.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey our management's perspective on our financial condition and results of operations.

*Please read "**Presentation of Financial and Other Information — Financial Data and Other Information**" on page 10 before reading this section. This section should be read together with "**Risk Factors**", "**Industry Overview**", "**Our Business**", "**Selected Financial Information**" and "**Financial Information**" on pages 48, 131, 189, 40 and 296, respectively.*

*This section contains forward-looking statements. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements. See "**Forward-Looking Statements**" on page 16 for a discussion of the risks and uncertainties related to those statements and "**Risk Factors**" on page 48 for a discussion of certain factors that may affect our business, financial condition, results of operations or cash flows.*

Unless stated or the context requires otherwise, all financial information is presented on a consolidated basis, and such financial information contained in this Preliminary Placement Document as at and for the year ended March 31, 2024 is derived from the Fiscal 2024 Audited Consolidated Financial Statements, financial information as at and for the year ended March 31, 2023 is derived from comparatives presented in Fiscal 2024 Audited Consolidated Financial Statements and financial information as at and for the year ended March 31, 2022 is derived from the comparatives presented in Fiscal 2023 Audited Consolidated Financial Statements.

*Certain information in this section includes extracts from a report by ICRA Analytics Limited titled 'Industry Overview Report for Vedanta Ltd.' dated July 5, 2024 (the "**ICRA Report**"), which has been exclusively commissioned and paid for by us in connection with this Issue. The relevant industry sources are indicated at all relevant places within this section. For more information, see "**Risk Factors — Risks Relating to Business — 37. Third party statistical and industry related data in this Preliminary Placement Document may be incomplete or unreliable and any reliance on such information for making an investment decision in this Issue is subject to inherent risk.**" on page 64. None of our Company, the Book Running Lead Managers or any other person connected with the Issue has independently verified all the information contained in the ICRA Report.*

Overview

We are a globally diversified natural resource group engaged in exploring, extracting and processing minerals and oil and gas. We are the largest aluminium producer in India accounting for approximately 56.5% of the overall smelting capacity in the country and are the second largest producer of zinc and the third largest silver producing company in the world (*Source: ICRA Report*). We have operations in India, Namibia, Ireland, South Africa, Liberia, UAE, Japan, South Korea and Taiwan. This geographical reach and diverse portfolio of commodities allows us to capitalise on regional market demands and economic strengths.

Our Group is primarily engaged in the following businesses: (i) aluminium ("**Aluminium Business**"), (ii) zinc, lead and silver ("**Zinc, Lead and Silver Business**"), (iii) oil and gas ("**Oil and Gas Business**"), (iv) copper ("**Copper Business**") (v) iron ore ("**Iron Ore Business**"), (vi) steel ("**Steel Business**") and (vii) commercial power generation ("**Commercial Power Generation Business**").

(i) <u>*Aluminium Business*</u>. Our Aluminium Business is the largest aluminium producer in India and accounts for approximately 56.5% of the overall smelting capacity in the country (*Source: ICRA Report*), with present installed capacity of 2.4 mtpa aluminium capacity. We have a market share of approximately 45% in producing primary aluminium sector in India (*Source: ICRA Report*). Our Aluminium Business is conducted by our Company in Odisha and also through our Subsidiary, Bharat Aluminium Company Limited ("**BALCO**"), in Chhattisgarh, India. Our Company's operations include 1.8 mtpa smelter at Jharsuguda in Odisha, an alumina refinery at Lanjigarh and captive power plants. BALCO's operations include the Chotia coal block, a 1,410 MW captive power plant, a 245 ktpa aluminium smelter, a 325 ktpa aluminium smelter and the fabrication facilities in Chhattisgarh.

(ii) <u>*Zinc, Lead and Silver Business*</u>. Our Zinc, Lead and Silver Business comprises operations in India ("**Zinc India**") and outside India ("**Zinc International**"). Our Zinc India Business is conducted through our Subsidiary, Hindustan Zinc Limited ("**HZL**"). HZL is the second largest producer of zinc and the third largest silver producing company in the world (*Source: ICRA Report*) and has five zinc-lead mines at the Agucha, Kayad, Sindesar Khurd, Dariba and Zawar facilities in Rajasthan. Our Zinc International Business is conducted through several subsidiaries, namely THL Zinc Namibia Holdings Limited and its subsidiaries ("**Skorpion**") in Namibia, Vedanta Lisheen Holdings Limited and its subsidiaries ("**Lisheen**") in Ireland and Black Mountain Mining Pty Ltd ("**Black Mountain Mining**") in South Africa. In Fiscal Year 2024, Zinc India produced 817 kt of zinc, 216 kt of lead and 746 tonnes of silver, while Zinc International produced 208 kt of metal-in-concentrate.

(iii) *Oil and Gas Business*. Our Oil and Gas Business is conducted by our Company and its Subsidiary, Cairn Energy Hydrocarbons Limited ("**CEHL**"). We contributed approximately 25% of India's domestic crude oil production during Fiscal Year 2024 (*Source: ICRA Report*). Our Oil and Gas Business produced 46.7 mmboe of gross operated production in Fiscal Year 2024 across its diversified asset base of 62 blocks in India. The blocks are primarily located across the Indian basins in Barmer, Krishna-Godavari, Cambay, Assam, Gujarat Kutch and Cauvery.

(iv) *Copper Business*. Our Copper Business comprises operations in India and the UAE. Our Copper Business in India is conducted by our Company and its business in the UAE is operated by its Subsidiary, Fujairah Gold FZC ("**Fujairah Gold**").

(v) *Iron Ore Business*. Our Iron Ore Business comprises operations in India and Liberia. We are one of the leading iron ore producers in India in Fiscal Year 2024 (*Source: ICRA Report*). Our Iron Ore Business is conducted by our Company in Goa and Karnataka, India and our Iron Ore Business in Liberia is conducted through our Subsidiary, Western Cluster Limited ("**WCL**").

(vi) *Steel Business*. Our Steel Business is conducted through our Subsidiary, ESL Steel Limited ("**ESL**"). ESL's manufacturing facility is a greenfield integrated steel plant located near Bokaro, Jharkhand, India, which has a current capacity of 1.7 mtpa.

(vii) *Commercial Power Generation Business*. Our Commercial Power Generation Business is primarily conducted by our Company and our Subsidiary, Talwandi Sabo Power Limited ("**TSPL**"). Our Commercial Power Generation Business has power purchase agreements ("**PPAs**") in place with public utilities involved in power distribution for 2,580 MW of our merchant capacity.

For Fiscal Years 2022, 2023 and 2024, we reported revenue from operations of ₹131,192 crore, ₹145,404 crore and ₹141,793 crore and EBITDA of ₹45,319 crore, ₹35,241 crore and ₹36,455 crore, respectively.

In this section Revenue from Operations for Aluminium Business, Zinc India Business, Zinc International Business, Oil and Gas Business, Copper Business, Iron Ore Business and Power Business (Commercial Power Generation business) represents External Revenue of the Respective Business Segments as per Ind AS 108 - Operating Segments.

Significant Factors Affecting Our Results of Operations

Our results of operations are primarily affected by commodity prices, costs of production and efficiency, production output and mix, government policy in India, South Africa and Namibia and exchange rates. Each of these key factors is discussed below.

Generally, the metals we sell in India are sold at a premium to the London Metal Exchange Limited ("**LME**") market price due to a number of factors, including the customs duties levied on imports by the GoI, the costs to transport metals to India and regional market conditions. See the section entitled "***— Indian Government Policy***" on page 101 for more information.

We have historically engaged in hedging strategies to a limited extent to partially mitigate our exposure to fluctuations in commodity prices, as further described in the section entitled "***— Quantitative and Qualitative Disclosure about Market Risk Disclosure — Commodity Price Risk***" on page 127.

Commodity Prices

Our results of operations are significantly affected by the commodity prices of the natural resources that we produce, which are based on LME prices of metals produced, benchmark prices of oil, gas and iron ore and by the treatment charge and refining charge ("**TcRc**") of our Copper Business. While natural resource producers are unable to influence the commodity or benchmark prices directly, events such as changes in copper smelting or commodity production capacities, temporary price reductions or other attempts to capture market share by individual natural resources producers, including us, may affect market prices.

Moreover, the prices that we realised can, to some extent, be affected by the particular terms we are able to negotiate for the contractual arrangements we enter into with buyers. Price variations and market cycles have historically influenced, and are expected to continue to influence, our financial performance. In Fiscal Year 2022, the increase in the prices of zinc, aluminium, copper, silver, lead and Dated Brent by 34%, 54%, 40%, 7%, 22% and 82%, respectively, positively affected our revenue from operations and operating profit. In Fiscal Year 2023, the decrease in the prices of aluminium, copper, silver and lead by 11%, 12%, 13% and 8%, respectively, negatively affected our revenue from operations and operating profit. However, this was offset by the increase in zinc and Dated Brent prices by 2% and 18%, respectively. In Fiscal Year 2024, the increase in the prices of silver and lead by 10% and 1%, respectively, positively affected our revenue from operations and operating profit. However, this was offset by the decrease in zinc, Dated Brent, aluminium, and copper prices by 25%, 14%, 11% and 2%, respectively. Additionally, fluctuation in coal price will also impact the cost of production of our metal production businesses, as a majority of our power requirements are met by captive power plants which are primarily coal-fuelled. See "***— Production Costs and Efficiency of Operations***" on page 99 for further information.

Aluminium

The revenue from operations of our Aluminium Business fluctuates based on the volume of sales and the aluminium LME price. In Fiscal Year 2024, 88% of BALCO's alumina requirement and 52% of our alumina requirement were sourced from third parties. For the portion of our Aluminium Business where the required alumina is sourced internally, profitability is dependent upon the aluminium LME price less the cost of production, which comprises the costs of bauxite mined or purchased from third-party, the cost of refining of bauxite into alumina at our aluminium refinery and the cost of smelting of alumina into aluminium. For the portion of our Aluminium Business where alumina is sourced from third parties, profitability is dependent upon the aluminium LME price less the cost of the sourced alumina and the cost of smelting. See the section entitled "***Risk Factors — 8. Our businesses depend upon certain third parties for the supply of our raw material, equipment and services, the execution of projects and, as well as the offtake of our production.***" on page 52 for more information.

The following table sets out the daily average aluminium LME prices for Fiscal Years 2022, 2023 and 2024:

	Fiscal Year		
	2022	**2023**	**2024**
		(US$ per tonne)	
Aluminium LME	2,774	2,481	2,200

Zinc, Lead and Silver

The revenue from operations of our Zinc, Lead and Silver Business fluctuates based on the volume of sales and the LME price of zinc and lead and London Bullion Metal Association ("**LBMA**") price for silver. Our Zinc India Business is fully integrated, so its profitability is dependent upon the difference between the LME price of zinc, lead and silver and the cost of production, which includes the costs of mining and smelting.

The following table sets out the daily average zinc, lead and silver LME prices for Fiscal Years 2022, 2023 and 2024:

	Fiscal Year		
	2022	**2023**	**2024**
		(US$ per tonne, except for silver which is US$ per ounce)	
Zinc LME	3,257	3,319	2,475
Lead LME	2,285	2,101	2,122
Silver LBMA	24.58	21.37	23.55

Crude oil and natural gas

We experienced supply-demand fluctuations in Fiscal Year 2024, leading to higher volatility in the oil and gas market. Crude oil price averaged US$83.1 per barrel in Fiscal Year 2024 compared to US$96.2 per barrel in Fiscal Year 2023 and US$81.2 per barrel in Fiscal Year 2022. The decline is largely attributed to ongoing geopolitical risk, concerns about demand in major economies, like the U.S. and China, monetary tightening by major banks and expectations of global oil production surpassing consumption in 2024. The previous period was influenced by the Russia-Ukraine war which resulted in a rally in prices.

The following table sets out the price of Dated Brent, an international benchmark oil blend, according to Platts, McGraw Hill Financial, for Fiscal Years 2022, 2023 and 2024.

	Fiscal Year		
	2022	**2023**	**2024**
		(US$ per tonne)	
Dated Brent	81.2	96.2	83.1

Copper

The revenue from operations of our Copper Business fluctuates based on the volume of sales and the copper LME price. Our Copper Business is mainly custom smelting and refining, and source almost all of our copper concentrates and blisters from third parties. We purchase copper concentrates and blisters at a copper LME price for the relevant quotation period less a TcRc that we negotiate with our suppliers, which is influenced by the prevailing market rate for the TcRc. The market rate for the TcRc is significantly dependent upon the availability of copper concentrate, worldwide copper smelting capacity and transportation costs. The TcRc that we are able to negotiate is also substantially influenced by the TcRc terms established by certain large Japanese custom smelters. As a result, the profitability of our Copper Business is significantly dependent upon the market rate of the TcRc and our ability to negotiate the TcRc. See the section entitled "***Risk Factors — Risks Relating to Business — 8. Our businesses depend upon certain third parties for the supply of our raw material, equipment and services,***

the execution of projects and, as well as the offtake of our production." on page 52 for more information.

The following table sets out the daily average copper LME price for Fiscal Years 2022, 2023 and 2024:

	Fiscal Year		
	2022	**2023**	**2024**
		(US$ per tonne)	
Copper LME	9,689	8,530	8,353

The profitability of our Copper Business is also affected by the prices we receive upon the sale of by-products, such as sulphuric acid and precious metals, which are generated during the copper smelting and refining process. The prices we receive for by-products can vary significantly, including as a result of changes in supply and demand and local market factors in the location the by-product is produced.

Iron ore

The revenue from operations of our Iron Ore Business fluctuates based on the volume of sales and the market price of iron ore. The prices for iron ore are significantly dependent on the global and regional imbalances between the demand and supply of iron ore, worldwide steel-making capacity and transportation costs. Spot prices fluctuate based on short-term imbalances between demand and supply. See the section entitled "***Risk Factors — Risks Relating to Business — 8. Our businesses depend upon certain third parties for the supply of our raw material, equipment and services, the execution of projects and, as well as the offtake of our production.***" on page 52 for more information.

Production Costs and Efficiency of Operations

The results of our operations are, to a significant degree, dependent upon our ability to efficiently run our operations and maintain low costs of production. Efficiencies relating to recovery of metal from ore, process improvements, by-product management and increasing productivity help drive costs down. Costs associated with mining and metal production include energy costs, ore extraction and processing costs at the captive mines, labour costs and other manufacturing expenses.

In our Oil and Gas Business, production costs consist of expenditure incurred towards the production of crude oil and natural gas including statutory levies, such as cess, royalties and production payments payable pursuant to the relevant production sharing contract as well as operational expenditures such as costs relating to repairs on, and maintenance of, facilities, power generation and fuel for facilities, water injection, insurance, and storage, transportation and freight of crude oil and natural gas, among others.

Energy cost is the most significant component of the cost of production of our metal production businesses. A majority of our power requirements are met by captive power plants which are primarily coal-fuelled. Thermal coal, diesel fuel and fuel oil, which are used to operate our power plants, and metallurgical coke, which is used in the zinc smelting process, are sourced from a combination of long-term and spot contracts. The Aluminium Business has high energy consumption due to the power-intensive nature of aluminium smelting. Coal is sourced from linkage coal, import and domestic purchase. Any change in coal prices or the mix of coal that is utilised, primarily whether the coal is sourced locally or imported, can affect the cost of generating power.

For our Zinc and Iron Ore Businesses and the portions of Aluminium Businesses where ore is sourced from our own mines, ore extraction and processing costs affect the cost of production. In our Aluminium Business, alumina costs represent approximately one-third of the cost of production of aluminium. In addition, a significant cost of production in our Zinc India Business is the royalty that HZL pays to the GoI on the lead-zinc ore that is mined. The royalty is a function of the LME prices of zinc and lead. See the section entitled "***— Indian Government Policy***" on page 101 for more information. In our Iron Ore Business, the principal activities are ore extraction, processing and sales. The cost of transporting ore from the mines to the port and the ore extraction cost account for a majority of our total cost of production.

In our Commercial Power Generation Business, production costs are mainly coal costs, and the coal is primarily sourced domestically.

Labour costs are principally a function of the number of employees and increases in compensation from time to time. Improvements in labour productivity in recent years have resulted in a decrease in the per-unit labour costs. The majority of BALCO's mining operations, a substantial portion of HZL's and our Company's iron ore mining operations, our oil and gas operations, and a limited number of functions at our copper, zinc and aluminium smelting operations are outsourced to third-party contractors.

Other manufacturing expenses include, among other things, additional materials and consumables that are used in the production processes and routine maintenance to sustain ongoing operations. None of these represents a significant portion of our costs of production.

Cost of production as reported for our metal products includes an offset for any amounts we receive upon the sale of the by-products from the refining or smelting processes. The cost of production is divided by the daily average exchange rate for the year to calculate the US dollar cost of production per lb or tonne of metal as reported.

Production costs and costs per unit are also significantly affected by changes in production volumes and variable costs. Therefore, our production levels and variable costs are key factors in determining our overall cost competitiveness.

Costs of production for Fiscal Years 2022, 2023 and 2024 are reflected in the following table:

	Fiscal Year		
	2022	**2023**	**2024**
Oil and Gas Business (US$ per boe)..	10.0	13.7	13.9
Zinc India Business (US$ per tonne)[(1)(2)]	1,567	1,707	1,450
Zinc International Business (US$ per tonne)[(1)]	1,442	1,577	1,488
Iron Ore Business (value-added business) (US$ per tonne)........	441	532	442
Aluminium Business (US$ per tonne)[(1)]	1,858	2,324	1,796
Steel Business...	585	656	588

Notes:

(1) Cost of production per unit (net of by-products).

(2) Includes royalties US$445 per tonne, US$450 per tonne and US$333 per tonne in Fiscal Years 2022, 2023 and 2024, respectively.

Production Volume and Mix

Production volume has a substantial effect on our results of operations. We are generally able to sell all of the products we produce, so our revenue from operations generally fluctuates as a result of changes in production volume. Production volume is dependent on production capacity. For our mining operations, production volume is also dependent upon the quality and consistency of the ore. Per unit production costs are also significantly affected by changes in production volume in that higher volumes of production generally reduce the per unit production costs. Therefore, production levels are a key factor in determining our overall cost competitiveness.

The following table summarises the production volumes for our primary products in each of Fiscal Years 2022, 2023 and 2024:

		Fiscal Year		
Business vertical	**Product**	**2022**	**2023**	**2024**
		(000' tonnes unless otherwise stated)		
Aluminium Business				
- Our Company	Alumina	1,968	1,793	1,813
	Aluminium	1,687	1,721	1,784
- BALCO	Aluminium	582	570	586
Zinc, Lead and Silver Business				
- HZL	Zinc	776	821	817
	Lead[(1)]	191	211	216
	Silver (moz)[(2)]	647	714	746
- Black Mountain Mining................	Mined metal content	52	65	61
- Gamsberg.....................................	Mined metal content	170	208	147
Oil and Gas Business.........................	Oil and Gas — Gross (mmboe)	58.7	52.1	46.7
	Oil and Gas — Working Interest (mmboe)	37.9	33.4	30.2
Copper Business	Copper	125	148	141
	Copper rods	126	155	188
Iron Ore Business	Saleable ore (dry million tonnes)	5.4	5.3	5.6
Steel Business[(3)]................................	Pig Iron	186	192	203
	Billet	91	26	30
	TMT	399	463	505
	Wire rod	421	407	436
	Ductile iron Pipe	164	196	212
Commercial Power Generation Business..	Power sold (million units)	11,872	14,835	13,443

Notes:

(1) *Excludes lead contained in lead with a high content of silver (high silver lead) produced from the pyrometallurgical lead-zinc smelter for captive use, which was 6,951 tonnes, 7,912 tonnes and 7,622 tonnes in Fiscal Years 2022, 2023 and 2024, respectively.*

(2) *Excludes silver contained in lead with a high content of silver (high silver lead) produced from pyrometallurgical zinc-lead smelter for captive use which was 37.4 tonnes, 41.4 tonnes and 39.0 tonnes in Fiscal Years 2022, 2023 and 2024, respectively.*

(3) *Periodically, our facilities are shut down for planned and unplanned repairs and maintenance which temporarily reduces production volume. In addition, the mix of products we produce can have a substantial impact on our results of operations as we have different margins in each of our business vertical, and within each business vertical, our margins vary between the lower margins of primary metals and the higher margins of value-added products such as copper rods and aluminium rolled products. For example, copper cathodes are converted in the copper rod plant into copper rods, a value-added product which has a higher margin than copper cathodes. As copper rods have higher margins, we endeavour to sell as large a percentage of copper rods as possible. As the production volume of our various products fluctuates primarily based on market demand and production capacity for such products, the percentage of revenue from those products will also fluctuate between higher and lower margin products, which will in turn cause our operating profit and operating margins to fluctuate.*

Indian Government Policy

India customs duties

We sell our products in India at a premium to the LME price, due in part to the customs duties payable on imported products. Profitability is affected by the levels of customs duties as we price our products sold in India generally on an import-parity basis.

We also pay a premium on certain raw materials that it imports, or which are sourced locally but which are priced on an import-parity basis as a result of customs duties, with copper concentrate, coal, petroleum products, alumina, carbon and caustic soda being the primary examples.

The following table sets forth the customs duties that are applicable as of the date of this Preliminary Placement Document:

	May 1, 2023 till present
Copper	5.0%
Copper concentrate	2.5%
Zinc	5.0%
Lead	5.0%
Silver	10.0%
Aluminium	7.5%

Further, social welfare surcharge as a duty of customs has been introduced through the Finance Act, 2018 on imported goods at a rate of 10.0% on basic custom duty (the rate of social welfare surcharge on silver used to be 3.0%, however the rate has been increased to 10% after the announcement of budget 2021. However, pursuant to Notification 4/2023 – Customs dated February 1, 2023, social welfare surcharge on silver has been exempted from February 2, 2023, therefore no social welfare surcharge is imposed on import of silver. Furthermore, Agriculture and Infrastructure Development Cess ("**AIDC**") has been introduced at 2.5% (or at 5% post February 2, 2023). On the other hand, education cess and secondary education cess that was together levied at a rate of 3.0% on imported goods were abolished.

The above duties are subject to change as and when notifications are issued by the GoI in this regard. Any reduction in Indian tariff on imports may have impact on our import parity pricing.

The import of coal attracts below duties as on date:

- Basic custom duty ("**BCD**") at the rate of 1% (or 2.5% post February 2, 2023) on Assessable Value which is non creditable;
- AIDC of 1.5% (or nil post February 2, 2023) on the Assessable Value, which is non creditable;
- social welfare surcharge of 10% on (BCD + AIDC), which is non creditable;
- Integrated GST at the rate of 5%, which is a creditable duty; and
- GST compensation cess at ₹400/MT cess, for which proportionate refund is available with respect to exported goods in ratio of export turnover/total turnover.

Specific goods mentioned in List 33 when imported for the purposes of "petroleum operations" are exempt from basic customs duty under Notification No 50/2017 – Customs dated 30 June 2017 *Sr. No: 404, Condition No: 48*. Similar exemption was given in pre-GST regime. Further, the list of goods for which exemption were available was pruned down pursuant to India's Union Budget 2022, resultantly, denial of custom duty exemption on the few goods imported for petroleum operations.

Imported goods for purposes other than petroleum operations, such as software, IT-related goods. any other material goods which are deemed necessary for office purposes and goods imported for petroleum operations, for which custom duty exemption is not available, are liable to customs duty as per the applicable rates in force which may vary from approximately 21.0% to 30.0% depending on the classification of goods as mentioned in the revised customs tariff 2024.

Export incentives

In Fiscal Years 2022, 2023 and 2024, exports accounted for 73%, 62% and 56%, respectively, of our revenue from operations from our Aluminium Business and accounted for 25%, 29% and 24%, respectively, of our revenue from operations from our Zinc India Business. The GoI provides a variety of export incentives to Indian companies. Exports of copper, aluminium and zinc from India receive assistance premiums from the GoI. Export incentives do not outweigh the Indian market price premiums. Accordingly, notwithstanding the export incentives, we endeavour to sell large quantities of our products domestically.

The following table sets out the export assistance premiums (Duty Drawback), as a percentage of the free-on-board ("**FOB**") value of exports, on zinc concentrate, zinc ingots and lead concentrate for the periods indicated:

	February 4, 2020 to October 29, 2023	**October 29, 2023 till present**
Zinc concentrate	—	—
Zinc ingots	1.3%	1.2%
Lead concentrate	—	—
Lead ingots	2.4%	2.4% (with a drawback cap)

Currently various export incentives are availed by the company for the exports made during the fiscal year under the provisions of Foreign Trade Policy 2023. Further, in order to boost exports and make Indian exports cost competitive and in compliance with the World Trade Organization regulations, the GoI introduced a scheme for Remission of Duties and Taxes on Exported Products ("**RoDTEP**"), with effect from January 1, 2021, replacing the erstwhile Merchandise Exports from India Scheme. Under the RoDTEP scheme, various taxes/duties/ levies, at the central, state and local levels, which are incurred during manufacturing and distribution of exported products, (applicable to those which are currently not being refunded under any other mechanism) are reimbursed to the exporters. The rates were notified during August 2021 updated on January 2023 through issuance of a notification. The export benefits have been extended to advance authorisation holders, EOU and SEZ units effective from March 8, 2024.

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	January 2023 till date
Aluminium ingots/billets	2.2% *(with a cap in terms of quantity)*
Aluminium wire	1.8% *(with a cap in terms of quantity)*
Zinc ingots	2% *(with a cap of ₹3,300 per MT)*
Lead ingots	1.4%

Notes:
(1) RoDTEP export benefits are not available for iron and steel sector
(2) Copper products are also not entitled on account of exclusions specified.
(3) The above rates are subject to change as and when notifications are issued by the government in this regard.

In Fiscal Year 2015, export assistance premiums on aluminium rolled products were eliminated and duty exemption scheme of duty free import authorisation was introduced to enable duty free import of inputs required for export production pursuant to Chapter 4 of the Foreign Trade Policy whereby advance authorisation for inputs and exports items was given under the Standard Input Output Norm ("**SION**") policy scheme.

India export duties

The GoI levies duty on the export from India of certain products mentioned under the second schedule of the Customs Tariff Act 1975, including iron ore and concentrates, at a specified rate (ad valorem on the FOB value of exports). The GoI levied export duty on iron ore fines and lumps at a rate of 20.0% on FOB value. Currently, the export duty on iron ore fines and lumps with Fe content less than 58.0% is nil and equal to or more than 58.0% Fe, duty rate is 30.0%.

Taxes, royalties, and cess payments

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (the "**Amendment Act, 2019**") with effect from April 1, 2020 granting an option to domestic companies to compute corporate tax at a reduced effective rate of 25.17% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/incentives (e.g. deduction under Section 10AA, 32(1)(iia), 33ABA, 35(2AB), 80-IA etc.)

The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ("**MAT**") under Section 115JB. A corporate taxpayer is required to exercise its option of being governed under concessional tax regime before the due date of filing of its tax return. Once exercised, the option cannot be withdrawn and is applicable to all subsequent tax years. This is effective from 1 April 2019.

The Company evaluated and has exercised the above option u/s 115BAA of the Act in its ITR filed for Fiscal Year 2023 relevant to year assessment 2024.

Withholding Tax on Dividend

The tax rates imposed on Vedanta in respect of dividends paid in prior periods have varied. Earlier, the distribution of dividends by a domestic company was subject to the Dividend Distribution Tax ("**DDT**"). Such dividends were generally exempt from tax in the hands of the shareholders. However, the IT Act has been amended to abolish the DDT regime. Accordingly, any dividend distributed by a domestic company is subject to tax in the hands of the investors at the applicable rate and the company is required to withhold tax on such dividends distributed at the prescribed rates The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Goods and Service Tax

India introduced a goods and services tax ("**GST**") with effect from July 1, 2017, wherein tax is levied on supply of goods and services Most of the central and state levies (such as excise duty, service tax, countervailing duty and special additional duty, central sales tax and value added tax) which existed prior to this date were subsumed into GST. Consequently, the taxable events which existed before GST era were replaced by a single taxable event of supply of goods and services under GST. BCD and related customs cess continue to be applicable on import of goods.

Taxes under GST apply as follows:

- Central GST and state goods and services tax are simultaneously levied on intra-state supply of goods and/or services.
- Integrated GST are levied on imports and inter-state supply of goods and/or services.
- In addition, GST compensation cess also applies on certain specified goods and services.

The general rate of GST on our output supplies is 18.0%. However, supply of silver attracts GST at 3.0%. Further, crude oil and natural gas will be subject to GST from the date to be notified by GST council and therefore, until the time GST council notifies inclusion of these products in GST, they would continue to attract erstwhile indirect tax levies. Goods imported for the purposes of "petroleum operations" are subject to integrated GST at 12% as per Notification No. 50/2017 – Customs, dated June 30, 2017 *Sr. No: 404, Condition No: 48*, as amended till date. BCD continues to be exempt. Similar exemption notifications for domestic procurements have been issued to tax inter-state and intra-state supplies of goods for petroleum operations at an effective rate of 12% currently. Procurement of coal attracts GST compensation cess at ₹400 per ton in addition to the GST rate of 5.0%. Effective 1 July 2017, countervailing duty and special additional duty has been subsumed in integrated GST which is applicable at the rates as mentioned in below table:

	Integrated Goods and Service Tax rate from July 1, 2017
Copper	18.00%
Copper concentrate	18.00%
Zinc	18.00%
Lead	18.00%
Silver	3.00%
Aluminium	18.00%
Iron ore	18.00%
Steel	18.00%

Tax Incentives

Section 80M – Deduction in respect of inter-corporate dividends. A new Section 80M has been inserted by the Finance Act, 2020 with effect from April 1, 2020 providing for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 139(1) of the Act. Where our Company receives any such dividend during a Fiscal Year and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said Fiscal Year, it shall be entitled to the deduction under Section 80M of the Act.

Exchange Rates

Our financial statements are presented in ₹ crore. As a majority of our operations are located in India, the Indian Rupee is the currency in which most of our costs are incurred and whose fluctuation against the US dollar may have a significant impact on our financial results. When the Indian Rupee depreciates against the US dollar, our financial results can improve as our costs of production become lower relative to the price we can obtain for our products in the global marketplace, especially as compared to competitors with costs of production that are denominated in a currency that has not depreciated against the US dollar. Conversely, when the Indian Rupee appreciates against the US dollar, our financial results can be negatively impacted. We also have capital expenditure and services denominated in currencies other than the Indian Rupee. Some financial assets and liabilities of our subsidiaries are not held in the functional currency of such subsidiaries. As a result, we are exposed to movements in the functional currency of those entities.

Our exposure to various currencies means that currency fluctuations may have a large impact on our financial results. See the section entitled "***Risk Factors — Risks Relating to Business — 21. Currency fluctuations among the Indian Rupee, other currencies and the US dollar could have a material adverse effect on our results of operations.***" on page 58 for more information.

Material Accounting Policies and Significant Accounting Estimates and Judgements

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with Ind AS in conformity with the requirements of the Companies Act. In the course of preparing these financial statements, the management has made estimates based on and assumptions that impact the amounts recognised in the consolidated financial statements. The following are the material accounting policies and significant accounting estimates and judgements used in the preparation of the Fiscal 2024 Audited Consolidated Financial Statements.

Material Accounting Policies

Basis of consolidation

The consolidated financial statements incorporate the results of our Company and all our subsidiaries, being the entities that it controls. 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 our Group.

A joint arrangement is an arrangement of which two or more parties have joint control. Our Group accounts for its share of assets, liabilities, income and expenditure of joint operations in which our Group holds an interest. Our Group accounts for its interest in joint venture using the equity method, after initially being recognised at cost in the consolidated balance sheet. Investments in associates are also accounted for using the equity method.

Under the equity method of accounting applicable for investments in associates and joint ventures, investments are initially recorded at the cost to our Group and then, in subsequent periods, the carrying value is adjusted to reflect our Group's share of the post-acquisition profits or losses of the investee, and our 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 our Group's share of investee's results, except where the investee is generating losses, share of such losses in excess of our Group's interest in that investee are not recognised. Losses recognised under the equity method in excess of our Group's investment in ordinary shares are applied to the other components of our 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).

Business combination

Business combinations are accounted for under the acquisition method. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under 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. Acquisition expenses are charged to the consolidated statement of profit and loss in the periods in which the costs are incurred and the services are received except costs to issue debt or equity securities which shall be recognised in accordance with Ind AS 32 – *Financial Instruments: Presentation* and Ind AS 109 – *Financial Instruments*.

Revenue recognition

Our 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 our 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. Interest income from debt instruments is recognised using the effective interest rate method. 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 our Group, and the amount of the dividend can be measured reliably.

Property, plant and equipment

The costs of mining properties and leases include the costs of acquiring and developing mining properties. 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 our Group determines that the mining property will not provide sufficient and sustainable returns relative to the risks and our Group decides not to proceed with the mine development. 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.

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.

Assets under construction are capitalised in the assets under capital work in progress. Capital work in progress is carried at cost less accumulated impairment losses, if any. Mining properties and other assets in the course of development or construction and freehold land and goodwill are not depreciated or amortised.

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. Our 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 our Group as part of the service concession arrangement.

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. 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.

Impairment of non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units. Our Group assesses at each reporting date, whether there is an indication that an asset may be impaired. Our 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.

Financial instruments

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. Trade receivables that do not contain a significant financing component are measured at transaction price as per Ind AS 115 – *Revenue from Contracts with Customers*.

Our 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 our Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition. 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.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 our Group are recognised at the proceeds received, net of direct issue costs.

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

Leases

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

Inventories

Inventories and work-in-progress are valued at the lower of cost and net realisable value. Net realisable value is determined based on estimated selling price, less further costs expected to be incurred for completion and disposal.

Government grants

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

Taxation

Tax expense represents the sum of current tax and deferred tax. The carrying amount of deferred tax assets 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.

Retirement benefit schemes

Our 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 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.

Share-based payments

Certain employees (including executive directors) of our 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 our Group's estimate of shares that will eventually vest.

Provisions, contingent liabilities and contingent assets

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognised when our 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. 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 our 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. Our Group does not recognise 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.

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.

Accounting for foreign currency translations

The functional currency for each entity in our 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.

Earnings per share

Our Group presents basic and diluted earnings per share data for its equity shares. Basic earnings per share is calculated by dividing the profit or loss attributable to equity shareholders of our Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per share 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.

Buyers' Credit/ Suppliers' Credit and vendor financing

Our 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 our Group at a later date providing working capital timing benefits. 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 our Group is treated as cash flows from operating activity reflecting the substance of the payment.

Borrowing costs

Borrowing cost includes interest expense as per effective interest rate and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Treasury shares

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

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.

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.

Significant estimates

Carrying value of exploration and evaluation assets

Exploration assets are assessed by comparing the carrying value to the higher of fair value less cost of disposal or value in use if impairment indicators, as contained in Ind AS 106 – *Exploration for and Evaluation of Mineral Resources*, exist. Change to the valuation of exploration assets is an area of judgement. 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.

Recoverability of deferred tax and other income tax assets

The majority of the deferred tax liability represent accelerated tax relief for the depreciation of property, plant and equipment, depreciation of mining reserves and the fair value uplifts created on acquisitions net of deferred tax assets representing unabsorbed depreciation and carried forward losses. 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. Our deferred tax assets have been recognised to the extent that 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, deferred tax assets on carry forward unused tax losses have been recognised to the extent of deferred tax liabilities on taxable temporary differences available.

Copper operations in Tamil Nadu, India

Please see "***Legal Proceedings — Litigation involving our Company – Litigation against our Company - Other litigation considered material by our Company***" on page 288.

Renewal of consent to operate of ESL

Please see "***Legal Proceedings — Any other outstanding litigation involving our Company on a consolidated basis, our Directors, Promoters or Material Subsidiaries which may be considered material by the Company for the purposes of disclosure in this Preliminary Placement Document***" on page 291.

Oil and Gas reserves

Significant technical and commercial judgements are required to determine our 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 a working interest basis which are reassessed at least annually. Changes in reserves as a result of change in management assumptions could impact the depreciation rates and carrying value of assets.

Carrying value of developing/producing oil and gas assets

Management performs impairment tests on our developing/producing oil and gas assets where indicators of impairment are identified in accordance with Ind AS 36 – *Impairment of Assets*.

- *Future production*: proved and probable reserves, production facilities, resource estimates and expansion projects.
- *Commodity prices*: management's best estimate benchmarked prices 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 price contracts.
- *Period*: for the Rajasthan Block, cash flows are considered based on the economic life of the fields.
- *Discount rates*: cost of capital risk-adjusted for the risk specific to the asset.

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

Climate change

Climate change may have various impacts on us 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) recoverable amounts of existing assets and (c) review of estimates of useful lives of property, plant and equipment.

As our 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 our 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, our Group believes that there is no material impact on carrying values of its assets or liabilities.

Significant judgments

Determining whether an arrangement contains a lease

We have 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 power purchase agreement 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. We have determined that since the capacity charges under the power purchase agreement 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 power purchase agreement, which requires it to be accounted for on a straight line basis.

Contingencies and other litigations

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against us. A provision is recognised when we have a present obligation as a result of past events and it is probable that we 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, we do not expect them to have a materially adverse impact on our financial position or profitability.

Revenue recognition and receivable recovery in relation to power division

In certain cases, our power customers are disputing various contractual provisions of power purchase agreements. Significant judgement is required in both assessing the tariff to be charged under the power purchase agreements in accordance with Ind AS 115 – *Revenue from Contracts with Customers* and to assess the recoverability of withheld revenue currently accounted for as receivables.

Results of Operations

The following table sets out our consolidated operating results for Fiscal Years 2022, 2023 and 2024:

	Fiscal Year		
	2022	**2023(1)**	**2024**
	(₹ crore, unless otherwise stated)		
Continuing operations			
Revenue from operations	131,192	145,404	141,793
Other operating income	1,540	1,904	1,934
Other income	2,600	2,851	2,550
Total Income	**135,332**	**150,159**	**146,277**
Cost of materials consumed	37,397	44,470	44,115
Purchases of stock-in-trade	133	57	116
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,049)	(377)	176
Power and fuel charges	20,939	30,950	23,547
Employee benefits expense	2,811	3,098	3,300
Finance costs	4,797	6,225	9,465
Depreciation, depletion and amortization expense	8,895	10,555	10,723
Other expenses	28,677	34,688	37,275
Total expenses	**101,600**	**129,666**	**128,717**
Profit before exceptional items and tax	**33,732**	**20,493**	**17,560**
Net exceptional gain/(loss)	(768)	(217)	2,803
Profit before tax	**32,964**	**20,276**	**20,363**
Tax expense:			
Other than exceptional items			
Net current tax expense	6,889	7,624	5,906
Net deferred tax expense/(benefit)	2,544	(1,580)	400
Exceptional items			
Net deferred tax expense	402	1,269	8,339
Net current tax benefit	(580)	(1,543)	(1,819)
Net tax expense	**9,255**	**5,770**	**12,826**
Profit after tax for the period before share in profit/(loss) of jointly controlled entities and associates	**23,709**	**14,506**	**7,537**
Add: Share in profit/(loss) of jointly controlled entities and associates	1	(3)	2
Profit for the period after share in profit/(loss) of jointly controlled entities and associates (A)	**23,710**	**14,503**	**7,539**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Re-measurement loss on defined benefit plans	(18)	(11)	(8)
Tax benefit	1	11	7

	Fiscal Year		
	2022	**2023[(1)]**	**2024**
	(₹ crore, unless otherwise stated)		
(Loss)/ gain on FVOCI equity investment	15	(37)	(17)
Items that will be reclassified to profit or loss			
Net (loss)/ gain on cash flow hedges recognized during the period	(271)	3,451	(53)
Tax benefit/ (expense)	90	(1,201)	15
Net (loss)/ gain on cash flow hedges recycled to profit or loss	371	(3,433)	(51)
Tax benefit/ (expense)	(131)	1,201	13
Net gain/ (loss) on FVOCI debt investment	-	(34)	2
Tax (expense)/ benefit	-	4	(0)
Exchange differences on translation	793	886	(1,814)
Tax benefit	13	84	18
Total Other Comprehensive Income/(Loss) (B)	**863**	**921**	**(1,888)**
Total Comprehensive Income for the Period (A + B)	**24,573**	**15,424**	**5,651**
Profit attributable to:			
Owners of Vedanta Limited	18,802	10,574	4,239
Non-controlling interests	4,908	3,929	3,300
Other Comprehensive Income/(Loss) attributable to:			
Owners of Vedanta Limited	823	987	(1,879)
Non-controlling interests	40	(66)	(9)
Total Comprehensive Income attributable to:			
Owners of Vedanta Limited	19,625	11,561	2,360
Non-controlling interests	4,948	3,863	3,291
Earnings per equity share (in ₹)			
– Basic	50.73	28.50	11.42
– Diluted	50.38	28.32	11.33

Note:

(1) *On July 21, 2022, our 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 approval by the National Company Law Tribunal ("NCLT"). ACPL is building a 1,200 MW (600 MW X 2) coal-based power plant located at Jhanjgir Champa district, Chhattisgarh. Our Company filed a resolution application with the NCLT in July 2022 and further amended the application in November 2022 praying for merger of ACPL with the Company. The Company also sought various reliefs from certain legal and regulatory provisions as part of these applications. Pending receipt of NCLT approval, our Group had recorded the above transaction as an acquisition of property, plant and equipment at the purchase consideration paid during the year ended March 31, 2023.*

The NCLT approved the Company's resolution application with an appointed date of July 21, 2022 ("appointed date"), in its July 2023 order ("NCLT Order"), In accordance with applicable Ind AS, the Company has restated its financial results as at and for the year ended March 31, 2023 to record this merger.

The Scheme of merger as approved by the NCLT interalia prescribes the following accounting treatment in the standalone financials of the Company: the difference between the fair value at the appointed date and the carrying value of the assets recorded pursuant to the amalgamation at their book value arrived at without considering any impairment/ write-off, would be written off by debit to the Statement of Profit and Loss of the Company and credited to the carrying value of the assets. This would be a permanent write-off of the carrying value of the assets and not a provision for diminution in the value of the assets. The charge on account of write-off of the assets, as mentioned above, as recorded by the Company will be transferred from its Retained Earnings to its Capital Reserve and accordingly, the Capital Reserve will stand diminished by the said amount.

Pursuant to the NCLT Order, the Company has merged ACPL by carrying forward the book values of ACPL's assets of ₹8,698 crore (as appearing in ACPL's financial statements as at 31 March 2022, which were audited by ACPL's auditors) at the appointed date without considering any impairment, applying Appendix C of Ind AS 103 – Business Combinations, instead of recognising the assets at purchase consideration in accordance with Ind AS 16 – Property, Plant and Equipment. The difference between the values of assets acquired and the consideration paid was credited to Other Equity (Capital Reserve). The Company has written off the consequent loss of ₹8,133 crore in the Statement of Profit and Loss for the year ended March 31, 2023, representing the difference between the book value of assets and consideration paid. The assets written off of ₹8,133 crore, excluding tax consequences thereof, has been transferred from 'Retained Earnings' to 'Capital Reserve', in accordance with the Scheme. The above is in accordance with the NCLT Order, overriding the applicable Ind AS requirements.

Consequent to the implementation of the merger, the carrying values of deferred tax assets (MAT credit) in the consolidated balance sheet as at March 31, 2023 was lower by ₹1,421 crore with a corresponding reduction in income tax liabilities by ₹979 crore and an increase in income tax assets by ₹442 crore, on account of the lower MAT charge. These restated balances of 31 March 2023 have been carried to FY 2024.

Revenue by Geographic Location (Ind AS 108 – Operating Segment)

The following table sets out our revenue from operations from each of our primary markets in each of Fiscal Years 2022, 2023 and 2024:

	Fiscal Year					
	2022	**%**	**2023**	**%**	**2024**	**%**
			(₹ crore, except percentages)			
India	73,619	56 %	87,099	60 %	91,142	64 %
Europe	21,028	16 %	18,360	13 %	8,485	6 %
China	9,667	7 %	5,296	4 %	5,306	4 %
United States	3,487	3 %	3,839	3 %	2,342	2 %
Mexico	2,311	2 %	4,619	3 %	1,562	1 %
Others	21,080	16 %	26,191	18 %	32,956	23 %
Total	**131,192**	**100 %**	**145,404**	**100 %**	**141,793**	**100 %**

Certain Non-GAAP Measures

In evaluating our business, we consider and use certain non-GAAP financial measures that are presented below as supplemental measures to review and assess our operating performance. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as an alternative to cash flows, profit/(loss) for any year or any other measure of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS or U.S. GAAP. We present these non-GAAP financial measures because they are used by our management to evaluate our operating performance. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS. The non-GAAP financial measures have limitations as analytical tools. Further, these non-GAAP financial measures may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited and has limited usefulness. Therefore, these matrices should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation

EBITDA

We define EBITDA as aggregate of profit after tax for the period before share in profit/(loss) of jointly controlled entities and associates and non-controlling interests, net tax expense, finance costs, depreciation, depletion and amortisation expense and other expense (net of income), less net exceptional gain and other unallocable income (net of expenses), for the relevant year.

We have presented EBITDA in this Preliminary Placement Document because it is a supplementary measure used by our management and Board of Directors to understand and evaluate our core operating performance and trends. In particular, we believe that the exclusion of the expenses eliminated in calculating EBITDA can provide a useful measure for period-to-period comparisons of our core business. We believe that EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and Board of Directors.

EBITDA is not a measurement of financial profitability or liquidity under Ind AS and should not be considered as an alternative to performance measures derived in accordance with Ind AS.

We make no representations as to the methodology used to define and/or calculate EBITDA or whether it reflects an appropriate measure of our Company's operating performance or ability to service debt.

In addition, EBITDA is not a standardized term, hence a direct comparison between companies using such a term may not be possible. Our use of EBITDA thus has limitations as an analytical tool, and you should not consider them either in isolation or as a substitute for analysis of our financial results as reported under Ind AS. Because of these and other limitations, you should consider EBITDA along with other Ind AS-based financial performance measures, including various cash flow metrics, profit or loss after tax, and our other Ind AS financial results.

The following is a reconciliation from our profit after tax for the period before share in profit/(loss) of jointly controlled entities and associates and non-controlling interests under Ind AS to our definition of EBITDA:

Reconciliation of EBITDA	**Fiscal Year**		
	2022	**2023**	**2024**
		(₹ in crore)	
Profit after tax for the period before share in profit/(loss) of jointly controlled entities and associates and non-controlling interests..	23,709	14,506	7,537
Adjusted for:			
(Add): Net tax expense	9,255	5,770	12,826
(Add): Finance costs	4,797	6,225	9,465
(Add): Depreciation, depletion and amortisation expense	8,895	10,555	10,723
(Add): Other expense/ (Income), net of (income) / expense [(1)(2)]	(245)	52	477
(Less): Net exceptional gain/(loss)	(768)	(217)	2,803
(Less): Other unallocable income, net of expenses[(3)]	1,860	2,084	1,770
EBITDA	**45,319**	**35,241**	**36,455**

Notes:

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

(2) Includes cost of exploration wells written off in oil and gas segment.

(3) As per Ind AS 108 – Operating Segment.

Results of Operations: Fiscal Year 2024 compared to Fiscal Year 2023

Revenue from operations

Our revenue from operations was ₹141,793 crore in Fiscal Year 2024, a decrease of ₹3,611 crore, or 2%, from ₹145,404 crore in Fiscal Year 2023. This was mainly driven by lower output commodity prices primarily of zinc, aluminium and Dated Brent, which was partially offset by a one-time arbitration award. Please see "***Legal Proceedings***" on page 274 for further details on the one-time arbitration award.

Our Aluminium, Zinc, Lead and Silver, Oil and Gas, Copper, Iron Ore and Power Businesses contributed 34%, 22%, 13%, 14%, 6%, and 4%, respectively to the revenue from operations in Fiscal Year 2024.

Aluminium

Revenue from operations from our Aluminium Business was ₹48,317 crore in Fiscal Year 2024, a decrease of ₹4,302 crore, or 8%, from ₹52,619 crore in Fiscal Year 2023. This decrease was primarily due to a slip in LME prices which was partially offset by increase in production and sales volume. Specifically:

- Aluminium production increased from 2,291 kt during Fiscal Year 2023 to 2,370 kt during Fiscal Year 2024, an increase of 79 kt, or 3%.

- Aluminium sales increased from 2,285 kt during Fiscal Year 2023 to 2,357 kt during Fiscal Year 2024, an increase of 72 kt, or 3%. Sales of aluminium ingots decreased from 1,373 kt for Fiscal Year 2023 to 1,261 kt during Fiscal Year 2024, a decrease of 112 kt or 8%. The decrease in sales was in line with production. Rolled product sales increased from 29 kt during Fiscal Year 2023 to 34 kt during Fiscal Year 2024, an increase of 5 kt, or 17%. Wire rod, billet, alloy ingot and other sales increased from 884 kt during Fiscal Year 2023 to 1,062 kt during Fiscal Year 2024, an increase of 178 kt, or 20%. The increase in sales was in line with production.

- Aluminium sales in the domestic market increased from 775 kt during Fiscal Year 2023 to 977 kt during Fiscal Year 2024, an increase of 202 kt, or 26%. Aluminium exports decreased from 1,510 kt during Fiscal Year 2023 to 1,380 kt during Fiscal Year 2024, a decrease of 130 kt or 9%. Our domestic sales as a percentage of total sales increased from 34% during Fiscal Year 2023 to 41% during Fiscal Year 2024.

- The daily average aluminium cash settlement price on the LME decreased from 2,481 per ton during Fiscal Year 2023 to 2,200 per ton during Fiscal Year 2024, a decrease of 11%.

- The benchmark Japanese premium increased from US$88 per ton during Fiscal Year 2023 to 92 per ton during Fiscal Year 2024, an increase of 4 per ton or 5%.

Zinc India

Revenue from operations from our Zinc India Business was ₹27,889 crore in Fiscal Year 2024, a decrease of ₹5,231 crore, or 16%, from ₹33,120 crore in Fiscal Year 2023. The decrease was primarily due to lower zinc LME prices and zinc metal volume, which was partially offset by favourable exchange rates, higher silver and lead prices and volume. Specifically:

- The daily average zinc cash settlement price on the LME decreased from 3,319 per ton during Fiscal Year 2023 to 2,475 per ton during Fiscal Year 2024, a decrease of 25%.

- Refined zinc ingot production was flat from 821 kt during Fiscal Year 2023 to 817 kt during Fiscal Year 2024. Refined zinc ingot sales were in line with production.

- Refined zinc sales in the domestic market increased from 484 kt during Fiscal Year 2023 to 580 kt during Fiscal Year 2024, an increase of 20%. Export sales decreased from 337 kt during Fiscal Year 2023 to 238 kt during Fiscal Year 2024, a decrease of 29%.

- The daily average lead cash settlement price on the LME increased from 2,101 per ton during Fiscal Year 2023 to 2,122 per ton during Fiscal Year 2024, an increase of 1%.

- Refined lead production increased from 211 kt for Fiscal Year 2023 to 216 kt for Fiscal Year 2024, an increase of 2%. Lead sales were in line with production.

- Refined silver ingot production increased from 714 tons during Fiscal Year 2023 to 746 tons during Fiscal Year 2024, an increase of 5%. This increase was primarily due to the management's operation and financial strategy. The daily average silver LBMA price marginally increased from 21.4/oz to 23.6/oz, an increase of 10% during Fiscal Year 2024 compared to Fiscal Year 2023. Sale of refined silver ingots were in line with production.

Zinc International

Revenue from operations from our Zinc International Business was ₹3,555 crore in Fiscal Year 2024, a decrease of ₹1,654 crore, or 32% from ₹5,209 crore in Fiscal Year 2023. The decrease was due to lower production volumes and LME prices which was partially offset by lower treatment charges. Specifically:

- Production of mined metal in concentrate from Black Mountain mines decreased from 65 kt during Fiscal Year 2023 to 61 kt during Fiscal Year 2024, a decrease of 4 kt or 6%, primarily due to lower grades which was partially offset by higher recoveries.

- Production of zinc metal in concentrate from Gamsberg mine decreased from 208 kt in Fiscal Year 2023 to 147 kt in Fiscal Year 2024, primarily due to lower throughput, grades and recovery.

- The daily average zinc cash settlement price on the LME decreased from 3,319 per ton during Fiscal Year 2023 to 2,475 per ton during Fiscal Year 2024, a decrease of 25%.

- The daily average lead cash settlement price on the LME increased from 2,101 per ton during Fiscal Year 2023 to 2,122 per ton during Fiscal Year 2024, an increase of 1%.

Oil and Gas

Revenue from operations from our Oil and Gas Business increased by ₹2,799 crore, or 19% to ₹17,837 crore in Fiscal Year 2024, from ₹15,038 crore in Fiscal Year 2023. The increase in revenue from operations was due to the above mentioned one-time arbitration award which was partially offset by fall in oil prices.

Copper

Revenue from operations from our Copper Business was ₹19,726 crore in Fiscal Year 2024, an increase of ₹2,235 crore, or 13%, from ₹17,491 crore in Fiscal Year 2023. The increase was primarily due to higher sales volumes, favourable exchange rate which was partially offset by lower LME prices.

Total production for the Fiscal Year 2024 was 141 kt as compared to 148 kt for the Fiscal Year 2023, a decrease of 5% on account of temporary disruptions in raw material sourcing.

Iron ore

Revenue from operations from our Iron Ore Business was ₹8,956 crore in Fiscal Year 2024, an increase of ₹2,910 crore, or 48%, from ₹6,046 crore in Fiscal Year 2023. The increase was mainly due to the higher sales volumes in Karnataka and higher sales volume from our value-added business within the Iron Ore Business. Specifically:

Saleable iron ore production increased from 5.3 million dry metric tonnes tons during Fiscal Year 2023 to 5.6 million dry metric tonnes during Fiscal Year 2024.

Pig iron production increased from 696 kt in Fiscal Year 2023 to 831 kt in Fiscal Year 2024, an increase of 19%. This was primarily due to improvement in process efficiency and Fiscal Year 2023 production was impacted due to a shut down in one of smaller blast furnaces.

Steel

Revenue from operations from our Steel Business was ₹8,300 crore in Fiscal Year 2024, an increase of ₹448 crore, or 6%, from ₹7,852 crore in Fiscal Year 2023. The increase was primarily due to higher sales volumes which was partially offset by lower realisation. Specifically:

- Pig iron production increased from 192 kt during Fiscal Year 2023 to 203 kt during Fiscal Year 2024, an increase of 11 kt or 6%. The sale of pig iron increased from 193 kt during Fiscal Year 2023 to 206 kt during Fiscal Year 2024, an increase of 13 kt or 7%, in line with production.

- Billet production increased from 947 kt (out of which 920 kt is internally consumed) during Fiscal Year 2023 to 997 kt (out of which 967 kt is internally consumed) during Fiscal Year 2024, an increase of 50 kt or 5%. The sale of billet increased from 19 kt during Fiscal Year 2023 to 26 kt during Fiscal Year 2024, an increase of 7 kt or 37%.

- The production of TMT increased from 463 kt during Fiscal Year 2023 to 505 kt during Fiscal Year 2024, an increase of 42 kt or 9%. The sale of TMT increased from 450 kt during Fiscal Year 2023 to 513 kt during Fiscal Year 2024, an increase of 63 kt or 14%, in line with increase in production.

- The production of wire rod increased from 407 kt during Fiscal Year 2023 to 436 kt during Fiscal Year 2023, an increase of 29 kt or 7%. The sale of wire rod increased from 404 kt in Fiscal Year 2023 to 437 kt in Fiscal Year 2024, an increase of 33 kt or 8%, in line with the increase in production.

- The production of ductile iron pipe increased from 196 kt during Fiscal Year 2023 to 212 kt during Fiscal Year 2024, an increase of 16 kt or 8%. The sale of ductile iron pipe increased from 191 kt during Fiscal Year 2023 to 212 kt during Fiscal Year 2024, an increase of 21 kt or 11%, in line with the increase in production.

Commercial Power Generation

Revenue from operations from our Commercial Power Generation Business was ₹6,153 crore in Fiscal Year 2024, a decrease of ₹571 crore, or 8% from ₹6,724 crore in Fiscal Year 2023. This was primarily due to lower volume and power realisation price. Specifically:

- Power sold decreased from 14,835 units during Fiscal Year 2023 to 13,443 units during Fiscal Year 2024. The Jharsuguda 600 MW power plant operated at a plant load factor of 57% in Fiscal Year 2024, as compared to 63% in Fiscal Year 2023. At TSPL, the sale of power increased to 10,278 units during Fiscal Year 2024 from 10,744 units during Fiscal Year 2023, in line with the power demand of our customer. The power purchase agreement with the State of Punjab compensates us based on the availability of the plant.

- The average power realisation price (excluding TSPL) for Fiscal Year 2023 and Fiscal Year 2024 was 3.04 per unit and 2.82 per unit, respectively. The average power realisation price for TSPL for Fiscal Year 2023 and Fiscal Year 2024 was 4.50 per unit and 4.10 per unit, respectively, based on the plant availability factor.

- The average power generation cost (excluding TSPL) for Fiscal Year 2023 and Fiscal Year 2024 was 2.38 per unit and 2.57 per unit, respectively. The average power generation cost for TSPL for Fiscal Year 2023 and Fiscal Year 2024 was 3.65 per unit and 3.26 per unit, respectively, based on the plant availability factor.

Total expenses

Our total expenses were ₹128,717 crore in Fiscal Year 2024, a decrease of ₹949 crore, or 1%, from ₹129,666 crore for Fiscal Year 2023. This was mainly driven by:

- Cost of materials consumed decreased to ₹44,115 crore for Fiscal Year 2024 from ₹44,470 crore for Fiscal Year 2023, a decrease of ₹355 crore or 1%. This was primarily due to cost of production reduction in our Aluminium Business mainly driven by reduction in input cost and operational efficiencies.

- Changes in inventories of finished goods, work-in-progress and stock-in-trade and purchase of stock-in-trade resulted in expense of ₹292 crore for Fiscal Year 2024 from an income of ₹320 crore for Fiscal Year 2023, a decrease of ₹612 crore or 191%. This was primarily due to higher consumption on account of increase in production.

- Power and fuel charges decreased to ₹23,547 crore for Fiscal Year 2024 from ₹30,950 crore for Fiscal Year 2023, a decrease of ₹7,403 crore or 24%. This was primarily due to the reduction in coal prices.

- Finance costs increased to ₹9,465 crore for Fiscal Year 2024 from ₹6,225 crore for Fiscal Year 2023, an increase of ₹3,240 crore or 52%. This was primarily due to the increase in average borrowing and cost of borrowing.

- Depreciation, depletion and amortisation expense increased to ₹10,723 crore for Fiscal Year 2024 from ₹10,555 crore for Fiscal Year 2023, an increase of ₹168 crore or 2%. This was primarily due to an increase in ore production at Zinc India and increased capitalisation in our Aluminium Business.

- Other expenses increased to ₹37,275 crore for Fiscal Year 2024 from ₹34,688 crore for Fiscal Year 2023, an increase of ₹2,587 crore or 7%. This was primarily due to upscaling of our Liberia operations, increase in selling and distribution expense in our Iron Ore Business due to higher export sales and increase in other administrative expenses.

Profit before tax

As a result of the foregoing, our profit before tax was ₹20,363 crore Fiscal Year 2024, an increase of ₹87 crore, or 0.4%, from ₹20,276 crore for Fiscal Year 2023.

Aluminium

EBITDA for our Aluminium Business was ₹9,657 crore in Fiscal Year 2024, an increase of ₹3,882 crore, or 67%, from ₹5,775 crore in Fiscal Year 2023 mainly due to the softening of input commodity prices, depreciation of Indian Rupee and cost saving which was partially offset by lower LME prices and strategic hedging gain recognised in previous year.

Zinc India

EBITDA for our Zinc India Business was ₹13,562 crore in Fiscal Year 2024, a decrease of ₹3,912 crore, or 22%, from ₹17,474 crore in Fiscal Year 2023. The decrease was driven by lower in zinc LME prices and strategic hedging gain recognised in previous year, which was partially offset by lower input commodity prices, depreciation of Indian Rupee and increased production volumes.

Zinc International

EBITDA for our Zinc International Business was ₹693 crore in Fiscal Year 2024, a decrease of ₹1,241 crore, or 64%, from ₹1,934 crore in Fiscal Year 2023. The decrease in our EBITDA was primarily on account of lower production volumes and LME prices.

Oil and Gas

EBITDA for our Oil and Gas Business was ₹9,777 crore in Fiscal Year 2024, an increase of ₹1,995 crore, or 26%, from ₹7,782 crore in Fiscal Year 2023. This was mainly due to the one-time arbitration award which was partially offset by lower Dated Brent prices.

Copper

EBITDA for our Copper Business was ₹(69) crore in Fiscal Year 2024, a decrease of ₹65 crore, or 1,625%, from ₹(4) crore in Fiscal Year 2023. The decrease was primarily on account of lower LME prices which was partially offset by increased volume.

Iron ore

EBITDA for our Iron Ore Business was ₹1,676 crore in Fiscal Year 2024, an increase of ₹688 crore or 70% from ₹988 crore in Fiscal Year 2023. This was mainly due to increased sale realisation and softening of input commodity prices which was partially offset by the increased cost.

Steel

EBITDA for our Steel Business was ₹225 crore in Fiscal Year 2024, a decrease of ₹91 crore or 29%, from ₹316 crore in Fiscal Year 2023. This was driven by lower sale realisation which was partially offset by cost saving and softening of input commodity prices.

Commercial Power Generation

EBITDA for our Commercial Power Generation business was ₹971 crore in Fiscal Year 2024, an increase of ₹58 crore, or 6%, from ₹913 crore in Fiscal Year 2023. This is primarily due to recognition of provisions in Jharsuguda power in Fiscal Year 2023.

Tax expense other than tax expense on exceptional item

Tax expense other than tax expense on exceptional item was ₹6,306 crore for Fiscal Year 2024, an increase of ₹262 crore, or 4%, from ₹6,044 crore for Fiscal Year 2023. This was primarily due to non-availability of tax holiday deduction due to shift to new tax regime and change in profit mix of foreign subsidiary which is taxable at high rate.

Net current tax expense was ₹5,906 crore for Fiscal Year 2024, a decrease of ₹1,718 crore, or 23%, from ₹7,624 crore for Fiscal Year 2023. This was primarily due to reduction in profit before tax. Additionally, current tax for Fiscal Year 2024 was computed in new regime (tax rate 25.17%) and current tax for Fiscal Year 2023 was computed in old tax regime (tax rate 34.94%).

Net deferred tax expense/(benefit) was ₹400 crore for Fiscal Year 2024, a decrease of ₹1,980 crore or 125%, compared to a net deferred tax expense/(benefit) of ₹(1,580) crore for Fiscal Year 2023. This was primarily due to MAT credit (asset) created in Fiscal Year 2023 under old regime, however, due to shift to new tax regime in Fiscal Year 2024, no MAT credit is created.

The effective tax rate was 36% for Fiscal Year 2024 compared to 30% for Fiscal Year 2023.

Net exceptional gain/(loss) net of taxes in exceptional items

Net exceptional gain/(loss) net of taxes in exceptional items were ₹(3,717) crore for Fiscal Year 2024, a decrease of ₹3,774 crore, compared to ₹57 crore for Fiscal Year 2023. Property, plant and equipment, exploration intangible assets under development, capital in work in progress and other assets (impaired)/reversed or (written off)/ written back was ₹185 crore in Fiscal Year 2024, a decrease of ₹568 crore, or 75%, from ₹753 crore in Fiscal Year 2023.

In Fiscal Year 2024, foreign currency translation reserve recycled to profit or loss on redemption of optionally convertible redeemable preference shares was ₹1,825 crore, capital creditor written back in our Power Business was ₹793 crore and effect of change in tax regime was ₹(6,128) crore. In Fiscal Year 2023, special additional excise duty on our Oil and Gas Business was ₹(970) crore.

Total comprehensive income

As a result of the foregoing, total comprehensive income for Fiscal Year 2024 was ₹5,651 crore, a decrease of ₹9,773 crore, or 63%, compared to ₹15,424 crore for Fiscal Year 2023. Total comprehensive income attributable to non-controlling interests for Fiscal Year 2024 was ₹3,291 crore in comparison to ₹3,863 crore for Fiscal Year 2023.

Results of Operations: Fiscal Year 2023 compared to Fiscal Year 2022

Revenue from operations

Our revenue from operations was ₹145,404 crore in Fiscal Year 2023, an increase of ₹14,212 crore, or 11%, from ₹131,192 crore in Fiscal Year 2022. This was mainly driven by higher sales volumes at copper, zinc and aluminium, strategic hedging gains and depreciation of Indian Rupee, partially offset by slip in commodity prices of aluminium, copper, lead, and silver.

Our Aluminium, Zinc, Lead and Silver, Oil and Gas, Copper, Iron Ore and Power Businesses contributed 36%, 26%, 10%, 12%, 4% and 5%, respectively to the revenue from operations in Fiscal Year 2023.

Aluminium

Revenue from operations from our Aluminium Business was ₹52,619 crore in Fiscal Year 2023, an increase of ₹1,810 crore, or 4%, from ₹50,809 crore in Fiscal Year 2022. This increase was primarily due to improved operational performance, strategic hedging gains, favourable exchange rate movement which was partially offset by reduced LME. Specifically:

- Aluminium production increased from 2,268 kt during Fiscal Year 2022 to 2,291 kt during Fiscal Year 2023, an increase of 23 kt, or 1%.

- Aluminium sales increased from 2,270 kt during Fiscal Year 2022 to 2,285 kt during Fiscal Year 2023, an increase of 15 kt, or 1%. Sales of aluminium ingots decreased from 1,377 kt for Fiscal Year 2022 to 1,373 kt during Fiscal Year 2023, a decrease of 4 kt. Rolled product sales decreased from 33 kt during Fiscal Year 2022 to 29 kt during Fiscal Year 2023, a decrease of 4 kt, or 12%. Wire rod, billet and slab sales increased from 860 kt during Fiscal Year 2022 to 884 kt during Fiscal Year 2023, an increase of 24 kt, or 3%.

- Aluminium sales in the domestic market increased from 605 kt during Fiscal Year 2022 to 775 kt during Fiscal Year 2023, an increase of 170 kt, or 28%. Aluminium exports decreased from 1,665 kt during Fiscal Year 2022 to 1,510 kt during Fiscal Year 2023, a decrease of 155 kt or 9%. Our domestic sales as a percentage of total sales increased from 27% during Fiscal Year 2022 to 34% during Fiscal Year 2023.

- The daily average aluminium cash settlement price on the LME decreased from 2,774 per ton during Fiscal Year 2022 to 2,481 per ton during Fiscal Year 2023, a decrease of 11%.

- The benchmark Japanese premium decreased from US$151 per ton during Fiscal Year 2022 to US$88 per ton during Fiscal Year 2023, a decrease of US$63 per ton or 42%.

Zinc India

Revenue from operations from our Zinc India Business was ₹33,120 crore in Fiscal Year 2023, an increase of ₹4,496 crore, or 16%, from ₹28,624 crore in Fiscal Year 2022. The increase was primarily due to higher metal and silver production, higher Zinc LME prices, gains from strategic hedging and favourable exchange rates which was partially offset by lower lead and silver prices. Specifically:

- The daily average zinc cash settlement price on the LME increased from 3,257 per ton during Fiscal Year 2022 to 3,319 per ton during Fiscal Year 2023, an increase of 2%.

- Refined zinc ingot production increased from 776 kt during Fiscal Year 2022 to 821 kt during Fiscal Year 2023, an increase of 6%. Fiscal Year 2023 achieved the highest ever integrated production at 821kt. This increase was in line with better plant and MIC availability. Refined zinc ingot sales were in line with production.

- Zinc ingot sales in the domestic market decreased from 506 kt during Fiscal Year 2022 to 484 kt during Fiscal Year 2023, a decrease of 4%. Export sales increased from 271 kt during Fiscal Year 2022 to 337 kt during Fiscal Year 2023, an increase of 24%.

- The daily average lead cash settlement price on the LME decreased from 2,285 per ton during Fiscal Year 2022 to 2,101 per ton during Fiscal Year 2023, a decrease of 8%.

- Refined lead production increased from 191 kt for Fiscal Year 2022 to 210 kt for Fiscal Year 2023, an increase of 10%. Lead sales were in line with lead production.

- Refined silver production increased from 647 tons during Fiscal Year 2022 to 714 tons during Fiscal Year 2023, an increase of 10%. This increase is in line with lead metal production. The daily average silver LBMA price marginally decreased from 24.6/oz to 21.4/oz, a decrease of 13% during Fiscal Year 2023 compared to Fiscal Year 2022. Sale of silver were in line with production.

Zinc International

Revenue from operations from our Zinc International Business was ₹5,209 crore in Fiscal Year 2023, an increase of ₹725 crore, or 16% from ₹4,484 crore in Fiscal Year 2022. The increase was primarily due to the higher sales volumes compared to Fiscal Year 2022, higher zinc LME prices and favourable exchange rates movement which was partially offset by lower lead and silver prices. Specifically:

- Production of mined metal in concentrate from Black Mountain mines increased from 52 kt during Fiscal Year 2022 to 65 kt during Fiscal Year 2023, an increase of 13 kt or 25%, primarily due to tonnes treated and higher recoveries.

- Production of zinc metal in concentrate from Gamsberg mine increased from 170 kt in Fiscal Year 2022 to 208 kt in Fiscal Year 2023, primarily due to production ramp up.

- The daily average zinc cash settlement price on the LME increased from 3,257 per ton during Fiscal Year 2022 to 3,319 per ton during Fiscal Year 2023, an increase of 2%.

- The daily average lead cash settlement price on the LME decreased from 2,285 per ton during Fiscal Year 2022 to 2,101 per ton during Fiscal Year 2023, a decrease of 8%.

Oil and Gas

Revenue from operations from our Oil and Gas Business was ₹15,038 crore in Fiscal Year 2023, an increase of ₹2,608 crore, or 21%, from ₹12,430 crore in Fiscal Year 2022. The increase in revenue from operations was mainly due to an increase in oil prices, depreciation of Indian Rupee which was partially offset by lower sales volume.

Copper

Revenue from operations from our Copper Business was ₹17,491 crore in Fiscal Year 2023, an increase of ₹2,340 crore, or 15%, from ₹15,151 crore in Fiscal Year 2022. The increase was primarily due to higher sales volumes, favourable exchange rate which was partially offset by lower LME prices.

Total production for the Fiscal Year 2023 was 148 kt as compared to 125 kt for the Fiscal Year 2022, an increase of 18% on account of continuous debottlenecking of plant capacity and improved operational efficiencies.

Iron ore

Revenue from operations from our Iron Ore Business was ₹6,046 crore in Fiscal Year 2023, a decrease of ₹187 crore, or 3%, from ₹6,233 crore in Fiscal Year 2022. The increase was primarily due to the restart of operations in WCL. Specifically:

- Saleable iron ore production decreased from 5.4 million dry metric tonnes during Fiscal Year 2022 to 5.3 million dry metric tonnes during Fiscal Year 2023.

- Pig iron production decreased from 790 kt in Fiscal Year 2022 to 696 kt in Fiscal Year 2023, a decrease of 12%. This was primarily due to the shut down in blast furnaces in Fiscal Year 2023.

Steel

Revenue from operations from our Steel Business was ₹7,852 crore in Fiscal Year 2023, an increase of ₹1,378 crore, or 21%, from ₹6,474 crore in Fiscal Year 2022. The increase was primarily due to higher production volume. Specifically:

- Pig iron production increased from 186 kt during Fiscal Year 2022 to 192 kt during Fiscal Year 2023, an increase of 6 kt or 3%. The sale of pig iron increased from 189 kt during Fiscal Year 2022 to 193 kt during Fiscal Year 2024, an increase of 4 kt or 2%, in line with production.

- Billet production increased from 932 kt (out of which 840 kt is internally consumed) during Fiscal Year 2022 to 947 kt (out of which 920 kt is internally consumed) during Fiscal Year 2023, an increase of 15 kt or 2%. The sale of billet decreased from 96 kt during Fiscal Year 2022 to 19 kt during Fiscal Year 2023, a decrease of 77 kt or 80%.

- The production of TMT increased from 399 kt during Fiscal Year 2022 to 463 kt during Fiscal Year 2023, an increase of 64 kt or 16%. The sale of TMT increased from 402 kt during Fiscal Year 2022 to 450 kt during Fiscal Year 2023, an increase of 48 kt or 12%, in line with increase in production.

- The production of wire rod decreased from 421 kt during Fiscal Year 2023 to 407 kt during Fiscal Year 2022, a decrease of 14 kt or 3%. The sale of wire rod decreased from 422 kt in Fiscal Year 2022 to 404 kt in Fiscal Year 2023, a decrease of 18 kt or 4%, in line with the decrease in production.

- The production of ductile iron pipe increased from 164 kt during Fiscal Year 2022 to 196 kt during Fiscal Year 2023, an increase of 32 kt or 20%. The sale of ductile iron pipe increased from 167 kt during Fiscal Year 2022 to 191 kt during Fiscal Year 2023, an increase of 24 kt or 14%, in line with the increase in production.

Commercial Power Generation

Revenue from operations from our Commercial Power Generation Business was ₹6,724 crore in Fiscal Year 2023, an increase of ₹1,223 crore, or 22%, from ₹5,501 crore in Fiscal Year 2022. This was primarily due to the increase in sale of power units. Specifically:

- Power sold increased from 11,872 units during Fiscal Year 2022 to 14,835 units during Fiscal Year 2023. The Jharsuguda 600 MW power plant operated at a plant load factor of 63% in Fiscal Year 2023, as compared to 43% in Fiscal Year 2022. At TSPL, the sale of power increased to 10,744 units during Fiscal Year 2023 from 8,259 units during Fiscal Year 2022, in line with the power demand of our customer. The power purchase agreement with the State of Punjab compensates us based on the availability of the plant.

- The average power realisation price (excluding TSPL) for Fiscal Year 2022 and Fiscal Year 2023 was 3.10 per unit and 3.04 per unit, respectively. The average power realisation price for TSPL for Fiscal Year 2022 and Fiscal Year 2023 was 3.62 per unit and 4.50 per unit, respectively, based on the plant availability factor.

- The average power generation cost (excluding TSPL) for Fiscal Year 2022 and Fiscal Year 2023 was 2.42 per unit and 2.38 per unit, respectively. The average power generation cost for TSPL for Fiscal Year 2022 and Fiscal Year 2023 was 2.76 per unit and 3.65 per unit, respectively, based on the plant availability factor.

Total expenses

Our total expenses were ₹129,666 crore in Fiscal Year 2023, an increase of ₹28,066 crore, or 28%, from ₹101,600 crore for Fiscal Year 2022. This was mainly driven by:

- Cost of materials consumed increased to ₹44,470 crore for Fiscal Year 2023 from ₹37,397 crore for Fiscal Year 2022, an increase of ₹7,073 crore or 19%. This was primarily due to increase in prices of key raw materials such as imported alumina, thermal coal, carbon and coking coal.

- Changes in inventories of finished goods, work-in-progress and stock-in-trade and purchase of stock-in-trade generated income of ₹320 crore for Fiscal Year 2023 from an income of ₹1,916 crore for Fiscal Year 2022 or, a decrease of ₹1,596 crore or 83%. This was primarily due to realisation of inventories in copper business.

- Power and fuel charges increased to ₹30,950 crore for Fiscal Year 2023 from ₹20,939 crore for Fiscal Year 2022, an increase of ₹10,011 crore or 48%. This was primarily due to increase in coal prices.

- Finance costs increased to ₹6,225 crore for Fiscal Year 2023 from ₹4,797 crore for Fiscal Year 2022, an increase of ₹1,428 crore or 30%. This was primarily due to an increase in average borrowings.

- Depreciation, depletion and amortisation expense increased to ₹10,555 crore for Fiscal Year 2023 from ₹8,895 crore for Fiscal Year 2022, an increase of ₹1,660 crore or 19%. This was primarily due to the increase in ore production at Zinc India and higher depletion charge at our Oil and Gas Business.

- Other expenses increased to ₹34,688 crore for Fiscal Year 2023 from ₹28,677 crore for Fiscal Year 2022, an increase of ₹6,011 crore or 21%. This was primarily due to increase in royalty, share of expense from producing oil and gas blocks, mine expenses and other administrative costs.

Profit before tax

As a result of the foregoing, our profit before tax was ₹20,276 crore Fiscal Year 2023, a decrease of ₹12,688 crore, or 38%, compared to ₹32,964 crore for Fiscal Year 2022.

EBITDA

Aluminium

EBITDA for our Aluminium Business was ₹5,775 crore in Fiscal Year 2023, a decrease of ₹11,562 crore, or 67%, from ₹17,337 crore in Fiscal Year 2022. This was driven by a fall in LME, input commodity inflation which was partially offset by depreciation of Indian Rupee.

Zinc India

EBITDA for our Zinc India Business was ₹17,474 crore in Fiscal Year 2023, an increase of ₹1,313 crore, or 8%, from ₹16,161 crore in Fiscal Year 2022. The rise was on account of improved metal and silver volumes, higher zinc LME prices, gains from strategic hedging and favourable exchange rates partly offset by higher costs and lower lead and silver prices.

Zinc International

EBITDA for our Zinc International Business was ₹1,934 crore in Fiscal Year 2023, an increase of ₹401 crore, or 26%, from ₹1,533 crore in Fiscal Year 2022. The increase in EBITDA was primarily on account of improved operational performance, higher zinc LME price, favourable exchange rates movement which was partially offset by lower lead and silver prices and increase in TcRc.

Oil and Gas

EBITDA for our Oil and Gas Business was ₹7,782 crore in Fiscal Year 2023, an increase of ₹1,790 crore, or 30%, from ₹5,992 crore in Fiscal Year 2022. This was mainly due to higher Dated Brent prices, favourable exchange rate movement, increase in capex recovery which was partially offset by lower volumes and increased cost.

Copper

EBITDA for our Copper Business was ₹(4) crore in Fiscal Year 2023, an increase of ₹111 crore, or 97%, from ₹(115) crore in Fiscal Year 2022. The increase was primarily on account of improved operational efficiencies, higher sales volumes and increase in sales margin largely offset by a one-time charge against duty entitlement scripts of ₹64 crore.

Iron ore

EBITDA for our Iron Ore Business was ₹988 crore in Fiscal Year 2023, a decrease of ₹1,292 crore, or 57%, from ₹2,280 crore in Fiscal Year 2022. This was mainly due to the decrease in sales at Karnataka and value-added business and input commodity inflation.

Steel

EBITDA for our Steel Business was ₹316 crore in Fiscal Year 2023, a decrease of ₹385 crore, or 55%, from ₹701 crore in Fiscal Year 2022. This was driven by an increased cost which was partially offset by increased sales realisation.

Commercial Power Generation

EBITDA for our Commercial Power Generation business was ₹913 crore in Fiscal Year 2023, a decrease of ₹169 crore, or 16%, from ₹1,082 crore in Fiscal Year 2022. This is primarily due to the recognition of provisions in Jharsuguda power in Fiscal Year 2023.

Tax expense other than tax expense on exceptional item

Tax expense other than tax expense on exceptional item was ₹6,044 crore for Fiscal Year 2023, a decrease of ₹3,389 crore, or 36%, from ₹9,433 crore for Fiscal Year 2022. This was primarily due to reduction in profit before tax.

Net current tax expense was ₹7,624 crore for Fiscal Year 2023, an increase of ₹735 crore from ₹6,889 crore for Fiscal Year 2022. This was primarily due to reduction in tax holiday income in Fiscal Year 2023 as compared to Fiscal Year 2022.

Net deferred tax expense/(benefit) was ₹1,580 crore for Fiscal Year 2023, an increase of ₹4,124 crore, or 162%, compared to a net deferred tax expense of ₹2,544 crore for Fiscal Year 2022.

The effective tax rate was 30% for Fiscal Year 2023 compared to 28% for Fiscal Year 2022.

Net exceptional gain/(loss) net of taxes in exceptional items

Net exceptional gain/(loss) net of taxes in exceptional items were ₹57 crore for Fiscal Year 2023, an increase of ₹647 crore, compared to ₹(590)crore for Fiscal Year 2022. Property, plant and equipment, exploration intangible assets under development, capital in work in progress and other assets written back/(written off) or (impaired)/reversed was ₹753 crore in Fiscal Year 2023, an increase of ₹875 crore, or 717%, from ₹(122) crore in Fiscal Year 2022.

In Fiscal Year 2023, special additional excise duty on our Oil and Gas Business was ₹(970) crore in Fiscal Year 2023. In Fiscal Year 2022, provision for legal disputes (including change in law), force majeure and similar incidents in aluminium, copper and HZL and others was ₹(646) crore.

Total comprehensive income

As a result of the foregoing, total comprehensive income for Fiscal Year 2023 was ₹15,424 crore, a decrease of ₹9,149 crore, or 37%, compared to ₹24,573 crore for Fiscal Year 2022. Total comprehensive income attributable to non-controlling interests for Fiscal Year 2023 was ₹3,863 crore, a decrease of ₹1,085 crore, or 22%, in comparison to ₹4,948 crore for Fiscal Year 2022.

Liquidity and Capital Resources

Capital Resources

As of March 31, 2024, our consolidated cash and cash equivalents and current investments were ₹13,694 crore, the majority of which were denominated in Indian Rupee. Of this, ₹2,812 crore were cash and cash equivalents, and ₹10,882 crore were current investments. Current investments consist of investments in mutual funds and bank deposits with maturities of less than a year. Our investment policy is to invest in funds and banks with a low credit risk and high credit ratings.

The following table sets out our selected consolidated cash flow data and the cash and cash equivalents for Fiscal Years 2022, 2023 and 2024:

	Fiscal Year		
	2022	**2023**	**2024**
		(₹ crore)	
Net cash generated from operating activities	34,963	33,065	35,654
Net cash used in investing activities	(2,253)	(693)	(13,686)
Net cash used in financing activities	(28,903)	(34,142)	(26,092)
Effect of foreign exchange rate changes	10	25	10
Net increase/(decrease) in cash and cash equivalents	**3,817**	**(1,745)**	**(4,114)**
Cash and cash equivalents at beginning of period	4,854	8,671	6,926
Cash and cash equivalents at end of period	**8,671**	**6,926**	**2,812**

Net cash generated from operating activities

Net cash generated from operating activities was ₹35,654 crore in Fiscal Year 2024, primarily comprised of profit before taxation of ₹20,363 crore and the add-back of depreciation, depletion and amortisation of ₹10,744 crore, interest expense of ₹9,330 crore, less ₹185 crore of impairment charge/(reversal) on property, plant and equipment / capital work-in-progress (CWIP) / other assets written off (net), ₹1,727 crore of interest and dividend income received and ₹2,685 crore in income tax paid (net). Movement in working capital primarily comprised of decrease in trade and other receivables of ₹180 crore, decrease in inventories of ₹1,670 crore and decrease in trade and other payables of ₹298 crore.

Net cash generated from operating activities was ₹33,065 crore in Fiscal Year 2023, primarily comprised of profit before taxation of ₹20,276 crore and the add-back of depreciation, depletion and amortisation of ₹10,597 crore, interest expense of ₹6,129 crore, less ₹771 crore of impairment charge/(reversal) on property, plant and equipment / capital work-in-progress (CWIP) / other assets written off (net), ₹2,283 crore of interest and dividend income received and ₹6,357 crore in income tax paid (net). Movement in working capital primarily comprised of increase in trade and other payables of ₹3,665 crore, increase in inventory of ₹728 crore and decrease in trade and other receivables of ₹1,662 crore.

Net cash generated from operating activities was ₹34,963 crore in Fiscal Year 2022, primarily comprised of profit before taxation of ₹32,964 crore and the add-back of depreciation, depletion and amortisation of ₹8,919 crore, interest expense of ₹4,712 crore, less ₹2,621 crore of impairment charge/(reversal) of assets / capital work-in-progress written off, ₹1,887 crore of interest and dividend income received and ₹5,736 crore in income tax paid (net). Movement in working capital primarily comprised of increase in trade and other payables of ₹7,806 crore, increase in inventory of ₹4,373 crore and increase in trade and other receivables of ₹8,199 crore.

Net cash used in investing activities

Net cash used in investing activities was ₹13,686 crore in Fiscal Year 2024, primarily on account of purchase of property, plant and equipment (including intangibles, capital work-in-progress, capital advances and creditors) of ₹16,752 crore and short-term investment made of ₹53,764 crore, which was which was partially offset by proceeds from sale of short-term investments amounting to ₹55,851 crore.

Net cash used in investing activities was ₹693 crore in Fiscal Year 2023, primarily on account of purchase of property, plant and equipment (including intangibles, capital work-in-progress, capital advances and creditors) of ₹13,787 crore, and short-term investment made of ₹111,039 crore, which was which was partially offset by proceeds from sale of short-term investments amounting to ₹115,244 crore and from redemption of deposits of ₹9,238 crore.

Net cash used in investing activities was ₹2,253 crore in Fiscal Year 2022, primarily on account of purchase of property, plant and equipment (including intangibles) of ₹10,630 crore and short-term investment made of ₹87,135 crore and deposits made of ₹11,966 crore, which was which was partially offset by proceeds from sale of short-term investments amounting to ₹86,848 crore.

Net cash used in financing activities

Net cash used in financing activities was ₹26,092 crore in Fiscal Year 2024, primarily as a result of payment of dividends to equity holders of our Company, net of taxes of ₹18,572 crore, repayment of current borrowing of ₹18,770 crore and repayment of long-term borrowing ₹12,515 crore which was partially offset by proceeds from current borrowings of ₹10,770 crore and proceeds from long-term borrowing of ₹25,478 crore.

Net cash used in financing activities was ₹34,142 crore in Fiscal Year 2023, primarily as a result of payment of dividends to equity holders of our Company, net of taxes of ₹29,959 crore, payment of dividends to non-controlling interests of ₹11,190 crore, repayment of current borrowing of ₹18,319 crore and repayment of long-term borrowing ₹10,464 crore, which was partially offset by proceeds from current borrowings of ₹23,846 crore and proceeds from long-term borrowings of ₹18,624 crore.

Net cash used in financing activities was ₹28,903 crore in Fiscal Year 2022, primarily as a result of payment of dividends to equity holders of our Company, net of taxes of ₹16,681 crore, repayment made for long-term borrowings of ₹28,758 crore and repayment of current borrowings of ₹10,337 crore, which was partially offset by proceeds from current borrowings of ₹13,256 crore and proceeds from long-term borrowings of ₹20,916 crore.

Borrowings

The following table shows our total borrowings as of March 31, 2022, 2023 and 2024:

	As of March 31		
	2022	**2023**	**2024**
		(₹ crore)	
Secured			
Non-convertible debentures	5,123	7,138	13,402
Term loans from banks (Indian Rupee)	32,760	34,398	34,165
Term loans from banks (foreign currency)	2,588	2,662	1,917
Term loans from banks (external commercial borrowings)	1,233	3,261	2,917
Term loans from others	—	—	7,433
Others	499	494	440
Unsecured			
Non-convertible debentures	2,814	2,911	—
Deferred sales tax liability	54	28	12
Non-convertible bonds	31	31	31
Term loans from bank (Indian Rupee)	499	2,795	7,168
Term loans from bank (foreign currency)	72	4	—
Redeemable preference shares	2	2	2
Term loans from others	—	—	**7**
Non-current Borrowings	**45,675**	**53,724**	**67,494**
Less: Current maturities of long-term borrowings	(9,470)	(10,248)	(16,861)
Total Non-Current Borrowings (Net) (A)	**36,205**	**43,476**	**50,633**
Current Borrowings (B)	16,904	22,706	21,125
Total Borrowings (A+B)	**53,109**	**66,182**	**71,758**

As at March 31, 2024, we had access to funding facilities of ₹52,021 crore, which comprised of fund-based facilities and non-fund based facilities. Fund based facilities are contractual agreements with financial institutions to provide immediate cash, such as cash credit limits and term loans and non-fund based facilities are contractual agreements with financial institutions to provide cash upon fulfilment of certain conditions, such as bank guarantees and letters of credits.

	Total Facility		
	Total Facility	Drawn	Undrawn
		(₹ crore)	
Fund based/Non Fund Based	52,021	47,544	4,477

Capital Expenditures

The following table shows our purchases of property, plant, equipment, intangibles, evaluation and exploration assets in Fiscal Years 2022, 2023 and 2024:

	Fiscal Year		
	2022	2023	2024
		(₹ crore)	
Purchases of property, plant and equipment (including intangibles, capital work-in-progress, capital advances and creditors)	10,630	13,787	16,752

In Fiscal Year 2022, majority of the capital expenditure was incurred mainly in our Aluminium and Oil and Gas Businesses. In Fiscal Year 2023, significant capital expenditure was incurred mainly in our Aluminium, Oil and Gas and Steel Businesses. In Fiscal Year 2024, majority of the capital expenditure was incurred mainly in our Aluminium, Oil and Gas and Zinc International Businesses.

The following table sets out details regarding our capital expenditure as of March 31, 2024, for projects in progress and capital expenditure with flexibility.

Capex in progress	Status	Capex Approved[(2)]	Spent up to 31 March 2023[(3)]	Spent in Fiscal Year 2024	Unspent as at 31 March 2024[(4)]
Oil and Gas[(1)]					
Mangala, Bhagyam & Aishwariya infill, OALP, ABH infill, RDG infill, Offshore infill etc.	In progress	904	337	246	321
Aluminium					
Jharsuguda VAP capacity expansion and others..................	In progress	237	13	98	126
Coal and bauxite Mines (Jamkhani, Radhikapur, Kurloi, Ghoghrapalli, Sijimali)	In progress	1079	87	42	951
Lanjigarh refinery: 2 to 5 mtpa ...	In progress	641	277	236	128
BALCO smelter and VAP capacity expansion......................	In progress	1,068	106	379	583
Zinc India					
Mine expansion...........................	In progress	2,077	1,850	13	214
Roaster (Debari)	In progress	101	1	35	65
Others		386	132	21	233
Zinc International					
Gamsberg Phase II Project..........	In progress	466	53	174	239
Iron Ore Project	In progress	37	20	8	9
ESL		349	88	45	216
1.5 to 3 mtpa hot metal	In progress				
AvanStrate Inc					
Furnace expansion and cold repair..	In progress	203	121	2	80
FACOR					
150 to 450 ktpa ferro chrome......	In progress	318	—	17	301
Athena					
Power project.............................	In progress	36	—	6	30

Notes:

(1) Capital expenditure approved for Cairn represents net capital expenditure. However, gross capital expenditure is US$1.2 billion.
(2) Based on exchange rate prevailing at the time of approval.
(3) Based on exchange rate prevailing at the time of incurrence.
(4) Unspent capital expenditure represents the difference between total projected capital expenditure and cumulative spend as at March 31, 2024.

We may undertake additional capital expenditures as opportunities or needs arise. In addition, we may increase, reduce or suspend our planned capital expenditures or change the timing and use of our capital expenditures from what is currently planned in response to market conditions or for other reasons.

Our ability to maintain and grow our revenue from operations, net income and cash flows depends upon continued capital spending. Our current and future projects may be significantly delayed by the failure to receive regulatory approvals or renewal of approvals in a timely manner, failure to obtain sufficient funding, technical difficulties, human resources constraints, technological or other resource constraints or for other unforeseen reasons, events or circumstances. See the section entitled "***Risk Factors — Risks Relating to Business***" on page 48 for more information. We adjust our capital expenditure plans and investment budget periodically, based on factors we deem relevant. Therefore, our actual capital expenditures and investments are likely to be different from our current planned amounts, and such differences may be significant.

Contractual Obligations

The following table sets out our total future commitments to settle contractual obligations as of March 31, 2024:

Payment due by period	**< 1 year**	**1-3 years**	**3-5 years**	**> 5 years**	**Total**
Trade and other payables[1]	42,033	493	—	—	42,526
Bank and other borrowings[2]	33,732	32,267	15,602	22,995	104,597
Lease liability	477	400	93	43	1,013
Derivative liabilities	144	—	—	—	144
Total	**76,386**	**33,160**	**15,695**	**23,038**	**148,280**

Notes:

(1) Excludes accrued interest which has been included with borrowings.

(2) Includes current and non-current borrowings and committed interest payments.

Our total future commitments to settle contractual obligations, as of March 31, 2024, were ₹ 148,280 crore.

We also have commitments to purchase copper concentrate for our copper custom smelting operations. These commitments are based on future LME copper spot prices which are not ascertainable as of the date of this Preliminary Placement Document.

Off-Balance Sheet Arrangements

We have no off-balance sheet entities. In the normal course of business, we enter into certain commitments for capital and other expenditures and certain performance guarantees. The aggregate amount of indemnities and other guarantees on which there is no expected material losses was ₹9,348 crore as of March 31, 2024.

Details of our indemnities and other guarantees are set out in "**— *Guarantees***" on page 126. Details of our capital commitments and contingencies are set out below.

Capital Commitments Contracted but Not Provided

We have a number of continuing operational and financial commitments in the normal course of business. Capital commitments contracted but not provided as of March 31, 2024 amounted to ₹18,664 crore, related primarily to capacity expansion projects, including the construction of new facilities and the expansion of existing facilities.

Contingencies (as Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets)

As is typical for a group of its size and complexity, we are subject to litigation cases from time to time. We and certain of our subsidiaries have been named as parties to legal actions by third-party claimants and by the Indian sales tax, excise and related tax authorities for additional sales tax, excise and indirect duties. These claims primarily relate either to the assessable values of sales and purchases or to incomplete documentation supporting its tax returns. We have ongoing disputes with income tax authorities relating to the tax treatment of certain items.

These mainly include disallowed expenses, tax treatment of certain expenses claimed by us as deductions, and the computation or eligibility of certain tax incentives or allowances. Some of the disputes relate to the year in which the tax consequences of financial transactions were recognised, and if these disputes are not resolved in our favour, the tax consequences may be reflected in the tax year as required by the income tax authorities and there are therefore timing differences. Most of these disputes and disallowances, being repetitive in nature, have been raised by the tax authorities consistently in most of the years. We have a right of appeal to the High Court or the Supreme Court of India against adverse initial assessments by the appellate authorities for matters involving questions of law. The tax authorities have similar rights of appeal. The total claims related to these tax liabilities were ₹13,953 crore as of March 31, 2024. We have evaluated these contingencies and estimate that it is probable that some of these claims may result in loss contingencies and hence have recorded ₹152 crore as provision as of

March 31, 2024.

The amount under dispute with other tax authorities, relating to matters such as sales tax, excise tax and electricity duty and third-party claimants, as of March 31, 2024 was ₹12,014 crore against which liability of ₹1,642 crore was recorded based on our estimate that none of these claims would become liabilities.

Therefore, we have not recorded any additional liability in relation to litigation matters in the accompanying consolidated financial statements.

Guarantees

We provide guarantees within the normal course of business. Guarantees have also been provided in respect of certain short-term and long-term borrowings.

As of March 31, 2024, we advanced guarantees totalling ₹9,348 crore in the normal course of business. This includes guarantees advanced to the customs authorities in India of ₹1,717 crore relating to the export and payment of import duties on purchases of raw material and capital goods including export obligations, ₹115 crore to the tax department of the GoI on behalf of Volcan Investment Limited as a collateral in respect of certain tax disputes, ₹158 crore issued under bid bond for placing bids, ₹3,071 crore issued for Group's share of minimum work programme commitments and other guarantees worth ₹4,287 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. Our Group does not anticipate any amount due on these guarantees.

Export obligations

We had export obligations of ₹2,689 crore as of March 31, 2024 on account of concessional rates received on import duties paid on capital goods under the Export Promotion Capital Goods Scheme and on raw materials under the Advance Licence Scheme enacted by the GoI.

If we fail to meet our obligations, our liability would be ₹581 crore, reduced in proportion to actual exports. This liability is backed by a bond executed in favour of the Indian customs department amounting to ₹1,030 crore.

Quantitative and Qualitative Disclosure about Market Risk Disclosure

We are exposed to market risk from changes in foreign exchange rates, interest rates, counterparty and concentration of credit, and commodity prices.

We use derivative instruments to manage the exposure in foreign currency exchange rates, interest rates and commodity prices. We do not acquire or issue derivative financial instruments for trading or speculative purposes. We do 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 interest rate and currency swaps and these are subject to our guidelines and policies.

Foreign Exchange Rate Risk

Considering the countries and the economic environment in which we operate, our results of operations may be affected by fluctuations in the exchange rates primarily between the US dollar, Emirati Dirham, Pound Sterling, Japanese Yen, Euro, Indian Rupee, South African Rand, Namibian dollar and Liberian dollar. Exposures on foreign currency loans are managed through the foreign exchange hedging policy which is reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. We strive to achieve asset liability offset of foreign currency exposures and only the net position is hedged. 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.

Hedging activities in India are governed by the RBI, whose policies we must comply with. The policies under which the RBI regulates these hedging activities can change from time to time and these policies may affect the effectiveness with which we manage exchange rate risk.

We have in the past held or issued instruments such as options, swaps and other derivative instruments for purposes of mitigating exposure to exchange rate risk. We do not enter into hedging instruments for speculative purposes.

Our exposure to foreign currency arises where our group company holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity with US dollar being the major non-functional currency exposure of our main operating entities. Set out below is the impact of a 10% change in the US dollar against Indian Rupee on profit/(loss) and equity arising as a result of the revaluation of our foreign currency financial instruments.

	March 31, 2024		
	Closing exchange rate	**Effect on pre-tax profit/(loss) of 10% increase in currency**	**Effect on pre-tax equity of 10% increase in currency**
Currency			
US dollar..	83.3416	1,190	—

The sensitivities are based on financial assets and liabilities held at March 31, 2024 where balances are not denominated in the functional currency of the respective subsidiaries. The sensitivities do not take into account our sales and costs and the results of the sensitivities could change due to other factors such as changes in the value of financial assets and liabilities as a result of non-foreign exchange influenced factors. A 10% depreciation of the US dollar against Indian Rupee would have an equal and opposite effect on our financial instruments.

Counterparty and Concentration of Credit Risk

We are exposed to credit risk from trade receivables, contract assets, cash and cash equivalents, short-term investments, loans, other financial assets and derivative other financial instruments.

We have 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 mutual fund and bond investments. For derivative and financial instruments, we attempt to limit the credit risk by only dealing with reputable banks and financial institutions.

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 our businesses trade receivables are spread over a number of customers with no significant concentration of credit risk. During Fiscal Years 2022, 2023 and 2024, no single customer accounted for 10% or more of our revenue from operations or for any of our primary businesses. The history of trade receivables shows a negligible provision for bad and doubtful debts and we do not expect any material risk on account of non-performance by any of our counterparties.

Our maximum gross exposure to credit risk as of March 31, 2024 was ₹41,176 crore compared to ₹44,585 crore as of March 31, 2023.

Commodity Price Risk

We are exposed to the movement of base metal commodity prices on the LME. Any decline in the prices of the base metals that we produce, and sell will have an immediate and direct impact on the profitability of the businesses. As a general policy, we aim to sell the products at prevailing market prices. The commodity price risk in import of input commodities such as copper concentrate and alumina, for our Copper and Aluminium Business respectively, is hedged on a 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, based on applicable guidelines.

While we aim 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.
We are also exposed to the movement of international crude oil price and the discount in the price of Rajasthan crude oil to Dated Brent price.

Financial instruments with commodity price risk are entered into in relation to the following activities: (i) economic hedging of prices realised on commodity contracts; and (ii) cash flow hedging of revenues and forecasted highly probable transactions.

Aluminium

The requirement of the primary raw material, alumina, is partly met from our own sources and the rest is purchased primarily on negotiated price terms. Sales prices are linked to the LME prices. At present on a selective basis we hedge the aluminium content in outsourced alumina to protect our margins.

We also enter into hedging arrangements for our aluminium sales to realise average month of sale LME prices.

Zinc, Lead and Silver

The sales prices for zinc, lead and silver are linked to the LME prices. We also enter into hedging arrangements for our zinc, lead and silver sales to realise month of sale LME prices. In exceptional circumstances, we may enter into strategic hedging with prior approval of the Board of Directors.

In Zinc International. raw material for zinc and lead is mined in Namibia and South Africa with sales prices linked to the LME prices.

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, such as supply and demand. The regional producers price their crude on the basis of the benchmark crude with a premium or discount over the benchmark based upon quality differential and competitiveness of various grades. We also hedge variability of crude price through forward contracts on a 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, namely the United States (Henry Hub Prices), the United Kingdom (NBP Price) and Japan (imported gas price, mostly linked to crude oil).

Copper

Our custom smelting copper operations at Silvassa are benefited by a natural hedge except to the extent of a possible mismatch in quotational periods between the purchase of copper concentrates and blisters with the sale of finished copper. Our policy on custom smelting is to generate margins from 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. We hedge this variability of LME prices through forward contracts and try to make the LME price a pass-through cost between purchases of copper concentrate and sales of finished products, both of which are linked to the LME price.

Rc is a major source of income for the Indian copper smelting operations. Fluctuation in Rc is influenced by factors including demand and supply conditions prevailing in the market for smelters output. Our Copper Business has a strategy of securing a majority of its concentrate feed requirement under long-term contracts with smelters / traders.

Iron Ore

We sell our iron ore production from Goa at the prevailing market prices and from Karnataka through an e-auction route as mandated by the State Government of Karnataka in India.

Provisionally priced financial instruments

On March 31, 2024, the value of net financial liabilities linked to commodities (excluding derivatives) accounted for on provisional prices was a liability of ₹434 crore (March 31, 2023: liability of ₹728 crore). These instruments are subject to price movements at the time of final settlement and the final price of these instruments will be determined in the financial year beginning April 1, 2024.

Set out below is the impact of a 10% increase in LME prices on profit/(loss) for the year and total equity as a result of changes in value of our commodity financial instruments as at March 31, 2024 and 2023:

	Total Exposure	Effect on pre-tax profit/(loss) of a 10% increase in the LME	Effect on pre-tax equity of a 10% increase in the LME
Commodity price sensitivity			
Copper (March 31, 2024)	(504)	(50)	—
Copper (March 31, 2023)	(967)	(97)	—

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 our financial instruments.

Further, the impact of a 10% increase in closing copper LME price for provisionally priced copper concentrate purchased at our Copper Business custom smelting operations as at March 31, 2024 is a loss of ₹89 crore (March 31, 2023: loss of ₹129 crore), which is pass through in nature and as such will not have any impact on profitability.

Known Trends or Uncertainties

Other than as described in this Preliminary Placement Document, particularly in this section and the section titled "***Risk Factors***" on page 48, to our knowledge, there are no trends or uncertainties that have or had or are expected to have a material adverse impact on our income from continuing operations.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. For details, see "***Related Party Transactions***" on page 47.

Unusual or Infrequent Events or Transactions

As otherwise described in this Preliminary Placement Document, to our knowledge, there have been no events or transactions that may be described as "unusual" or "infrequent".

Seasonality

Our Iron Ore Business's mining operations are affected by changes in weather conditions, particularly heavy rains. Goa, where our iron ore mining operations are located, experiences monsoon seasons, which usually occurs from early June to early October. During the monsoon season, restricted barge movements result in significantly lower exports through the Mormugao port in Goa, where our iron ore is shipped to customers. We attempt to mitigate the effects of the monsoon season by concentrating on mine development and extracting larger quantities of overburden waste during the monsoon season in order to permit speedier extraction of iron ore during the dry season. In addition, during the monsoon season, we typically conduct annual maintenance at our processing plants and our other mining machinery.

Our Oil and Gas, Zinc, Lead and Silver, Copper, Aluminium and Commercial Power Generation Businesses are not subject to seasonality.

Competitive Conditions

We expect competition from existing and potential competitors to intensify. For further details regarding our competitive conditions and our main competitors, see the sections "***Risk Factors***" and "***Our Business***" of this Preliminary Placement Document.

Future Relationship between Costs and Income

Other than as described in the sections "***Risk Factors***" and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" of this Preliminary Placement Document, to our knowledge, there are no known factors which will have a material adverse impact on our operations and finances.

Significant Dependence on a Single or Few Customers

For details, please refer to the sections "***Risk Factors***" and "***Our Business***" in this Preliminary Placement Document.

Significant Developments after March 31, 2024 that may affect Future Results of Operations

There have been no significant developments after March 31, 2024 that have had any material impact on our business, financial condition and results of operations.

INDUSTRY OVERVIEW

The information contained in this section is taken from the ICRA Report. Neither we, nor any other person connected with the Issue has independently verified all the information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

References to various segments in Industry overview section and information derived from therein are references to industry segments and in accordance with the presentation, analysis and categorisation in the ICRA Report. Our segment reporting in our financial statements is based on the criteria set out in Ind AS 108 – Operating Segments and we do not present such industry segments as operating segments.

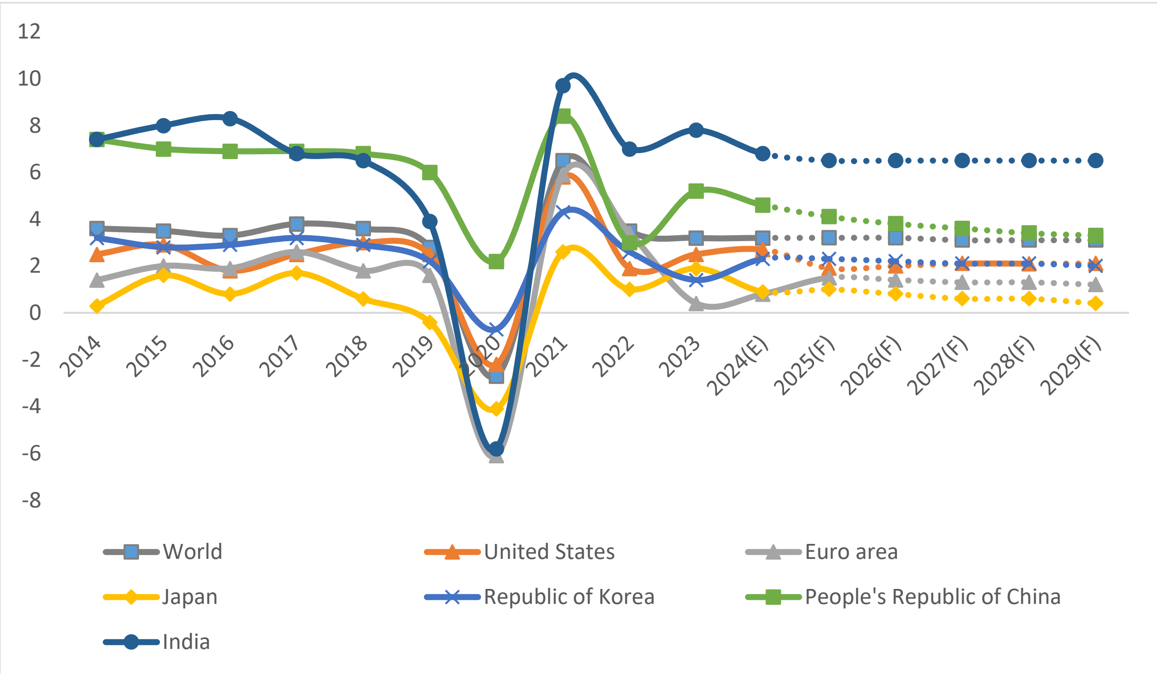
1. Global economic overview

The size of global economy is projected to be at USD 109.53 trillion in CY2024 in nominal terms. As per the International Monetary Fund (IMF)'s World Economic Outlook published in April 2024, the global growth has been estimated to hold steady at ~3.2% for CY2024 and CY2025, similar to the growth rate registered in CY2023. Despite elevated interest rates, the global economy remains resilient, avoiding a global recession.

The global inflation rate is predicted to decline from an annual average of 6.8 % in CY2023 to 5.9% in CY2024 and further to 4.5% in CY2025, thereby indicating a soft landing. The global pace of growth has been slower due to factors like prevailing high borrowing costs and withdrawal of fiscal support, spill-over effects from the COVID-19 pandemic, Russia-Ukraine conflict, weak growth in productivity and increasing geoeconomic fragmentation.

1.1 Top Global Economies and Growth Trend:

Chart 1: Real GDP growth rate of top metal consumers of the world



Source: International Monetary Fund (IMF), ICRA Analytics

Table 1: India v/s Other Economies (Real GDP, Y-o-Y % change)

Real GDP growth (Annual percent change)	2018	2019	2020	2021	2022	2023	2024(E)	2025(F)	2026(F)	2027(F)	2028(F)	2029(F)
World	**3.6**	**2.8**	**-2.7**	**6.5**	**3.5**	**3.2**	**3.2**	**3.2**	**3.2**	**3.1**	**3.1**	**3.1**
United States	3	2.5	-2.2	5.8	1.9	2.5	2.7	1.9	2	2.1	2.1	2.1

Real GDP growth (Annual percent change)	2018	2019	2020	2021	2022	2023	2024(E)	2025(F)	2026(F)	2027(F)	2028(F)	2029(F)
Euro area	1.8	1.6	-6.1	5.9	3.4	0.4	0.8	1.5	1.4	1.3	1.3	1.2
Japan	0.6	-0.4	-4.1	2.6	1	1.9	0.9	1	0.8	0.6	0.6	0.4
Korea	2.9	2.2	-0.7	4.3	2.6	1.4	2.3	2.3	2.2	2.1	2.1	2
China	6.8	6	2.2	8.4	3	5.2	4.6	4.1	3.8	3.6	3.4	3.3
India	6.5	3.9	**-5.8**	**9.7**	**7**	**7.8**	**6.8**	**6.5**	**6.5**	**6.5**	**6.5**	**6.5**

Source: IMF, ICRA Analytics analysis
Notes: E- Estimated; F- Forecasted; 2024 data is estimated, data from 2025-2029 are forecasted

India remains the fastest growing economy globally. It witnessed a rise in growth rate from ~7% in CY2022 to ~7.8% in CY2023. The country is projected to grow by ~6.8% in CY2024 and ~6.5% in CY2025. Robust domestic demand, growth in manufacturing and services, strong private investment activity coupled with government's focus on infrastructural and economic development has supported this upward trend in the country's growth rate, which is forecasted to continue till CY2029.

1.2 Upside trends impacting Global Economy:

1. **Short-term fiscal adjustments in a year of elections:** In 2024, many countries will have elections, and, in that context, the policymakers commit to expansionary measures such as tax cuts, increased fiscal transfers, and infrastructure investment which could boost economic activity. However, such projections can come with inflationary pressures as well for few overheated economies with steep inflation unemployment trade-offs.

2. **Technological breakthroughs:** The world is transitioning to renewable energy technologies to meet the net zero emissions. Various technological breakthroughs- especially in renewables and batteries, requiring extraction, processing and use of critical minerals – has opened up new opportunities for boosting economic growth. Major advances in the field of Artificial Intelligence with the emergence of large language models, generative pretrained transformers, have marked a leap in the ability of technology to surpass human abilities in various intellectual areas. This could bring a short-term labour market disruption especially in emerging economies at the cost of achieving higher productivity and advanced knowledge, thus creating better advantages for advanced economies.

3. **Global supply improvements and monetary policy easing:** The easing of supply constraints and fading of the pass-through effects from past relative price shocks are probable in various cases. Similarly, a faster-than-envisioned compression of profit margins to absorb past cost increases is also probable. Ultimately, there could be monetary easing of policies which would reduce borrowing costs, raise consumer confidence, and strengthen global growth.

1.3 Key Macro-Economic challenges impacting global economy:

Geopolitical conflicts: The geopolitical tension arising from the ongoing war in Gaza and Israel, continued attacks in Red Sea and Russia-Ukraine war, have the potential to deliver additional supply shocks to the global economy, increasing costs of food, oil, energy, and transportation. The adverse impact of the supply shocks maybe asymmetrical, with lower-income countries bearing the brunt of it.

1. **Persistent inflation:** Core inflation in many major economies did not decline as expected. This persisting inflation can spark a rise in interest rates resulting in fall in asset prices.

2. **Weakening in China:** China's economic downtrend mainly resulting due to a weakened real-estate sector could potentially lead to lower domestic demand, causing disinflationary pressure to intensify. This decreased demand can spill over to China's major trade partners, having potential global ramifications.

3. **Disruptive fiscal adjustment:** Fiscal consolidation is needed to curb debt-to-equity ratios, but higher tax and spending cuts can lead to slower growth and reduce reform momentum. Debt distress can cause major cuts to budget deficits and create a negative impact on growth. Thus, the risk of debt distress in low-income countries continues to limit the scope of investments.

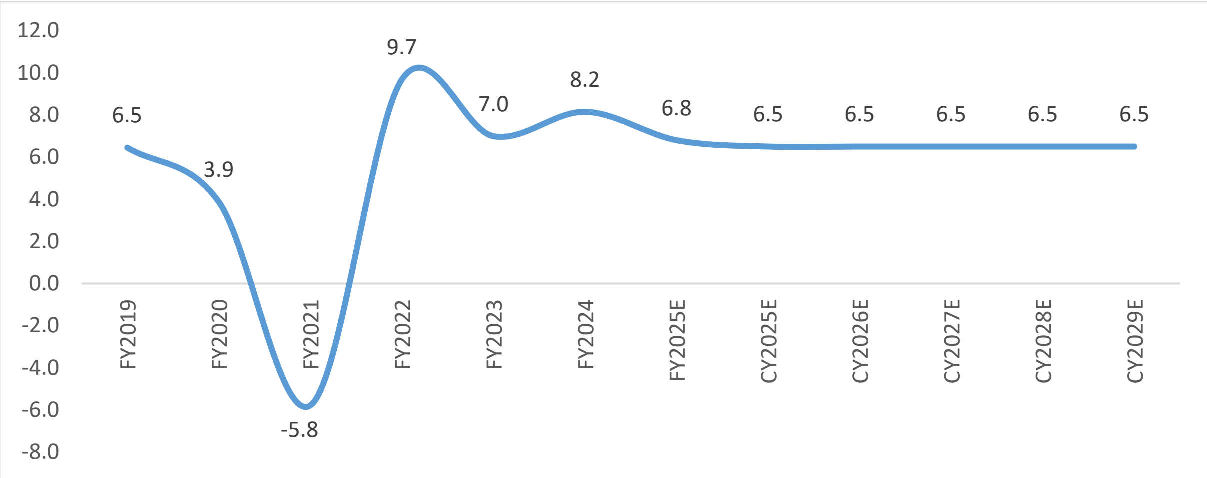
4. **Geoeconomic fragmentation:** The policy driven reversal of global economic integration can intensify amid Russia-Ukraine conflict and other geopolitical tensions. As a result, it could create more restrictions on trade and cross-border movements of capital, technology, labours and even impact international cooperation. It can also reduce foreign direct investment flows, slow down the pace of innovation, higher price volatility and ultimately harm business profitability along with consumer well-being.

1.4 Indian Macro-economic Overview:

1.4.1 GDP Trend & outlook:

India's real GDP or GDP at constant (2011-12) prices is estimated to have reached Rs. 173.82 lakh crore in FY2024. This shows a significant estimated increase of 8.2% from the FY2023 First Revised Estimates (FRE) value of Rs. 160.71 lakh crore. This 8.2% increase is higher than the 7.0% of FY2023.

Chart 3: GDP growth trend in India



Source: IMF (CY2025E-CY2029E), ICRA Ratings (FY2025E), ICRA Analytics
Notes: E- Estimated; F- Forecasted

The GDP growth in Q4 FY2024 was reported at 7.8% by the National Statistical Office (NSO), after witnessing a robust growth of 8.6% growth in Q3 FY2024. The slowdown in Q4FY2024 was mainly attributed to the gross fixed capital formation growth dropping to 6.5% in Q4 FY2024 from 9.7% in Q3 FY2024. Despite this, private final consumption expenditure continued to grow modestly at 4.0%, while Government final consumption expenditure also saw a slight increase following a contraction. The real GDP and GVA growth rates were estimated at 8.2% and 7.2%, respectively, in FY2024, compared to +7.0% and +6.7% in FY2023.

The Monetary Policy Committee (MPC) has indicated that the high frequency indicators of domestic activity are resilient in the current fiscal period, FY2025. Additionally, the MPC has pointed out that the Indian Meteorological Department's (IMD) above-normal forecast for the South-west Monsoon season would bode well for the agriculture sector and rural demand. The sustained growth in manufacturing and services, along with other factors such as high capacity utilization, healthy balance sheets of banks and corporates, infrastructure and capital spending by the Government, and positive business sentiments, are expected to support a recovery in private consumption. The MPC also anticipates that investment activity in FY2025 will be driven by these factors, as well as an improvement in global trade prospects. However, the MPC has also highlighted potential risks to the growth outlook, including geopolitical tensions, volatility in international commodity prices, and geoeconomic fragmentation.

The MPC has raised its GDP growth forecast for FY2025 to 7.2% from 7.0% indicated in the April 2024 policy, with risks evenly balanced. In quarterly terms, the growth projection has been revised upwards for each of the quarters, including Q1 FY2025 (to +7.3% from +7.1%), Q2 FY2025 (to +7.2% from +6.9%), Q3 FY2025 (to +7.3% from +7.0%) and Q4 FY2025 (to +7.2% from +7.0%), compared to the estimates that were made in the April 2024 meeting.

As per ICRA Ratings, GDP growth is likely to stay below 6.5% in the initial six months of the fiscal year, but it is expected to rise above 7.0% in the latter half of FY2025. This increase will be supported by increased Government capital expenditure towards the end of the year, a potential rise in private investment, enhanced rural demand if the monsoon is favourable, and some improvement in export figures. As a result, ICRA Ratings predicts GDP growth to moderate to 6.8% for FY2025, down from 8.2% in FY2024, which is lower than the MPC's forecast of 7.2% for FY2025.

Table 2: RBI estimates of GDP growth

Real GDP Growth (at constant 2011-12 prices)	FY2024				FY2024	FY2025(F)*				FY2025
% change	**Q1**	**Q2**	**Q3**	**Q4**	**SRE***	**Q1**	**Q2**	**Q3**	**Q4**	**(F)***
GDP at market prices	8.2	8.1	8.4	5.9	7.6	7.3	7.2	7.3	7.2	7.2

**SRE- Second revised estimates, F- Forecasted*
Source: RBI, ICRA Analytics ltd.

1.4.2 GROWTH DRIVERS:

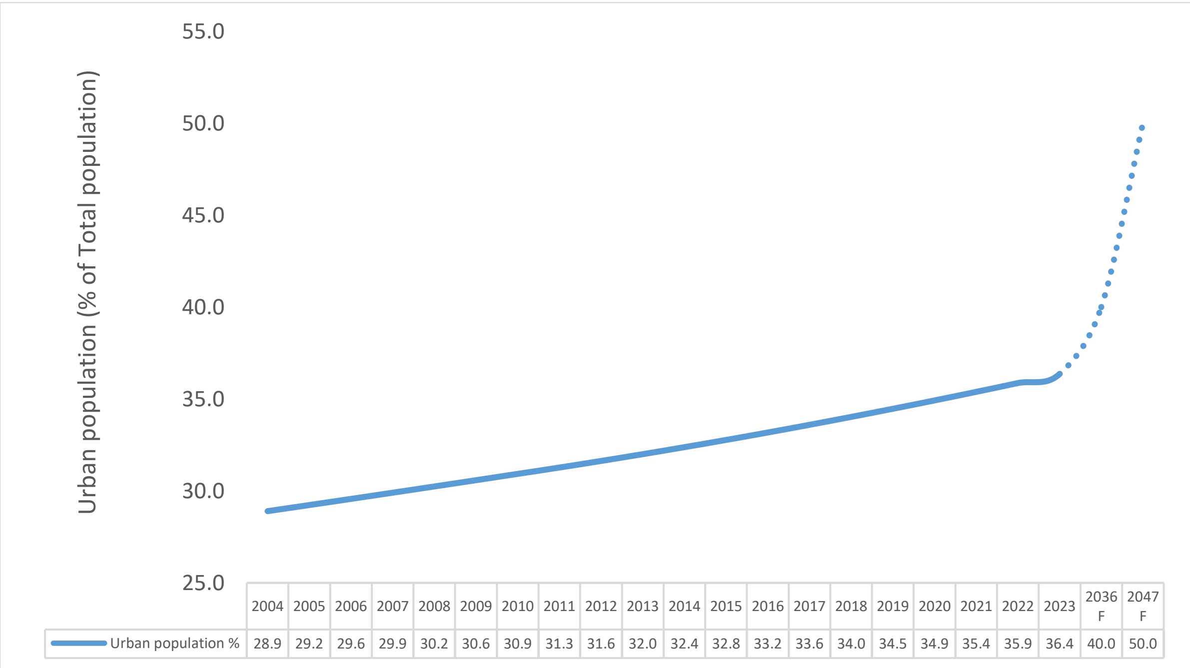
1.4.2.1 RISE IN PER CAPITA INCOME:

Per capita domestic GDP measures the country's economic output per person while per capita Gross National Income (GNI) stands for the final income of the country in a year per person. In FY2024 the per capita GDP (at 2011-2012 prices) increased by 7.2% from Rs 1.16 lakh in FY2023 to Rs 1.24 in FY2024. For the same period, the per capita GDP at current prices increased by 8.6% from Rs 1.94 in FY2023 to Rs 2.11 lakh in FY2024. Similarly at 2011-2012 prices per capita GNI, NNI and PFCE all increased by 7.2%, 7.4% and 3.1% respectively while at current prices the increase was recorded at 8.5%, 8.7% and 7.6% respectively.

India's per capita disposable income is estimated to have reached Rs. 2.14 lakh in FY2024, according to the government.

1.4.2.2 RAPID URBANISATION:

Chart 4: Urban population of India (as % of Total population)



*Source: World Bank, ICRA Analytics, *calendar year*

India's urban population percentage out of total population has seen an uptick from 28.9% in CY2004 (~31.9 crore) to 36.36% in CY2023 (reaching around 51.9 Crores). Over the past two decades, India has seen a steady growth in urban population. Furthermore, rural areas are gradually transitioning themselves and adapting urban characteristics in recent years.

India is urbanizing rapidly and by 2036, an estimated 60 crore people will be residing in town and cities. This figure is equivalent to 40% of the total population, increasing from the ~36% recorded in 2023. Almost 70% of the contribution in GDP will come from urban areas.

Urbanisation till 2047, will depend how well India is fulfilling its role in becoming a developed country. However, 70% of the urban infrastructure required by 2047 is yet to be constructed, thereby requiring more investments. India will require $840 billion in infrastructure- an average of $55 billion or 1.2% of GDP per annum. As per estimates, the total capital expenditure averaged at 0.6% of GDP, thus highlighting that the country lacks half the required quantum for capital expenditure. Hence private financing would play a major role decreasing reliance on government funding. The percentage of central and state government financing stands at 72%, which is much higher than commercial financing, forming only 5%.

1.4.2.3 GOVERNMENT POLICY BOOST:

India’s fiscal policy ensures that the domestic economy is more resilient to exogenous shocks and demonstrates the ability to mitigate the risks of global economic downturn without compromising the overall macroeconomic balances. The FY2025 fiscal strategy of the government is based on the following broad aims:

- Targeting focus towards infrastructure expansion and ensuring fiscal consolidation by reducing fiscal deficit and boosting capital expenditures.
- Targeting towards more inclusive, sustainable, and more resilient domestic economy to absorb any unanticipated shocks. Also, to sustain infrastructure development momentum, more resources are channelized and allocated towards capital expenditures.
- Targeting to enhance the public infrastructure by continuing a holistic approach of fiscal federalism and supporting the efforts of the states for capital expenditures.
- Embracing the principles of PM Gati Shakti, the country is targeting focus on integrated and coordinated planning and implementation of infrastructure projects.
- Key development sectors viz., drinking water, housing, sanitization, green energy, health education, agriculture, rural development are being prioritized in order to achieve sustainable and inclusive better living of the citizens.
- Improving the efficacy of cash management through just-in-time release of resources by using Single Nodal Agency / Treasury Single Account system, etc.

1.4.3 GROSS VALUE ADDED (GVA) GROWTH TRENDS:

The value addition by the supply side to the economy is primarily measured by the GVA parameter. This GVA (at 2011-12 Prices) witnessed an aggregate growth of 7.2% in FY2024 from 6.7% in FY2023. Industrial growth GVA witnessed growth of 9.7% in FY2024 after it dipped by 0.6% in FY2023.

Table 4: Components Of Gross Value Added (At Basic Prices)

GVA at Basic Prices (Base Year: 2011-12) Constant Prices (Amount in Rs crore)						
Items/Year	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25F**
Agriculture, Forestry and Fishing	6.20%	4.00%	4.60%	4.70%	1.40%	3.90%
Industry	-2.50%	1.10%	9.60%	-0.60%	9.50%	5.30%
Mining & Quarrying	-3.00%	-8.20%	6.30%	1.90%	7.10%	5.00%
Manufacturing	-3.00%	3.10%	10.00%	-2.20%	9.90%	4.30%
Electricity, Gas, Water Supply & Other Utility Services	2.30%	-4.20%	10.30%	9.40%	7.50%	6.60%
Services	5.80%	-7.90%	10.60%	9.90%	7.60%	7.60%
Construction	1.60%	-4.60%	19.90%	9.40%	9.90%	7.00%
Trade, Hotels, Transport, Communication and Services Related to Broadcasting	6.00%	-19.90%	15.20%	12.00%	6.40%	8.00%
Financial, Real Estate & Professional Services	6.80%	1.90%	5.70%	9.10%	8.40%	7.50%
Public Administration, Defence and Other Services	6.60%	-7.60%	7.50%	8.90%	7.80%	7.10%
GVA at Basic Prices	3.90%	-4.10%	9.40%	6.70%	7.20%	6.30%

Source: RBI, CMIE (forecast for FY2025), ICRA Analytics

Going forward in FY2025, India is expected to witness a 6.3% growth in gross value added (GVA) in real terms during FY2025. This marks moderation from the 7.2% growth achieved during FY2024. The moderation expected in GVA growth is primarily attributed to a moderation expected in the industrial activity (~5.3%) post-election. However, the services sector (~7.6%) is anticipated to maintain its strong growth momentum in FY2025, while the agricultural sector is expected to show improved performance compared to the previous year.

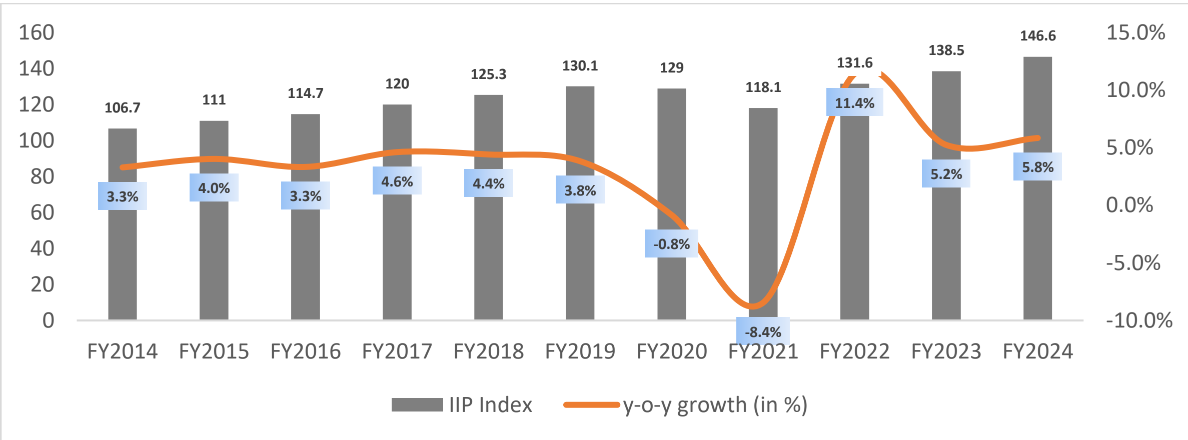
The financial services, real estate, and professional services sector are projected to expand by 7.5% in FY2025 compared to 8.4% growth in the preceding fiscal year. Anticipated growth in GVA from public administration, defense, and other services is expected to witness 7.1% growth during FY2025, following a 7.8% increase in FY2024.

1.4.4 Industrial Growth:

During FY23, the industrial output recorded a growth of 5.1% y-o-y driven by a favorable base and a resurgence in economic activities. The IIP growth rose modestly to 5.8% in FY2024 from 5.2% in FY2023, led by an improvement in mining (to +7.5% in FY2024 from +5.8% in FY2023) and manufacturing (to +5.5% from +4.7%), even as the growth in electricity generation (to +7.1% from +8.9%) moderated. Additionally, four out of the six categories based on usage showed an increase in their expansion in FY2024 compared to FY2023. This group encompasses consumer goods, both durable and non-durable, intermediate products, and infrastructure/construction materials.

While infrastructure-related sectors have performed well during FY24, the slowdown in global growth and risks to rural demand have presented challenges for industrial activity. Despite some relief from moderating inflationary pressures, high prices of certain food items remained an area of concern.

Chart 5: IIP growth trend (on year, in %)



Source: RBI, ICRA Analytics

In April 2024, the IIP growth rate eased to 5% from 5.4% in March 2024. Moderation in YoY IIP growth in April 2024 vs March 2024 was entirely led by slowdown in YoY growth of manufacturing, while mining and electricity growth saw an uptick.

1.5 Concluding remarks:

The Indian economy witnessed significant growth in the FY2024 due to various high-frequency indicators (HFI) of domestic activity performing well. Resilient and healthy macro-economic fundamentals have played a key role in driving the Indian economy forward, despite facing various domestic and international challenges in recent years.

Strong demand in both consumption and investment segments acted as a growth driver for the economy. This growth is supported by sizable capital expenditure on the government's end. Both FY2024 and the beginning of FY2025 witnessed healthy capex spending by the government, resulting in the booming manufacturing and industrial growth. Along with this, Inflation rates have eased in the past year and is expected to remain so, resulting in decline in prices in several sectors while others remain mostly stable.

Government tax revenue received a boost in April 2024, when GST collections reached all time high of Rs.2.1 trillion. This figure was 12.4% higher than the Rs.1.87 trillion collection recorded in April 2023. Along with this, the government is also streamlining the tax system with low rates, bringing in digitization of tax filing as well as rationalising the tariff structures. These factors are set to result in tax buoyancy, further supporting the growth of future capital spending of the government.

The industry and services sector demonstrated strong performance, acting as the primary growth drivers of FY2024. India also recorded the highest growth in this period among major advanced and emerging economies. As per IMF, it is possible for India to become the third-largest economy by the year CY2027.

Indian rupee remained steady in FY2024 due to various factors like macroeconomic stability, decrease in gross fiscal deficit (GFD) as well as having a comfortable forex reserve buffer. This was supported by easing inflationary pressure, majorly driven by proactive supply side initiatives by the government.

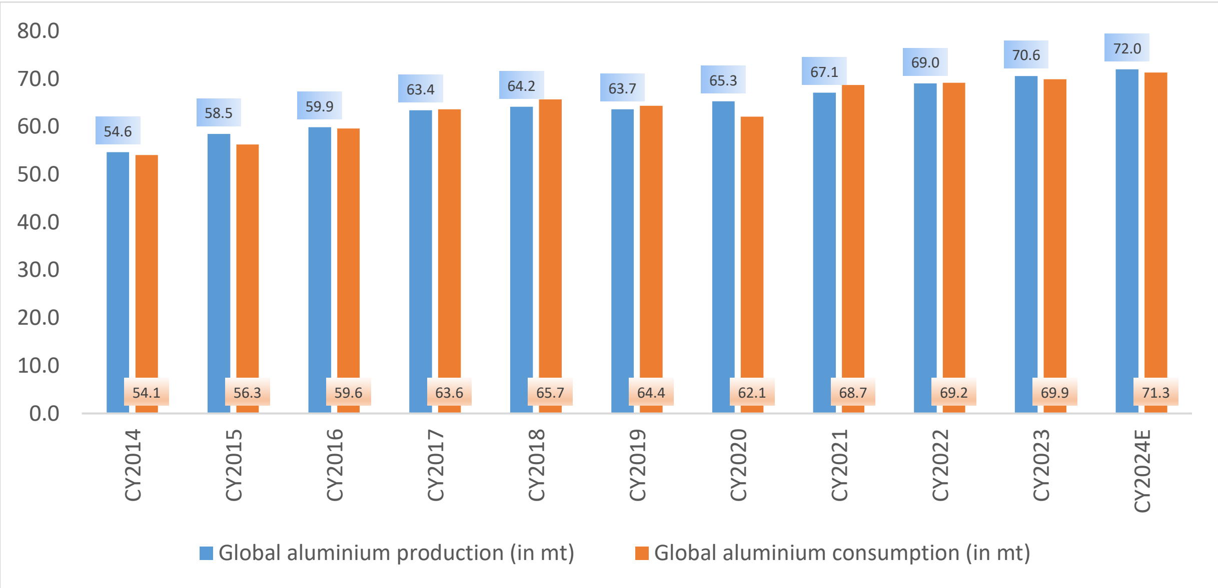
Overall, while global economic growth faces significant challenges due to rising geopolitical tensions, fluctuating commodity prices, and a lack of essential resources, the Indian economy stands out with a relatively strong real GDP growth compared to other emerging markets.

2. Aluminium

2.1 Global overview:

In terms of volumes, aluminium is the second most widely traded metal after steel. The aluminium sector includes the mining of the ore (bauxite) and both primary and secondary processing of the metal. Aluminium is a metal that can be recycled and is considered to be eco-friendly, with a wide range of uses across various industries such as power, transportation, construction, and packaging, among others.

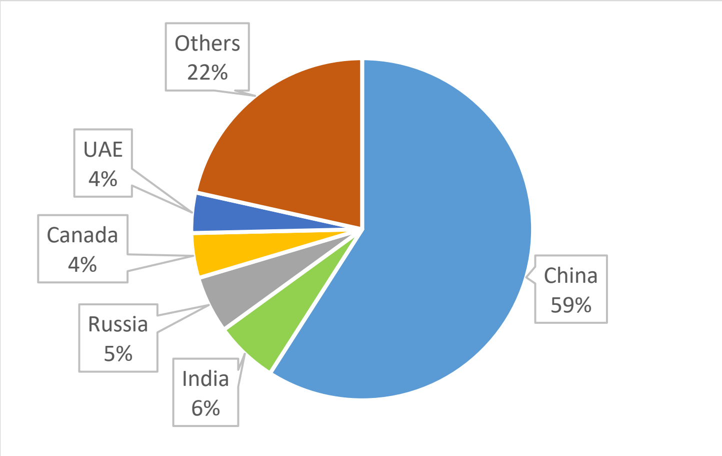
Chart 6: Global aluminium production and consumption trends



Source: international-aluminium.org, ICRA Ratings report, ICRA Analytics

China remains the leading producer and consumer of aluminium globally, with a production figure of 41.7 mt in CY2023, which accounts for about ~59% of the total worldwide production. For the last one decade, China's share in world production has always been over ~50%. India is the second largest producer of aluminium with a production of 4.2 mt in CY2023.

Chart 7: Country wise share in primary aluminium production



Source: international-aluminium.org, ICRA Analytics

The global aluminium production went up by 2.2% in CY2023, leading to a surplus of 0.7 mt in the market for that year. Primary aluminium output in China saw a 3.1% growth in CY2023 to 41.7 mt compared to the previous year as several smelters that had reduced their output in CY2022 resumed operations along with new capacity additions. The supply from the world, excluding China, also grew by 1.0% in CY2023 to 28.9 mt compared to 28.6 mt in the last year, which is attributed to the resumption of some production in South America.

World aluminium production growth in CY2024 is estimated at about 2% and the key countries contributing to the global aluminium production are China, India, Russia, Canada and UAE.

Coming to global primary aluminium consumption, it has grown by 0.7% and 1.0% during CY2022 and CY2023 to 69.2 mt and 69.9 mt respectively. Global demand for aluminium in China grew by 5.5% on year in CY2023 while demand in world ex-China fell by 5.2% owing to weaker macroeconomic scenario.

Looking at the end user segments for aluminium, it is broadly classified into transport, building & construction, electrical engineering, consumer goods, foil & packaging, machinery & equipment, and others (aluminum air batteries and solar panel nanotechnology).

Global demand in the downstream markets, particularly in the building and construction industry, fell throughout CY2023 but demand in the automotive sector remained strong throughout the year.

Going forward in CY2024, as per ICRA Ratings report, global demand for primary aluminium is expected to rise by ~2%. This would create a surplus of 0.3 mt in CY2024.

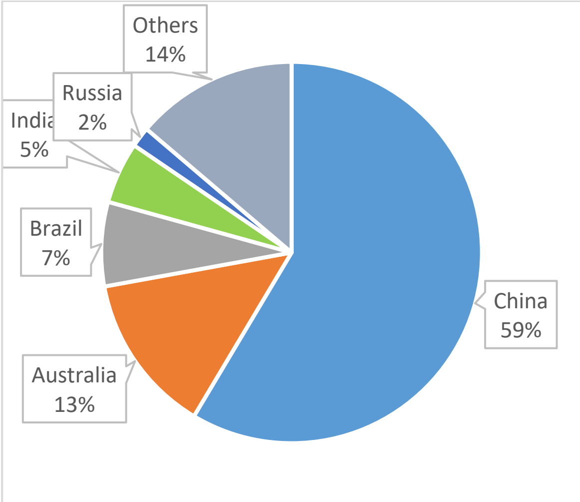
2.1.1 RAW MATERIALS:

Bauxite and alumina constitute the critical components in the value chain towards the production of aluminum metal.

The primary raw material for the production of alumina is bauxite while the raw material required to produce primary aluminium is alumina, also known as aluminium oxide. Around 3 tonnes of bauxite is required to produce one tonne of alumina, while about 2 tonnes of alumina is required to produce one tonne of aluminium.

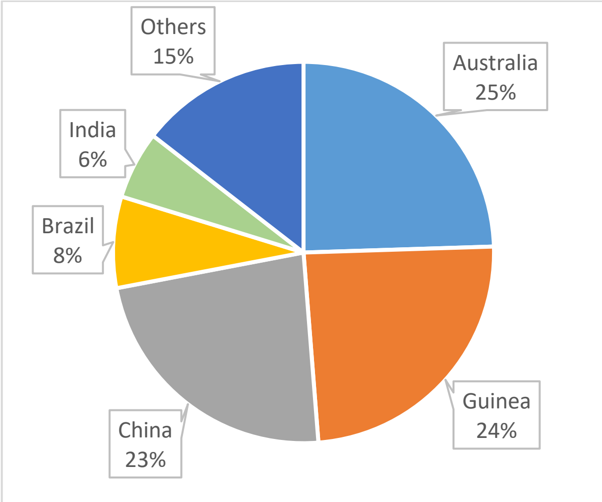
During CY2023, global alumina production stood at around 140 mt while global bauxite production stood at around 400 mt. India was ranked 4th in global alumina production while it was ranked 5th in global bauxite production.

Chart 8: Percentage share of countries in alumina production



Source: USGS, ICRA Analytics

Chart 9: Percentage share of countries in bauxite production

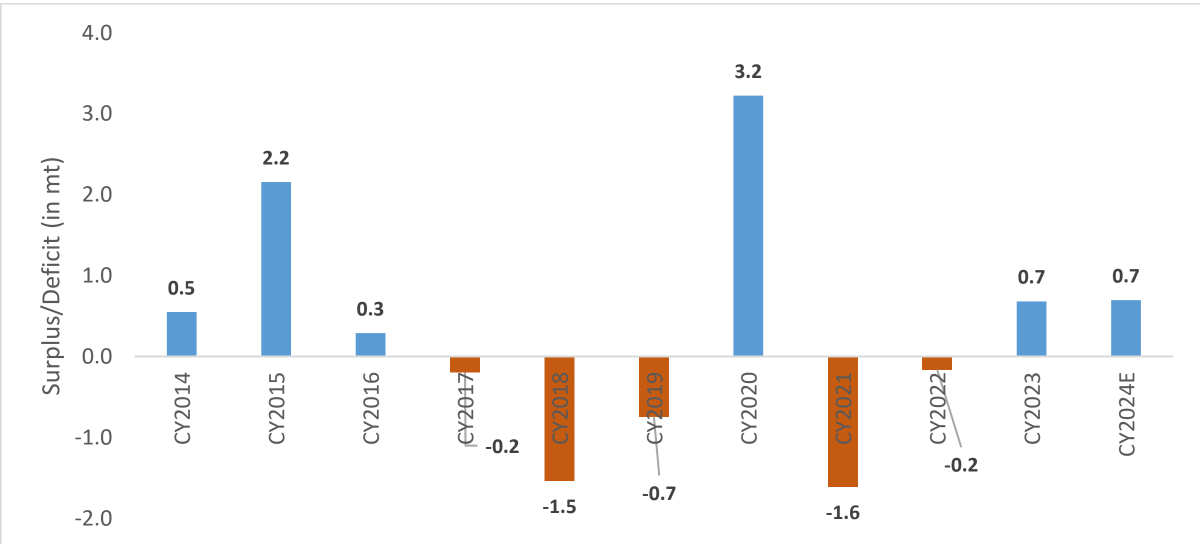


Source: USGS, ICRA Analytics

2.1.2 LONG-TERM DEMAND DRIVERS:

As per analysis by the International Aluminium Institute, aluminium demand is expected to increase by 81% by 2050 backed by decarbonization efforts to be taken up by various sectors including energy, transportation, construction and packaging. By 2030, the demand is likely to increase by 40%, additional with two-thirds of growth coming from China. This is because of the importance of aluminium in terms of recyclability where almost 16 tonnes of greenhouse gas emissions can be saved by consuming one tonne of recycled aluminium.

Chart 10: Global supply- deficit situation



Source: international-aluminium.org, Annual reports, ICRA Analytics

After two consecutive years of being in deficit, CY2023 witnessed a surplus of 0.7 mt. During the past two years, the market was in deficit by 1.6 mt and 0.2 mt as the global consumption grew at a much higher rate as compared to the growth in production/supply.

In CY2023, consumption in Europe and north America remained weak which resulted in market surplus of 0.7 mt even as Chinese production remained resilient.

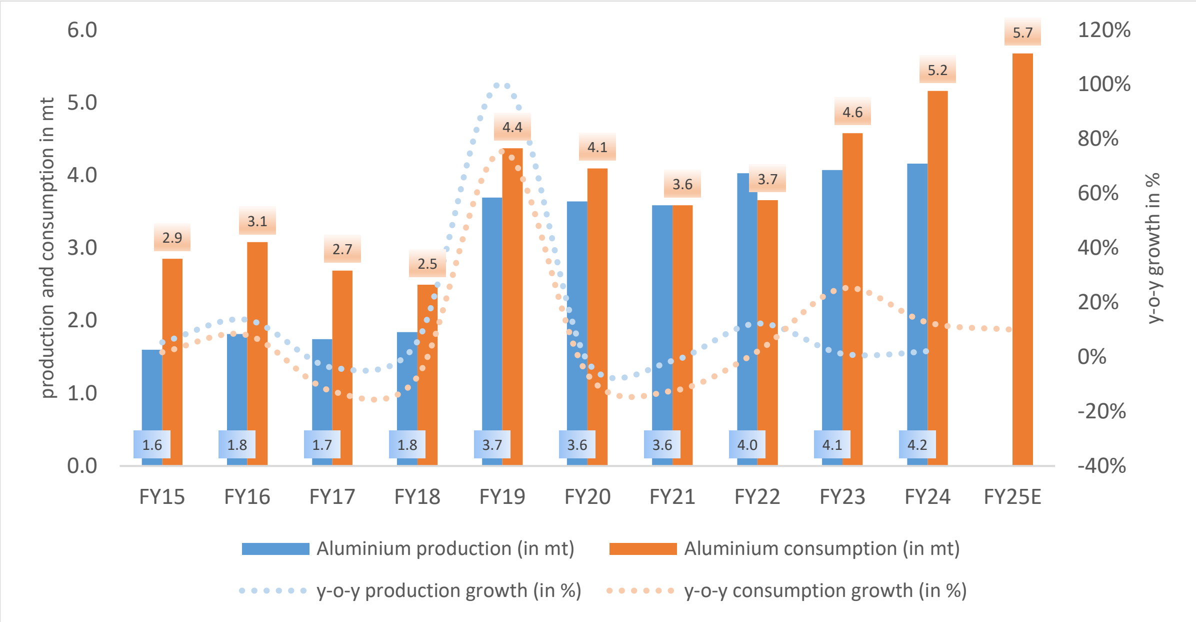
Going ahead in CY2024E, global demand is expected to remain moderate as compared to increased supply from China which in turn is expected to create a mild surplus situation.

2.2 Domestic overview:

India stands as the world's second-largest producer of primary aluminium, with an annual production exceeding 4.2 mt. The country's aluminium industry has a vast network of smelters, refineries, and downstream manufacturing facilities that play a crucial role in both domestic and international market.

Furthermore, India is currently the fastest-growing developing economy globally, witnessing a surge in construction activities and infrastructure development. This rapid growth has significantly increased the demand for aluminum and has contributed to the overall market expansion. Aluminum possesses several advantageous properties, including its light weight, corrosion-resistance, and recyclability. These properties make it a versatile material that can be widely utilized across various sectors.

Chart 11: Domestic aluminium production and consumption trend



Source: CMIE, USGS, ICRA Analytics

The production of primary aluminium in India went up by ~2% during FY2024 to 4.2 mt compared to 4.1 mt in FY2023. The rise in production is supported by robust domestic consumption owing to increased government spending during the pre-election year. However, exports remained subdued due to global macroeconomic weakness. The production of primary aluminium has grown at a CAGR of 2.4% during the last five years.

Coming to consumption, In India, both FY2020 and FY2021 witnessed significant fall in consumption demand by ~5% and ~12% respectively owing to COVID-induced lockdown. The demand started to recover from FY2022 as the situation started to stabilize and the numbers started to hover near the pre-covid levels.

During FY2023, the consumption of aluminium reached 4.6 mt which is higher than the pre-pandemic level, a significant uptick by ~25%. After two years of covid-related slump, the demand scenario remained resilient, owing to positive macroeconomic indicators in India.

Even on this high base, the demand for primary aluminium went up significantly by ~13% to 5.2 mt in FY2024 owing to increased government spending in the pre-election year, giving rise to demand from all the end-user industries pertaining to FY2024.

Going ahead in FY2025, India's aluminium consumption is likely to witness a growth of ~10% in FY 2025 as per ICRA Ratings report, on the back of sustained demand from renewables, defence, aerospace, electronics and appliances.

Key end-user industries for aluminium in India are electrical sector with a share of 48%, automobile & transport sector at 15%, construction at 13%, consumer durables at 7%, machinery & equipment at 7%, packaging at 4%, and other sectors at 6%. Within the electrical sector, aluminium is used in overhead conductors, power cables for electricity generation, transmission, and distribution. Additionally, aluminium finds application in switchboards, coil windings, capacitors, and other components.

2.2.1 MAJOR GROWTH DRIVERS FOR ALUMINIUM MARKET:

- India aims to decrease carbon emissions by 1 billion tonnes by CY2030 and also aims to reduce dependency on oil imports by promoting the faster adoption of EVs. India is also aiming at a 30% overall penetration in EVs by CY2030. Aluminium is a crucial material in the EV market, with applications in battery technology, body construction and infrastructure. Substituting steel by aluminium in EVs can lead to the production of more energy-efficient vehicles, with lower weight resulting in a 10-15% increase in range. This, in turn, will encourage higher EV adoption among consumers.

- In May 2023, Alstom was awarded the tender to produce 100 Vande Bharat trains with aluminium bodies, which is likely to boost aluminium consumption over the next 4-5 years. Furthermore, the substantial investments made in metro rail projects is expected to bode well for the aluminium sector.

- The power sector's demand for aluminium will be bolstered by the GOI's ambitious goal of achieving 500 GW of renewable energy by 2030, as well as the continuous investment in transmission lines. Additionally, the significant investment in solar module capacity will further drive the demand for aluminium in the manufacturing of solar panels.

- Demand pull is expected from the construction segment as various government initiatives like Make in India, 100% rural electrification, Housing for all through Pradhan Mantri Awas Yojana (for both rural and urban areas), Smart cities projects, National Infrastructure pipeline are likely to propel demand for aluminium sector.

- Consumer durable segment is also expected to create significant demand as demand for air conditioner (AC's), refrigerators and washing machines are likely to go up owing to low penetration, rising urbanisations, increasing higher disposable income and easier financing availability.

2.2.3 EVER INCREASING NEED OF DECARBONISATION IN THE ALUMINIUM INDUSTRY:

As per the International Energy Agency (IEA), aluminium production emits 3% of world's direct industrial CO_2 emissions and is the second highest greenhouse gas emitting metal after steel**.** Given the energy intensive smelting process and the expectation of 40% growth in aluminium demand by 2030, greener methods of production are increasingly needed. While the carbon intensity of companies operating in developed nations have been much lower due to their shift to low-carbon power sources such as hydropower and solar, Indian aluminium producers still rely heavily on captive coal mines and coal linkages for their power plant needs and hence have high carbon intensity of about 18 tCO2/tonne of aluminium produced compared to western economies, which have almost 60% lower carbon intensity than the global average. Globally, various methods to reduce carbon emissions like carbon capture and storage, inert anode and fuel switching in calcination are at an early stage and may take a longer time for mass adoption in countries including India. As a result, domestic aluminium producers are adopting the following routes to reduce their GHG footprint.

- Reducing scope 2 emissions – By enhancing the share of renewable energy in the power sourcing with focus on battery storage.

- Reducing scope 3 emissions – using energy efficient mode of transport of raw materials for primary aluminium production.

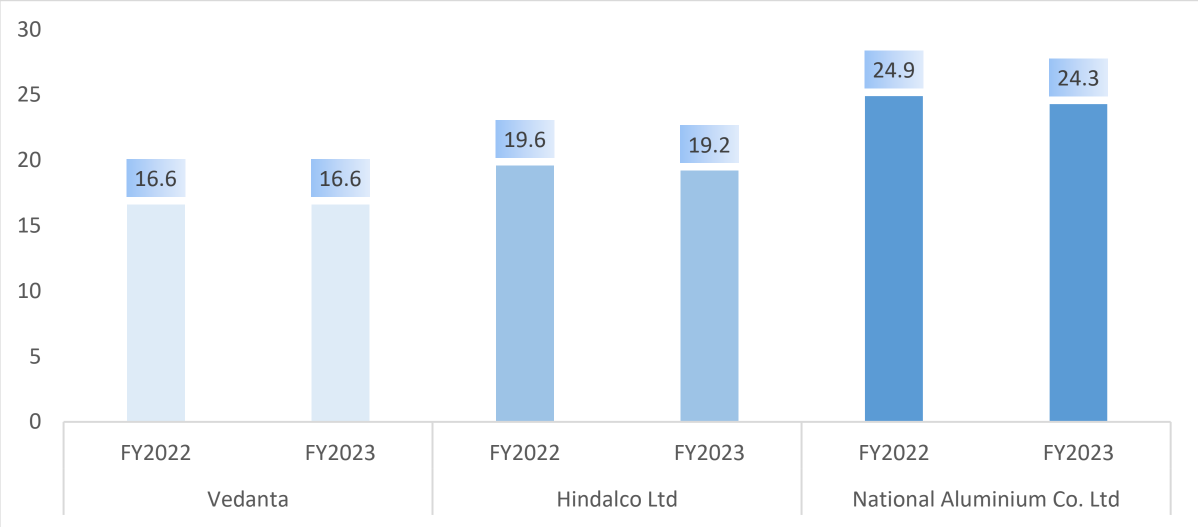
- Increasing aluminium scrap consumption – secondary aluminium production has almost 95% lower GHG intensity than the primary route.

- End-user scrap collection – Similar to developed countries, India too is focusing on enhancing the end-user scrap collection to increase the domestic availability and reduce import dependence.

All these measures are aimed at reducing GHG intensity by 25% by 2030 and achieve net-zero status by 2050.

In terms of GHG intensity for domestic primary aluminium producers, Vedanta Group currently has the lowest emission intensity at 16.6 MT Co2e/MT of aluminium produced compared to 19.2 MT Co2e/MT for Hindalco and 24.3 MT Co2e/MT for Nalco.

Chart 16: GHG emission of key aluminium manufacture in India



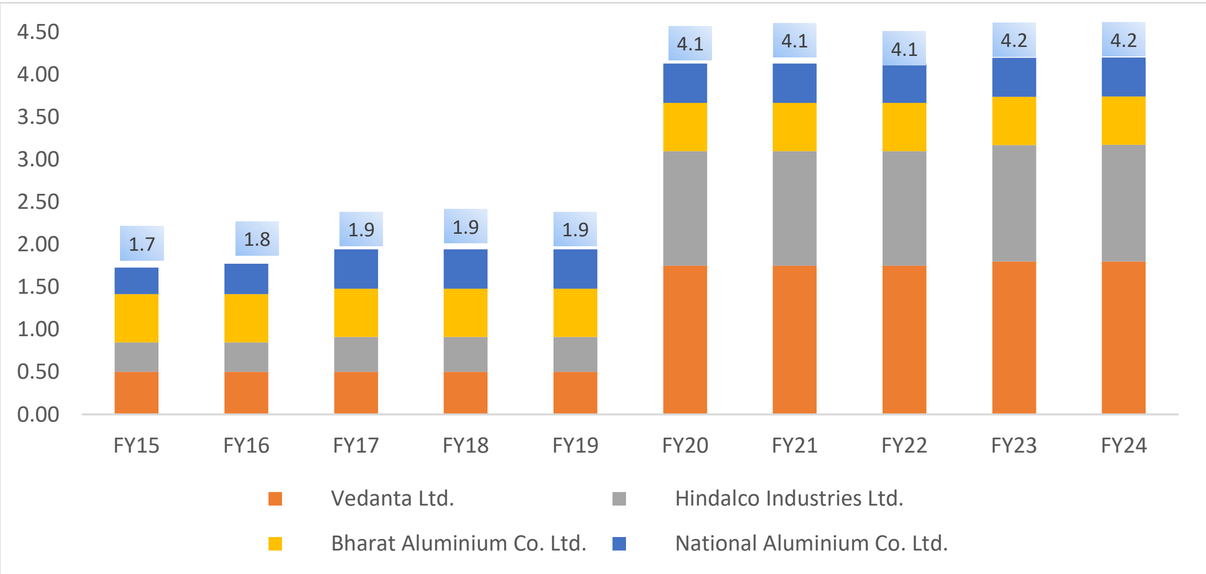
Source: Company reports, ICRA Analytics

2.2.4 Carbon Border Adjustment Mechanism (CBAM):

To avoid carbon leakage through imports, the EU in May 2023 signed the CBAM, which is applicable to imports from six sectors including aluminium. As per ICRA Ratings report, CBAM ruling will have a limited impact on the domestic primary aluminium producers as the present notification covers only the direct process related emissions and not the indirect emissions, which generate 80% of the total emissions in the primary aluminium production process. Indian primary aluminium producers have an average direct emission intensity of about 2.3 tonnes CO_2/tonne of aluminium, which is in line with the global average but 30% higher than the benchmark EU Emission Trading System (EU-ETS) free allocations. Despite that, CBAM compliance cost is likely to remain at $50-140/MT (based on carbon price of Euro 70/tonne) between CY2026 to CY2034, which would be only ~2-6% of the aluminium prices. In case the indirect emission is also included in future, then the impact would be severe at $600- 700/MT, constituting ~27-30% of the aluminium prices. However, inclusion of indirect emission is unlikely in CBAM until the electricity grid in EU is entirely decarbonised.

2.2.5 Competitive landscape in the domestic aluminium industry:

Chart 17: Company-wise existing capacity of aluminium in India



Source: CMIE, *ICRA Analytics*

The domestic aluminium market is majorly dominated by four key players, specifically Vedanta Ltd, Hindalco Industries, Bharat Aluminium Co (Balco), and National Aluminium Co (Nalco).

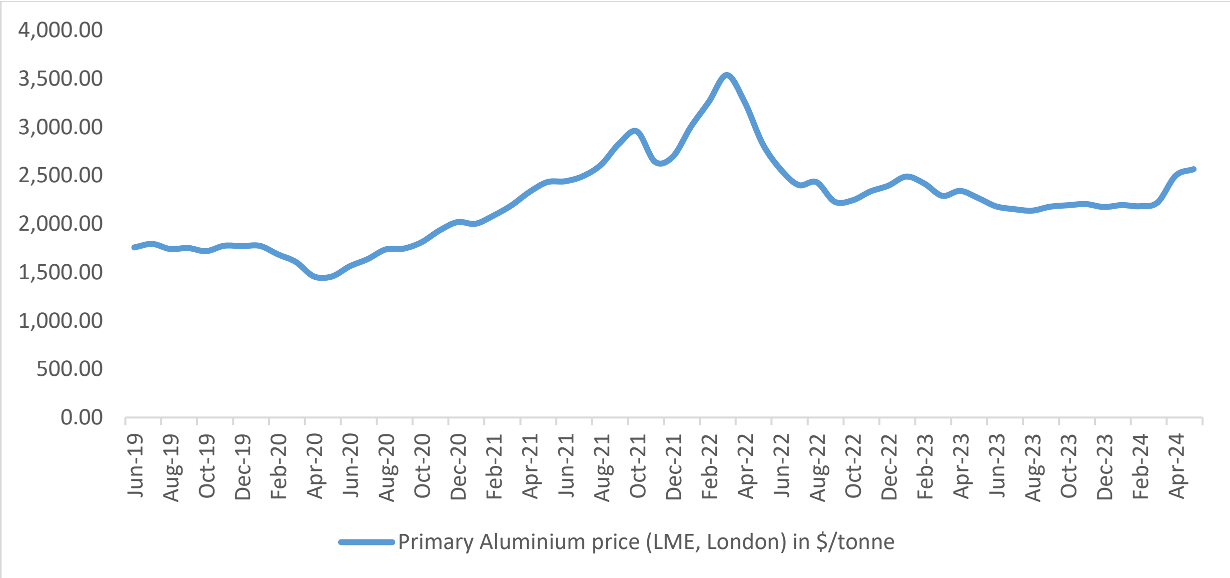
Vedanta Ltd has a smelting capacity of 1.8 mt at Jharsuguda in Odisha. Balco, a subsidiary of Vedanta, has a smelting capacity of 0.57 mt and is situated at Korba in Chhattisgarh. Together, Vedanta and its subsidiary account for approximately 56.5% of the overall smelting capacity in the country. The group has been able to achieve ~100% capacity utilization with record aluminium production in FY2024 at 2.37 mt. Also, Vedanta has a significant market share of ~45% in producing primary aluminium sector in India. The company plans to raise its smelting capacity from 2.4 mt to 3 mt by 2026.

Hindalco, the country's second largest aluminium producing company, has a total capacity of 1.37 mt. The Renukoot plant alone has a capacity of 0.43 mt, while the Hirakud plant has a capacity of 0.21 mt. Additionally, the Mahan plant in Madhya Pradesh and the Aditya Aluminium plant in Odisha both hold a capacity of 0.36 mt each. Hindalco contributes 32.6% to the total installed primary aluminium capacity in India.

Nalco has a smelting capacity of 0.46 mt at its plant in Angul, Odisha, accounting for 11% of the industry's smelting capacity. Going ahead, additional 0.5 mt of smelting capacity is to be added at the Angul district of Odisha.

Overall, the industry currently has a primary aluminium capacity of approximately 4.2 million tonnes.

Chart 18: Primary Aluminium price (LME, London) in $/tonne



Source: LME, CMIE, ICRA Analytics

The LME prices of primary aluminium averaged at $2,250/tonne during CY2023 compared to $2,700/tonne in CY2022, witnessing a drop of ~17% year on year. During CY2022, prices went up by ~9% on year mostly aided by price increase during the first four months of the year as the escalation of the conflict in Ukraine had heightened concerns about potential sanctions on Russian manufacturers and substantial interruptions to the supply of metals. However, during the rest of the year, prices fell led by weaker macroeconomic environment.

During CY2023, the initial two months witnessed improvement in prices, which averaged at around $ 2,450/tonne due to optimism surrounding the Chinese economy's recovery. However, for the majority of the year, prices fluctuated within the range of $2,100/tonne to $2,300/tonne. This was mainly due to subdued demand, particularly from the building and construction segments, which limited price rise. In the current year, backed by improving manufacturing activities in China, new sanctions on Russian metals and easing of inflationary pressures, aluminium prices rose to $2,565/tonne in May 2024. Continued geopolitical tensions and/or any prolonged lull in demand from the property sector in China could keep the prices volatile in the near term.

2.2.6 OPERATIONAL BENCHMARKING:

Table 5: Operational benchmarking

Key indicator	Unit	Vedanta Group			Hindalco Ltd			National Aluminium Co. Ltd		
		FY2022	FY2023	FY2024	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024
Existing capacity	mt	2.38	2.38	2.38	1.30	1.30	1.30	0.46	0.46	0.46
Production	mt	2.27	2.29	2.37	1.29	1.32	1.33	0.46	0.46	0.46
Capacity utilisation	%	95%	96%	100%	99%	102%	102%	100%	100%	101%
Operating profit per tonne	$	1031	322	494	1294	792	822	950	480	401
GHG emissions	MT CO_2/MT	16.6	16.6	NA	19.6	19.2	19.5	24.9	24.3	NA

Note: For NALCO, Earnings before interest and taxes (EBIT) for aluminium division has been taken instead of operating profit
Source: Company annual reports, ICRA Analytics

3. Zinc

3.1 Global Overview:

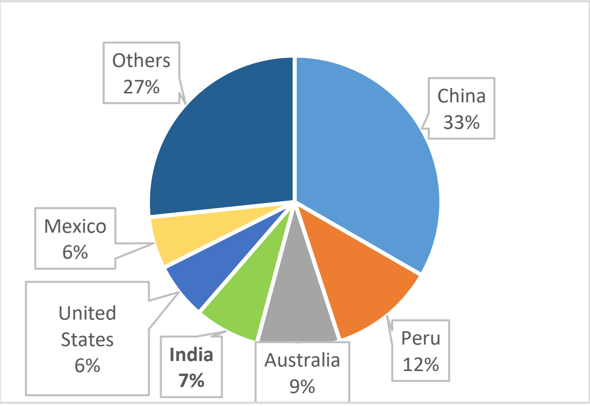
Zinc is the fourth most widely used metal in the world after steel, aluminium and copper. It has diverse chemical, physical, and electrochemical properties, which enables its use in galvanization providing an effective corrosion resistance to steel substrates. Galvanization accounts for 60% of global zinc's application, which in turn finds wide applications in various sectors such as construction, infrastructure, automobiles, home appliances, machinery, and shipbuilding.

Zinc is also used for making alloys with other metals such as aluminium, copper, and magnesium, making it suitable for die-casting alloys, which make up 13% of global zinc consumption followed by brass at 11% and oxide & chemicals at 9%.

As far as end-use market is concerned, the construction sector is the largest consumer of zinc at 50%, followed by the transport sector at 21%, and infrastructure at 16% of total global zinc consumption.

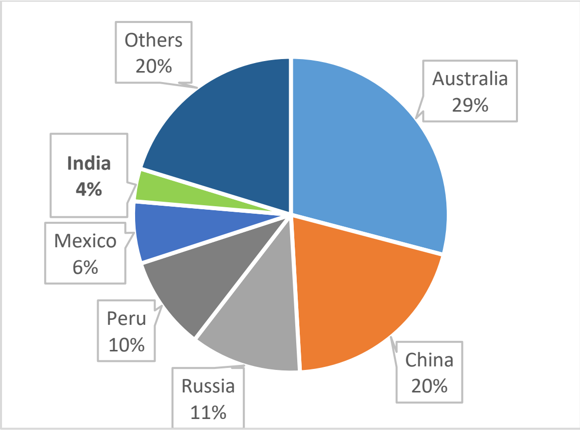
India is the 4th largest zinc producing country in the world with an overall zinc production of 0.86 mt in CY2023 compared to 0.84 mt in CY2022. As far as zinc reserve is concerned, India was ranked 6th at 7.4 mt in CY2023. China, Peru and Australia together account for 54% of the global zinc production while Australia, China and Russia remain the top 3 countries in terms of zinc reserves globally with a combined share of 60%.

Chart 19: Global ranking of zinc producing countries in CY2023



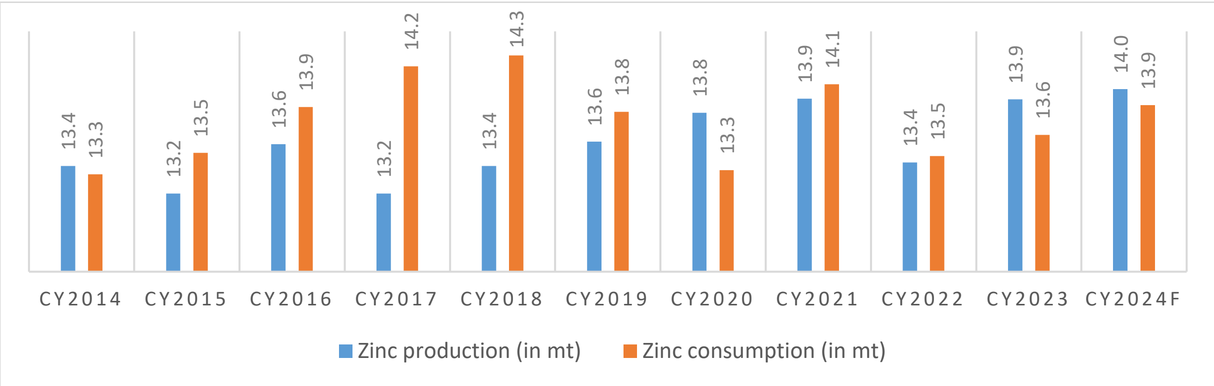
Source: USGS (United States Geological Survey), ICRA Analytics

Chart 20: Ranking of countries in terms of zinc reserves - CY2023



Source: USGS (United States Geological Survey), ICRA Analytics

Chart 21: Global zinc production and consumption trend



Source: International Lead & Zinc Study Group (ILZSG), ICRA Analytics

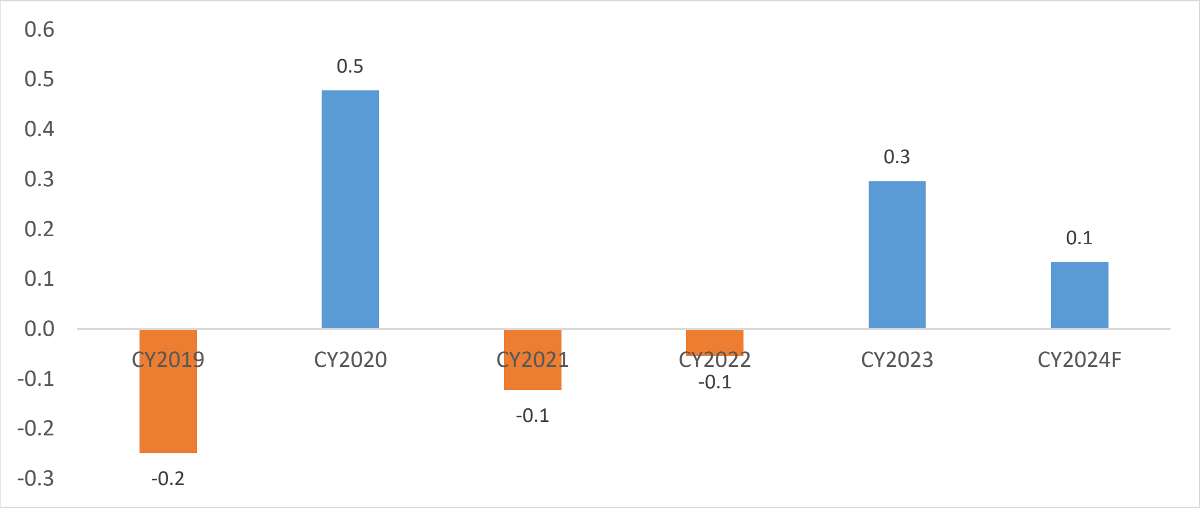
The refined primary zinc production, on the other hand, went up by ~3.9% to 13.9 mt in CY2023 compared to 13.4 mt in CY2022 largely driven by significant uptick in Chinese refined metal production. The demand from the European countries remained muted owing to rise in energy prices, higher interest rates and lower consumer demand. As per ILZSG, the total production in the global market is expected to go up by 0.6% to 14.01 mt in CY2024 owing to production uptick in China.

In terms of zinc demand, it went up by 1.3% in CY2023 to 13.6 mt from 13.4 mt in CY2022 led by strong demand pull from India and China while weakness in United States, Europe, Taiwan and Japan moderated the overall global demand in CY2023. Demand from China was supported by automotive output and infrastructure build, offsetting the weakness witnessed in property sector. It has also resumed imports signalling better demand sentiments.

As per ILZSG, global demand is expected to reach 13.96 mt in CY2024, up by 1.8%. The main contributors to this growth are projected to be India, Italy, Japan, Southeast Asia, South America, and the Middle East. Although demand in Europe and North America is expected to rise, it is likely to grow at rates below the historical trend.

The top producers of refined zinc in the global market are Glencore with a market share of ~7%, Hindustan Zinc at ~6% and Teck Resources at ~2% of the total global zinc consumption.

Chart 22: Global surplus/deficit situation



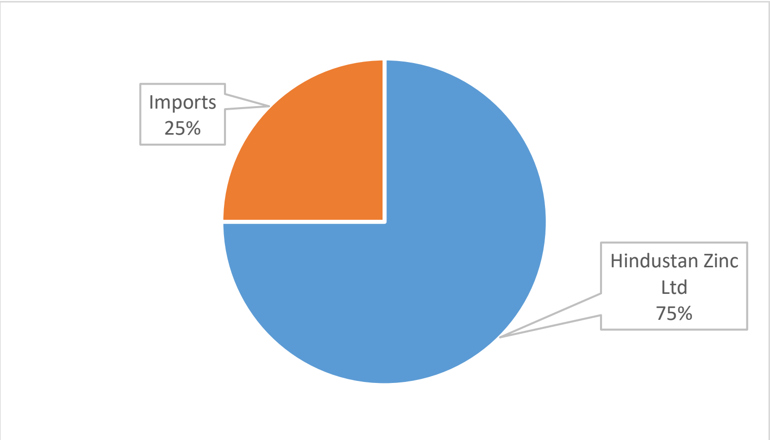
Source: International Lead & Zinc Study Group (ILZSG), ICRA Analytics

The year CY2023 remained in surplus owing to higher uptick in production as compared to moderate rise in consumption which got affected by the subdued demand from world ex-China (mainly United States, Europe, Taiwan and Japan). Going forward in CY2024, the surplus is likely to reduce as growth in consumption will outpace the growth in production on the back of healthy demand from India and China.

3.2 Domestic overview:

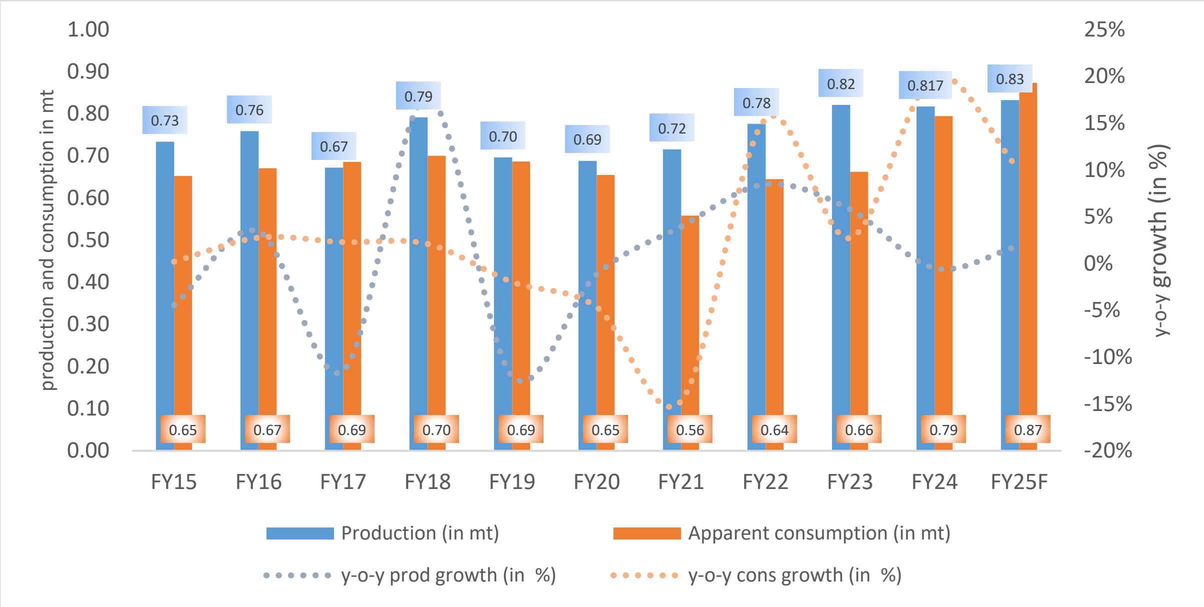
In India, Hindustan Zinc is the market leader with a significant ~75% market share (in domestic consumption terms) and also ranked as the second largest producer of zinc in the world. Apart from Hindustan Zinc, there is no other primary zinc producer in India and hence the balance 25% of its consumption is met through imports. With respect to the end-use industries of zinc, the construction and infrastructure sectors in India predominantly rely on galvanised steel, which accounts for over 70% of the zinc demand in the country.

Chart 23: Source of India's zinc consumption



Source: Company reports, CMIE, ICRA Analytics

Chart 24: India's refined zinc production and consumption trend



*Source: CMIE, ICRA Analytics, *Apparent consumption = production +imports -exports*

During FY2024, India's mine production went up while the refined zinc production remained largely unchanged at 0.82 mt. For FY2025, refined zinc production growth of up to 1.9% is expected as per the guidance given by HZL.

During FY2024, primary zinc consumption went up significantly by ~20% to 0.79 mt compared to ~0.66 mt in FY2023 owing to demand pull from infrastructure and construction segment led by increased government's spending owing to FY2024 being the pre-election year. As per ICRA ratings report, domestic primary zinc consumption is likely to grow at a healthy rate of ~10% in FY2025 driven by similar growth rate expected in domestic steel consumption during that year.

Per capita zinc consumption in India is at a much lower rate at 0.4-0.5 kg compared to the global standards at 1.7-1.8 kg, indicating the long-term demand potential of zinc as a metal in the domestic market. During FY2024, per capita consumption of zinc in India stood at 0.5 kg, at 4.7 kg for China and at 1.7 kg globally.

Going forward, the domestic demand for zinc is expected to be strong due to the government's continued thrust on infrastructure development, urbanization, and industrialization leading to a surge in demand for zinc-intensive materials. India's prominent position in steel production, coupled with impressive growth in the Index of Industrial Production (IIP) and Manufacturing PMI figures, highlights a robust economy with a rising need for zinc.

3.2.1 MAJOR DEMAND DRIVERS OF ZINC:

- A significant portion of demand in the zinc industry comes from the coated steel (which involves galvanizing and/or painting) industry. As per the National Steel Policy 2017, crude steel production is expected to reach 255 mt by FY2031, expectedly growing at a CAGR of ~9% over the next 7 years as compared to 144 mt in FY2024 while demand for finished steel is expected to grow at a CAGR of ~8% in the next 7 years from 136.3 mt in FY24 to 230 mt in FY31. This is return will create spillover demand for zinc in India.

- Domestic steel consumption growth is expected at ~9-10% in FY2025. While this is a moderation compared to 13.6% growth in FY2024, it remains much higher than the historical CAGR reported by the industry during the last 10 years and would support zinc demand in India in the upcoming fiscal year.

- There are other steel-intensive projects such as including the National Infrastructure Pipeline, new railway corridor (3 new railway corridors have been announced in the budget proposal for 2024-25), NaMo Bharat, several ongoing metro projects coupled with the conversion of existing 40,000 bogies to Vande-Bharat standards which are expected to boost demand for zinc in the future ahead.

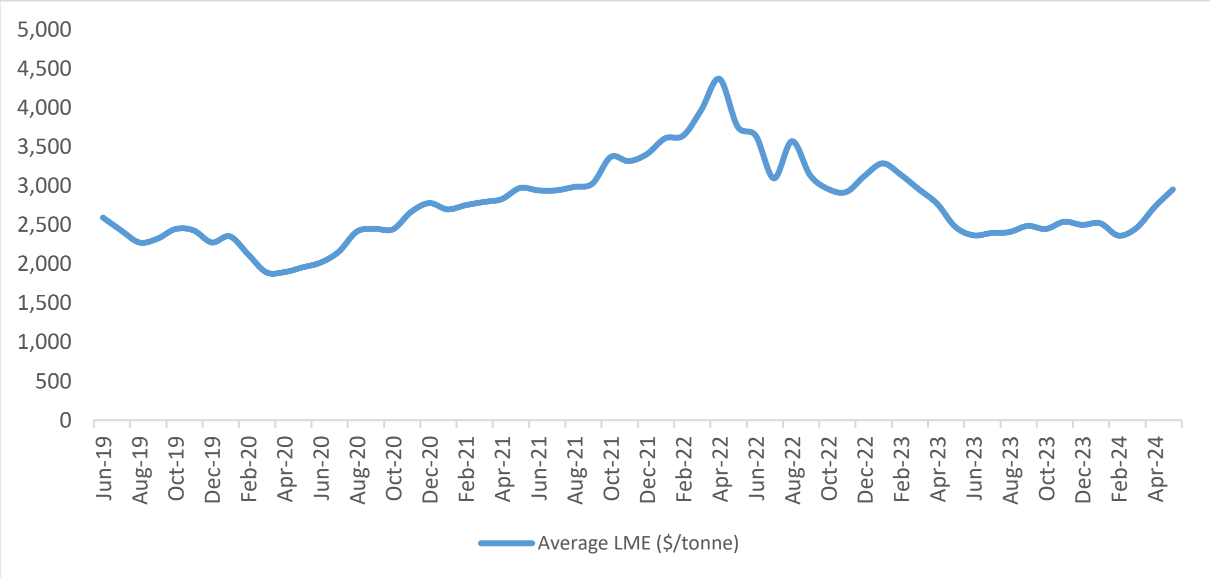
- Indian Railways has emerged as a significant catalyst for the demand of zinc. Prioritizing safety and speed, it has successfully launched 18 Vande Bharat trains so far (with plans for an additional 478 trains) and is actively implementing various measures to safeguard the rail network against corrosion.

- The automobile segment has also been the driving force for zinc demand in the market. Looking at the sub-segment from the automobile sector, Passenger vehicle (PV) volumes grew by 6-9% in FY2024 as per ICRA Ratings report and are likely to grow by 3-6% in FY2025 due to waning pent-up replacement demand and elevated inventory levels at dealerships. Commercial vehicle (CV) segment grew by 2-5% in FY2024 but is expected to report a de-growth of 4-7% in FY2025 because of inherent exposure of infrastructure activities to the model code of conduct, ahead of the General Elections and high base effect. Two wheelers (2W) segment grew by 8-11% in FY2024 and supported by rising per capital income and financing availability, it is expected to grow by 7-10% in FY2025. Spurred by Government support in the form of subsidies, enhanced awareness and increasing product launches, the electric vehicle (EV) segment too has seen a material upturn in prospects over the past two years. All these factors bode well for domestic steel consumption in the near-to-medium term which is turn will bolster demand for zinc.

- There is a notable emphasis on the development of road infrastructure, power generation and transmission, as well as 5G-related telecom infrastructure, which is anticipated to stimulate the demand for zinc.

3.2.2 TRADE TRENDS:

Chart 29: Primary zinc price trend (LME, London) in $/tonne



Source: CMIE, ICRA Analytics

Zinc prices have typically remained range bound in the past but exhibited volatility during the events such as pandemic and geopolitical tensions. The LME zinc prices averaged at $2,649/tonne in CY2023, down by 24% as compared to elevated levels of $3,485/tonne in CY2022 led by Russia-Ukraine conflict. In the recent months of CY2024, the pickup in Chinese manufacturing operations and disruptions in supply chains have resulted in a notable escalation in the prices of zinc. Current demand-supply dynamics point at firm zinc prices in the near term.

Table 6: Operational benchmarking against leading zinc producers globally

Key indicator	Unit	Hindustan Zinc Limited*			Glencore Plc			Teck Resources		
		FY2022	**FY2023**	**FY2024**	**CY2021**	**CY2022**	**CY2023**	**CY2021**	**CY2022**	**CY2023**
Production	mt	0.78	0.82	0.82	1.12	0.94	0.92	0.28	0.25	0.27
Operating profit per tonne	$	2,818	2,661	2,022	1,034	1,574	1,083	3,267	4,062	2,744
GHG emissions intensity	MT CO2/MT	5.0	4.4	4.5	7.4	7.9	6.4	5.2	5.4	6.6

Source: Company annual reports, ICRA Analytics

Note: GHG emissions intensity for Glencore is for its entire metals smelting business; For Teck Resources, Gross profit has been considered instead of operating profit and GHG emissions intensity is calculated for its copper and zinc smelting operations.

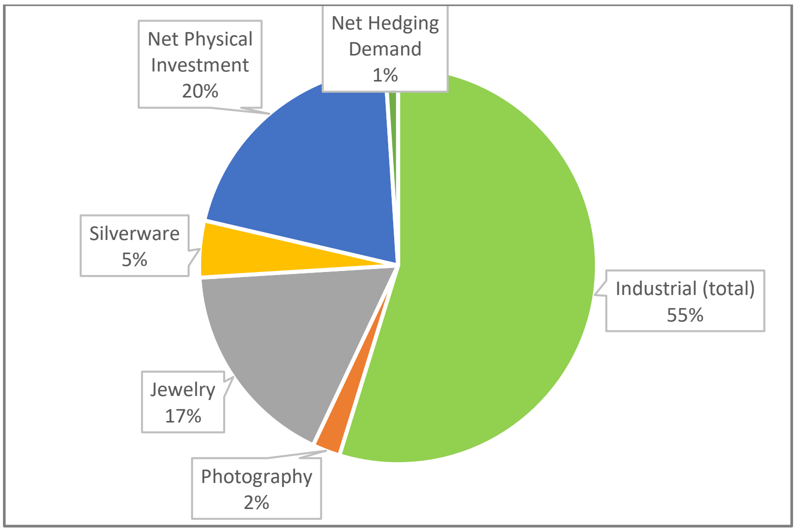
** HZL numbers are for zinc business only*

4. Silver

4.1 Global overview:

Silver is the world's most reflective metal and is an indispensable material in the precious metal industry because of its unique property of high electrical and thermal conductivity. Silver being an extremely versatile metal, has widespread usage in industries like solar, electronics, catalysts, brazing and soldering, automobiles etc. It is also used in photography, jewelry and silverware extensively.

Chart 30: Market segregation of end user demand-



Source: Silver Institute org, ICRA Analytics

The demand for silver is segregated across various industries with the Industrial sector accounting for the highest share at 55%, within which electrical & electronics forms a major share (68%). The photovoltaics sector, which falls under electrical & electronics segment, has a dominant 43% share in silver consumption and is projected to witness a strong growth thus playing a significant role in pushing silver demand upward. Silver demand growth estimates across end-user industries are given below.

Table 7: Silver demand growth across end-user industries

Demand (in million ounces, Moz)	CY2023	CY2024(E)	CY2023 (Y-O-Y)	CY2024F (Y-O-Y)	% share
1. Industrial (total)	654.4	710.9	11%	9%	**55%**
• Electrical & electronics	445.1	485.6	20%	9%	68%
○ of which photovoltaics	193.5	232	64%	20%	43%
• Brazing Alloys & Solders	50.2	51.8	2%	3%	8%
• Other Industrial	159	173.5	-5%	9%	24%
2. Photography	27	26.1	-2%	-3%	**2%**
3. Jewellery	203.1	211.3	-13%	4%	**17%**
4. Silverware	55.2	58.8	-25%	7%	**5%**
5. Net Physical Investment	243.1	212	-28%	-13%	**20%**
6. Net Hedging Demand	12.2	0	-32%	-	**1%**
Total Silver Demand	**1,195.00**	**1,219.10**	**-7%**	**2%**	**100%**

Source: Silver Institute, ICRA Analytics

Silver is mostly obtained from lead-zinc, copper, and gold mines as a by-product. A total of 71.7% has been produced as a by-product in CY2023. The share of production from primary silver mines accounted for 28.3% of the total mine output in CY2023.

Table 8: Top 5 global silver producing companies

Name of the companies	CY2023 production in Moz	% share	5-year CAGR growth %
Fresnillo	53.5	6%	0.8%
KGHM polska Miedz	45.9	5.5%	0.2%
Hindustan Zinc Ltd.	23.8	2.9%	4%
Pan American Silver	20.4	2.5%	-6%
Glencore	20	2.4%	-11%
Others	666.9	80%	0.2%
Total production	**830.5**	**100%**	**-0.2%**

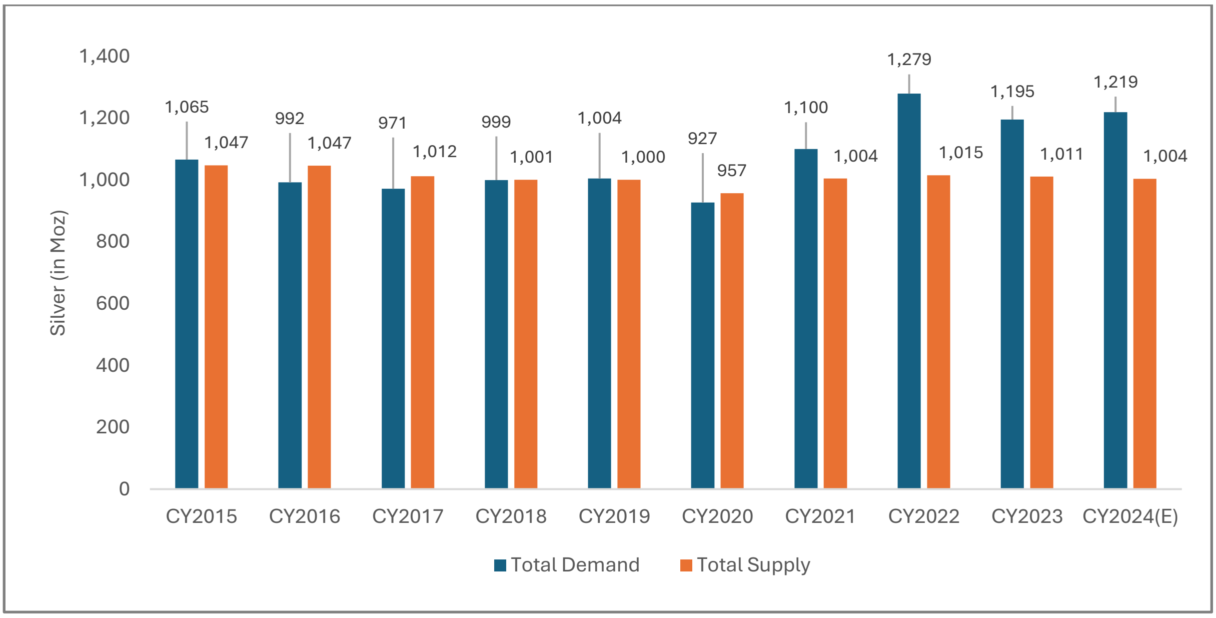
Source: Silver Institute org, ICRA Analytics

KGHM Polaska's mine in Poland with a production of 41.1 Moz in CY2023 is the largest in the world, followed by Hindustan Zinc Ltd's Sindesar Khurd mine with a production of 19.0 Moz.

The global silver mine production stood at 830.5 Moz in CY2023 compared to 836.7 Moz in CY2022. This, coupled with largely flat recycling volumes, kept total global supply of silver at 1003.8 Moz compared to 1010.7 Moz in CY2022. Mexico has been a leading producer of silver followed by China, Peru, Chile, Bolivia. In CY2023, India ranked eleventh amongst the top silver producing countries with a production of 23.8 Moz.

In India, Hindustan Zinc Ltd (HZL) is the leading primary silver producer and is the third largest silver producing company in the world with a market share of ~3% globally. India's output increased by 6% in CY2023 on the back of higher ore production and improved grades from HZL. In the last five years, HZL has registered the highest CAGR growth of ~4% compared with marginal growth witnessed for Fresnillo and KGHM polska Miedz, while others have registered a de-growth during the same period.

Chart 32: Global Silver Production and Consumption



Source: Silver Institute org, ICRA Analytics

4.1.1 Global Production:

In CY2022, the global silver production witnessed uptick from 1,004.3 Moz to 1,015.4 Moz. In CY2023, the global silver production stood at 1,010.70 Moz, while there has been a ~1% growth in silver recycling of 178.6 Moz, which is about 18% of the total supply for the year.

Going ahead, in CY2024, global silver mine production is further expected at 823.5 Moz with slow down in production from Peru. Nevertheless, in CY2025, silver mine production is expected to rise as more start up mines commence production.

4.1.2 GLOBAL CONSUMPTION:

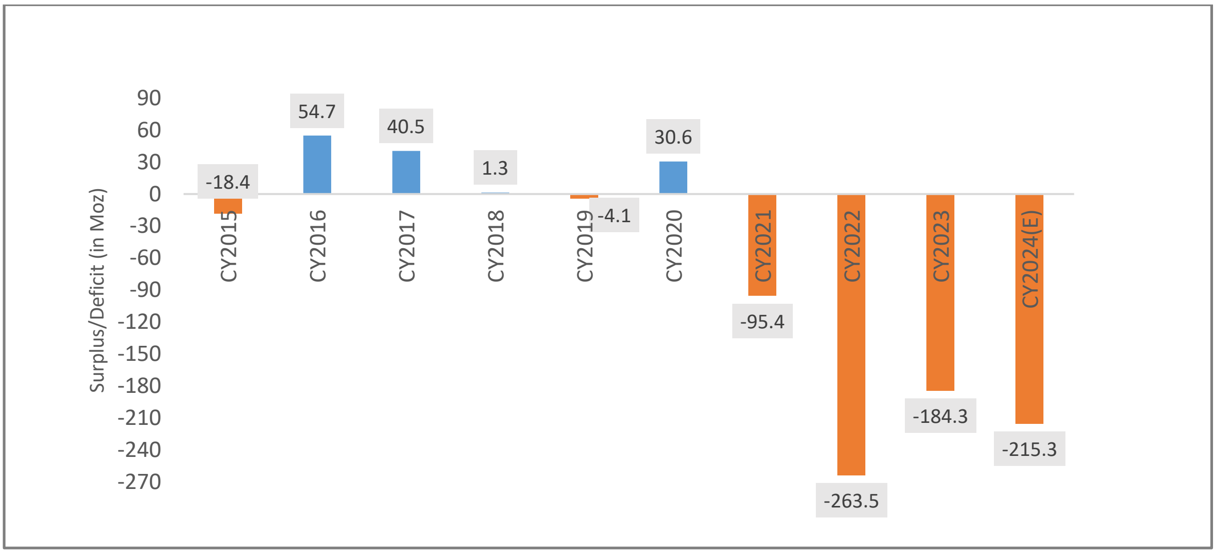
The total demand in silver sector was 1,195 Moz. Structural changes in jewellery and silverware sector along with price sensitive physical investments led to some tapering in demand in CY2023.

On the other hand, the use of silver in industrial applications set a record high of 654.4 million ounces during CY2023, up by ~11% compared to 588.3 Moz last year. Higher use of silver in photovoltaic sector, electrical components used in automobile industry and other applications has fueled the consumption of silver over the past years. In China, the industrial demand for silver increased by 44% to 261.2 Moz mainly as China expanded in green application mainly in the photovoltaic technology sector. Globally, the Photovoltaic (PV) installations increased more than expected, and thereby increasing the demand for silver, substantially by 20%.

Going forward in CY2024, the global silver demand is expected to increase by ~2%, due to continued increase in demand pull from the industrial applications and expected recovery in jewellery and silverware demand led by higher discretionary spending and restocking. India is anticipated to make the largest contribution, partly due to the resumption of restocking by retailers.

4.1.3 MARKET BALANCE:

Chart 33: Global Supply – Deficit scenario



Source: Silver Institute org, ICRA Analytics

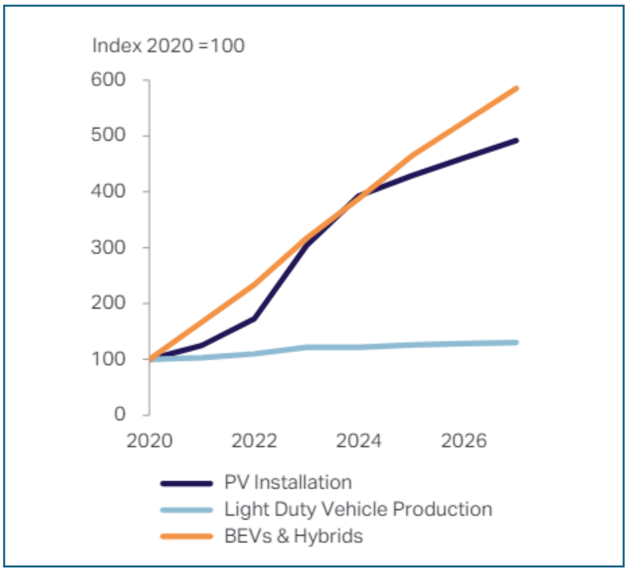
For the third consecutive years, CY2023 saw a deficit, due to demand exceeding the supply for silver. During the past two years the market was in deficit by 95.4 Moz and 263.5 Moz for CY2021 and CY2022 respectively, with CY2022 reaching record high deficit in the past decade. The deficit has reduced by ~ 79.20 Moz from CY2022 to 184.3 Moz in CY2023. The deficit is mainly caused by an overwhelming demand from industrial sectors, coupled with slight decline in silver's global supply. The expansion of renewable and solar industry acted as the major catalyst for increased demand in industrial sector. Following these trends, going ahead in CY2024, the market is expected to slide into further deficit by 17% at 215.3 Moz owing to increased industrial growth and stagnant silver global supply.

4.1.4 LONG TERM OUTLOOK:

The silver mine production is expected to rise in CY2025 as more start up mines come in line and even contribute to setting a highest record since CY2016. Canada, Peru, Russia and US are forecast to contribute the largest production increases over the next five years. Silver recycling is also to achieve greater gains in the coming years as most of it will come from jewelry and silverware segments with the expectation of higher silver prices.

Total silver demand will continue to grow for the next few years primarily driven by industrial applications. It is eventually expected to come down to last year's level after few years owing to forecasted uptick in price. The anticipated growth of industrial fabrication is partially driven by cyclical elements like the overall growth of the global GDP and advancements in sectors like construction and consumer electronics that are particularly relevant to silver. Additional growth is expected to result from fundamental shifts, including the transition from internal combustion engine (ICE) to battery electric vehicles (BEVs) in vehicle manufacturing and continuous decarbonization initiatives like the installation of photovoltaic (PV) panels.

Chart 34: Key demand drivers of silver in the long term

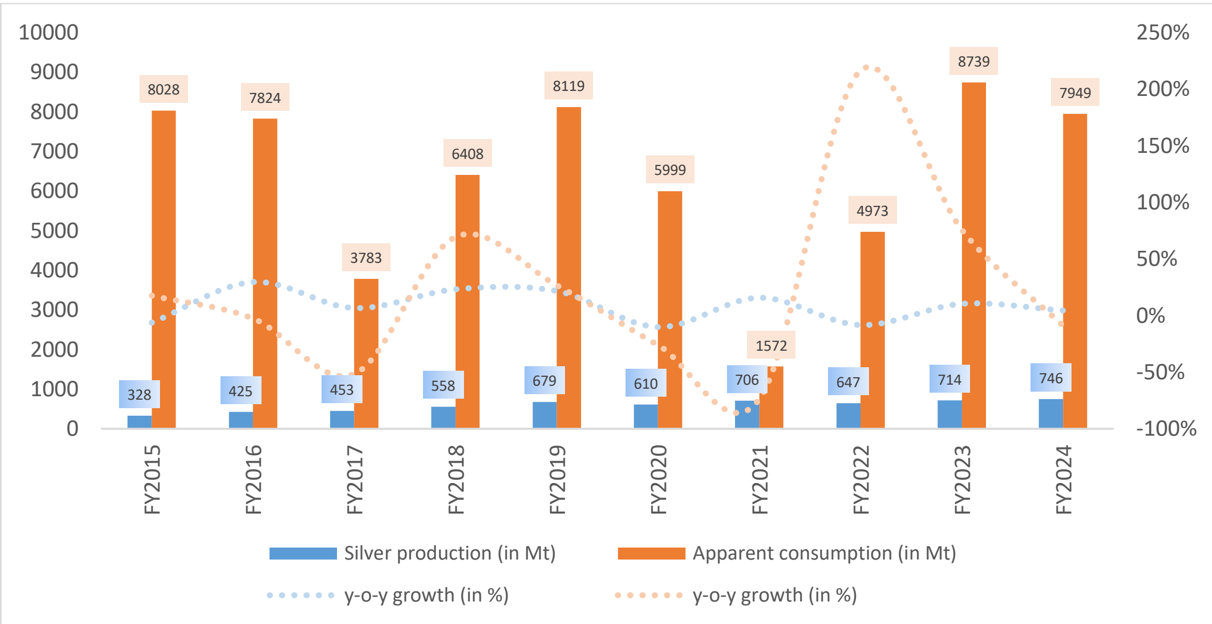


Source: World Silver Survey, 2024, ICRA Analytics

4.2 Domestic overview:

India ranks as the 11th largest producer of silver in the global market (as per the World Silver Survey 2024), with annual production reaching 746 metric tonnes (MT) in FY2024. Hindustan Zinc Limited (a Vedanta group company), is the only primary silver producer in India. Its largest mine is in Rajasthan, Sindesar Khurd Mine, which now stands as the 2nd largest silver producing mine globally.

Chart 35: Domestic Silver Production and Consumption trends



Source: Silver Institute org, ICRA Analytics

The domestic silver production went up by ~4% in FY2024 to 746 MT, highest ever silver production in India, compared to 714 MT in FY2023. Domestic silver production has exhibited healthy growth, with the production more than doubling in the last decade and increasing by over 15 times in the past 20 years due to the robust economic and industrial growth and productivity gains at the producer level. Also, silver reserves in India have grown to 8,000 MT in CY2023 from 7,200 MT in CY2022 as per USGS data. Furthermore, significant thrust on renewable energy generation and in turn solar sector by the Government has boosted silver consumption in the country.

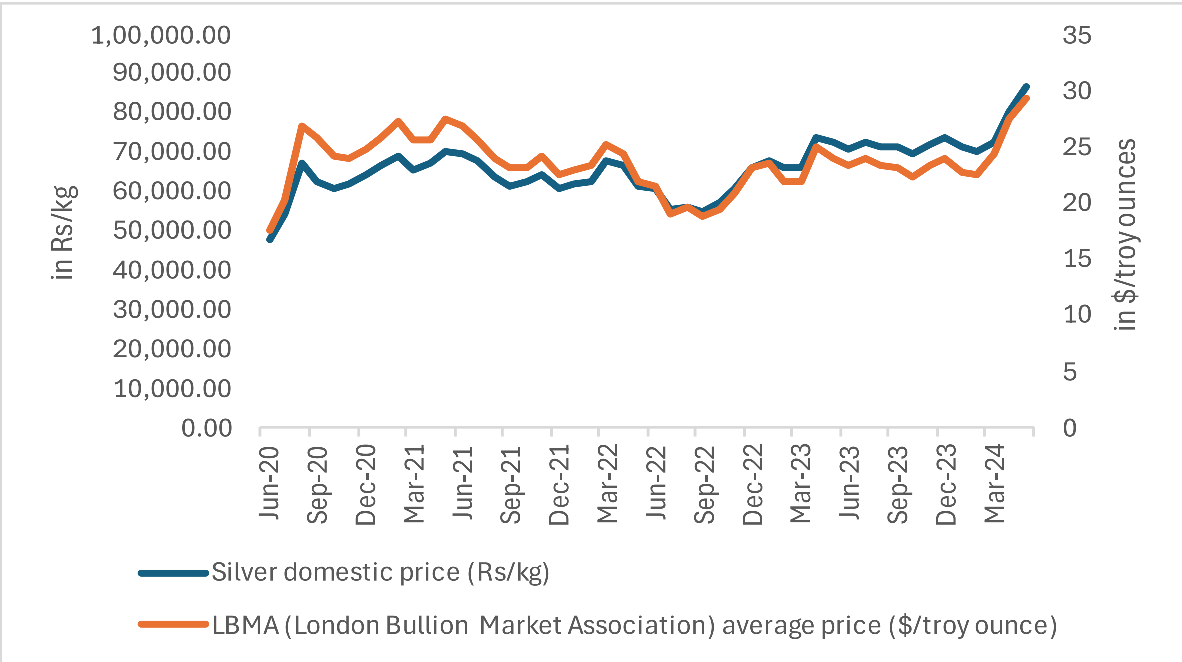
After the economic slowdown amid covid-19 crisis in FY2020 and FY2021, silver consumption regained momentum, up by ~216% in FY2022 on a low base. It further increased by ~76% to 8739 MT in FY2023. However, during FY2024, silver demand in India dropped by ~9% to 7949 MT owing to higher silver prices led by currency depreciation. Since India's silver jewellery demand is highly price sensitive, the price increase led to a drop in demand and consumption levels. On the other hand, silver coin's demand in India is largely driven by religious sentiments and for gifting purposes and is mainly immune to price fluctuations.

For the jewelry fabrication and silverware segment, demand declined for most of the year during FY2024 after reaching an all-time high in FY2023. Destocking, coupled with record high rupee prices due to rise in bullion import duties and depreciation of currency, all of which led to dampening of demand sentiments.

4.2.1 MAJOR DEMAND DRIVERS FOR SILVER MARKET:

- India aims to achieve Net Zero Carbon emissions by 2070 and has announced to meet 50% of its electricity needs through renewable energy sources. To achieve this, the government is actively introducing schemes and projects to develop the renewable sector. Solar industry plays a key role in this development. The rise in PV installations and strengthening of solar segment has resulted in increased silver demand, as silver is a major component for creating photovoltaic cells.
- The growth in the industrial sector translates into increased demand for silver, as it is an essential raw material due to its exceptional electrical conductivity. From the penetration of electric vehicles (EVs) in the automobile sector to the introduction of 5G network in telecommunications, all hint at a surge in industrial demand for silver in the domestic market.
- Electronics and electrical appliance manufacturers are the primary buyers of industrial silver due to its good electrical conductivity. This makes silver the ideal material for a wide range of products, including printed circuit boards, switches, and TV screens. Silver membrane switches, are utilized in various devices such as televisions, telephones, microwave ovens, toys, and computer keyboards. Additionally, silver is also employed in traditional switches, such as those used for controlling room lights.

Chart 37: International and Domestic silver price



Source: Silver Institute org, ICRA Analytics

The global silver prices saw a decline during the Covid-19 pandemic, but since then the prices have recovered strongly over the last three years. The global LBMA silver price averaged at $23.4/troy ounces during CY2023, up by ~7% compared to $21.8/troy ounces in CY2022. The silver prices saw an increase of over ~23%, reaching $29.4/troy ounces in May 2024 compared to $24/troy ounces in Dec 2023.

The rise in global prices during CY2023 and first few months of CY2024 can be attributed to global geo-political tensions, aggressive buying at China's end, and shifting of consumer sentiment towards safe-haven assets.

The domestic price of silver in India typically follows the trend observed in the global prices. The domestic price of silver averaged at Rs 72,110/kg during FY2024 compared to Rs 61,820/kg in FY2023. From the beginning of FY2025, the silver prices saw a hike of over ~14% compared to the same period last fiscal, reaching a record high of Rs. 86,963/kg in May 2024. The prices have shown a general uptrend, with a significant increase of ~81% since June 2020, right after pandemic started.

The recent surge in prices comes in the wake of Government increasing import duty on silver bars, articles and dores as announced in the Union budget of 2023, which came into effect from January 2024. The basic customs duty for silver was increased from 7.5% to 10% while the Agriculture Infrastructure and Development Cess (AIDC) on imports was raised from 2.5% to 5%, which makes the total effective import duty on silver at 15%. For silver dore, the basic import duty increased to 10% while AIDC was set at 4.35%. Lastly, the import duty on silver articles was changed from 22% to 25%. Furthermore, increased domestic demand, depreciation of the Indian currency along with overall high global prices have led to an increase in the prices of silver in the domestic market.

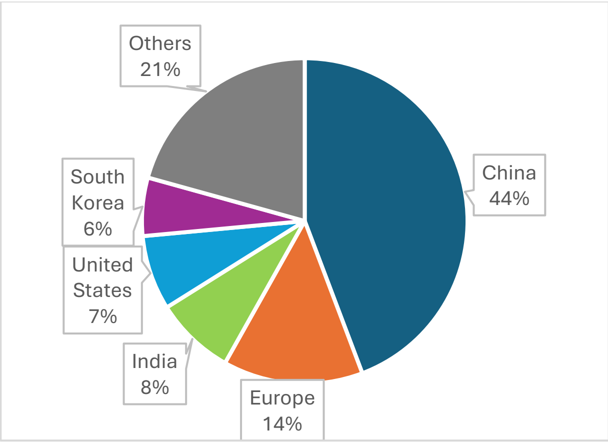
5. Lead

5.1 Global Overview:

Lead is a soft base metal which is highly malleable and ductile and is predominantly used in the manufacture of batteries. India is the 3rd largest producer of refined lead globally with a market share of ~8% during the year CY2023 and is ranked as the 4th largest consumer of refined lead globally with a market share of ~7% during CY2023.

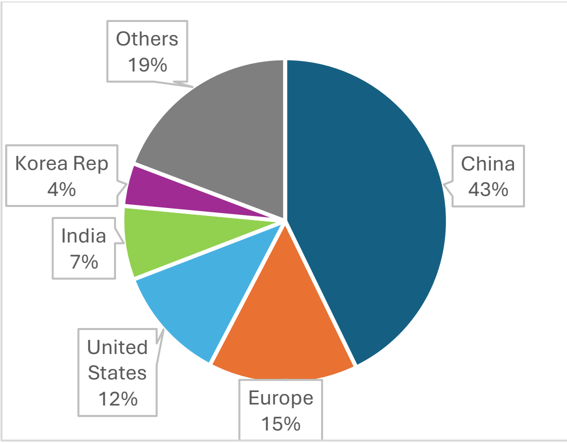
China is the leading producer and consumer of refined lead in the global market followed by Europe.

Chart 38: Global ranking of refined lead producing regions in CY2023



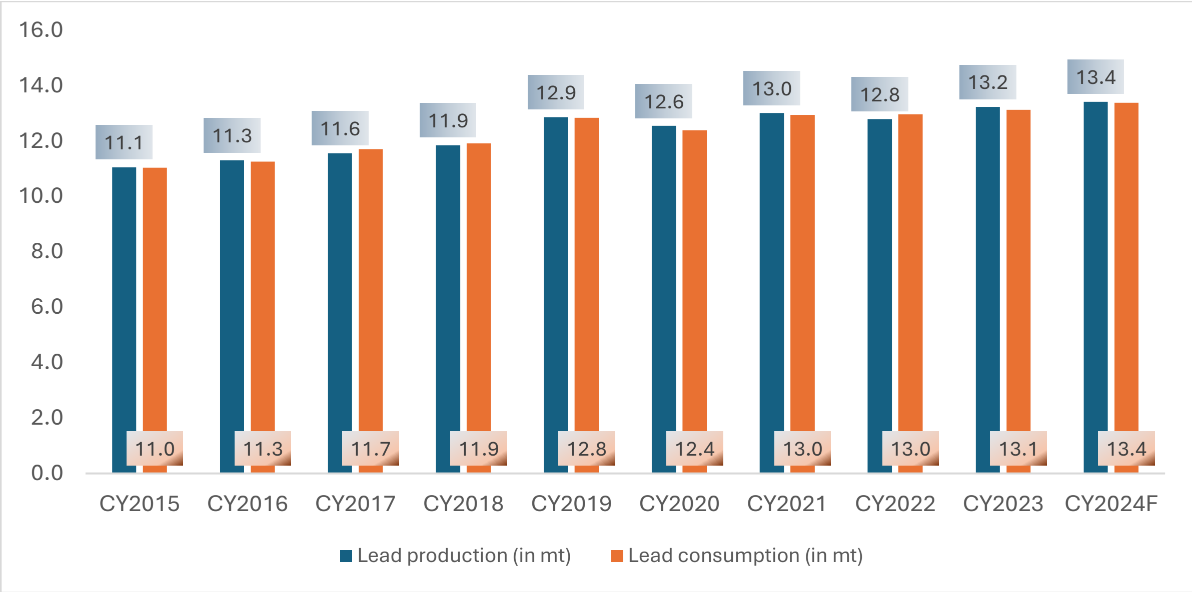
Source: USGS, ICRA Analytics

Chart 39: Global ranking of refined lead consuming regions in CY2023



Source: USGS, ICRA Analytics

Chart 40: Global production and consumption trends of refined lead

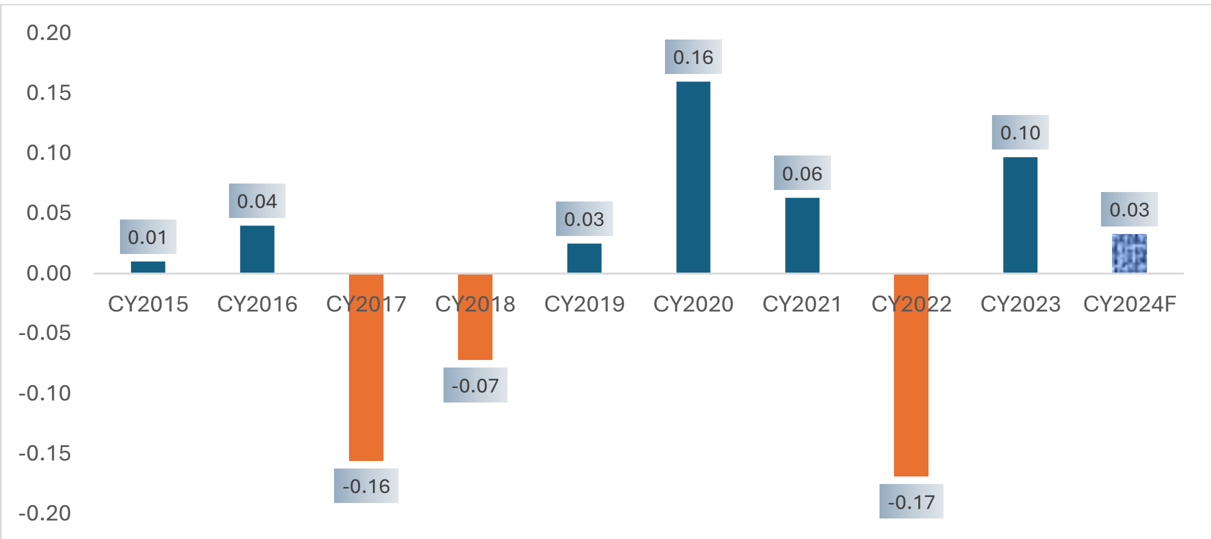


Source: ILZSG, ICRA Analytics

Lead production and consumption witnessed healthy momentum in CY2023, where both went up by ~3% and ~1% respectively. The production went up on the back of good demand sentiments in the first half. However, during the second half of CY2023, the global demand mostly remained subdued owing to high inflation and rising interest rates especially in countries like USA, EU and China.

Going ahead, production and consumption are expected to continue this upward trend as demand for lead-acid batteries will remain essential for powering critical electrical systems in electric vehicles, despite facing competition from alternative options in the changing EV market. Furthermore, the worldwide shift towards sustainable solutions will further boost the use of lead-acid batteries in renewable energy storage systems.

Chart 41: Market balance for refined lead

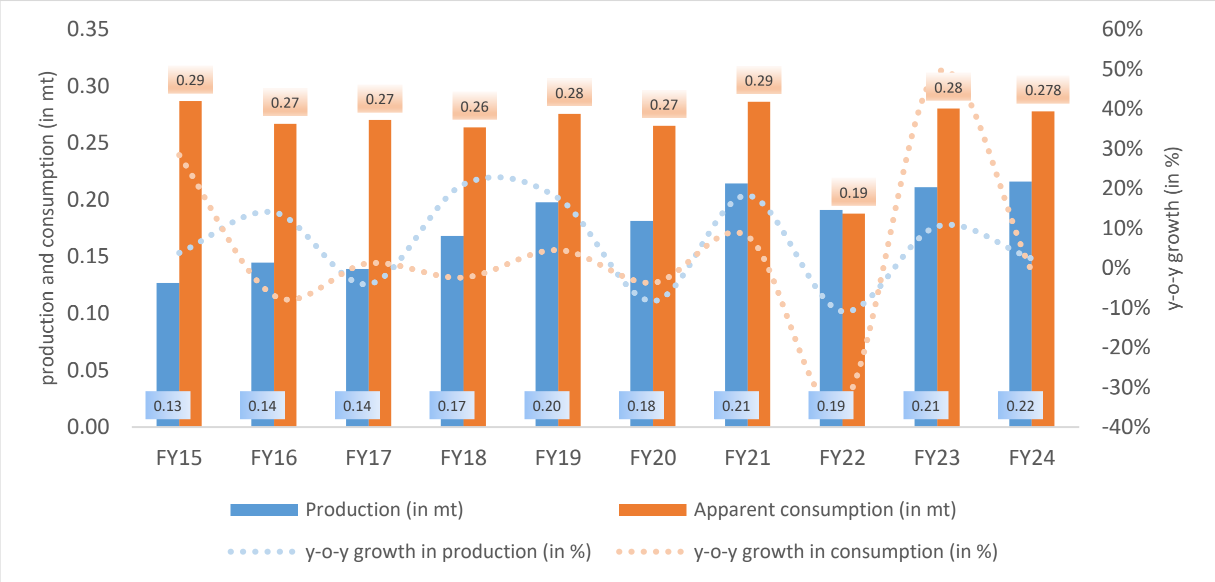


Source: ILZSG, ICRA Analytics

Coming to market balance, improving supply kept the refined lead market in surplus during CY2023 after being in deep deficit during the year CY2022, which witnessed a significant dip in production. Going forward in CY2024, market is again expected to be in surplus, but the gap will come down as both production and consumption are expected to go up.

5.2 Domestic overview:

Chart 42: India's lead production and consumption trend



*Source: CMIE, ICRA Analytics, *Apparent consumption= production +imports-exports*

During FY2024, total domestic refined primary lead production stood at 0.22 mt, marginally went up by ~2% compared to 0.21 mt in FY2023 led by rise in exports. The production grew at a CAGR of ~6% during the last decade. Hindustan Zinc Ltd is the leading producer of refined lead in India with a market share of ~66% during FY2024.

As compared to global trend where demand was up by ~2%, India exhibited a contrasting trend in terms of consumption. The primary lead demand in FY2024 was approximately 0.28 mt, reporting a marginal decline from the previous year. This decrease is mainly due to the higher usage of secondary lead and substitute materials instead of primary refined lead. However, the Indian automotive sector bucked the global trend, which helped in limiting any further fall in demand.

Going forward, domestic lead market is expected to be tight owing to expected rise in consumption trend coupled with minimal mine supply growth.

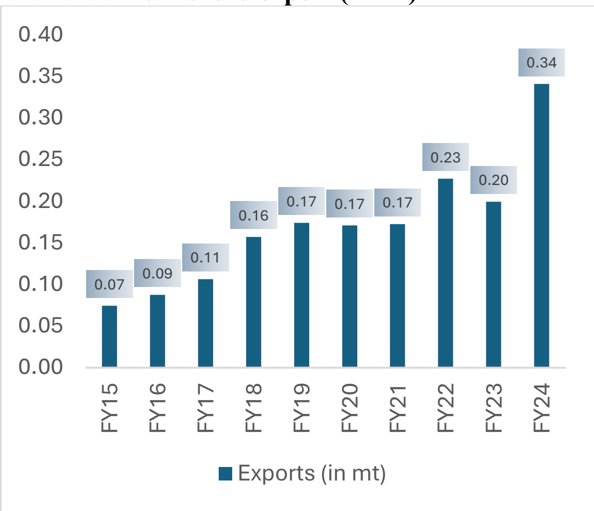
Key demand drivers for lead market are-

- The surge in urbanization and industrialization coupled with the growing consumption of automobiles, are projected to serve as the primary factors driving the demand for lead. Passenger vehicle (PV) volumes grew by 6-9% in FY2024 as per ICRA Ratings report and are likely to grow by 3-6% in FY2025 due to waning pent-up replacement demand and elevated inventory levels at dealerships. Commercial vehicle (CV) segment grew by 2-5% in FY2024 but is expected to report a de-growth of 4-7% in FY2025 because of inherent exposure of infrastructure activities to the model code of conduct, ahead of the General Elections and high base effect. Two wheelers (2W) segment grew by 8-11% in FY2024 and supported by rising per capital income and financing availability, it is expected to grow by 7-10% in FY2025.

- The industrial battery segment is projected to continue experiencing strong demand, particularly for battery replacements in data centers, banks, ATMs, and other critical applications. As India places a strong emphasis on renewable energy, the demand for energy storage solutions for electricity generated from photovoltaics is expected to further contribute to the upward trend in demand.

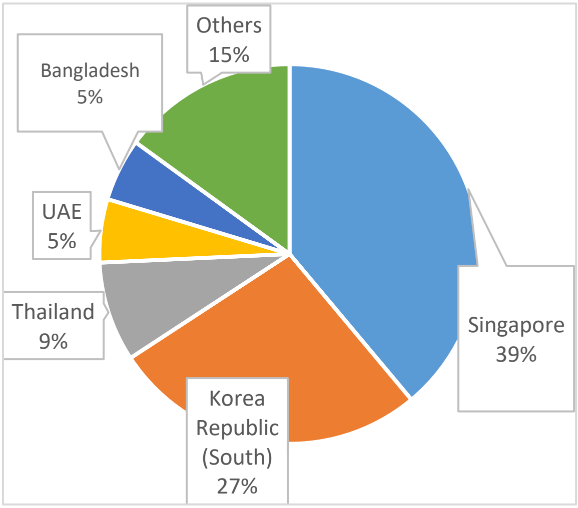
- Government schemes like FAME-II and Electric Mobility Promotion Scheme 2024 (EMPS 2024) aim to encourage the use of electric vehicles (EVs), which will enhance the demand for lead in the domestic market. The demand push in the automotive sector will continue to play a crucial role in driving the demand for refined lead due to its heavy reliance on lead-acid batteries and inverter batteries. Furthermore, government schemes and strong export demand for lead-intensive products like galvanized sheets are likely to indirectly boost lead consumption.

Chart 43: India's lead export (in mt)



Source: CMIE, ICRA Analytics

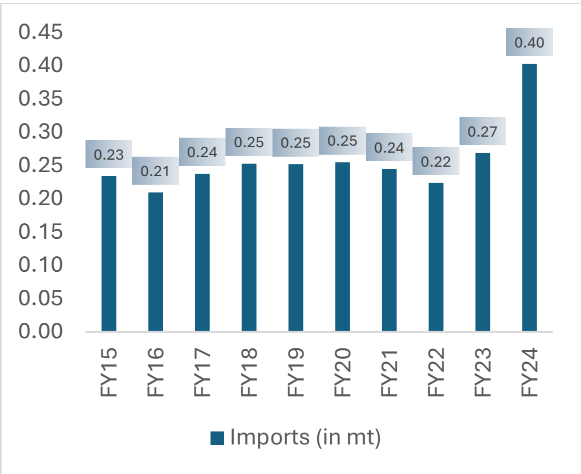
Chart 44: India's lead export destination



Source: CMIE, ICRA Analytics

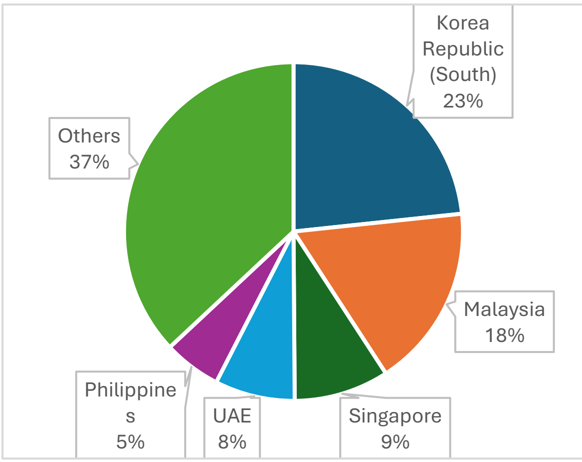
India's lead exports went up significantly by ~71% to 0.34 mt during FY2024 compared to 0.20 mt in FY2023. The export volume grew at a CAGR of ~18% during the last one decade. The top 3 exporting destination for India are Singapore, South Korea and Thailand, which account for almost ~75% of the total exports.

Chart 45: India's lead import (in mt)



Source: CMIE, ICRA Analytics

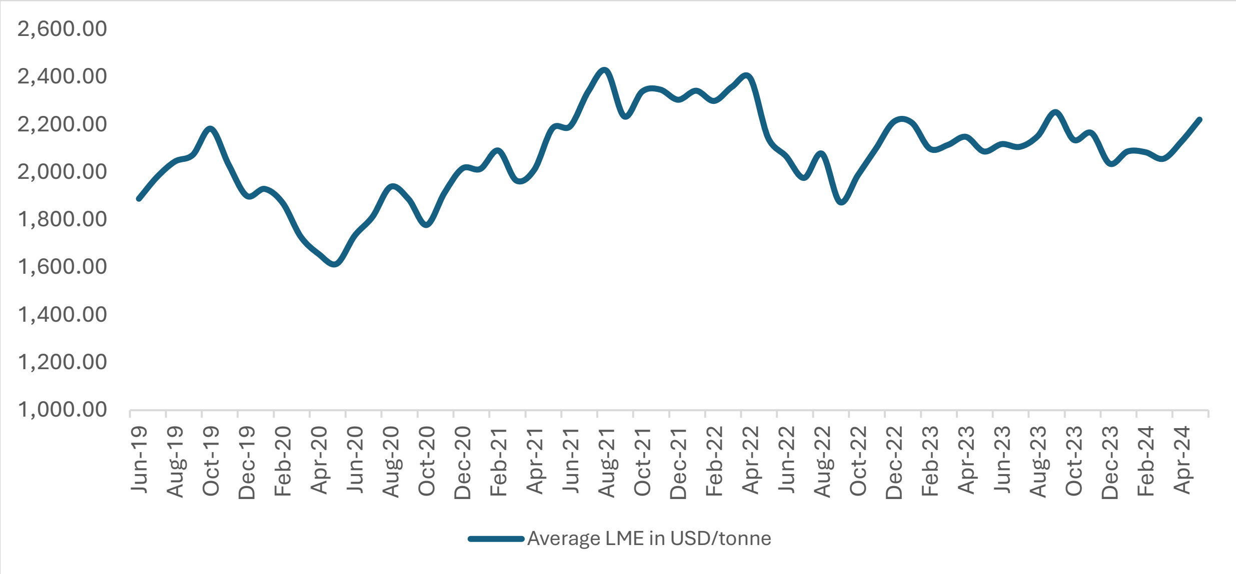
Chart 46: Key lead exporters to India



Source: CMIE, ICRA Analytics

The import volume has been going up since the last two years by ~20% & ~50% for FY2023 and FY2024 respectively. The imports stood at 0.40 mt during FY2023 compared to 0.27 mt in FY2023. The top exporters to India are South Korea, Malaysia and Singapore, which together account for ~50% of total imports.

Chart 47: International lead prices (in $/tonne)



Source: CMIE, ICRA Analytics

The international price of refined lead stood at $2,135/tonne during CY2023, marginally down by 0.8% compared to $2,153/tonne during CY2022. The prices remained slightly lower as market mostly remained in surplus during the year. However, prices have gone up during the first five months of CY2024 owing to better demand sentiments.

Going ahead, although surplus situation is expected to continue during CY2024, the gap between production and consumption is expected to narrow, which in turn is expected to support price momentum.

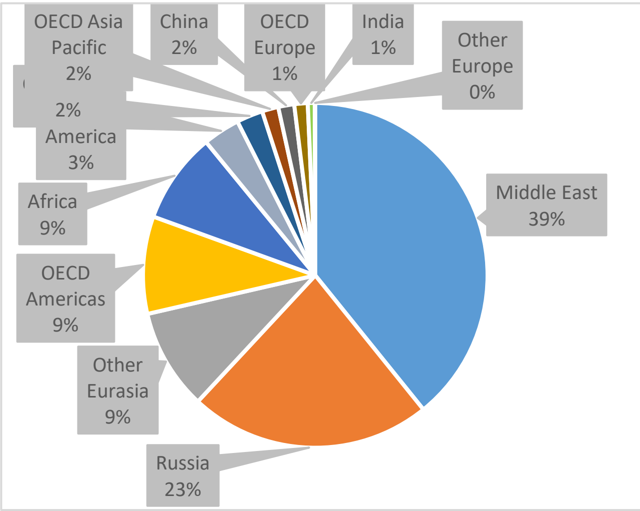
6. Oil & Gas

6.1 Global Overview:

The global proven crude oil reserves have witnessed an uptick of 5.7% over 10-year horizon from 14.8 lakh million barrels (mb) in 2012 to 15.64 lakh mb in 2022. In 2019 alone, the reserves witnessed annual growth of 4%. This implies growing exploration of oil wells or resources, which is expected to cater to the growing energy requirements of the global economy. A similar scenario exists for proven natural gas reserves with the same witnessing a growth of 4.25% during the abovementioned period.

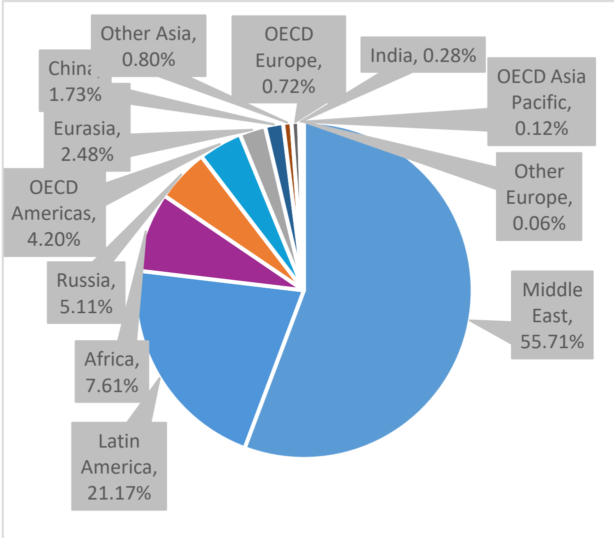
Governments across the world have taken cognizance of the recent shifts and the re-consideration of energy transition policies & targets, which has led to greater emphasis on energy security.

Chart 48 : Region/country wise share of world proven natural gas reserve, 2022



World proven natural gas reserves - 2,10,063 bn scm

Chart 49 : Region/country wise share of world proven natural gas reserve, 2022



World proven crude oil reserves - 15,64,441m b

Source: Organization of the Petroleum Exporting Countries (OPEC), ICRA Analytics

The rising global population and economic growth are likely to impact the primary energy demand with the same expected to increase from around 291 million barrels of oil equivalent per day (mboe/d) in 2022 to close to 359 mboe/d in 2045, an increase of 68.3 mboe/d, or 23% over the outlook period. The major growth driver will be the non-OECD region, which is expected to increase by 69 mboe/d over the outlook period. Within the non-OECD region, around 28% of the growth is expected to come from India alone. Meanwhile, energy demand in OECD countries is expected to marginally decline in the outlook period.

Table 9: Total primary energy demand by region, 2022–2045

Nation	Levels (mboe/d)						Growth (mboe/d)	Growth (% p.a.)	Share (%)	
	2022	**2025**	**2030**	**2035**	**2040**	**2045**	**2022-2045**	**2022-2045**	**2022**	**2045**
OECD	106.6	107.1	108.2	108.0	107.1	105.9	-0.7	0.0	36.7	29.5
Non-OECD	184.3	196.8	214.7	230.3	244.5	253.3	69.0	1.4	63.3	70.5
India	19.2	21.3	25.4	29.7	34.1	38.5	19.3	3.1	6.6	10.7
China	71.3	75.2	78.1	78.7	78.1	77.4	6.1	0.4	24.5	21.6
OPEC	20.3	22.8	26.4	29.6	32.6	34.7	14.4	2.4	7.0	9.7
World	290.9	303.9	322.9	338.3	351.6	359.2	68.3	0.9	100.0	100.0

Source: OPEC, ICRA Analytics

According to the World Oil Outlook 2045 Report 2023 published by OPEC, the demand for primary fuels is also likely to increase in the long term with the exception of coal. Highest increase is likely to be witnessed in renewable energy (around 34.3 mboe/d) largely due to strong policy support in many regions. Oil demand is also likely to witness strong growth. Even though its share in the energy mix declines modestly, oil will remain the fuel with the largest share by 2045 at 29.5%. Natural gas demand is set to increase by 19.9 mboe/d over the outlook period, reaching 87 mboe/d in 2045.

Table 10: Total primary energy demand by fuel type, 2022–2045

Fuels	Levels (mboe/d)						Growth (mboe/d)	Growth (% p.a.)	Share (%)	
	2022	**2025**	**2030**	**2035**	**2040**	**2045**	**2022-2045**	**2022-2045**	**2022**	**2045**
Oil	90.7	96.4	102.0	104.3	105.3	106.1	15.4	0.7	31.2	29.5
Coal	75.9	74.6	71.1	65.9	60.0	54.4	-21.5	–1.4	26.1	15.1
Gas	67.1	69.6	75.0	80.2	84.4	87.0	19.9	1.1	23.1	24.2
Nuclear	15.0	15.9	17.4	19.4	21.7	23.8	8.8	2.0	5.2	6.6
Hydro	7.7	8.2	8.9	9.6	10.2	10.5	2.8	1.3	2.7	2.9
Biomass*	26.6	27.9	30.2	32.3	34.1	35.2	8.6	1.2	9.1	9.8

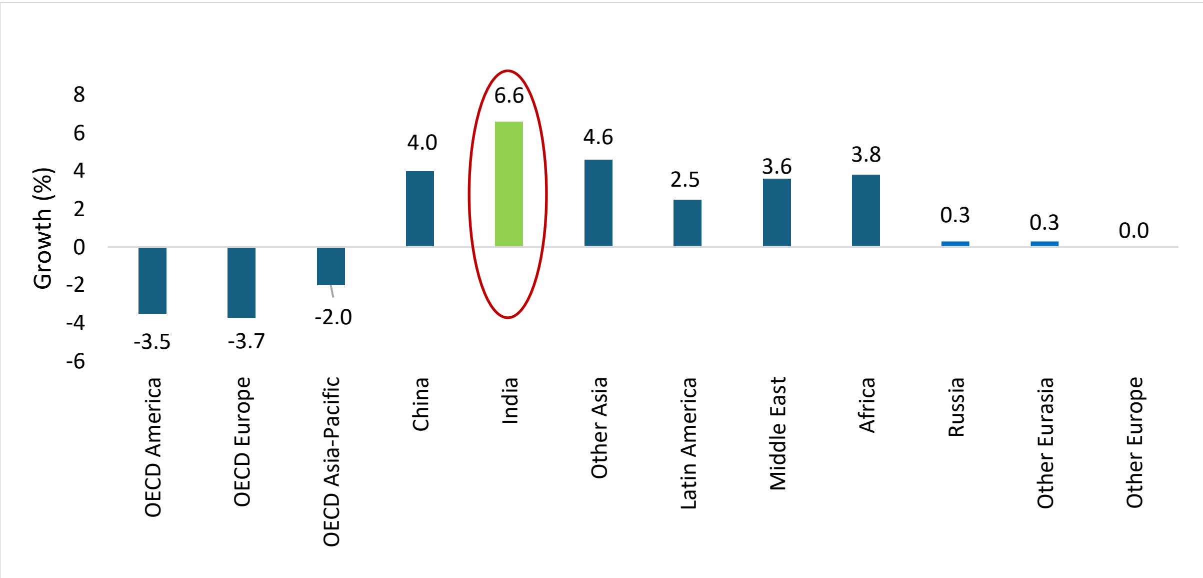
Fuels	Levels (mboe/d)						Growth (mboe/d)	Growth (% p.a.)	Share (%)	
	2022	**2025**	**2030**	**2035**	**2040**	**2045**	**2022-2045**	**2022-2045**	**2022**	**2045**
Other Renewables**	7.9	11.2	18.5	26.7	35.8	42.2	34.3	7.5	2.7	11.7
World	290.9	303.8	323.1	338.4	351.5	359.2	68.3	0.9	100.0	100.0
** Biomass includes solid biomass, waste, biogas, biofuels and charcoal.*										
*** Other renewables include wind, solar, geothermal and tidal energy.*										

Source: OPEC, ICRA Analytics

As per the World Oil Outlook 2045 Report 2023, the long-term global oil demand is projected to increase from 99.6 million barrels per day (mb/d) in 2022 to 116 mb/d in 2045, recording a growth of more than 16 mb/d. Oil demand from Non-OECD region is expected to increase by almost 26 mb/d during 2022-2045, while OECD oil demand is set to contract by around 9.3 mb/d.

India, Other Asia, China, Africa, and the Middle East are expected to contribute the most to the increase in non-OECD oil demand. Over the course of the anticipated period, India's oil demand will increase by 6.6 mb/d. The Middle East's oil consumption is expected to rise by 3.6 mb/d, Africa's by 3.8 mb/d, China's by 4 mb/d, and Other Asia's by 4.6 mb/d.

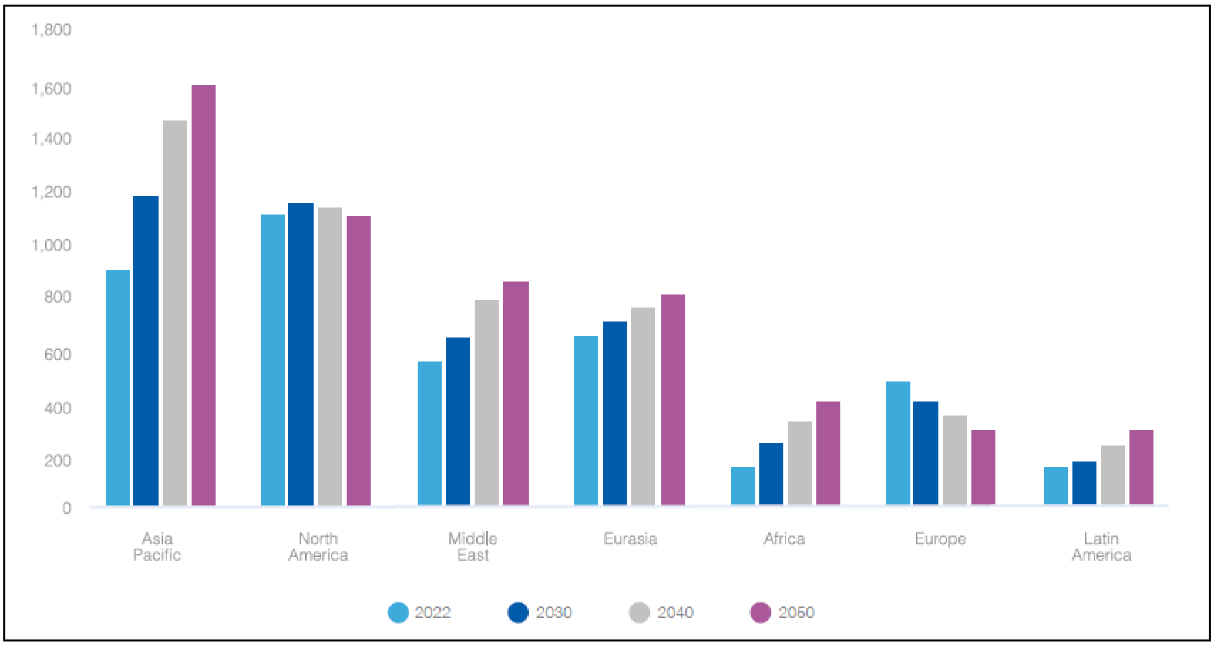
Chart 50: Long term oil demand growth by region (2022-2045)



Source: OPEC, ICRA Analytics

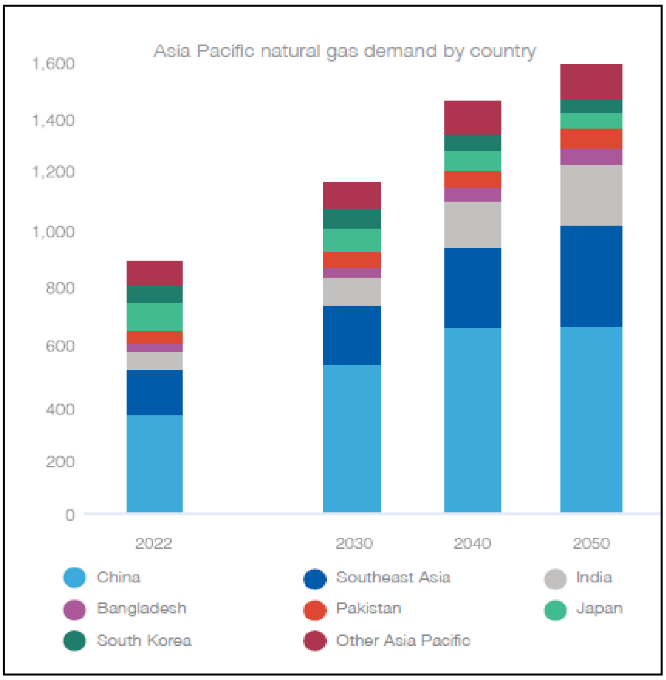
According to Gas Exporting Countries Forum (GECF), global natural gas demand is likely to rise by 34% from 4015 bcm in 2022 to 5360 bcm in 2050. The demand for the same is set to expand specifically across Asia Pacific, Middle Eastern, and African markets, with Asia Pacific alone contributing 52% to the global net demand increase during the forecast period.

Chart 52: Global natural gas long term demand outlook by region, 2022-2050 (bcm)



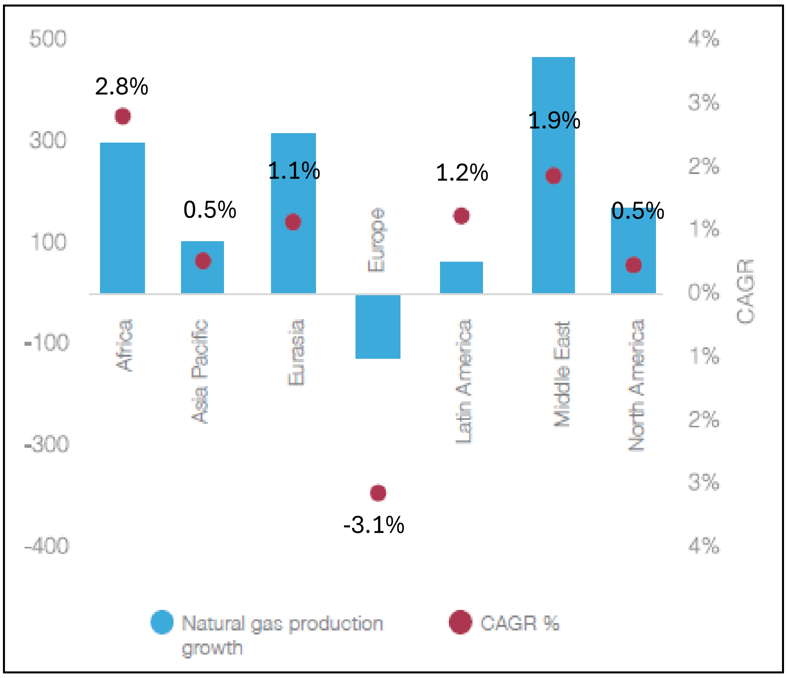
Source: GECF, ICRA Analytics

Chart 53: Asia Pacific natural gas long term demand outlook, 2022-2050 (bcm)



Source: GECF, ICRA Analytics

Chart 54: Natural gas supply long term growth outlook by region, 2022-2050 (bcm)



Source: GECF, ICRA Analytics

The demand for natural gas in Asia Pacific region is projected to grow at the rate of 2.1% per annum, climbing from 895 bcm in 2022 to 1,590 bcm by 2050. At country level, China, India and Southeast Asia are set to be the primary growth centres in Asia Pacific. India's gas demand is set to more than triple from 61 bcm in 2022 to around 215 bcm by 2050. The rise accelerates after 2027 as natural gas accessibility and affordability improve. India's demand for natural gas is expected to reap benefits from the priority of air quality in the list of policy makers. The Long-Term Low Emission Development Strategy announced by Indian Government in November 2022 has emphasized on promotion of gas through fuel switching. The Government's vision to raise gas's share in the primary energy mix to 15% by 2030 (up from 5% in 2022) would also boost gas demand in the long term.

The global natural gas production is expected to increase from 1.3 TCM in 2022 to 5.3 TCM in 2050**.** This translates to a CAGR of slightly above 1% in natural gas production during the period 2023-2050.

According to GECF, until 2030, natural gas production is projected to experience the highest annual growth rate of 1.4% over the forecast period. However, this growth is anticipated to slow down in the 2030s, averaging 1.1% annually, and further decrease to 0.5% annually by 2040s.

The growth in natural gas production within Asia Pacific region is expected to be primarily driven by China, with smaller but notable contributions from Indonesia and India.

India is expected to achieve a natural gas production level of 50 bcm by 2050, with 95% of this production originating from offshore projects. India’s target of 15% share of natural gas in its energy mix by 2030 is to be achieved through the expansion of pipeline networks and construction of LNG terminals.

6.2 Domestic overview:

6.2.1 EVOLUTION OF OIL & GAS INDUSTRY IN INDIA:

The history of the Indian oil and gas sector begins with the Assam Railway and Trading Company's earliest crude oil discoveries in October 1889 in Digboi, Assam, in the country's far northeast. Only state-owned businesses were permitted to participate in the oil and gas industry following the central government's nationalization efforts of the 1970s.

Foreign direct investment in India's exploration and production sector was permitted to reach 100% through a series of auction rounds conducted by the federal government between 1991 and 1997. These are now commonly known as the Pre-NELP rounds. Due to the lack of a published strategy or structure, the central government entered into production sharing agreements on an as-needed basis during the Pre-NELP rounds.

In order to encourage investments from both private and nationalized players in the industry, the central government developed a comprehensive program between 1997 and 1998. The New Exploration Licensing Policy, or NELP, was announced in February 1999. When NELP IX was introduced in 2010, 34 blocks were provided by the central government. These blocks covered an area of roughly 0.3 lakh square kilometers in total, and 19 blocks were allocated by the government in this NELP round. Cairn India is the largest private oil & gas exploration and production company in India which operates ~25% of India's crude oil production.

During the period from FY2014 to FY2024, consumption of petroleum products and LNG witnessed CAGR of 4% and 2.7% respectively.

Table 11: Domestic crude oil production and import vis-à-vis production and consumption of petroleum products

				In '000 Metric Tonne
Year	**Indigenous crude oil production**	**Crude Oil Import**	**Production of Petroleum Products by Refineries & Fractionators**	**Consumption Of Petroleum Products**
2013-14	37,812	189,238	220,740	158,407
2014-15	37,469	189,435	221,077	165,520
2015-16	36,942	202,850	231,866	184,674
2016-17	36,009	213,932	243,515	194,597
2017-18	35,684	220,433	254,289	206,166
2018-19	34,203	226,498	262,356	213,216
2019-20	32,169	226,955	262,940	214,127
2020-21	30,494	196,461	233,513	194,295
2021-22	29,688	212,382	254,306	201,697
2022-23 (P)	29,179	232,700	266,539	223,022
2023-24 (P)	29,356	233,118	276,058	234,259
Source: Petroleum Planning & Analysis Cell, ICRA Analytics				

6.2.2 EXPLORING UNTAPPED OPPORTUNITY OF UNCONVENTIONAL PETROLEUM RESOURCES:

Due to decreasing trend in conventional oil & natural gas reserves and growing dependency of oil imports, the Government of India had worked on a series of policies since 1997 for effective extraction and utilization of unconventional resources of petroleum accumulations. Such resources are pervasive throughout a large area and are not significantly affected by hydrodynamic influences.

These include deposits like the Coal Bed Methane (CBM), Shale gas/oil, Gas Hydrates etc. that lack the porosity and permeability of conventional reservoirs required to flow without stimulation at economic rates.

Such accumulations require specialized extraction technology (e.g., dewatering of CBM, hydraulic fracturing, horizontal drilling etc.). The target volumes are larger.

Table 13: Snapshot of CBM resources in India

Total CBM rounds completed	5
No. of CBM Blocks awarded in 5 rounds	37
Area covered under 37 blocks	20,460 Sq. Km
Estimated CBM Resource in Country	2600 BCM (91.8 TCF)
Annual CBM Production in FY 2022-23	512 MMSCM
Cumulative Production till FY 2022-23	5580 MMSCM

Source: India's Hydrocarbon Outlook 2022-23 by Directorate General of Hydrocarbon, ICRA Analytics

Table 14: Summary of Shale Gas/Oil Activities in India

Company	Basin	Phase-I Blocks	Blocks Taken up for Drilling	Actual Wells Drilled
ONGC	Cambay	28	16	17
	Krishna Godavari	10	6	8
	Cauvery	9	1	3
	Assam	3	2	2
	Total	50	25	30
OIL	Jaisalmer	1	1	1
	Assam	5	0	3
	Total	6	1	4

Source: India's Hydrocarbon Outlook 2022-23 by Directorate General of Hydrocarbon, ICRA Analytics

6.2.3 Crude Oil & Natural Gas Transportation:

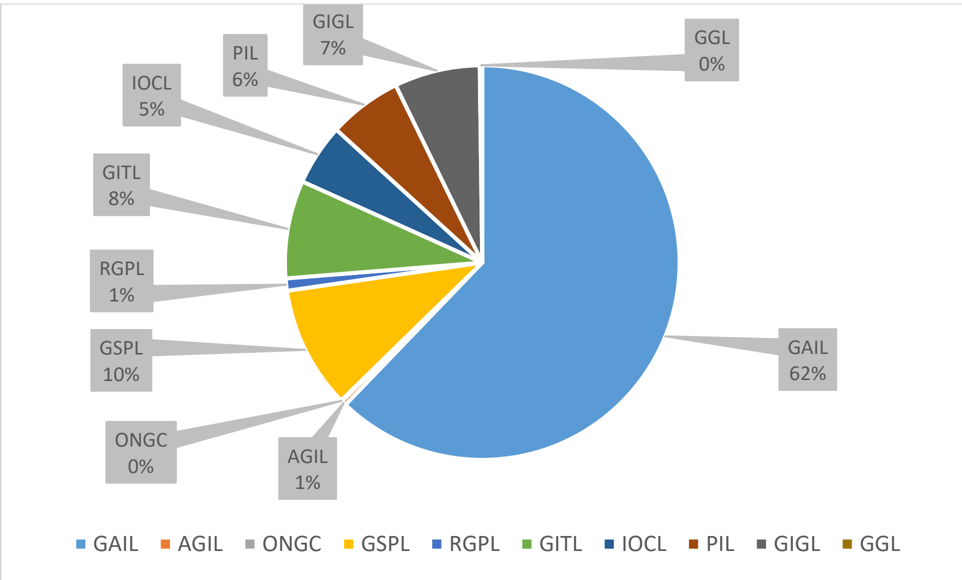
Crude oil produced onshore is primarily transported to refineries through trunk pipelines, with a small percentage transported by road tankers. Crude oil produced offshore is transported by trunk pipelines to onshore facilities for processing and then supplied through pipelines and marine tankers to refiners, with a small percentage transported by ships directly from offshore.

Table 15: Company wise share of major Crude Oil Pipelines in India

Owner	Type of Pipeline- Onshore/Offshore	Length (KM)	Capacity (MMT)	Throughput (MMT)	Percentage Utilisation during
		01.04.2024	**01.04.2024**	**2023-24 (P)**	**2023-24 (P)**
ONGC	Onshore	799	27.1	9.2	
	Offshore	488	33.5	10.4	
	Total	1284	60.6	19.6	32.3
IOCL	Onshore	5713	53.8	51.8	
	Offshore	109	--	--	
	Total	5822	53.8	51.8	96.3
OIL	Onshore	1193	9	6.7	
	Total	1193	9.0	6.7	75.3
CAIRN	Onshore	660	8.7	4.6	
	Offshore	28	2	1.7	
	Total	688	10.7	6.2	58.3
HMPL	Onshore	1017	11.3	12.7	
	Total	1017	11.3	12.7	112.8
BPCL	Onshore	937	7.8	7.1	

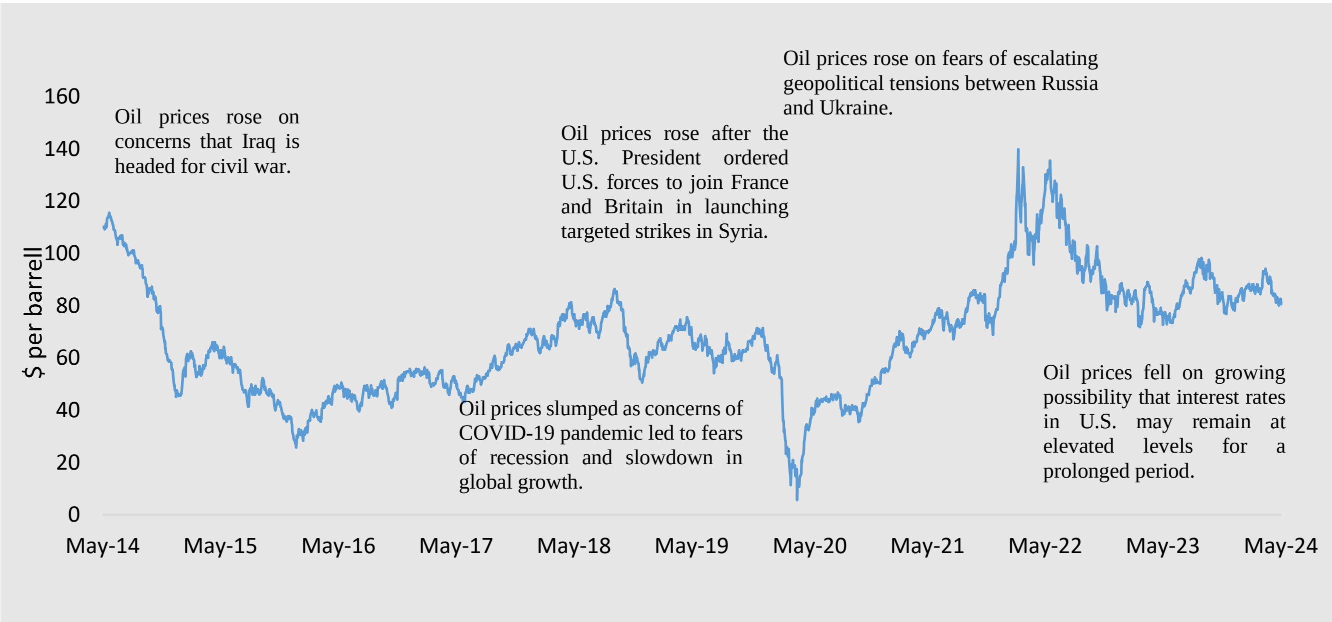
Owner	Type of Pipeline- Onshore/Offshore	Length (KM)	Capacity (MMT)	Throughput (MMT)	Percentage Utilisation during
		01.04.2024	**01.04.2024**	**2023-24 (P)**	**2023-24 (P)**
	Total	937	7.8	7.1	91.5
Total Crude pipelines		**10941**	**153.1**	**104.2**	**68.1**
*Pipeline utilisation is calculated using formula = (Throughput in MMT * 100) / (Annual capacity in MMTPA)*					
Source: Petroleum Planning & Analysis Cell, ICRA Analytics Ltd.					

Chart 56: Share of Pipeline Operators in Natural Gas Pipelines



Source: Petroleum Planning & Analysis Cell, ICRA Analytics Ltd. GAIL – Gas Authority of India Ltd; AGIL - Aavantika Gas Limited; ONGC - Oil and Natural Gas Corporation Limited; GSPL - Gujarat State Petronet; RGPL – Reliance Gas Pipeline Limited; GITL - GSPL India Transco Limited; IOCL – Indian Oil Corporation Limited; PIL – Pipeline Infrastructure Limited; GIGL – GSPL India Gasnet Limited; GGL – Green Gas Limited

Chart 57: Analysis of the movement of Brent Crude oil price



Source: Refinitiv, ICRA Analytics

During 5-year period (2019-2024), Brent Crude prices rose by 18.42% from $68.02 per barrel in May 2019 to $ 80.55 per barrel in May 2024 after touching all time low of $5.61 per barrel during April 2020.The outbreak of COVID-19 pandemic took toll on the global crude oil prices. However, subsequent geopolitical tensions between Russia and Ukraine helped oil prices to regain its lost ground. Nonetheless, persistent worries over elevated U.S. interest rates kept gains under leash.

The U.S. Energy Information administration expects OPEC+ to commence relaxation of voluntary production cuts from Q4 CY2024. Accordingly, in near term, the extension of voluntary OPEC+ production cuts may cause global oil inventories to continue falling through Q1 CY2025. Meanwhile, IEA expects global oil supply to jump by 1.8 mb/d in 2025 compared with this year's more modest 580 kb/d annual increase. According to IEA, non-OPEC+ output is forecasted to expand by 1.4 mb/d in both years, while OPEC+ output recovers from an 840 kb/d decline this year to growth of 330 kb/d in 2025. The combined effect of demand and supply function is expected to keep global crude oil prices stable in the coming year.

6.2.4 COMMITTED INVESTMENT AND EXPLORATION WORK PROGRAMME:

The Government of India launched the Open Acreage Licensing Programme (OALP) along with the National Data Repository (NDR) in June 2017 with an aim to accelerate exploration and production activities in India. In the 7 rounds of bidding under OALP, 139 oil & gas exploration blocks were offered, and 134 blocks were awarded to successful bidders. However, post relinquishment of 7 blocks, the same stood at 127 exploration blocks covering an area of 2,00,631 sq.km.

During January 2024, Government of India signed contracts for 10 blocks awarded under Open Acreage Licensing Policy (OALP) Bid Round-VIII and 3 Coal Bed Methane (CBM) Blocks awarded under Special CBM Bid Round-SCBM 2022. OALP-IX Bid Round is also launched wherein 28 blocks, with an area of approximately 1,36,596 Sq. Km., are on offer for bidding.

Vedanta Ltd's Cairn Oil & Gas had submitted a field development plan for the Jaya gas discovery in the Bharuch district of Gujarat. The firm made a gas and condensate discovery in an onshore OALP block in August 2020. The same was approved under OALP regime and the production commenced with initial plan to deliver > 3 Kboepd. This is the first FDP approved in OALP regime, among 144 blocks awarded under 8 OALP rounds by the Government to various companies.

6.2.5 OPERATIONAL BENCHMARKING:

Table 16: Peer Comparison of key operational parameters

Key indicator	Unit	Private Oil Companies						State Owned Oil Companies					
		Cairn India			**Reliance Industries Ltd**			**ONGC Ltd**			**Oil India Ltd.**		
		FY2022	**FY2023**	**FY2024**	**FY2022**	**FY2023**	**FY2024**	**FY2022**	**FY2023**	**FY2024**	**FY2022**	**FY2023**	**FY2024**
Gross Proved & Probable oil & gas reserves and resources	mmtoe	161	162	193	NA	NA	NA	727	730	NA	242	242	NA
Gross Production - Crude Oil (MMT)	MMT	8.23	7.31	6.54	0.03	0.03	NA	21.71	21.49	21.14	3.01	3.176	3.36
Gross Production - Natural Gas (BCM)	BCM	1.56	1.49	1.46	6.64	7.31	7.60	21.68	21.35	20.65	3.05	3.18	3.18
Contribution to domestic oil & gas production		~25%			~30%*			~71%			~9%		
Wells Drilled (Cumulative)		294	294	NA	>300	>300		434	461	NA	NA	NA	NA
Total Acreage	sq.km	65,000	65,000	>60,000	NA	NA	NA	1,26,657	1,62,701	NA	48,796	62,911	NA
Scope 1 and Scope 2 GHG emissions intensity (per tonne of hydrocarbon production)	Tonne of CO2e/Tonne of HC produced	0.26	0.26	NA	0.51**	0.52**	NA	0.21	0.21	NA	0.26	0.37	NA

Source: Company Annual Reports, ICRA Analytics Ltd. The conversion rate of 1 Mboe = 0.14 Mtoe is considered for conversion from barrels of oil equivalent to tonnes of oil equivalent
**Contribution to domestic gas production*
*** Scope 1 and Scope 2 emission of the entire operations of the company are considered, including refining of crude oil and others*

7. Copper

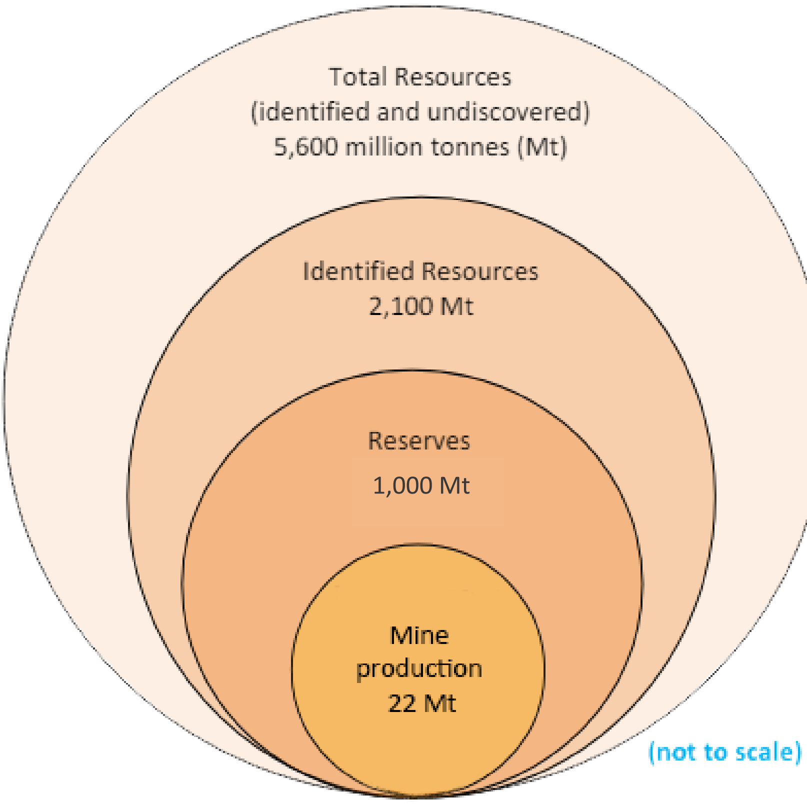
7.1 Global Overview:

Copper is considered as a versatile metallic element that is both malleable and ductile. It is known for its exceptional conductivity of heat and electricity, as well as its resistance to corrosion and antimicrobial properties. It is the third most widely traded metal in the world after iron and steel and aluminium.

Copper is naturally present in various forms in the Earth's crust, including sulfide deposits, carbonate deposits, silicate deposits, and in its pure form as "native" copper.

According to United States Geological Survey (USGS), copper reserve stood at 1,000 mt in 2023. The most recent USGS assessment of global copper resources indicated that, as of 2015, identified and undiscovered copper resource estimated at approx. 2,100 mt and 3,500 tm, respectively. The latter does not consider the vast amounts of copper found in deep sea nodules and land-based and submarine massive sulphides.

Chart 58: World Copper Reserves & Mine Production, 2023



Source: International Copper Study Group, ICRA Analytics

The global demand for copper continues to grow on the back of expanding sectors such as electrical and electronic products, building construction, industrial machinery and equipment, transportation equipment, and consumer and general products. Progress of implementation of electric vehicles worldwide, with associated charging infrastructure, decarbonization policy push by US and EU and increasing emphasis on green energy to mitigate climate change continue to drive demand for copper. Post COVID-19 pandemic, the antimicrobial properties of copper has also boosted its demand.

Global demand for refined copper increased by 2.7% in 2023, up from 0.9% in 2022, almost entirely driven by growing consumption in China and India. Demand in other regions registered a modest decline. The growth in China was predominantly underpinned by copper uses in construction and electricity networks, a trend expected to persist in the coming years. India too is witnessing robust growth in copper demand, backed by the growth in infrastructure projects, renewable energy efforts, and urban development.

Table 17: Long term copper demand outlook

	Historical		Stated Policies			Announced Pledges			Net Zero by 2050		
Unit: kt Cu	**2021**	**2023**	**2030**	**2040**	**2050**	**2030**	**2040**	**2050**	**2030**	**2040**	**2050**
Clean energy	5 380	6 311	10 314	12 188	12 972	12 001	16 343	17 466	14 842	19 636	19 416
Electricity networks	4 030	4 171	5 922	6 305	6 124	6 632	8 327	8 158	7 816	10 632	9 471
Electric vehicles	166	396	1 645	3 131	3 470	1 870	4 297	4 804	2 612	4 642	5 124
Solar PV	694	1 208	1 691	1 684	1 959	2 117	2 049	2 401	2 564	2 245	2 390
Other	490	536	1 055	1 068	1 419	1 382	1 670	2 103	1 850	2 116	2 430
Other uses	19 548	19 543	20 341	21 997	24 671	19 127	20 036	22 046	18 399	19 434	21 473
Total demand	24 928	25 855	30 655	34 185	37 643	31 128	36 379	39 512	33 241	39 069	40 889
Share of clean energy	22%	24%	34%	36%	34%	39%	45%	44%	45%	50%	47%

Notes: Demand is based on refined copper and excludes direct use of scrap. Electric vehicles demand includes both EV batteries and EV motors demand.

Source: International Energy Agency, ICRA Analytics

The total demand for copper is expected to increase from 25.86 mt in 2023 to 40.89 mt in 2050. The clean energy infrastructure is likely to be one of the major factors for boosting copper demand. The contribution of clean energy, which include electricity networks, electric vehicles and solar photovoltaic, to the total demand outlook shall increase from 24% in 2023 to 47% in 2050.

On the supply side, limited growth in mined supply is anticipated for 2024. However, in 2025 and 2026, several new projects and expansion plans are expected to come up. These would bring additional volumes to the market but risks remain if these projects fail to meet expected growth targets or experience slower ramp-ups.

According to IEA, Chile, Democratic Republic of the Congo (DRC) and Peru are expected to be the top 3 copper mining countries contributing 23%, 14% and 11% to the world copper supply by 2030. Meanwhile, top 3 copper refining countries by 2030 are China (46%), DRC (7%) and Chile (5%).

Table 18: Long term copper supply outlook

	Mining					Refining			
	Historical		Base case			Historical		Base case	
Unit: kt Cu	2021	2023	2030	2040		2021	2023	2030	2040
Chile	5 660	5 311	5 211	4 053	China	10 383	11 547	14 788	14 788
DRC	2 014	2 678	3 183	2 145	DRC	1 562	1 978	2 235	1 381
Peru	2 282	2 644	2 377	1 067	Chile	2 270	2 058	1 719	1 321
China	1 828	1 865	2 128	1 856	Japan	1 514	1 499	1 614	1 614
Russia	862	960	1 215	1 019	India	497	549	1 060	1 060
Indonesia	753	863	948	861	-				
Rest of world	8 026	8 187	7 350	3 888	Rest of world	8 747	8 706	10 506	9 781
World	21 426	22 508	22 412	14 889	World	24 973	26 336	31 922	29 944
Top 3 share	46%	47%	48%	54%	Top 3 share	57%	59%	59%	59%

Source: International Energy Agency, ICRA Analytics

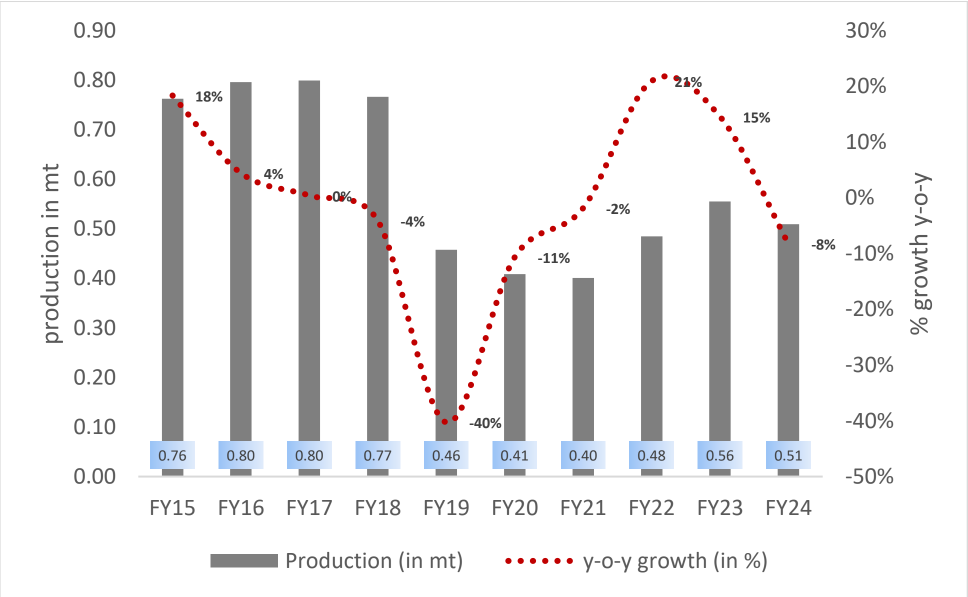
In the refined copper supply market, India is among the top 5 countries with refined copper supply of 0.55 million tonne in 2023 and the same is projected to grow to 1.06 million tonne in 2040.

7.2 Domestic overview:

India has very limited copper ore reserves compared to the world copper reserves.

There are three major players which dominate the copper industry in Indian markets. Hindustan Copper Ltd (HCL) in Public sector, Sterlite Industries Ltd and Hindalco Industries Ltd in Private Sector. Meanwhile, Kutch Copper, a subsidiary of group's flagship firm Adani Enterprises Ltd, commissioned the first phase of 0.5 mt greenfield copper refinery in March 2024.

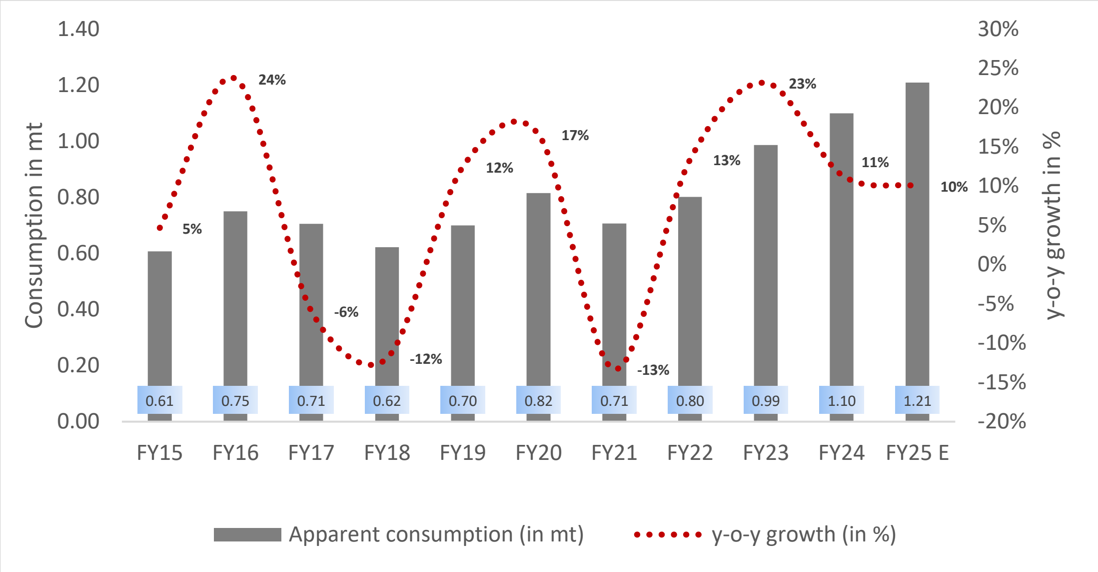
Chart 59: Domestic production of copper



Source: CMIE, ICRA Analytics

Domestic copper production slumped from 0.76 mt in FY2015 to 0.46 mt in FY2019. It subsequently recovered and rose as high as 0.56 mt in FY2023 before settling at 0.51 mt in FY2024.

Chart 60: Domestic apparent consumption of copper



Source: CMIE, ICRA Ratings, ICRA Analytics
Note; apparent consumption = Total production + imports - exports

India's refined copper consumption witnessed a stellar 23% increase in FY2023. This surge was fueled by several key growth drivers, including the electrification of the transportation sector, increased use of copper in construction activities, and industrial expansion encouraged by the government schemes. Additionally, a rise in consumer durables like air conditioners and electronics further boosted demand.

In the domestic market, ~40% of copper consumption is utilized in the building and infrastructure sector, while another 11-13% caters to the consumer durables and automotive industries.

According to ICRA Ratings report, domestic refined copper demand growth is expected to remain at ~10% in FY2025, outpacing the tepid growth rate at ~2% in CY2023 for global copper demand. The Central Government's massive infrastructure development plans, growing urbanization levels, Housing for All schemes, transition to renewable energy along with investment in the metro rail network and railway electrification are likely to support domestic copper demand growth.

7.2.1 GROWTH DRIVER OF COPPER INDUSTRY:

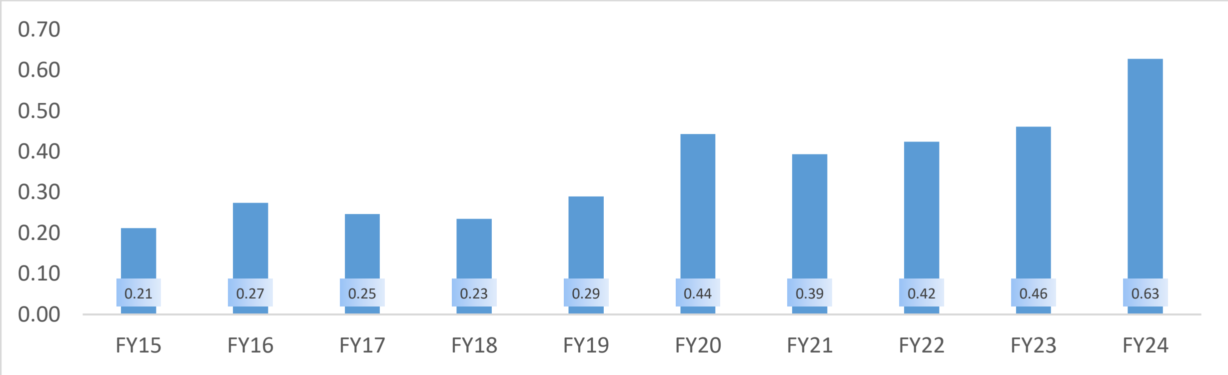
- A significant portion of demand in the copper industry comes from the electricity network sector. The Indian power transmission segment has grown significantly over the years to cater to the rise in generation capacity and power demand. This makes the country's electricity grid one of the largest synchronous grids in the world.

- To reach the targeted renewable energy capacity by 2030, the Central Electricity Authority (CEA) has released a transmission system plan to integrate approximately 537 GW of renewable energy capacity. This plan involves a substantial expansion and enhancement of the Inter-State Transmission System (ISTS), including the need for 50,890 ckt. km of transmission lines and 433,575 MVA of substation capacity. The total cost for this integration of additional wind and solar capacity by 2030 is estimated at Rs 2,442 billion.

- The Indian electric vehicle market size is projected to grow from USD 3.2 billion in 2022 to USD 114 billion in 2029 (source: Fortune Business Insight), growing at a compound annual growth rate of 66.5%. India has set an ambitious target of increasing the share of EV sales to 30% in private cars, 70% in commercial vehicles, 40% in buses, and 80% in two-wheelers and three-wheelers by 2030. As per International Copper Association India, requirement of copper in 2030 compared to 2021 in advanced chemical cell batteries in EVs is likely to increase by over 12 times. This is expected to boost consumption of copper in EV industry significantly.

- Domestic demand for copper is also likely to by boosted from strong outlook of solar energy sector. According to government data, out of the total installed generation capacity of renewable sources of power in 2023, installed capacity of Solar power including roof tops accounted for about 53.4%, followed by Wind power (34.1%) and Bio Power & Waste to Energy (8.2%). However, in terms of growth rates YoY, solar power installed capacity has a growth rate of 23.68% from FY2022 to FY2023.

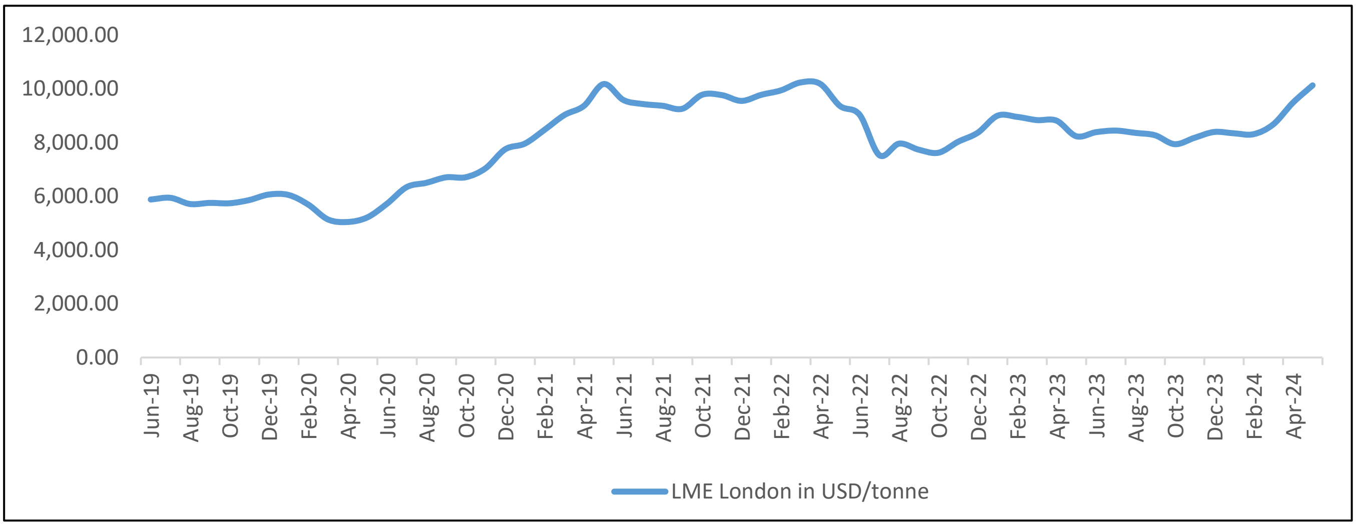
Chart 61: Refined Copper import by India (in mt)



Source: CMIE, ICRA Analytics

Given that domestic copper production struggled to keep pace with this rising demand, India's reliance on imports has increased in recent years. Central government reduced the import duty on copper scrap from 5% to 2.5% to boost recycling of copper in the country. Lowering of the import tax on copper scrap will encourage recycling within the country by making the essential raw materials more affordable.

Chart 62: Copper price trend (LME, London) in USD/tonne



Source: CMIE, ICRA Analytics

Copper prices, trading in LME (Copper Cathode), witnessed a robust YoY growth of 23% from $8234/tonne in May-2023 to $10129/tonne in May-2024. Increasing need due to the shift towards green energy and supply bottlenecks, primarily in copper mines, along with sanctions on Russian metals are likely to support copper prices in the near to medium term.

7.2.2 OPERATIONAL BENCHMARKING:

Table 19: Operational benchmarking

Key indicator	Unit	Hindustan Copper Limited			Sterlite Industries Limited			Hindalco Industries		
		FY2022	FY2023	FY2024	FY2022	FY2023	FY2024	FY2022	FY2023	FY2024
Production Capacity	Thousand tonnes (kt)	18.5	18.5	18.5	400	400	400	540	540	540
Actual Production - Cathode	kt	0.6	0.0	0.0	125	148	141	359	407	368
GHG emissions intensity	MT CO2/MT	0.04	0.04	NA	1.28	1.3	NA	0.93	0.97	NA

Source: Company data, ICRA Analytics

8. Iron Ore

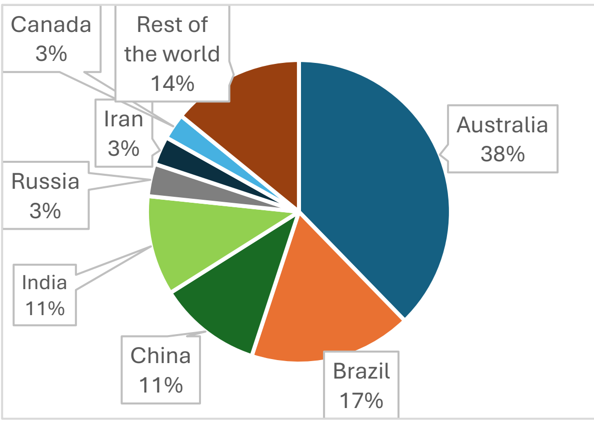
8.1 Global overview:

Iron ore is a key ingredient for the manufacturing of steel and pig iron. The market for iron ore mining has grown from 2,450 mt in CY2019 to 2,544 mt in CY2023 registering a CAGR of 0.9% over the last five years.

Given its several industrial uses, iron ore market is well-positioned for long-term expansion, supported by increased mineral extraction and a rise in building and infrastructure development activities. The Asia-Pacific region dominates the iron ore market led by increasing engineering and construction activities, majorly in China, India and Japan.

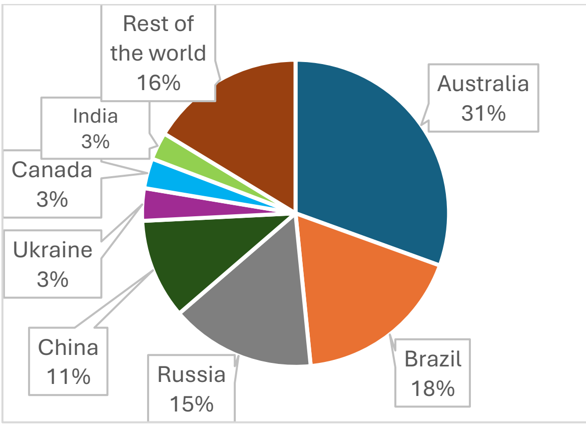
The total iron ore production in CY2023 globally stood at 2,544 mt which went up by ~2% from 2,498 mt in CY2022. The consumption went up by ~12% to 2510 mt in CY2023 from 2250 mt in CY2022. As per Rio Tinto, one of the leading miners globally, iron ore demand is set to increase by ~25% by CY2050.

Chart 63: Global ranking of iron ore producing countries in CY2023



Source: USGS (United States Geological Survey), ICRA Analytics

Chart 64: Ranking of countries in terms of iron ore reserves - CY2023



Source: USGS (United States Geological Survey), ICRA Analytics

India is the 5th largest iron ore producing country in the world with an overall iron ore production of 270 mt in CY2023 compared to 251 mt in CY2022. Moreover, India is ranked 7th in terms of iron ore reserves, with 5500 mt of reserves in CY2023.

China remains the largest consumer of iron ore, given its dominant position in the global market as the steel producer and consumer. However, the quality of iron ore produced in China is inferior and as a result, the country remains dependent on sizeable iron ore imports. China's production of crude steel crossed 1.0 billion tonnes for the fourth consecutive year, further bolstered by a 47% increase in net steel exports.

The volume of iron ore traded globally increased by around 5% annually from 1,518 mt in CY2022 to 1,587 mt in CY2023. The key factors contributing to the increase were the mild increase in China's output of crude steel in CY2023, the country's high volume of steel exports, and the absence of a clear production cap policy from the Chinese government.

Table 20: Major global exporters of iron ore

Iron ore exports by country (in mt)	2022	2023 (estimated)
Australia	864	855
Brazil	346	380
South Africa	58	59
Canada	54	57
India	16	44
Sweden	24	34
Others	156	158
World	**1518**	**1587**

Source: BigMint, ICRA Analytics

Australia is the leading exporter of iron ore globally, accounting for more than ~50% of the world's total exports. During CY2023, its exports marginally went down by ~1% to 855 mt compared to 864 in CY2022 as demand from ex-China markets remained unencouraging. Brazil is the second largest exporter of iron ore and pellets, where the exports increased by around 10% y-o-y to over 380 mt in CY2023 from a level of 346 mt in CY2022. It was able to increase exports significantly due to higher production by Vale – one the world's largest iron ore miners. Vale increased production by 4.3% y-o-y to 321.2 mt in 2023, with production volumes exceeding the forecast of 315 mt.

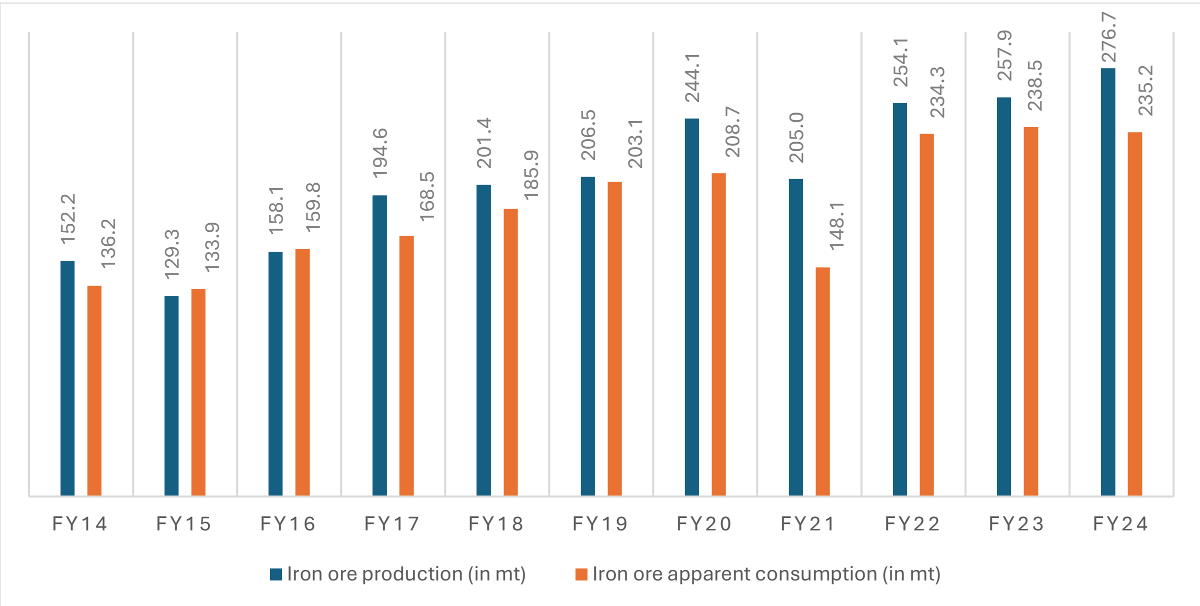
Going ahead in CY2024, global seaborne trade will depend a lot on China's outlook for steel production although there's no indication on production cut yet. But the slump in the property sector remains a major concern.

Major global iron ore miners have maintained their production guidance for CY2024. Strong economic momentum in Southeast Asia, a potential stimulus-induced recovery in China, a mild recovery in the EU and Japan, and a rapid expansion in crude steel capacity addition in India are all expected to support the global iron ore trade.

8.2 Domestic overview:

India is one of the world's top producers of iron ore, with around 35.3 billion tonnes of total deposits of magnetite (Fe_3O_4) and hematite (Fe_2O_3).

Chart 66: Iron ore production and consumption trends in India



Source: CMIE, ICRA Analytics

Iron ore production in India grew at a rate of ~7% to 276.7 mt in FY2024 compared to 257.9 mt in FY2023. Overall, the iron ore production grew at a CAGR of ~6% in the last five years from FY2020 to FY2024. In FY2023, total captive iron ore production stood at 98.9 million tonnes whereas non-captive iron ore production at ~161 million tonnes. There were 241 reporting mines (forty-three public sector mines contributed about 41% to total production whereas 59% was share of private sector mines) in 2022-23 as against 255 mines in the previous year.

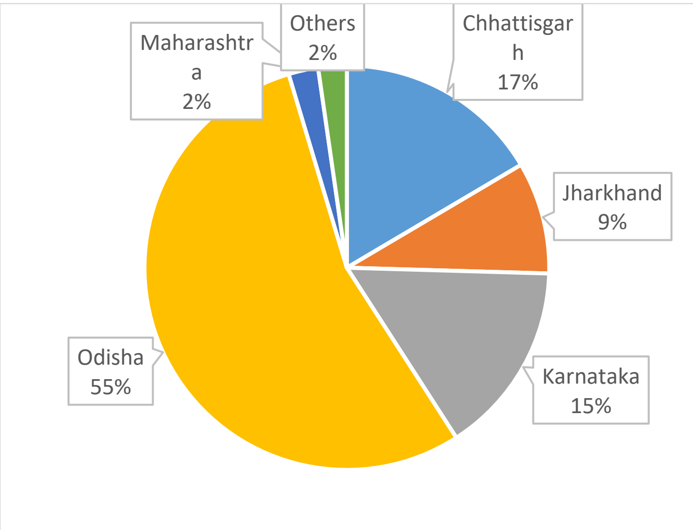
Table 21: Leading iron ore producers in India – FY2024

Captive users of iron ore	Public/private	Production in mt	Merchant miners	Public/private	Production in mt
Tata Steel	Private	42	NMDC	Public	50
SAIL	Public	38	OMC	Public	35
JSW Steel	Private	30	Rungta Mines	Private	22
AM/NS India	Private	11	Vedanta	Private	6
Jindal Steel and Power	Private	8			

Source: Bigmint, ICRA Analytics

Iron ore production in India is dominated by captive users such as Tata Steel, SAIL, JSW Steel, AM/NS India and Jindal Steel and Power, which together form almost 47% of the total iron ore produced. In terms of merchant sales of iron ore, Vedanta is the fourth largest player in India and second largest private player.

Chart 67: Share of states in iron ore production- FY2023



Source: CMIE, ICRA Analytics

The top 5 states iron ore producing states are Odisha, Chhattisgarh, Karnataka, Jharkhand and Maharashtra. It is in the last few years that Goa lost its percentage share as one of the major iron producing state. Going ahead, the rising iron ore prices and healthy domestic and export demand is expected to support the production trend.

8.2.1 CONSUMPTION TREND:

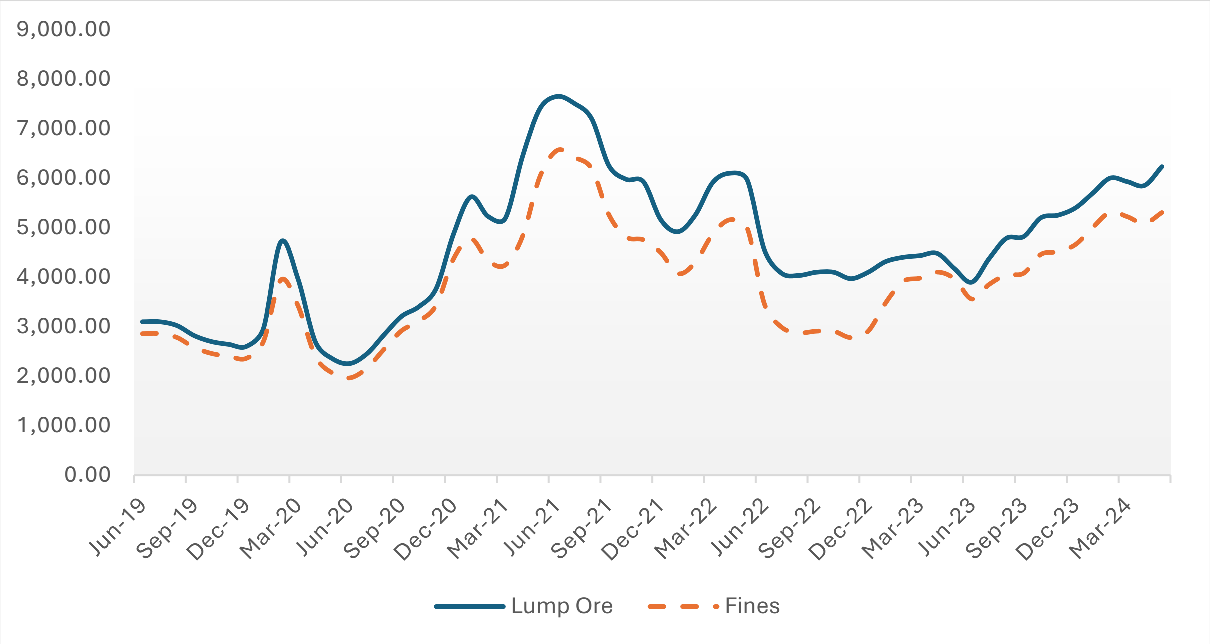
India's iron ore consumption has been on the upward trend over the last one decade due to a rise in the manufacturing of sponge iron and crude steel. Iron ore apparent consumption stood at 235.2 million tonnes in FY2024, marginally down by ~1% compared to 238.5 million tonnes in FY2023 as a result of a spurt in ore exports during the year. The factors driving the iron ore demand in India are increasing steel supply where major steel producers are expanding their capacities and expected increase in the sponge iron production over the next few years.

To meet the consumption requirement, production must be increased. Major miners have laid out plans for development in order to meet the steel mills' growing appetite. As per Bigmint, iron ore production is expected to increase to 305-310 mt in FY2025 owing to expected increase in output by top miners including NMDC, OMC, Tata Steel and JSW Steel.

In terms of long term outlook, robust demand push from the steel industry will drive the iron ore consumption demand. As per the National Steel Policy 2017, to meet the steel capacity target of 300 mt by FY2031, iron ore volumes of close to ~437 mt would be required, which indicates a CAGR growth of ~9.3% from the current level of consumption of 235 mt.

8.2.3 PRICE TRENDS:

Chart 70: Domestic iron ore price trends



Source: NMDC (National Mineral Development Corporation), ICRA Analytics

During FY2022, the prices went up significantly owing to significant uptick in the export demand from China which typically accounts for more than 90% of exports from India. As the prices surged, Government of India on May 2022 raised the export tax on low-grade iron ore lumps and fines (with iron content below 58%) to 50% from 0% and hiked the duties on pellets from 0% to 45% in order to meet rising local demand.

During FY2023, the effect of duty was seen in the price trends where the prices of fines dropped significantly by ~32%. However, as the inflationary pressures eased, the Government scrapped the duties in November 2022. During FY2024, the effect of it can be seen as the average domestic iron ore fines prices went up by ~25% to Rs 4,398/tonnes compared to Rs 3,529/tonnes during FY2023.

8.2.4 INDIA'S COMPETITIVE ADVANTAGE WITH RESPECT TO IRON ORE

Iron ore transportation is an important consideration for a steelmaker as almost 1.6 tonnes of iron ore is required to produce one tonne of steel. Hence, any material volatility in iron prices and freight costs internationally can affect the cost structure of a steel player. Ability of the steelmaker to switch between opportunistic imports and domestic iron ore plays an important role in determining the competitiveness within the industry.

The landed prices of iron ore in India (Fe 63.5%) was trading at around ~Rs 10,124 per tonne during April 2024 compared to NMDC iron ore (Fe 64%) prices of around ~Rs 5,086 per tonne. As the domestic price is almost 50% lower than the imported prices, there is a limited business case for importing iron ore in India. Hence, dependence of steel players on domestic iron ore production is expected to remain high and this will support the demand and prices of iron ore in the medium to long term.

8.2.5 MAJOR GROWTH DRIVERS FOR IRON ORE MARKET

- Iron ore demand will be driven by the anticipated rise in steel demand, which is expected to grow by 9-10% in FY2025 as per ICRA Ratings report. Steel capacity additions of almost 40 mt (which is almost 25% of the existing installed steel capacity in India) between FY2024-FY2027 (largely through the blast furnace technology route) would also act as a medium-term demand driver for iron ore. Since 1.6 tonnes of iron ore is required for making steel, adding 40 mt tonnes of steel capacity would require iron ore volumes of close to ~64 mt in the next three years (assuming entire capacity addition happening through blast furnace route), implying an iron ore consumption growth of 23% by FY2027 from FY2024 levels.

- Exports to China, especially after lifting of export ban in Karnataka in May 2022, provides alternate route in case of buoyancy in international iron ore prices and tepid domestic demand environment. No major steel production cuts announced by China in this year provide additional comfort.

- By the calendar year 2025, Government of India plans to monetize mining assets worth Rs 28,727 crore and 100% FDI allowed via automatic route in mining sector.

- Several initiatives by the Government like Make in India, Gati Shakti Master Plan and other Urban Infrastructure schemes to drive growth for the overall metals and mining sector in India.

9. Steel

9.1 Global Overview:

Steel has been the driving force behind the wheels of industrialization and is a key raw material in building the physical infrastructure of an economy; therefore, its production and consumption are commonly used as indicators of a nation's economic development.

Looking at the global scenario, according to the provisional data released by the World Steel Association (WSA), the world crude steel production remained flat at 1,892 million tonnes (mt) in CY2023. This was aided by a healthy 11.8% growth in India and 5.6% growth in crude steel production reported by Russia. China, India, Japan, United States and Russia continue to be the top 5 producers globally. Notwithstanding a weak demand in China (-3.3%), steel demand remained healthy in India at 14.8% in CY2023 and South Korea (6.7%) and helped limit the decline in global apparent steel consumption to -1.1% in that year.

Table 22: World steel production

Years (in CY)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Steel Production	1,676	1,626	1,635	1,739	1,831	1,880	1,885	1,963	1,890	1,892
y-o-y growth	1.3%	-3.0%	0.6%	6.4%	5.3%	2.7%	0.3%	4.1%	-3.7%	0.1%

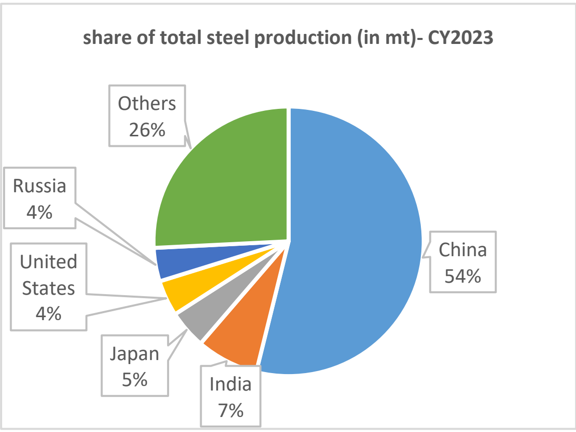
Source: World Steel Association (WSA), ICRA Analytics

Table 23: World finished steel consumption

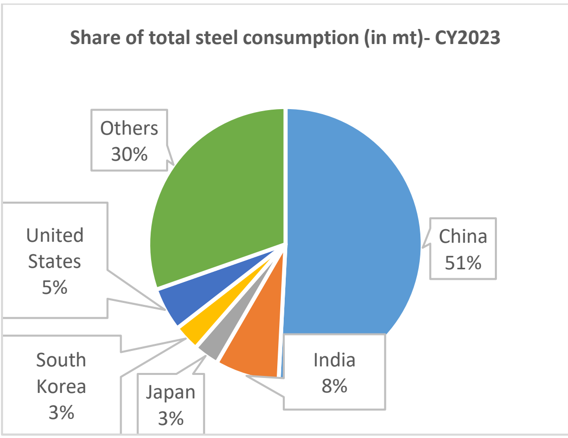
Years (in CY)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E	2025E
Apparent steel consumption	1,550	1,505	1,520	1,633	1,712	1,779	1,790	1,844	1,783	1,763	**1,793**	**1,815**
y-o-y growth (in %)	0.3%	-2.9%	1.0%	7.4%	4.9%	3.9%	0.6%	3.0%	-3.3%	-1.1%	**1.7%**	**1.2%**

Source: World Steel Association (WSA), ICRA Analytics

Chart 71: Percentage share of top 5 countries in global crude steel production and finished steel apparent consumption



Source: World Steel Association (WSA), ICRA Analytics



Source: World Steel Association (WSA), ICRA Analytics

India remains one of the few bright spots in the global steel consumption with a healthy 8.2% growth expected in both CY2024 and CY2025, while most of the top steel producing countries including China, South Korea and Japan are likely to report flattish or declining consumption trends, as per the WSA.

Table 24: Global steel consumption forecast

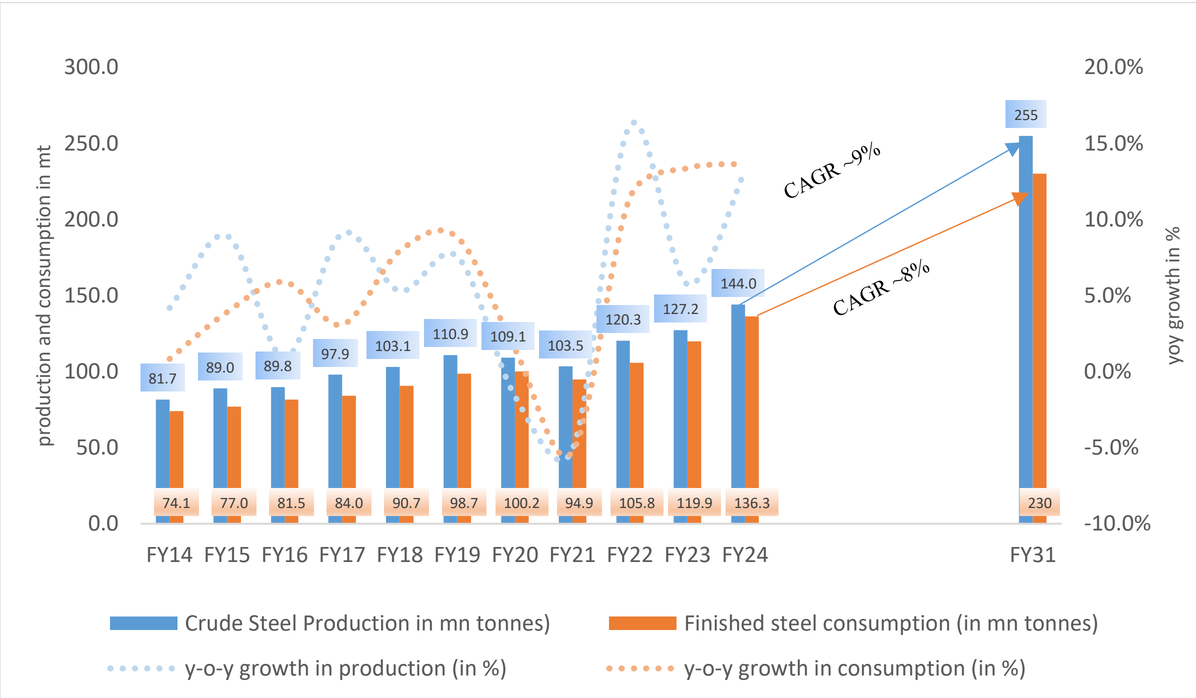
	(in million tonnes)			y-o-y growth (in %)	
Region	**2023**	**2024 (F)**	**2025 (F)**	**2024 (F)**	**2025 (F)**
China	895.7	895.7	886.7	0.0%	-1.0%
India	133.4	144.3	156	8.2%	8.1%
United States	90.5	92.2	94	1.9%	2.0%
South Korea	54.7	54.3	54.4	-0.7%	0.2%
Japan	53.3	53.3	53.9	0.0%	1.1%
ASEAN	73.4	75.9	79.2	3.4%	4.3%
MENA	69.3	72.6	74.8	4.8%	3.0%
EU (27) & UK	136.8	140.7	148.1	2.9%	5.3%

Source: WSA, ICRA Analytics

9.2 Domestic overview:

India is the second largest steel producer in the world with an installed capacity of 160.3 mt in FY2023 as compared to 102.3 mt in FY2014, growing at a CAGR of ~5%. With a strong commitment to advancing the country's economic and infrastructure development, major steel producers in the country are increasing their capacity in India. Backed by a healthy infrastructure spending by the Government and improving private sector participation, India's steel demand growth is the highest among top steel producing countries in the world. Based on WSA's forecast, the country's steel demand is expected to continue to rise at a healthy rate of 8.2% over the years CY2024 and CY2025, on the back of strong demand from all the steel-consuming sectors. India's steel consumption is expected to increase by over 70 mt by CY2025 to 159 mt compared to CY2020 as per WSA.

Chart 72: India's crude Steel production and consumption and on year growth trend



Source: CMIE, ICRA Analytics, National Steel Policy 2017

During FY2015 to FY2024, the crude steel production in India grew at a CAGR of 5.5% from 89 mt in FY2015 to 144 mt in FY2024 and this growth has been aided by the demand pull from end-user industries and increasing domestic availability of raw materials including iron ore. During FY2024, production growth stood at a healthy rate of 13.2% despite two consecutive years of robust growth. The growth was mainly driven by healthy infrastructure and capital expenditure spending by the Government owing to FY2024 being the pre-election year. Going forward, continued infrastructure spending by the government and a rebound in private investment are projected to be the main drivers of growth in India's construction industry. Investments in infrastructure are expected to benefit the capital goods industry as well. Consequently, this will increase the nation's demand for steel.

As per National Steel Policy, 2017, crude steel demand/production is expected to reach 255 mt by FY2031, expectedly growing at a CAGR of ~9% over the next 7 years as compared to 144 mt in FY2024.

During FY2015-FY2024, domestic steel consumption in India has grown at a CAGR of 6.5% from 77 mt in FY2015 to 136.3 mt in FY2024. During FY2024, the consumption went up by 13.6% after registering 11.4% and 13.4% growth respectively in FY2022 and FY2023. According to the ICRA Ratings report, domestic steel consumption growth is expected at ~9-10% in FY2025. While this is a moderation compared to 13.6% growth in FY2024, it remains much higher than the historical CAGR reported by the industry during the last 10 years. Apart from high base, key reason for the moderation in demand in FY2025 is weak global demand and temporary softening in domestic demand due to Union election in Q1.

Key end-user industries for steel in India are construction and infrastructure with a share of 62%, engineering and fabrication at 22%, automotive at 10%, other transport at 3% and packaging & others at 3%. Going ahead in FY31, as per NSP 2017, a minor change in share from end-user industries is expected from automotive sector which would go up to ~12% while construction & infrastructure will come down to 60%.

9.2.1 MAJOR GROWTH DRIVERS OF STEEL IN INDIA:

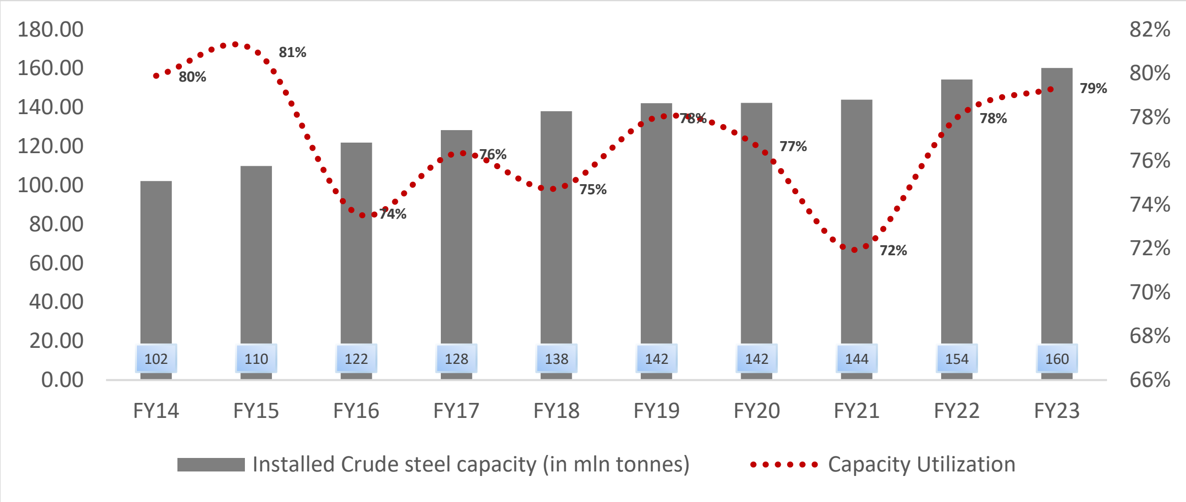
1. **Construction and infrastructure** sectors continue to be the key drivers of growth for the steel industry. In the recent Interim budget, the Government's thrust on infrastructure is reflected in its increase in capex allocations to Rs 11.1 trillion (+16.9% YoY) in FY2025 budget estimates (BE), which augurs well for the sector. As per ICRA Ratings report, after witnessing a strong 18-20% revenue growth in FY2024, construction industry in India is expected to register a revenue growth of 12-15% in FY2025. The transportation (roads, metro, airport, bridges, flyovers) and building (residential, commercial, mixed use, industrial) segments continue to account for over 55% of the order book of the industry. Furthermore, the share of projects in mining, water and energy/power has also witnessed healthy growth in the recent years.

2. **Capital goods** sector has witnessed a multi-year high orderbook position as on December 31, 2023 aided by the healthy momentum in capex outlays in the domestic sector, pick up in investment activity in select export markets like MENA region and the US, as well as increased manufacturing outsourcing by the MNCs from India. Strong order book is likely to be maintained in the near to medium term with private sector capex expected to pick up supported by Government capital outlay, capacity enhancement across sectors, investments towards decarbonization, digitalization and exports demand.

3. **Auto** sector has contributed significantly in boosting steel consumption over the last few years with increasing motorization and urbanization rates and has reported healthy growth rates in the recent past. Passenger vehicle (PV) volumes grew by 6-9% in FY2024 as per ICRA Ratings report and are likely to grow by 3-6% in FY2025 due to waning pent-up replacement demand and elevated inventory levels at dealerships. Commercial vehicle (CV) segment grew by 2-5% in FY2024 but is expected to report a de-growth of 4-7% in FY2025 because of inherent exposure of infrastructure activities to the model code of conduct, ahead of the General Elections and high base effect. Two wheelers (2W) segment grew by 8-11% in FY2024 and supported by rising per capital income and financing availability, it is expected to grow by 7-10% in FY2025. Spurred by Government support in the form of subsidies, enhanced awareness and increasing product launches, the electric vehicle (EV) segment too has seen a material upturn in prospects over the past two years. All these factors bode well for domestic steel consumption in the near-to-medium term.

4. **Steel intensive projects by the Government** including the National Infrastructure Pipeline, new railway corridor (3 new railway corridors have been announced in the budget proposal for 2024-25), NaMo Bharat, metro projects coupled with the conversion of existing 40,000 bogies to Vande-Bharat standards are expected to drive steel demand going forward. There are several other programs such as 'Bharatmala'- which includes development for 34,800 kms of roads, 'Sagarmala'- which covers port-led industrial development covering all martitime-zones in India, Urja Ganga Pipeline project- which aims to develop 15,000 kms gas pipeline network in the country, Atal Mission for Rejuvenation and Urban Transformation (AMRUT)- which aims at providing basic amenities (basic infrastructure, water supply, sewerage and septage management; storm water drainage; green spaces and parks; and non-motorized urban transport) in selected 500 cities and towns across the country. All these ongoing projects are expected to bolster steel production and consumption domestically.

Chart 73: Capacity utilization rates for Indian steel industry



Source: CMIE, ICRA Analytics

The capacity utilization rates for steel industry remained below 80% during FY2015 to FY2023. During FY2024, utilization is expected to be around ~85% on the back of healthy steel demand growth within the country. In the last two years, the installed capacity has increased as major steel producers are increasing their capacity. As per the announcement made by various steel players, almost 40 mt of fresh steel capacity is expected to be added between FY2024 and FY2027, which will take India's installed steel capacity closer to 200 mt mark by the end of FY2027.

The National Steel Policy (NSP) of 2017 aims to achieve a production capacity of 300 mt by FY2031. Over the previous five years, the per capita use of steel has climbed from 74.2 kg in CY2019 to 93.4 kg in CY2023 and is expected to touch 160 kg in FY2031 as per the NSP.

Table 25: Existing crude steel capacity of major steel manufacturers

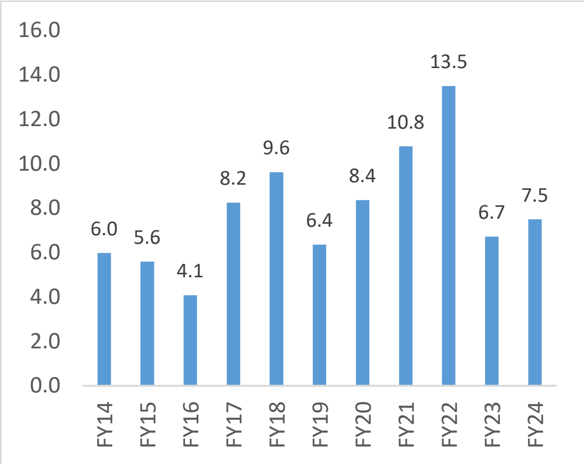
Major steel manufacturers	Crude steel capacity (in mt)
JSW group	25.75
SAIL	20.63
Tata Steel	20.6
AM/NS steel	9.6
JSPL	8.1
RINL- Rastriya Ispat Nigam Ltd	7.3
NMDC Ltd	3.0
ESL Steel Ltd (subsidiary of Vedanta)	1.5

Source: Company reports, ICRA Analytics

ESL Steel Ltd is the 8th largest steel player in the country with a crude steel capacity of 1.5 mtpa.

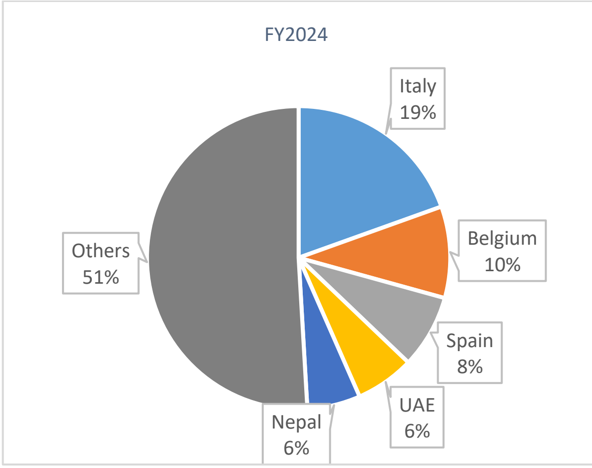
9.2.2 TRADE FLOWS IN STEEL:

Chart 74: Finished steel export (in mt)



Source: CMIE, ICRA Analytics

Chart 75: Top 5 export destinations for India (in mt)



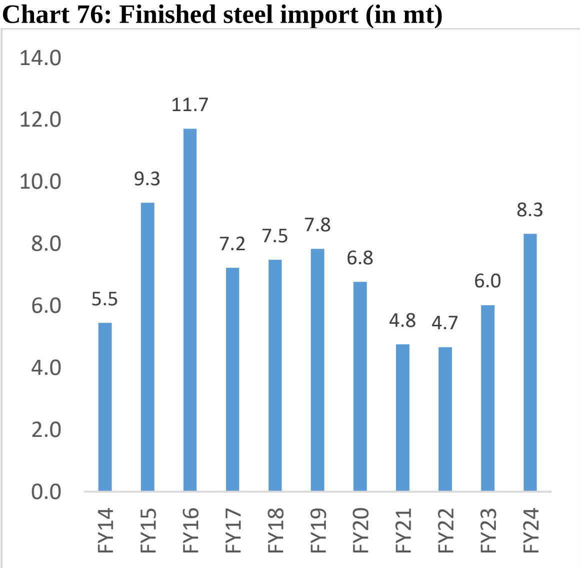
Source: CMIE, ICRA Analytics

India has been a net steel exporter from FY2020 till FY2023. Although FY2023 has been a year of net export but the total exports fell by a significant ~50% on year compared to FY2022 led by imposition of export duty (~15% across range of finished steel) by the Government of India during May 2022 to contain steel prices post the outbreak of Russia-Ukraine conflict. With the removal of export duty in November 2022, exports increased in FY2024 but weak global demand amidst inflationary pressures kept the volumes under check and India became a net steel importer in that year.

The export to top 5 countries during FY2024 have accounted for ~49% of the total exports from India in the year with Italy (~19%) and Belgium (~10%) remaining the top importers of Indian steel. The share of top 5 countries accounted for only ~36% of the total exports 10 years back in FY2015 (indicating the increasing export concentration).

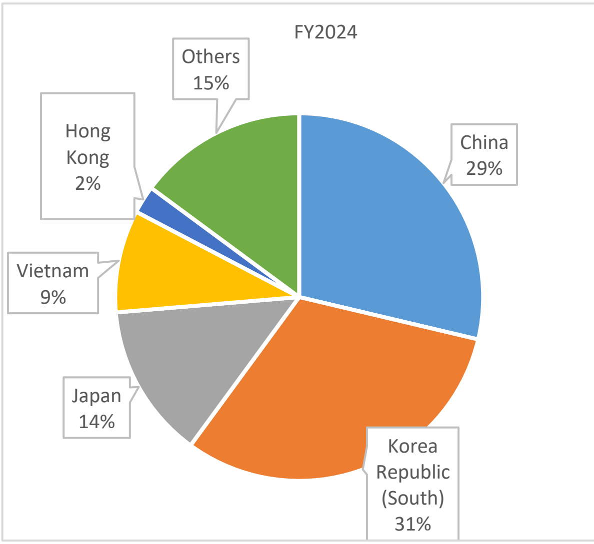
9.2.3 FINISHED STEEL IMPORTS:

Chart 76: Finished steel import (in mt)



Source: CMIE, ICRA Analytics

Chart 77: Top 5 exporting countries to India (in mt)



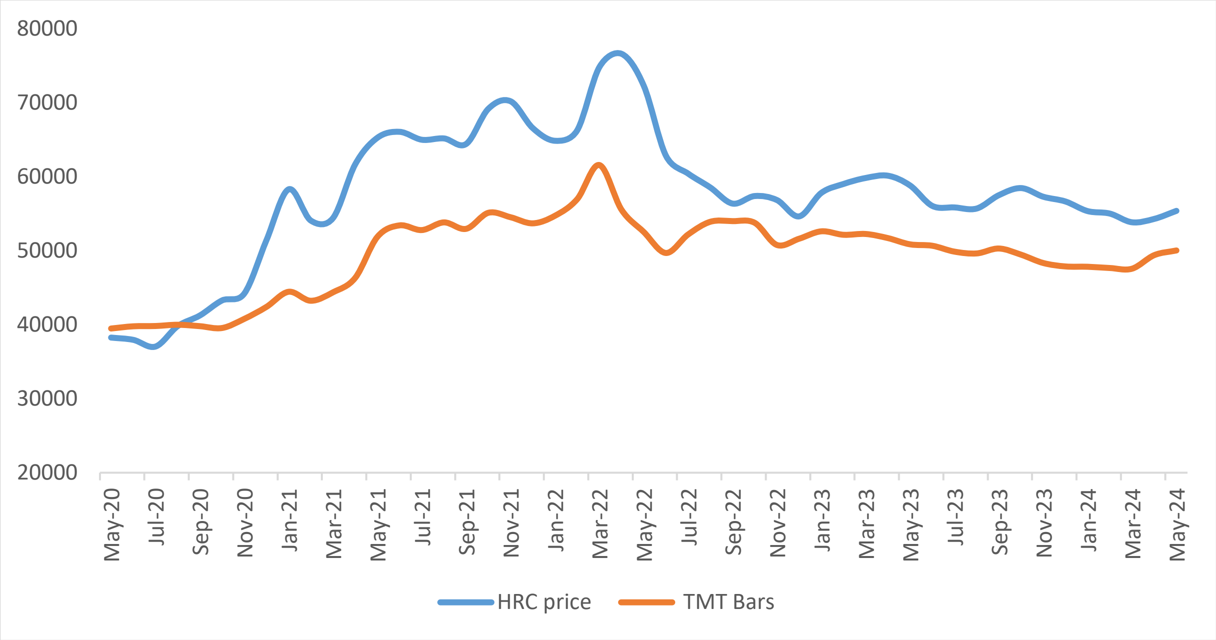
Source: CMIE, ICRA Analytics

The total finished steel imports in the domestic market went up significantly by ~38% to 8.3 mt in FY2024 compared to 6.0 mt in FY2023. FY2024 has been a year of net imports after four consecutive fiscal years of net exports. The import was higher owing to strong demand in the domestic market due to increased pre-election spending in infrastructure and construction activities.

Overall, India's import from China, South Korea and Japan constitutes around ~75% of the total volume imported and this trend has remained largely unchanged historically.

9.2.4 PRICE TRENDS:

Chart 78: Domestic steel price (in Rs/tonne)



Source: CMIE, ICRA Analytics

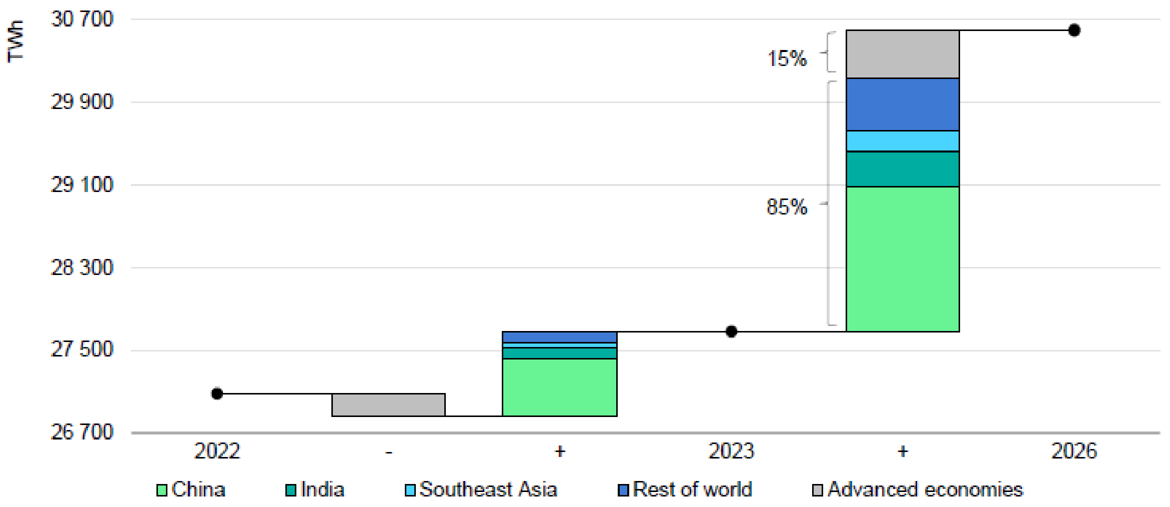
After remaining depressed during the first wave of pandemic, steel prices started witnessing an uptrends following global stimulus and associated liquidity pumped in the economies. Prices touched record highs in April 2022 due to inflationary pressures exerted by the Russia-Ukraine conflict and then started easing due to monetary tightening across the globe and consequent demand slowdown. Consequently, over the last two years, domestic steel prices have remained under check. During FY2024, prices have gone down by ~6% after declining by ~3% in FY2023. Looking at the first two months of FY2025, prices dropped by ~8% to average at Rs 54,849/tonne compared to Rs 59,485/tonne same period last fiscal. With modest growth expectation in China, its steel exports are likely to remain elevated in the near term, which would exert pricing pressures in other economies including India and would keep steel prices range bound in FY2025.

10. Power

10. 1 Global overview:

According to the International Energy Agency (IEA), around 85% of the additional electricity through 2026 is expected to come from outside the Advanced Economies which primarily comprises India and China. India is expected to witness the fastest growth in electricity demand through CY2026 among major economies India's electricity demand is likely to grow above 6% on an average until CY2026 on the back of robust economic activity. IEA projected that over the next three years, India's incremental electricity demand would be roughly equivalent to that of the United Kingdom.

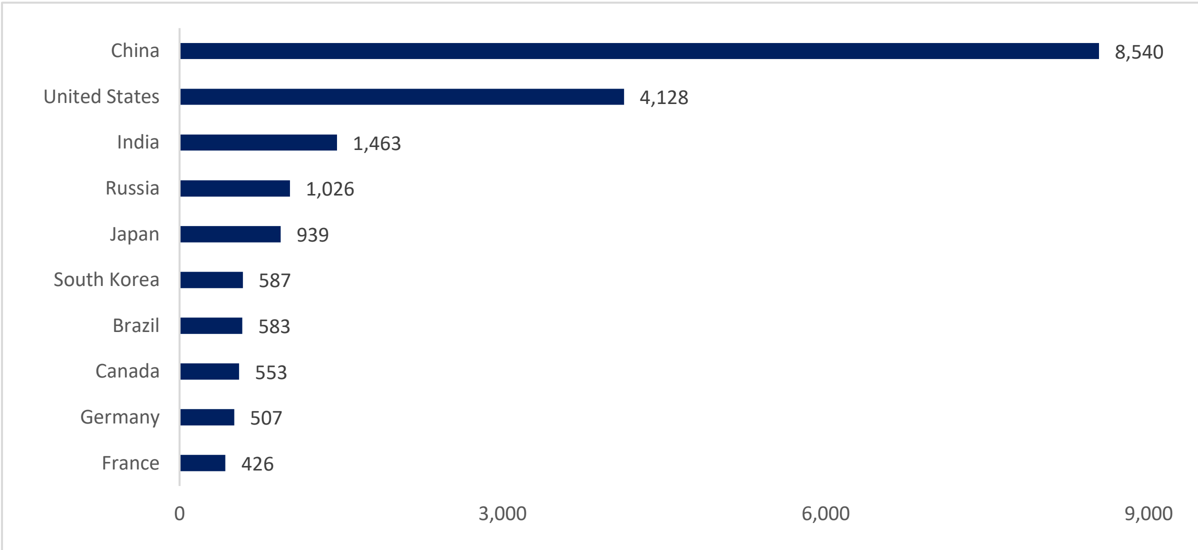
Chart 79: Yearly change in electricity demand across regions



Source: IEA, ICRA Analytics
Note: Advanced economies grouping in this chart excludes Mexico and Turkey

Data from U.S. Energy Information Administration showed that China consumes the most electricity with more than 8,000 terawatt-hours equivalent consumed in 2022. U.S. ranked as the second-leading electricity consumer that year, with over 4,000 terawatt-hours consumed followed by India.

Chart 80: Electricity Net Consumption (billion kWh) for 2022



Source: U.S. Energy Information Administration, ICRA Analytics

10.2 Domestic overview:

10.2.1 Evolution of the Indian Power Sector:

The Indian power sector has witnessed significant transformation over the past decade. Significant strides have been made in enhancing the country's power generation capacity, improving the access to electricity, promoting renewable energy and implementing innovative policies. Some of the achievements and initiatives which propelled India's power sector to new heights are as follows:

1. India's power sector was transformed from power deficit to power surplus by addition of over 175 GW of generation capacity in the past ten years.

2. Around 2.86 crore houses both in rural areas and urban areas were connected with electricity under the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) initiative. According to the International Energy Agency (IEA), this was the fastest expansion of access anywhere in the world in the history of power.

3. The Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) was launched in 2014 which achieved 100% village electrification on April 28, 2018, by electrifying 18,374 un-electrified villages.

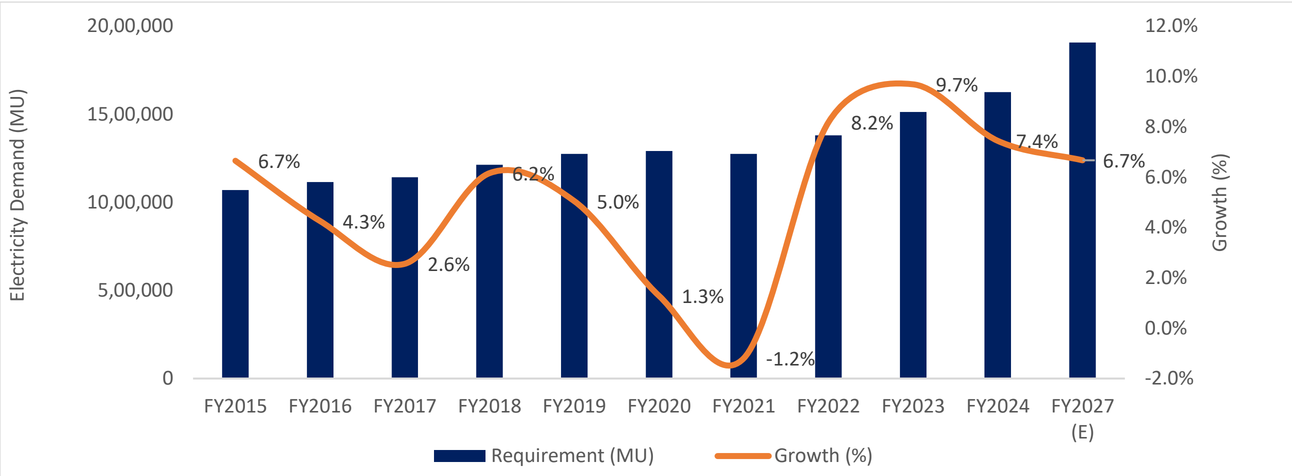
4. The Unnat Jyoti by Affordable LEDs for All (UJALA) scheme helped to lower the procured price of LED bulbs which decreased by almost 90% between 2014 and 2019, from Rs. 310 to Rs. 39.90. More than 36.86 crore LED bulbs have been distributed under this scheme.

5. The Restructured Distribution Sector Scheme (RDSS) focused on reducing technical and commercial losses, improving metering and billing systems, and promoting energy efficiency. As a result, distribution losses of distribution companies were reduced significantly.

10.2.2 Domestic Electricity Demand & Generation:

As per the Central Electricity Authority (CEA), all India electricity demand increased by 7.4% on a yearly basis in FY2024, which can be attributed to delayed onset of monsoons, uneven rainfall across the country and resilient economic activity. According to ICRA Ratings, the demand growth in electricity is expected to remain healthy at 5.5%-6.0% in FY2025. As per the report on twentieth electric power survey of India carried out by CEA, energy requirement for FY2027 is estimated at 19,07,835 MU with a healthy CAGR growth in energy requirement projected at 6.7% between FY2022-27.

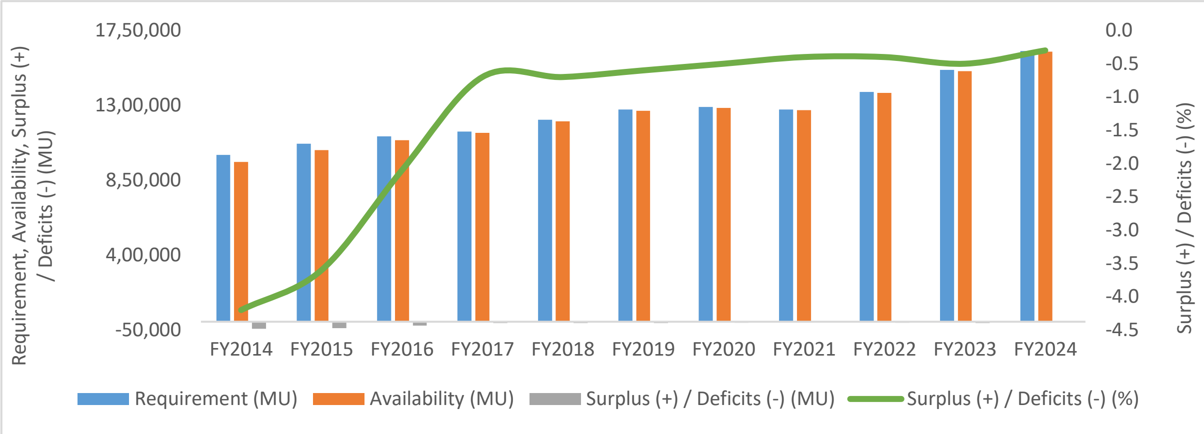
Chart 81: India's Electricity demand



Source: CEA, ICRA Analytics E- Estimated

The power supply position of the country also remained favorable as availability of power was almost in line with power requirement for the last seven years. Deficit level of the country came down to 0.3% in FY2024 as compared to 4.2% in FY2014.

Chart 82: India's Power Supply Position remained favourable

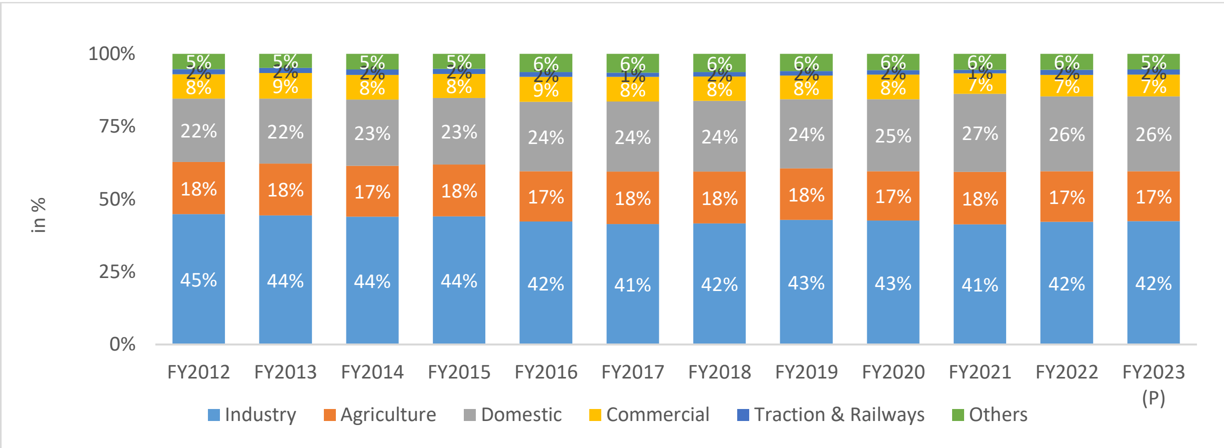


Source: CEA, ICRA Analytics

10.2.2.1 CONSUMPTION OF ELECTRICITY BY SECTORS:

Out of the total consumption of electricity across the years, the industry sector accounted for the largest share followed by domestic and agriculture. These three accounted for more than 80% of the total electricity consumption.

Chart 83: Consumption of Electricity – Sector wise



Source: CEA, ICRA Analytics P - Provisional

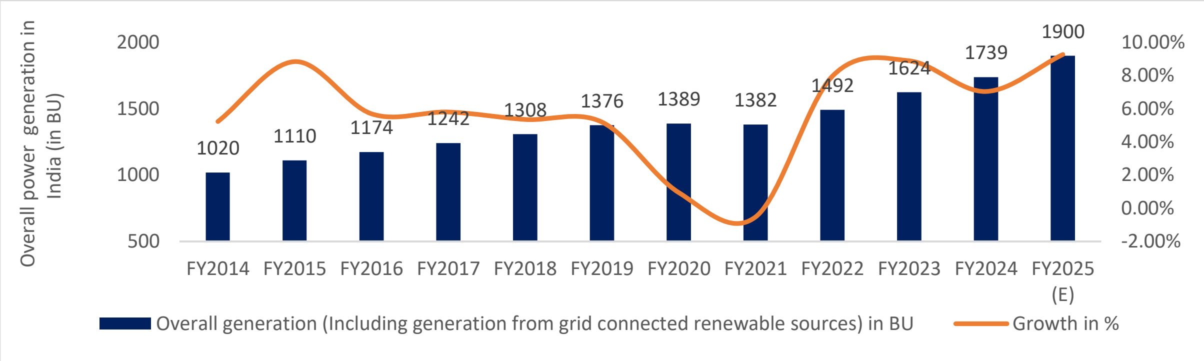
10.2.2.3 HEALTHY GROWTH IN PEAK DEMAND:

The peak demand reached an all time high of 243 GW in FY2024 as against 153 GW in FY2016. The peak demand went up on account of a sharp rise in demand during the summer season, caused by severe heat waves in different parts of the country. Demand growth in Karnataka also contributed to the same following the implementation of the free power scheme of up to 200 units. As per CEA, peak demand requirement for FY2027 is estimated at 2,77,201 MU with a CAGR growth in peak demand projected at 6.4% between FY2022-27.

10.2.2.4 GROWTH IN TOTAL POWER GENERATION:

The Overall generation (Including generation from grid connected renewable sources) in the country has increased from 1110.4 BU during FY2015 to 1739.8 BU during FY2024 with a CAGR of 5%. According to the Ministry of Power, the electricity generation target (Including RE) for the year FY2025 has been fixed as 1900 BU which corresponds to a growth of around 9.3% as compared a growth of about 7.04% in FY2024.

Chart 84: Overall generation (Including generation from grid connected renewable sources) in BU



Source: CEA, Ministry of Power, ICRA Analytics E - Estimated

The performance of Category wise generation during FY2023 is depicted below:

Table 27: Performance of Category wise generation during the year FY2023

Category wise	Growth	Quantum of Growth
Thermal	Increased by	9.95%
Nuclear	Reduced by	4.53%
Hydro	Increased by	17.30%
Bhutan Import	Reduced by	30.05%
Solar Wind & Other RES	Increased by	10.95%
Overall Generation	Increased by	7.04 %

Source: Ministry of Power, ICRA Analytics

10.2.2.5 IMPROVED PLFS DRIVEN BY HEALTHY DEMAND GROWTH:

The all-India thermal PLF rose to 69.07% in FY2024 from 64.15% in FY2023 and 58.87% in FY2022. The improvement was driven by healthy demand growth, limited thermal capacity addition and decline in hydro power generation.

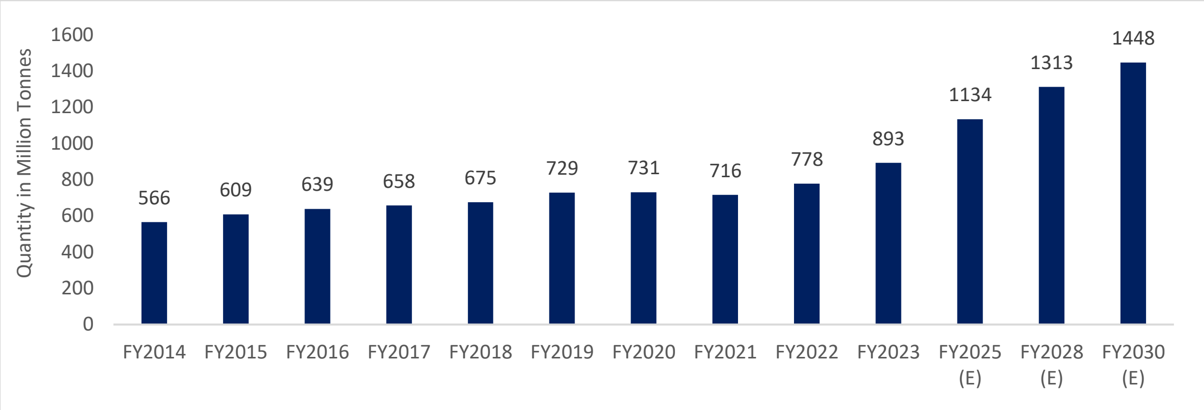
According to ICRA Ratings report, the PLF would remain above 69.0% in FY2025 in line with the demand expectation of 6% and limited thermal capacities getting added during the year. While sustained demand growth may improve the visibility on new PPAs for thermal projects, the growing share of renewable energy in the generation mix may keep the thermal PLFs under pressure over the long term.

10.2.4 COAL SUPPLY TRENDS:

Domestic coal production by Coal India Limited (CIL), Singareni Collieries Company Ltd (SCCL) and captive mines increased by 15% in FY2023 as compared to 9% in FY2022. Production of raw coal by other captive mines grew 36% in FY2023, which contributed to the increase in domestic coal production.

According to the Ministry of Coal, Coal Production is estimated to increase to 1,134 mt in FY2025, 1,313 mt in FY2028 and 1,448 mt in FY2030.

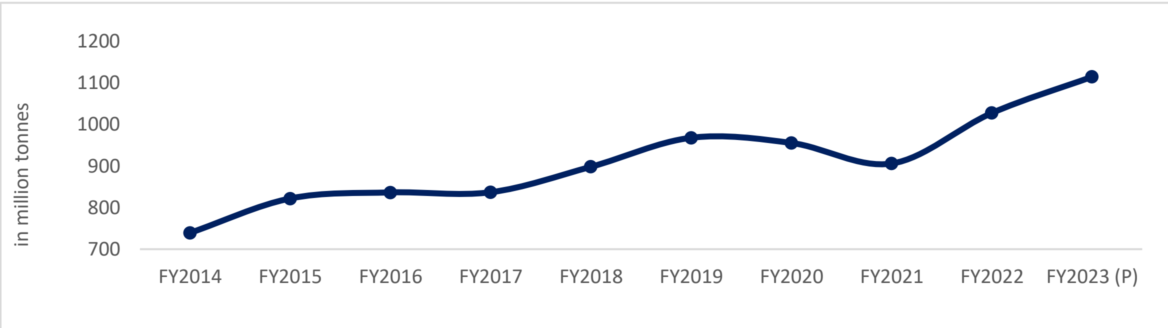
Chart 88: Coal Production during last ten years



Source: Ministry of Coal, ICRA Analytics; Coal Production data covers for CIL, SCCL and captive mines, E -

Coal consumption dipped in FY2020 and FY2021 due to COVID-19 pandemic. However, in FY2022 coal consumption over the year grew 13% and the trend continued in FY2023. According to CEA, India is one of the largest producers and consumer of coal.

Chart 89: Coal Consumption during last ten years



Source: CEA, ICRA Analytics E - Estimate

Electricity Sector remains the biggest consumer of coal, consuming as much as 70.40%. This can be attributed to the growing electricity demand.

10.2.5 Market Drivers:

1. Growing Population

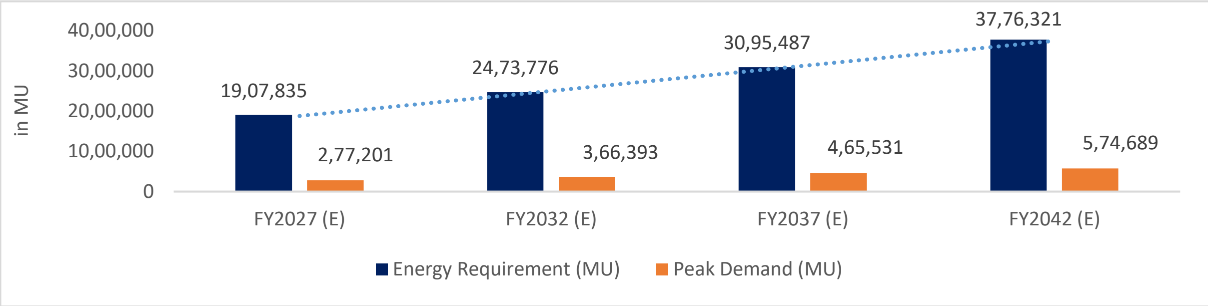
The power sector is expected to benefit in the long run on the back of a growing population and improved growth prospects of the Indian economy. As the population grows and reaps the benefit of a growing economy, demand of electricity is also expected to go up. According to World Bank, India's population is expected to reach 151 crore by 2030, which is a growth of 6% over 2022.

2. Increasing Electric Demand

Increasing electrification and per-capita usage is expected to provide further impetus to the Indian power sector. Per Capita Electricity Consumption in FY2022 was 1255 Kwh which corresponds to an annual gain of 8%.

Summary of electricity demand projection shows that electrical energy requirement and peak electricity demand is expected to go up from the year FY2022 to FY2042 on all-India basis.

Chart 90: Electricity Demand Projection in India



Source: CEA, ICRA Analytics, E-Estimated

3. Improving Economic Activity

According to the International Monetary Fund, growth in India is projected to remain strong at 6.5% in 2025, reflecting continuing strength in domestic demand and a rising working-age population.

4. Increasing Investment

FDI Equity inflow in the domestic power sector grew 40% from Rs. 3,904 core in FY2022 to Rs. 5,483 crore in FY2023 and Rs. 14,141 crore in FY2024. According to World Economic Forum, India is the fourth-largest renewables market globally. With annual investments nearing $10 billion, India is driving the adoption of electric vehicles (EVs) and the production of green hydrogen.

According to the National Electricity Plan, the total fund requirement for the period FY2032 is estimated to be Rs. 19,06,406 crore. The equity and debt requirement for the same period have been estimated as Rs. 4,76,602 crore and Rs. 14,29,805 crore respectively.

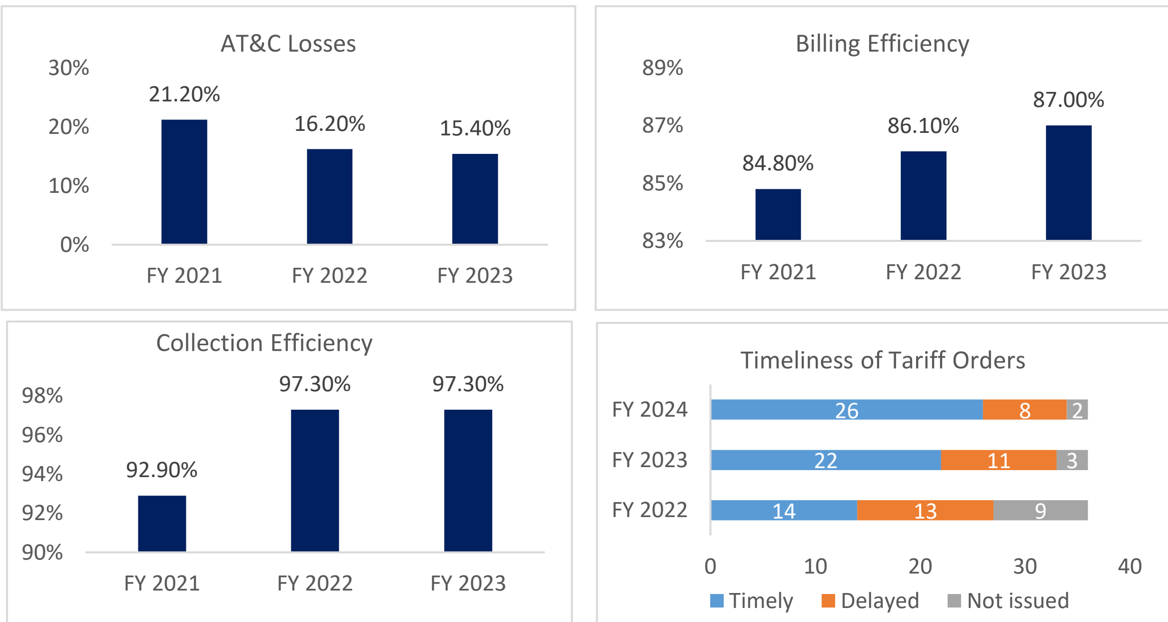
5. Improving efficiency of distribution companies

Billing Efficiency improved as AT&C declined to 15.4%, reaching closer to the national goal of 12-15%. Billing efficiency improvement came on the back of replacement of defective meters, improved vigilance in the prevention of theft, and segregation of agriculture feeders.

Collection efficiency remained at higher levels of 97%, which can be attributed to improving customer collections, through digital payments, rural awareness drives etc.

Timeliness of Tariff Orders also improved in FY2024 as compared to FY2022. Regulatory support in terms of timely tariff orders, automatic pass-through in some states and general increase in tariffs through the regulatory process were some of the factors, which resulted in an increase the National Average Revenue Realized (ARR) per unit energy.

Chart 91: Improving efficiency of distribution companies



Source: Ministry of Power. ICRA Analytics

6. **Higher Loan Sanctions and Disbursements**

Higher loan sanctions and disbursements for the Indian power sector indicates increasing power sector financing in India. The same is expected to go up due to rising demand for power, need for investments to augment its power generating capacities and growing influence of the country as a renewable energy producer.

10.2.6 POLICY SUPPORT:

Policy support for India's power sector is given as follows:

1. **National Policy on Biofuels** - Encourages biodiesel production from non-edible oilseeds, Used Cooking Oil, short gestation crops.

2. **Ultra Mega Power Projects** - Higher thermal efficiency and lower green-house gas emissions to be achieved with the help of Super Critical Technology.

3. **National Bio Energy Programme -** To utilize surplus biomass for power generation.

4. **PLI scheme** implemented for National Program on High Efficiency Solar PV Modules with outlay of Rs. 24,000 crore.

5. **R-APDRP -** Re-structured Accelerated Power Development and Reforms Programme encourages sustained collection of accurate base line data through the establishment of reliable and automated systems and the adoption of IT in the areas of energy accounting.

6. **Loans** - Government considering enhancing priority sector lending limits.

7. **Rooftop solarization** - 1 crore households will be enabled to obtain up to 300 units of free electricity per month as per Union Budget for 2024-2025.

8. Central Electricity Authority notified the **National Electricity Plan for the period of 2022-32**. Share of non-fossil based capacity expected to increase to 57.4% by FY2027.

9. Provided support through grant of funds to install meter on unmetered connections; and installed covered wire in loss prone areas to cut down on theft.

10. **Solar Power (Grid) –** Rs. 8,500 crore allocated to Solar Power (Grid) as per Union Budget 2024-2025.

11. **National Green Hydrogen Mission** – Rs. 600 crore allocated to National Green Hydrogen Mission as per Union Budget 2024-2025.

12. **Smart Meter National Program (SMNP)** for improving the billing and collection efficiencies of Distribution Companies.

13. Introduction of new products in the Exchange for Renewable Energy such as the **Green Day Ahead Market** and the **Green Term Ahead Market**.

14. Government has constructed **Green Energy Corridors** and put in place 13 Renewable Energy Management Centres.

15. **Asian Development Bank** to provide support to India's power sector to assist the transition to clean and renewable energy.

OUR BUSINESS

*Please read "**Presentation of Financial and Other Information – Financial data and other Information**" on page 10 before reading this section. This section should also be read together with "**Risk Factors**", "**Industry Overview**", "**Management's Discussion and Analysis of Financial Condition and Results of Operations**", "**Selected Financial Information**" and "**Financial Information**" on pages 48, 131, 96, 40 and 296, respectively.*

*This section contains forward-looking statements. Actual results of our Company and our Subsidiaries may differ materially from those expressed in or implied by these forward-looking statements. See "**Forward-Looking Statements**" on page 16 for a discussion of the risks and uncertainties related to those statements and "**Risk Factors**" on page 48 for a discussion of certain factors that may affect our business, financial condition, results of operations or cash flows.*

Unless stated or the context requires otherwise, all financial information is presented on a consolidated basis, and such financial information contained in this Preliminary Placement Document as at and for the year ended March 31, 2024 is derived from the Fiscal 2024 Audited Consolidated Financial Statements, financial information as at and for the year ended March 31, 2023 is derived from comparatives presented in Fiscal 2024 Audited Consolidated Financial Statements and financial information as at and for the year ended March 31, 2022 is derived from the comparatives presented in Fiscal 2023 Audited Consolidated Financial Statements.

*Certain information in this section includes extracts from a report by ICRA Analytics Limited titled 'Industry Overview Report for Vedanta Ltd.' dated July 5, 2024 (the "**ICRA Report**"), which has been exclusively commissioned and paid for by us in connection with this Issue. The relevant industry sources are indicated at all relevant places within this section. For more information, see "**Risk Factors — Risks Relating to Business — 37. Third party statistical and industry related data in this Preliminary Placement Document may be incomplete or unreliable and any reliance on such information for making an investment decision in this Issue is subject to inherent risk.**" on page 64. None of our Company, the Book Running Lead Managers or any other person connected with the Issue has independently verified all the information contained in the ICRA Report.*

Overview

We are a globally diversified natural resource group engaged in exploring, extracting and processing minerals and oil and gas. We are the largest aluminium producer in India accounting for approximately 56.5% of the overall smelting capacity in the country and are the second largest producer of zinc and the third largest silver producing company in the world (*Source: ICRA Report*). We have operations in India, Namibia, Ireland, South Africa, Liberia, UAE, Japan, South Korea and Taiwan. This geographical reach and diverse portfolio of commodities allows us to capitalise on regional market demands and economic strengths.

Our Group is primarily engaged in the following businesses: (i) aluminium ("**Aluminium Business**"), (ii) zinc, lead and silver ("**Zinc, Lead and Silver Business**"), (iii) oil and gas ("**Oil and Gas Business**"), (iv) copper ("**Copper Business**") (v) iron ore ("**Iron Ore Business**"), (vi) steel ("**Steel Business**") and (vii) commercial power generation ("**Commercial Power Generation Business**").

(i) <u>*Aluminium Business*</u> – Our Aluminium Business is the largest aluminium producer in India and accounts for approximately 56.5% of the overall smelting capacity in the country (*Source: ICRA Report*), with present installed capacity of 2.4 mtpa aluminium capacity. We have a market share of approximately 45% in producing primary aluminium sector in India (*Source: ICRA Report*). Our Aluminium Business is conducted by our Company in Odisha and also through our Subsidiary, Bharat Aluminium Company Limited ("**BALCO**"), in Chhattisgarh, India. Our Company's operations include 1.8 mtpa smelter at Jharsuguda in Odisha, an alumina refinery at Lanjigarh and captive power plants. BALCO's operations include the Chotia coal block, a 1,410 MW captive power plant, a 245 ktpa aluminium smelter, a 325 ktpa aluminium smelter and the fabrication facilities in Chhattisgarh.

(ii) <u>*Zinc, Lead and Silver Business*</u> – Our Zinc, Lead and Silver Business comprises operations in India ("**Zinc India**") and outside India ("**Zinc International**"). Our Zinc India Business is conducted through our Subsidiary, Hindustan Zinc Limited ("**HZL**"). HZL is the second largest producer of zinc and the third largest silver producing company in the world (*Source: ICRA Report*) and has five zinc-lead mines at the Agucha, Kayad, Sindesar Khurd, Dariba and Zawar facilities in Rajasthan. Our Zinc International Business is conducted through several subsidiaries, namely THL Zinc Namibia Holdings Limited and its subsidiaries ("**Skorpion**") in Namibia, Vedanta Lisheen Holdings Limited and its subsidiaries ("**Lisheen**") in Ireland and Black Mountain Mining Pty Ltd ("**Black Mountain Mining**") in South Africa. In Fiscal Year 2024, Zinc India produced 817 kt of zinc, 216 kt of lead and 746 tonnes of silver, while Zinc International produced 208 kt of metal-in-concentrate.

(iii) *Oil and Gas Business* – Our Oil and Gas Business is conducted by our Company and its Subsidiary, Cairn Energy Hydrocarbons Limited ("**CEHL**"). We contributed approximately 25% of India's domestic crude oil production during Fiscal Year 2024 (*Source: ICRA Report*). Our Oil and Gas Business produced 46.7 mmboe of gross operated production in Fiscal Year 2024 across its diversified asset base of 62 blocks in India. The blocks are primarily located across the Indian basins in Barmer, Krishna-Godavari, Cambay, Assam, Gujarat Kutch and Cauvery.

(iv) *Copper Business* – Our Copper Business comprises operations in India and the UAE. Our Copper Business in India is conducted by our Company and its business in the UAE is operated by its Subsidiary, Fujairah Gold FZC ("**Fujairah Gold**").

(v) *Iron Ore Business* – Our Iron Ore Business comprises operations in India and Liberia. We are one of the leading iron ore producers in India in Fiscal Year 2024 (*Source: ICRA Report*). Our Iron Ore Business is conducted by our Company in Goa and Karnataka, India and our Iron Ore Business in Liberia is conducted through our Subsidiary, Western Cluster Limited ("**WCL**").

(vi) *Steel Business* – Our Steel Business is conducted through our Subsidiary, ESL Steel Limited ("**ESL**"). ESL's manufacturing facility is a greenfield integrated steel plant located near Bokaro, Jharkhand, India, which has a current capacity of 1.7 mtpa.

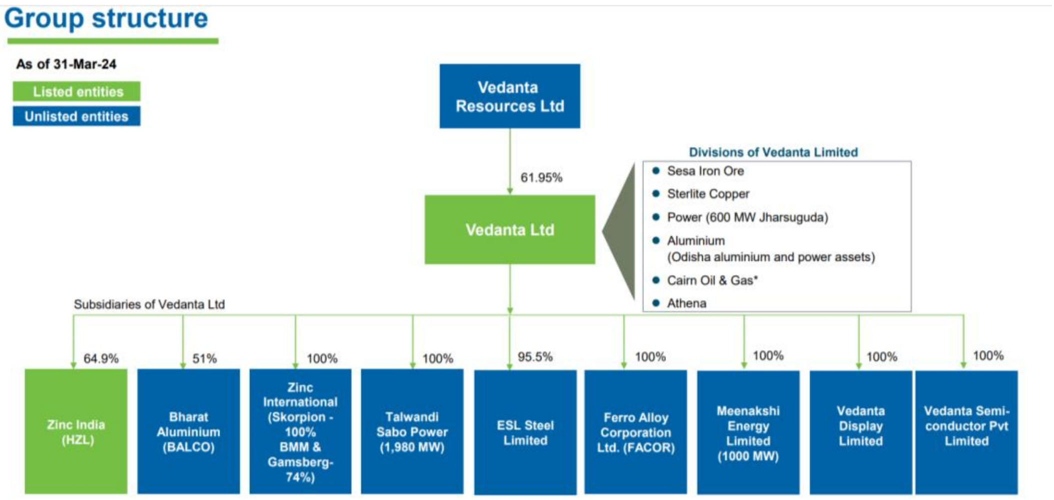
(vii) *Commercial Power Generation Business* – Our Commercial Power Generation Business is primarily conducted by our Company and our Subsidiary, Talwandi Sabo Power Limited ("**TSPL**"). Our Commercial Power Generation Business has power purchase agreements ("**PPAs**") in place with public utilities involved in power distribution for 2,580 MW of our merchant capacity.

For Fiscal Years 2022, 2023 and 2024, we reported revenue from operations of ₹131,192 crore, ₹145,404 crore and ₹141,793 crore, and EBITDA of ₹45,319 crore, ₹35,241 crore and ₹36,455 crore, respectively.

In this section Revenue from Operations for Aluminium Business, Zinc India Business, Zinc International Business, Oil and Gas Business, Copper Business, Iron Ore Business and Power Business (Commercial Power Generation business) represents External Revenue of the Respective Business Segments as per Ind AS 108 - Operating Segments.

Group Structure

The following chart depicts our Group's corporate structure as of March 31, 2024. We own other subsidiaries that are not material and are not shown in the chart below.



Proposed Demerger

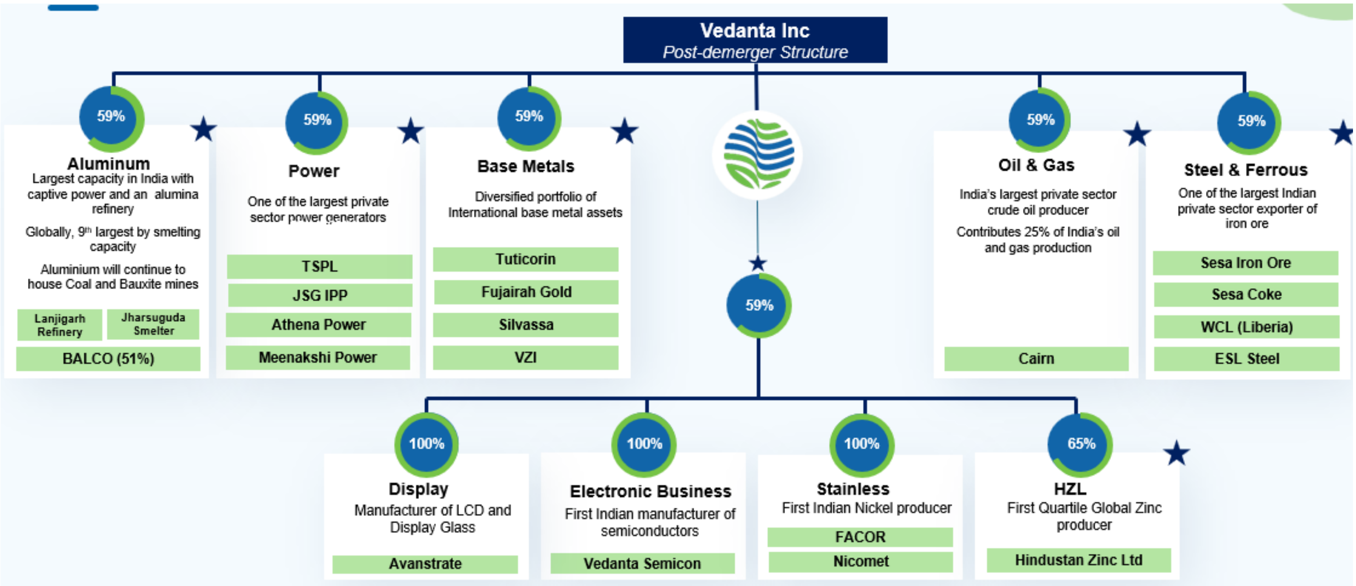
On September 29, 2023, we announced our plan to demerge our business units into independent companies (the "**Proposed Demerger**"), namely:

- Our Company, comprising our Zinc India Business, our semiconductor business, our display business and our ferrochrome and nickel businesses (i.e., Ferro Alloys Corporation Limited and Nicomet);
- Vedanta Aluminium, comprising our Aluminium Business (including the 51% stake in BALCO);
- Vedanta Oil and Gas, comprising our Oil and Gas Business;

- Vedanta Base Metals, comprising our downstream Copper Business and Zinc International;
- Vedanta Iron and Steel, comprising our Iron Ore Business and our Steel Business; and
- Vedanta Power, comprising our Commercial Power Generation Business (including Athena Chhattisgarh Power Limited and Meenakshi Energy Limited).

The Proposed Demerger is planned to be a simple vertical split, for every one share of our Company, shareholders will additionally receive one share of each of the five newly listed companies. The composite scheme of arrangement was approved by the board of directors of our Company on September 29, 2023 and in furtherance to that, our Company filed (seeking no objection letter) with both BSE Limited and National Stock Exchange of India Limited on October 20, 2023. Once these the necessary observation letters are received, our Company will subsequently file the Proposed Demerger scheme with the NCLT.

The Proposed Demerger aims to, *inter alia*, create independent global scale companies focusing exclusively on mining, production and/or supply of aluminium, iron ore, copper, oil and gas and on generation and distribution of power and exploring new opportunities and taking advantage of the growth potential in the respective sectors, attract different sets of investors, strategic partners, lenders, and other stakeholders enabling independent collaboration and expansion in the respective companies without committing the existing organisation in its entirety and enable investors to separately hold investments in businesses with different investment characteristics thereby enabling them to select investments which best suit their investment strategies and risk profiles.



Production release for the first quarter ended June 30, 2024

On July 3, 2024, we announced our production release for the first quarter ended June 30, 2024. A summary of the production release is included as "***Annexure D – Production Releases for the First Quarter ended June 30, 2024***" on page 774.

Strengths

1. ***Long-life and diversified asset base.***

We have an extensive and diverse portfolio, which is characterised by global cost leadership in several core businesses superior margins and free cash flow generation across commodity cycle. Our commodity mix, focused on base metals and oil, and strong fundamentals and demand further gives resilience to our business.

Our Company operates a 1.8 mtpa smelter in Jharsuguda and our subsidiary, BALCO, operates a further 0.6 mtpa smelter. Our Aluminium Business is the largest aluminium producer in India and accounts for approximately 56.5% of the overall smelting capacity in the country (*Source: ICRA Report*). Our Aluminium Business is also equipped with captive power plants and an alumina refinery at Lanjigarh. With ongoing investments in capacity creation and efforts for structural cost reduction and operational efficiency, we continue to reinforce our cost competitiveness. HZL's Rampura Agucha mine is the largest zinc mine globally on a production basis and its Chanderiya zinc smelter is the third largest smelter globally on a production basis (*Source: Wood Mackenzie*), and the Sindesar Khurd mine now stands as the second largest silver producing mine globally (*Source: ICRA Report*). The overall mine life for Zinc International is more than 20 years and Zinc India has a mine life of more than 25 years. Our Oil and Gas Business produced 46.7 mmboe of gross operated production in Fiscal Year 2024 across its diversified multi-locational asset bases in India. As at March 31, 2024, our Oil and Gas Business has a net working interest proved plus probable reserves and 2C resources of 998 mmboe. HZL is the second largest producer of zinc and the third largest silver producing company in the world (*Source: ICRA Report*). Our Iron Ore Business is also one of the leading iron ore producers in India in Fiscal Year 2024 (*Source: ICRA Report*), where we operate two metallurgical coke plants and a pig iron plant with an installed rated capacity of 522 ktpa, 120 ktpa and 950 ktpa, respectively, in Goa and Maharashtra.

We also recently venture into new greenfield businesses such as semiconductor and display production to further diversify our portfolio. In 2022, we incorporated Vedanta Semiconductors Private Limited and Vedanta Displays Limited to spearhead our foray into semiconductors and display glass respectively.

2. ***Well-placed to contribute and capitalise on India's high growth markets and benefit through the cycle with an attractive commodity mix.***

We primarily operate in India, and have invested in building the necessary facilities, networks, and systems in both countries to extract and process minerals effectively. Having existing operations also means we are familiar the local operational landscape, including regulatory affairs, supply chains, and community relations, which can help mitigate risks and challenges. India remains the fastest growing economy globally. It witnessed a rise in growth rate from approximately 7% in 2022 to approximately 7.8% in 2023 and the country is projected to grow by approximately 6.8% in 2024 and approximately 6.5% in 2025 (*Source: ICRA Report*). The industry and services sector demonstrated strong performance, acting as the primary growth drivers of Fiscal Year 2024 (*Source: ICRA Report*). India also recorded the highest growth in this period among major advanced and emerging economies and, as per IMF, it is possible for India to become the third-largest economy by the year 2027 (*Source: ICRA Report*).

The global primary aluminium consumption has grown marginally in the past two years, up by 1.0% and 0.7% during 2023 and 2022 to 69.9 mt and 69.2 mt respectively (*Source: ICRA Report*). Global demand for aluminium in China grew by 5.5% on year in 2023 while demand in world (excluding China) fell by 5.2% owing to weaker macroeconomic scenario (*Source: ICRA Report*). Furthermore, India is currently the fastest-growing developing economy globally, witnessing a surge in construction activities and infrastructure development, which rapid growth has significantly increased the demand for aluminum and has contributed to the overall market expansion (*Source: ICRA Report*). Going ahead in Fiscal Year 2025, India's aluminium consumption is likely to witness a growth of approximately 10% on the back of sustained demand from renewables, defence, aerospace, electronics and appliances (*Source: ICRA Report*).

Zinc demand went up by 1.3% in 2023 to 13.6 mt from 13.4 mt in 2022 led by strong demand pull from India and China while weakness in United States, Europe, Taiwan and Japan moderated the overall global demand in 2023 (*Source: ICRA Report*). Global demand is expected to reach 13.96 mt in 2024, up by 1.8% with main contributors to this growth projected to be India, Italy, Japan, Southeast Asia, South America, and the Middle East (*Source: ICRA Report*). Global silver demand is expected to increase by approximately 2% in 2024, due to continued increase in demand pull from the industrial applications and expected recovery in jewelry and silverware demand led by higher discretionary spending and restocking, and India is anticipated to make the largest contribution, partly due to the resumption of restocking by retailers (*Source: ICRA Report*).

The growing global population is a significant driver of exploring the energy reserves in order to meet its energy demand requirements. The demand for primary fuels is also likely to increase in the long term with the exception of coal, where oil demand is likely to witness strong growth while natural gas demand is set to increase by 19.9 mboe/d over the outlook period, reaching 87 mboe/d in 2045 (*Source: ICRA Report*). India, other Asia, China, Africa, and the Middle East are expected to contribute the most to the increase in non-OECD oil demand (*Source: ICRA Report*). Over the course of the anticipated period, India's oil demand will increase by 6.6 mb/d (*Source: ICRA Report*).

Iron ore is a key ingredient for the manufacturing of steel and pig iron. The market for iron ore mining has grown from 2,450 mt in 2019 to 2,544 mt in 2023 registering a compound annual growth rate of 0.9% over the last five years (*Source: ICRA Report*). India's iron ore consumption has been on the upward trend over the last one decade due to a rise in the manufacturing of sponge iron and crude steel; however, the iron ore apparent consumption stood at 235.2 million tonnes in Fiscal Year 2024, marginally down by approximately 1% compared to 238.5 million tonnes in Fiscal Year 2023 as a result of a spurt in ore exports during the year (*Source: ICRA Report*).

Our Group has a strong market share in India in these key commodities, where it has a long history of established operations and experience in the country. Our Aluminium Business has a significant market share of approximately 45%

in producing primary aluminium sector in India and account for approximately 56.5% of the overall smelting capacity in the country (*Source: ICRA Report*). HZL is the market leader for zinc, with a significant approximately 75% market share (in domestic consumption terms) and ranked as the second largest producer of zinc in the world (*Source: ICRA Report*). It is also the leading producer of refined lead in India with a market share of approximately 66% during Fiscal Year 2024 (*Source: ICRA Report*). HZL is the only primary silver producer in India and is the third largest silver producing company in the world with a market share of approximately 3% globally (*Source: ICRA Report*). Meanwhile, our Oil and Gas Business contributed approximately 25% of India's domestic crude oil production during Fiscal Year 2024 (*Source: ICRA Report*). We are also one of the leading iron ore producers in India in Fiscal Year 2024 (*Source: ICRA Report*).

3. *Proven track record of operational excellence with high productivity and consistent utilisation rates.*

Our Group has a track record of consistently delivering production growth across its assets. We prioritise adding to our reserves and resources at a faster rate than depletion through a focused approach on their drilling and exploration programme. We ensure this through disciplined approach to development, ensuring steady production growth across operations while prioritising efficiency and cost savings. We further leverages our management team's extensive sectoral and global experience alongside investments in digitalisation, automation and vertical integration to operate efficiently and responsibly. We have adopted digital solutions to enhance mining operations.

Our Group also focuses on operational efficiencies to drive sustainability performance. For example, our Aluminium Business has been able to achieve near 100% capacity utilisation with record aluminium production in Fiscal Year 2024 at 2.37 mt (*Source: ICRA Report*).

We are committed to reducing our carbon footprint. Our Aluminium Business, for example, has the lowest emission intensity at 16.6 MT Co2e/MT of aluminium produced compared to peers (*Source: ICRA Report*). In December 2020, we signed a declaration on climate change by pledging to move towards carbon neutrality at the Second India CEO Forum on Climate change as part of our carbon vision programme to substantially decarbonise by 2050. See also "***Our Business – Sustainability***" on page 211 for more details.

4. *Strong financial metrics and return on capital employed.*

Our Group has a track record of delivering consistent growth across all financial parameters, driven by sustained investment in new capacities and operational efficiencies, which have strengthened its financial foundation. Despite market volatilities, we have maintained a consistent performance. Our revenue from operations, profit after tax for the period before share in profit/(loss) of jointly controlled entities and associates, EBITDA, return on equity ratio, return on capital employed, return on investment, total assets, total equity, changes in working capital and free cash flow for Fiscal Years 2022, 2023 and 2024 are highlighted in the table below:

	Fiscal Year		
	2022	**2023**	**2024**
	(₹ crore, unless otherwise stated)		
Revenue from operations	131,192	145,404	141,793
Profit after tax for the period before share in profit/(loss) of jointly controlled entities and associates	23,709	14,506	7,537
EBITDA	45,319	35,241	36,455
Return on equity ratio (%)(1)	30	22	11
Return on capital employed (%)(2)	35	25	27
Return on investment (%)(3)	1.24	0.58	1.72
Total Assets	198,382	195,377	190,807
Total Equity	82,704	49,427	42,069
Changes in working capital	(4,766)	4,599	1,552
Net cash generated from operating activities	34,963	33,065	35,654
Free cash flow(4)	21,715	18,077	11,427

Note:

(1) Net profit after tax before exceptional items (net of tax) / average equity
(2) Return on capital employed is defined as a ratio of earning before interest and tax over the average capital employed, where (i) earning before interest and tax = EBITDA – depreciation and amortisation, and (ii) capital employed = net debt + total equity.
(3) Income from investments carried fair value through profit and loss/average current investments.
(4) Includes foreign exchange movements.

Strategy

1. ***Augment reserves and resources base.***

We look at ways to expand our reserves and resources base through targeted and disciplined exploration programmes, including bidding and acquiring mineral blocks. Our exploration teams aim to discover mineral and oil deposits in a safe and responsible way and to replenish the resources that support future growth. For example, during Fiscal Year 2024, additions of 12.7 million tonnes were made to reserve and resource, prior to depletion at Zinc India, and additions of 6.7 million tonnes of ore were made to reserve and resource after depletion at Zinc International. Specifically, the total reserves and resources of Zinc India is up by approximately 35% in the last five years, with an increase of 118 million tonnes, considering production of 6.51 million tonnes during the same period.

In 2017, the GoI launched the Open Acreage Licensing Programme ("**OALP**") along with the National Data Repository ("**NDR**") with an aim to accelerate exploration and production activities in India (*Source: ICRA Report*). Presently, we have 46 blocks under the OALP. These blocks offer a rich conventional and unconventional resource play. Furthermore, our Oil and Gas Business has won two discovered small fields in DSF Round II bid named as Hazarigaon and Kaza gas field located in Assam and Krishna-Godavari basins respectively. During Fiscal Year 2023, our Oil and Gas Business secured further eight blocks in the DSF Round III bid and one block in special coal bed methane round bid in 2021.

2. ***Optimise Group structure.***

Our Group is focused on simplifying its group structure and has undergone various re-organisations, consolidations and mergers in an effort to increase revenues, combine talent and technology, reduce cost and implement effective management. More recently, we announced the Proposed Demerger. The Proposed Demerger aims to, inter alia, create independent global scale companies focusing exclusively on mining, production and/or supply of aluminium, iron ore, copper, oil and gas and on generation and distribution of power and exploring new opportunities and taking advantage of the growth potential in the respective sectors, attract different sets of investors, strategic partners, lenders, and other stakeholders enabling independent collaboration and expansion in the respective companies without committing the existing organisation in its entirety and enable investors to separately hold investments in businesses with different investment characteristics thereby enabling them to select investments which best suit their investment strategies and risk profiles. See the section entitled "***— Proposed Demerger***" on page 190 for more information.

As part of our Group's ongoing objective of optimising its capital structure and shareholding in its subsidiaries, we may look to raise financing (debt and/or equity) in order to recalibrate such capital structure and increase our shareholding in one or more subsidiaries. We may also combine our organic growth of operations with the strategy of selectively making acquisitions in attractive businesses to complement our existing operations, to align those acquisitions with our expansion strategies, and to increase our revenues and profits.

3. ***Committed to environmental, sustainability and corporate governance leadership in the natural resources sector.***

Our Group is committed to conducting its business in a socially responsible, ethical and environmentally friendly manner and continue working towards improving the quality of life of the communities in its operational areas. We believe that we can positively impact and contribute to the realisation of integrated and inclusive development of the country, with programs impacting the overall socio-economic growth and empowerment of people. See also "***– Sustainability***" on page 211 for more details. Our sustainability framework guides to ensure a long-term, sustainable future for our business operations, meeting growth aspirations, and creating long-term value for all stakeholders.

Additionally, through its philanthropic arm, Anil Agarwal Foundation, our Group has impacted over 50 million lives and pledged ₹50 billion over next five years to strengthen the rural communities through a sustainable and inclusive growth model. The aim is to transform communities by providing nutrition and healthcare to 100 million women and children by 2030.

4. ***Focus on digitalisation and innovation to drive efficiency and resilience.***

We continue to focus on operational excellence and high asset utilisation to ensure cost efficiency, performance and consistent cash flows. We have been adopting a digital-first culture that ensures sustained technology innovation and digital literacy of the entire workforce.

5. ***Optimise capital allocation and maintain strong asset base.***

   A key strategic priority for us is to maintain and grow cash flow through disciplined approach on capital allocation towards capital expenditure and operating expenditure; along with disciplined management of working capital. Despite low commodity prices recently, we continued to deliver consistent EBITDA and free cash flows through a strong focus on our cost optimisation plan. As our Group continues to ramp up its portfolio of diversified, low-cost and well-invested assets, we expect to generate significant organic free cash flow with minimal remaining capital expenditure.

Description of the Businesses

(i) Aluminium Business

Introduction

We operate our Aluminium Business in Chhattisgarh (through BALCO) and Odisha, with plants located close to rich coal and bauxite reserves. Our Aluminium Business is the largest aluminium producer in India and accounts for approximately 56.5% of the overall smelting capacity in the country (*Source: ICRA Report*), with present installed capacity of 2.4 mtpa aluminium capacity.

Our Company has a 51.0% ownership interest in BALCO as of March 31, 2024 and the remaining 49.0% is held by the GoI. Our Group had exercised its option to acquire the GoI's remaining 49.0% ownership interest which was disputed by the GoI and the matter is currently pending before the High Court of Delhi. See the section entitled "***Legal Proceedings — Litigation by our Company – Material Civil Litigation***", on page 280, for more information. BALCO's aluminium operations are comprised the Chotia coal block, a 1,410 MW captive power plant, a 245 ktpa aluminium smelter, a 325 **k**tpa aluminium smelter and the fabrication facilities in Chhattisgarh. BALCO's alumina requirements is sourced from third parties and from our Company on sale basis at arm's length price.

Our operations in Odisha include a 2 mtpa alumina refinery at Lanjigarh, with associated 90 MW captive power plant. The alumina refinery at Lanjigarh produced 1.8 mtpa in Fiscal Year 2024. Also, the unit has successfully commissioned its first phase of 1.5 mtpa expansion project from its ongoing 3 mtpa project recently which will take the overall name plate capacity at the Lanjigarh refinery from an existing 2 mtpa to 3.5 mtpa with additional 50 MW captive power plant. In addition, we have a greenfield 500 ktpa aluminium smelter, together with an associated 1,215 MW captive power plant (nine units with a capacity of 135 MW each).

We also have another 1.8 mtpa aluminium smelter in Jharsuguda which is the SEZ unit, with associated 1,800 MW (three units of 600 MW) coal-based captive power plant. We intend to continue to increase our aluminium and alumina production in order to achieve a total production capacity of approximately 2.8 mtpa, subject to all government approvals.

For Fiscal Year 2024, revenue from operations from our Aluminium Business was ₹48,317 crore, compared to ₹52,619 crore in Fiscal Year 2023 and ₹50,809 crore in Fiscal Year 2022. EBITDA from our Aluminium Business was ₹9,657 crore for Fiscal Year 2024, compared to ₹5,775 crore for Fiscal Year 2023 and ₹17,337 crore for Fiscal Year 2022.

Principal products

Primary aluminium. Primary aluminium is produced from the smelting of metallurgical grade alumina. We produce primary aluminium in the form of ingots, primary foundry alloys, billets, slabs and wire rods for sale. Ingots are used extensively for aluminium castings and fabrication in the construction and transportation industries. Primary foundry alloys are used in the automotive industries. Wire rods are used in various electrical applications especially in the form of electrical conductors and cables. Billets are used in constructions (such as windows and door frames), transportation, engineering, consumer durables, automotive forgings and many other applications. Slabs are used generally in rolling mills for manufacturing aluminium foil and sheet products.

Rolled products. Rolled products, namely coils and sheets, are value-added products that BALCO produces from primary aluminium. Rolled products are used for a variety of purposes in different industries, including aluminium foil manufacturing, printing, transportation, consumer durables, building and architecture, electrical and communications, packaging and general engineering industries.

Production

The following table sets out our total production from our Korba, Lanjigarh and Jharsuguda facilities for the periods indicated:

		Fiscal Year		
Facility	**Product**	**2022**	**2023**	**2024**
		(Tonnes)		
Korba	Ingots	418,365	362,261	342,670
	Rods	130,124	172,018	196,209
	Rolled products	33,185	32,092	34,636
	Busbar	—	3,453	12,548
	Total	**581,674**	**569,824**	**586,063**
Lanjigarh	Alumina[(1)]	1,967,910	1,792,744	1,813,176
	Total	**1,967,910**	**1,792,744**	1,813,176
Jharsuguda	Ingots	1,018,525	1093,554	1,009,387
	Rods	200,661	255,368	325,448
	Hot metal sold	13,529	30,940	43,932
	Billets	390,436	275,657	334,130
	Slab	63,605	65,208	70,845
	Total	**1,686,756**	**1,720,727**	1,783,741
Total	**Alumina[(2)]**	**1,967,910**	**1,792,744**	**1,813,176**
	Ingots	**1,436,890**	**1,455,815**	**1,352,057**
	Rods	**330,785**	**427,386**	**521,657**
	Rolled products	**33,185**	**32,092**	**34,636**
	Hot metal sold	**13,529**	**30,940**	**43,932**
	Billets	**390,436**	**275,657**	**334,130**
	Slab	**63,605**	**65,208**	**70,845**
	Busbar	**—**	**3,453**	**12,548**

Notes:

(1) Alumina is used to produce aluminium and rolled products. Approximately two tonnes of alumina are required to produce one tonne of aluminium. Additional alumina needed to produce aluminium is purchased from third parties and is not reflected in alumina production numbers.

Description of operations

Smelters and Refineries

The following table sets out the total capacities as of March 31, 2024 at BALCO's Korba and our Lanjigarh and Jharsuguda facilities:

	Installed Capacity		
	Alumina	**Aluminium**	**Captive Power**
	(tpa)		*(mw)*
Korba II	—	570,000	1,410
Lanjigarh	3,500,000	—	140
Jharsuguda	—	500,000	1,215
Jharsuguda (SEZ Plant)	—	1,250,000	1,800
Total	**3,500,000**	**2,320,000**	**4,565**

Korba aluminium complex. BALCO's aluminium complex is located at Korba in the State of Chhattisgarh in central India. BALCO has a total of 1,200 MW coal-based thermal power facility at Korba in the state of Chhattisgarh. The power generated from 600 MW captive power plant units is being utilised in the 325 ktpa smelter, while the remaining 600 MW was converted to an independent power plant. Thermal coal is a key raw material required for the operation of BALCO's captive power plants.

Lanjigarh alumina refinery. The Lanjigarh alumina refinery is located in the Lanjigarh district in the state of Odisha. Lanjigarh alumina refinery also has associated 90 MW captive power plant. The captive power plant is fully operational and can meet the power requirements of the Lanjigarh alumina refinery.

Jharsuguda aluminium smelter. The Jharsuguda aluminium smelter is located in Jharsuguda in the state of Odisha, India. We have a greenfield 500 ktpa aluminium smelter, together with an associated 1,215 MW captive power plant (nine units with a capacity of 135 MW each). We have 1,800 MW (three units of 600 MW) coal-based captive power plant in Jharsuguda. We also have another 1.8 mtpa aluminium smelter in Jharsuguda, which is the SEZ unit, with associated 1,800 MW (three units of 600 MW) coal-based captive power plant. This facility is in the process of being ramped up to increase its total capacity to 1.75 mtpa, subject to obtaining the required approvals from the GoI.

Sales and marketing

Our aluminium sales are both on spot and long-term basis and follows an LME-based pricing and product-wise premiums for both domestic and global customers. Our Aluminium Business's key customers include conductor manufacturers, state road transport corporations, railways, defence contractors and electrical equipment and machinery manufacturers.

(ii) Zinc, Lead and Silver Business

Introduction

Our fully integrated Zinc India Business is conducted by HZL, the second largest producer of zinc and the third largest silver producing company in the world (*Source: ICRA Report*). As of March 31, 2024, our Company has a 64.92% ownership interest in HZL, with the remainder owned by the GoI (29.54%) and institutional and public shareholders (5.54%).

HZL's fully integrated zinc-lead operations include five zinc-lead mines, four zinc smelters, one lead smelter, one zinc-lead smelter, eight sulphuric acid plants, one silver refinery plant, six captive thermal power plants and four captive solar plants at the Chanderiya, Dariba and Zawar facilities in the state of Rajasthan. In addition, HZL also has a rock-phosphate mine at Matoon, near Udaipur in the state of Rajasthan and processing and refining facilities for zinc, lead, silver at Pantnagar in the state of Uttarakhand. HZL's wholly owned subsidiary, Hindustan Zinc Alloys Private Limited also commissioned its facility at Dariba during Fiscal Year 2024. HZL sources all of its concentrate requirements from its mines. HZL's annual saleable metal production of zinc and lead for Fiscal Year 2024 was 817,059 tonnes and 215,984 tonnes, respectively. Lead metal production exclusive of high silver lead production was 7,622 tonnes. HZL's Rampura Agucha mine is the largest zinc mine globally on a production basis and its Chanderiya zinc smelter is the third largest smelter globally on a production basis (*Source: Wood Mackenzie*). The Sindesar Khurd mine also stands as the second largest silver producing mine globally (*Source: ICRA Report*).

Our Zinc International Business comprises assets held by our Company, namely (i) 100% ownership in Skorpion, which owns the Skorpion mine and refinery in Namibia, which is currently under care and maintenance; (ii) 74% ownership interest in Black Mountain Mining, which has assets that include the Broken Hill Deeps mine, the Swartberg mine and the Gamsberg mine, in South Africa; and (iii) 100% ownership in Lisheen, which owns the Lisheen mine in Ireland, which ceased operations in December 2015. Black Mountain mines produce zinc, lead, and copper concentrates and the Gamsberg open pit mine produces zinc concentrate.

Revenue from operations from our Zinc India Business was ₹27,889 crore in Fiscal Year 2024, compared to ₹33,120 crore in Fiscal Year 2023 and ₹28,624 crore in Fiscal Year 2022. Revenue from operations from our Zinc International Business was ₹3,555 crore in Fiscal Year 2024, compared to ₹5,209 crore in Fiscal Year 2023 and ₹4,484 crore in Fiscal Year 2022. For Fiscal Year 2024, EBITDA from our Zinc India Business was ₹13,562 crore, compared to ₹17,474 crore for Fiscal Year 2023 and ₹16,161 crore for Fiscal Year 2022 and EBITDA from our Zinc International Business was ₹693 crore, compared to ₹1,934 crore for Fiscal Year 2023 and ₹1,533 crore for Fiscal Year 2022.

Principal products

Zinc. HZL produces and sells zinc ingots as per international standard grades: Special High Grade (99.995%) ("**SHG**"), High Grade (99.95%) ("**HG**"), Continuous Galvanising Grade (99.5%) ("**CGG**"), die-casting alloys (95.0%) ("**HZDA**"), electroplating grade ("**EPG**") and Prime Western (98.0%) ("**PW**"). HZL sells most of its zinc ingots to Indian steel producers for steel to improve its durability and also in the export markets. Some of its zinc is also sold to alloy, dry cell battery and die casting. The Black Mountain and Gamsberg mines produce zinc and lead in concentrate which is sold through market priced off-take concentrate sales contracts with international customers.

Lead. HZL produces and sells lead ingots primarily to battery manufacturers. The Black Mountain and Gamsberg mines produce lead in concentrate, which is sold through market-priced off-take concentrate sales contracts with international customers and in the spot market.

By-products

Silver. HZL produces and sells silver ingots primarily to industrial users, jewellery manufacturers and traders of silver. Black Mountain also produces silver as a by-product.

Copper. Black Mountain Mining produces copper in concentrate as a by-product, which is sold through market-priced off-take concentrate sales contracts with international customers and in the spot market.

Production

The following table sets out our total production from our Chanderiya, Debari, Dariba, Pantnagar and Skorpion facilities for the periods indicated:

Facility	Product	Fiscal Year 2022	2023	2024
		(Tonnes, except for silver which is in m oz)		
Chanderiya				
ISP(TM) pyrometallurgical zinc-lead smelter	Zinc	35,918	49,411	36,662
	Lead[1]	52,467	49,409	50,750
Hydrometallurgical zinc smelters	Zinc	440,952	454,413	464,237
Ausmelt(TM) lead smelter............................	Lead	42,517	45,577	44,233
Sulphuric acid plants..................................	Sulphuric acid	528,711	583,339	592,904
Dariba				
Hydrometallurgical zinc smelter................	Zinc	231,721	234,544	237,980
Lead smelter	Lead	96,201	115,705	121,001
Sulphuric acid plant	Sulphuric acid	567,958	621,363	633,749
Debari				
Hydrometallurgical zinc smelter................	Zinc	67219	82526	78,215
Sulphuric acid plant	Sulphuric acid	277,711	263,807	253,150
Pantnagar				
Silver Refinery...	Silver[2]	20.8	22.9	24.0
Skorpion				
Zinc refinery	Zinc	0	0	0
Total...	**Zinc**	**775,810**	**820,894**	**817,094**
	Lead	**191,185**	**210,691**	**215,984**
	Silver	**20.8**	**22.9**	**24.0**
	Sulphuric acid	**1,374,380**	**1,468,509**	**1,479,803**

Notes:

(1) Excludes lead contained in lead with high content of silver (high silver lead) produced from the pyrometallurgical zinc-lead smelter for captive use was 6,951 tonnes, 7,912 tonnes and 7,622 tonnes in Fiscal Years 2022, 2023 and 2024, respectively.

(2) Excludes silver contained in lead with high content of silver (high silver lead) produced from pyrometallurgical zinc-lead smelter for captive use wh 1.20 moz, 1.33 moz and 1.25 moz in Fiscal Years 2022, 2023 and 2024, respectively.

The following table sets out our total ore, zinc concentrate and lead concentrate production for the periods indicated:

Facility	Product	Fiscal Year 2022	2023	2024
			(Tonnes)	
Zinc India and Zinc International	Ore mined	20,904,887	21,951,459	20,518,616
	Zinc concentrate	2,005,972	2,151,384	2,065,451
	Lead concentrate	412,441	439,204	439,035

Ore Reserve base

The following table sets out our Proved and Probable zinc and lead Ore Reserves[1] as of March 31, 2024:

	Proved Reserve				Probable Reserve				Total Proved and Probable Reserves			
	Quantity	Zinc Grade	Lead Grade	Silver Grade	Quantity	Zinc Grade	Lead Grade	Silver Grade	Quantity	Zinc Grade	Lead Grade	Silver Grade
	(Million tonnes)	*(%)*	*(%)*	*g/T*	*(Million tonnes)*	*(%)*	*(%)*	*g/T*	*(Million tonnes)*	*(%)*	*(%)*	*g/T*
Rampura Agucha.......	31.8	11.0	1.4	46	12.5	11.1	0.7	13	44.4	11.0	1.2	37
Rajpura Dariba	14.5	6.1	1.6	70	32.6	5.1	1.8	59	47.1	5.4	1.7	63
Zawar Group.........	28.4	2.6	1.5	21	13.8	2.7	1.4	25	42.2	2.6	1.5	22
Kayad.........	0.1	10.4	1.3	15	1.2	4.9	0.7	12	1.3	5.2	0.7	12
Sindesar Khurd.........	16.5	3.7	2.6	133	23.6	2.7	1.5	78	40.1	3.1	2.0	101
Skorpion	0.2	7.2	0	0	0.6	10.5	0	0	0.8	9.7	0	0

	Proved Reserve				Probable Reserve				Total Proved and Probable Reserves			
	Quantity	Zinc Grade	Lead Grade	Silver Grade	Quantity	Zinc Grade	Lead Grade	Silver Grade	Quantity	Zinc Grade	Lead Grade	Silver Grade
	(Million tonnes)	*(%)*	*(%)*	*g/T*	*(Million tonnes)*	*(%)*	*(%)*	*g/T*	*(Million tonnes)*	*(%)*	*(%)*	*g/T*
Black Mountain....	0.1	2.8	4.2	75	50.4	0.6	1.7	29	50.5	0.6	1.7	29
Gamsberg...	62.3	6.4	0.5	0	26.6	5.0	0.5	0	88.9	6.0	0.5	0

Note:

*(1) See "**Annexure C – Mineral Resource and Ore Reserve Reporting**" on page 773 for an explanation of the basis of preparation of reserve amounts.*

Description of operations

Smelters and refineries. The following table sets out the total capacities as of March 31, 2024 at our Chanderiya, Debari, Dariba, Zawar, Pantnagar and Skorpion facilities:

	Capacity				
Facility	**Zinc**	**Lead**	**Silver**	**Sulphuric Acid**	**Power Plant**
			(tpa)		*(MW)*
Chanderiya[(1)(2)]	585,000	90,000	—	859,000	245.5
Debari	88,000		—	387,600	—
Dariba	240,000	120,000	—	710,500	170
Zawar Group	—	—	—	—	90
Pantnagar	—	—	800	—	—
Skorpion	150,000	0	0	0	0
Total	1,063,000	210,000	800	1,957,100	505.5

Notes:

(1) The Pantnagar plant refines and processes zinc and lead ingots from zinc and lead cathodes that are produced in the Chanderiya and Dariba smelters and silver ingots from lead residues in the Dariba lead smelter. Accordingly, it does not contribute to the total production capacity of HZL's facilities.

(2) Under Chanderiya, operation of pyrometallurgical smelter on zinc-lead mode is considered for calculating smelting capacity. Actual production can vary based on the mode of pyrometallurgical operation.

Chanderiya. The Chanderiya facility is located approximately 120 km east of Udaipur in the State of Rajasthan in northwest India. The Chanderiya zinc smelter is the third largest zinc smelter globally on a production basis (*Source: Wood Mackenzie*). The facility contains four smelters, two associated captive power plants, three sulphuric acid plants and one silver refinery.

Debari. The Debari hydrometallurgical zinc smelter is located approximately 12 km east of Udaipur in the State of Rajasthan, India. The hydrometallurgical zinc smelter was commissioned in 1968, uses RLE technology and has a capacity of 88,000 tpa. The Debari facility also includes a 387,600 tpa sulphuric acid plant.

Zawar Group. The Zawar Group facility does not have a smelter. The captive power plant at this facility provides power to the mine.

Dariba. The Dariba hydrometallurgical zinc smelter is located in the Rajsamand district of Rajasthan has a capacity of 240 ktpa. The Dariba facility also includes a 306 ktpa sulphuric acid plant, a 120 ktpa lead smelter (including a 98,500 tpa sulphuric acid plant), and a roaster with an associated 306 ktpa sulphuric acid plant. Zinc cathodes are sent to its refining facilities at Pantnagar in Uttarakhand state for refining and processing. The anode slime obtained as a residue from lead smelting at this smelter is refined and casted into silver ingots at the Pantnagar plant.

Pantnagar. The Pantnagar plant is located in Pantnagar in the State Uttarakhand, India and includes facilities for the refining and processing of zinc, lead and silver. The silver refinery has a capacity of 800 tpa.

Mines

Rampura Agucha. In Fiscal Year 2024, 4.0 million tonnes of ore at 11.4% zinc and 1.6% lead were mined from Rampura Agucha. It produced approximately 515,397 tonnes of zinc metal in concentrate and approximately 52,022 tonnes of lead metal in concentrate in Fiscal Year 2024. According to the Ore Reserve report, the Proved and Probable Ore Reserves for the Rampura Agucha mine as of March 31, 2024 was 44.4 million tonnes with 11.0% zinc, 1.2% lead and 37 g/t silver. As of March 31, 2024, HZL estimates the remaining mine life at Rampura Agucha to be nine years based on (i) reserves; and (ii) planned production which is determined on the basis of a life-of-mine plan. The gross book value of the Rampura Agucha mine's fixed assets and mining equipment (including assets related to the Rampura Agucha's underground mining operations and the Kayad mine) was ₹11,473 crore as of March 31, 2024. The mining lease of Rampura Agucha mine is up to March 2030.

Rajpura Dariba. In Fiscal Year 2024, 1.4 million tonnes of ore at a grade of 4.7% zinc and 1.0% lead ore was mined at Rajpura Dariba mine which produced 35,994 tonnes of zinc metal in concentrate and 5,586 tonnes of lead metal in concentrate. According to the Ore Reserve report, the Proved and Probable Ore Reserves for the Rajpura Dariba mine as of March 31, 2024 was 47.1 million tonnes with 5.4% zinc, 1.7% lead and 63 g/t silver. As of March 31, 2024, HZL estimates the remaining mine life at Rajpura Dariba to be around 17 years based on (i) reserves; and (ii) planned production which is determined on the basis of a life-of-mine plan which includes assumed production expansion. The gross book value of the Rajpura Dariba mine's fixed assets and mining equipment is approximately ₹2,817 crore as of March 31, 2024.

Sindesar Khurd. Mine production began at the Sindesar Khurd mine in April 2006 and HZL's mining permit is valid until March 2049. In Fiscal Year 2024, 5.6 million tonnes of ore at a grade of 2.8% zinc and 1.9% lead ore was mined at the Sindesar Khurd mine 154,717 tonnes of zinc metal in concentrate and 99,292 tonnes of lead metal in concentrate. According to the Ore Reserve report, the Proved and Probable Ore Reserves for the Sindesar Khurd mine as of March 31, 2024, is 40.1 million tonnes with 3.1% zinc, 2.0% lead and 101 g/t silver. As of March 31, 2024, HZL estimates the remaining mine life at Sindesar Khurd to be around seven years based on (i) reserves; and (ii) planned production which is determined on the basis of a life-of-mine plan which includes assumed production expansion. The gross book value at of the Sindesar Khurd mine is approximately ₹8,330 crore as of March 31, 2024. HZL's mining permit at the Sindesar Khurd mine is valid until March 2049.

Zawar Group. Zawar consists of four mines namely, Mochia, Balaria, Zawar Mala and Baroi. The mining lease granted by the State Government of Rajasthan which is valid until March 31, 2030. In Fiscal Year 2024, approximately 4.0 million tonnes of ore at 3.1% zinc and 1.8% lead was mined which produced 115,405 tonnes of zinc metal in concentrate and 63,581 tonnes lead metal in concentrate. According to the Ore Reserve report, the Proved and Probable Ore Reserves for the Zawar Group as of March 31, 2024 is 42.2 million tonnes with 2.6% zinc, 1.5% lead and 22 g/t silver. As of March 31, 2024, HZL estimates the remaining mine life of the Zawar mine to be eight years based on (i) reserves; and (ii) planned production which is determined on the basis of a life-of-mine plan which includes assumed production expansion. The gross book value of the Zawar fixed assets and mining equipment was approximately ₹6,022 crore as of March 31, 2024.

Kayad. The Kayad zinc-lead mine is located in Ajmer, in the state of Rajasthan. In Fiscal Year 2024, 0.57 million tons of ore at a grade of 6.1% zinc and 0.8% lead ore was mined at Kayad mine which produced 33,488 tons of zinc metal in concentrate and 3,572 tons of lead metal in concentrate. According to the Ore Reserve report, the Proved and Probable Ore Reserves for Kayad mine as of March 31, 2024 was 1.3 million tonnes at 5.2% zinc, 0.7% lead and 12 g/t silver. As of March 31, 2024, HZL estimates the remaining mine life of the Kayad mine to be over two years based on (i) reserves; and (ii) planned production which is determined on the basis of a life-of-mine plan which includes assumed production expansion.

Skorpion. According to the Ore Reserve report, the Proved and Probable Ore Reserves for the Skorpion mine as of March 31, 2024 was 0.8 million tonnes with 9.7% zinc. The Skorpion mine is currently under care and maintenance.

Black Mountain. The Black Mountain mines, comprising the Broken Hill Deeps mine and the Swartberg mine, are operated pursuant to mining right 58/2008 MR granted pursuant to the Mineral and Petroleum Resources Development Act, 28 of 2002 of South Africa which entitles Black Mountain Mining to mine for lead, copper, zinc, and associated minerals for a period of 30 years till 2038. During Fiscal Year 2024, 1.6 million tonnes of ore at 1.6% zinc and 2.6% lead was mined from the Black Mountain mines, which produced approximately 44,997 tonnes of zinc concentrate and 57,793 tonnes of lead concentrate, containing 21,792 tonnes of zinc and 39,374 tonnes of lead respectively. According to the Ore Reserve report, the Proved and Probable Ore Reserves for the Black Mountain mines as of March 31, 2024 50.5 million tonnes with 0.6% zinc, 1.7% lead, and 29 g/t silver. As of March 31, 2024 and based on current production levels of 67 kt per annum, Black Mountain Mining estimates the remaining life of the Black Mountain mines to be around two years.

Gamsberg. According to the Ore Reserve report, the Proved and Probable Ore Reserves for the Gamsberg mine as of March 31, 2024 was 88.9 million tonnes with 6% zinc and 0.5% lead. As of March 31, 2024, Black Mountain Mining estimates the life of mine of Gamsberg mine to be around 11 years.

Sales and marketing

In Fiscal Year 2024, HZL sold 71% of the zinc metal produced in the domestic market and remaining 29% metal produced was exported globally. And in lead metal, 59% of the lead metal produced sold in the domestic market and remaining 41% lead metal exported globally.

In Fiscal Year 2024, HZL accounted for more than 98% of domestic sales of zinc metal under annual contracts and approximately 79% of export sales under annual contracts specifying quantity, grade and price, with the remainder sold on the spot market.

Black Mountain mines produce zinc, lead and copper concentrates that are sold in international markets on a spot basis or a frame contract basis. The commercial terms negotiated include considering the percentage of payable metals, treatment and refining charges and applicable prices.

Gamsberg mine produces zinc and lead concentrates that are sold in international markets on a spot basis or a frame contract basis. The commercial terms negotiated include considering the percentage of payable metals, treatment and refining charges and applicable prices.

All the zinc and lead concentrates that Black Mountain mines and Gamsberg mine produced in Fiscal Year 2024 were sold under frame or spot contracts specifying quantity, grade and price. The contract sales price is linked to the prevailing LME price with an additional market premium. Thus, the price that Black Mountain mines and Gamsberg mine receives for its zinc and lead is dependent upon and is subject to fluctuations in the LME price.

(iii) Oil and Gas Business

Our Oil and Gas Business is conducted by our Company and its wholly owned Subsidiary, CEHL. Our Oil and Gas Business has multiple blocks in India. The blocks are primarily located across the Indian basins in Barmer, Krishna-Godavari, Cambay, Assam, Gujarat Kutch and Cauvery.

Our Oil and Gas Business is primarily engaged in the business of exploration, development and production of crude oil, gas and related by-products. Our Oil and Gas Business continues to contribute significantly to India's domestic crude oil production. We contribute approximately 25% of India's domestic crude oil production during Fiscal Year 2024 (*Source: ICRA Report*).

Oil and gas are produced from the RJ-ON-90/1 (the "**Rajasthan Block**"), the Ravva PKGM-1 (the "**Ravva Block**") and the Cambay CB/OS-2 (the "**Cambay Block**"). Gross operated production of our Group was 160.9 kboepd in Fiscal Year 2022, 142.6 kboepd in Fiscal Year 2023 and 127.5 kboepd in Fiscal Year 2024. Revenue from operations from our Oil and Gas Business was ₹17,837 crore in Fiscal Year 2024, compared to ₹15,038 crore in Fiscal Year 2023 and ₹12,430 crore in Fiscal Year 2022. For Fiscal Year 2024, EBITDA from our Oil and Gas Business was ₹9,777 crore, compared to ₹7,782 crore for Fiscal Year 2023 and ₹5,992 crore for Fiscal Year 2022.

Principal products

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

Gas. The Rajasthan, Ravva and Cambay Blocks produce natural gas and natural gas commingled with crude oil. While our Oil and Gas Business has been historically selling gas from the offshore blocks of Ravva and Cambay, it commenced gas sales in the Rajasthan Block in Fiscal Year 2014, following the regulatory approval in March 2013.

Production

The table below sets out our Company's gross production for the periods indicated:

	Fiscal Year		
	2022	**2023**	**2024**
Average Daily Gross Operated Production (*boepd*)	160,851	142,615	127,549
Rajasthan	137,723	119,888	106,469
Ravva	14,166	11,802	10,807
Cambay	8,923	10,777	8,899
OALP	39	147	1,374
Net Production – Working Interest (*boepd*)	103,737	91,485	82,450
Rajasthan	96,406	83,922	74,528
Ravva	3,187	2,655	2,432
Cambay	3,569	4,311	3,560
KG-ONN	535	450	556
OALP	39	147	1,374
Total Oil and Gas (*mmboe*)			
Gross Operated Production	58.7	52.1	46.7

	Fiscal Year		
	2022	2023	2024
Net Production – Working Interest	37.9	33.4	30.2

The following table sets forth our Company's production for the periods indicated.

	Fiscal Year		
	2022	2023	2024
Gross:			
Oil (*bopd*)	135,662	118,634	104,046
Gas (*mmscfd*)	151	144	141
Oil and gas (*boepd*)	160,851	142,615	127,549
Total:			
Oil (*mmbbls*)	49.5	43.3	38.1
Gas (*mmboe*)	9.2	8.8	8.6
Oil and gas (*mmboe*)	58.7	52.1	46.7

Our Estimates of Hydrocarbons Initially in Place, Reserves and Contingent Resources

We use various measures of hydrocarbons to make decisions regarding exploration priorities and investment in field developments. In the exploration phase, estimates of hydrocarbons initially in place, and the associated estimate of prospective resource are essentially speculative and subject both to a binary risk (probability of success or failure) and considerable uncertainty of volumetric magnitude. Following successful exploration and appraisal work, and as a field matures technically and commercially through development work and actual production, it becomes possible for us to make estimates, which may change over time, of the volumes of hydrocarbons or reserves that, in varying degrees of certainty or uncertainty, will ultimately be recoverable.

We rely primarily on estimates of 2P reserves for purposes of significant capital investment decisions.

Estimates of contingent resources are also used as a further measure of the potential commerciality of known accumulations of hydrocarbons in our areas. The estimation of these resources, and the likelihood that they may be reclassified as reserves, depends on our ability to prove commercial and technical viability of recovery within a reasonable timeframe. We employ reserves and resources definitions according to international standards set by the Society of Petroleum Engineers and the World Petroleum Council which provide detailed descriptions for each category of reserves and resources.

The table below sets forth certain data regarding our estimates of gross hydrocarbons initially in place, gross and net working interest reserves and contingent resources from fields within the Rajasthan Block, the Ravva Block, Cambay Block, KG-ONN-2003/1, Open Acreage Licensing Policy ("**OALP**") and Discovered Small Fields ("**DSF**") blocks as of March 31, 2024. In this table, gas has been converted into oil equivalent using a conversion factor of 6,000 standard cubic feet per barrel of oil equivalent. Based on the Fiscal Year 2024 gross production, the gross 2P reserves and 2C resources have a life of approximately 29 years.

	Gross Proved Plus Probable Hydro-carbons Initially in Place	Gross Proved Plus Probable Reserves and 2C resources	Net Working Interest Proved Plus Probable Reserves and 2C resources
		(mmboe, as at March 31, 2024)	
Rajasthan Block			
Total Mangala, Bhagyam, Aishwariya Fields	2,337	189	132
Rajasthan enhanced oil recovery	—	392	275
Rajasthan Block other fields	2,873	526	368
Ravva Block	704	14	3
Cambay Block	298	31	12
KG-ONN-2003/1	260	31	15
DSF	218	112	112
OALP	361	81	81
Total (excluding enhanced oil recovery)	**7,051**	**984**	**724**
Total (including enhanced oil recovery)	**7,051**	**1,376**	**998**

DeGolyer and MacNaughton's Evaluation of Reserves

DeGolyer and MacNaughton, independent petroleum engineering consultants, had been engaged to perform an independent evaluation of the proved and probable oil, condensate, and marketable gas reserves and the contingent resources contained within the areas of our Company.

Out of the gross "Proved Plus Probable Reserves and 2C resources" of 1,376 mmboe, gross "Proved plus Probable" estimate is 250 mmboe. The difference in total gross "Proved plus Probable" hydrocarbon reserves estimates between our Company and DeGolyer and MacNaughton is approximately 1%. It is DeGolyer and MacNaughton opinion that the total gross "Proved plus Probable" reserves estimates by our Group, as of March 31, 2024, do not differ materially from those prepared by DeGolyer and MacNaughton.

The Rajasthan Block (Operator; 70.0% participating interest)

The Rajasthan Block is an onshore block. It is our principal production asset, where our Company along with CEHL owns a 70% participating interest pursuant to the Rajasthan Block PSC. Our joint operation partner has a 30% participating interest. The Rajasthan Block consists of three contiguous development areas: (i) Development Area 1, primarily comprises the Mangala, Aishwariya, Raageshwari and Saraswati fields; (ii) Development Area 2, primarily comprises of the Bhagyam, NI and NE and Shakti fields; and (iii) Development Area 3, primarily comprises the Kaameshwari West fields.

The majority of the estimated hydrocarbons in place, 2P reserves and contingent resources attributable to fields in which we have an interest are contained in the Rajasthan Block. As of March 31, 2024, we estimate the gross hydrocarbons initially in place and the gross 2P reserves plus 2C resources of 5.2 bnboe and 1.1 bnboe. As of March 31, 2024, our oil and gas estimates that the Mangala, Bhagyam, Aishwariya fields (including enhanced oil recovery) contained gross hydrocarbons initially in place and the gross 2P reserves plus 2C resources 2.3 bnboe and 0.6 bnboe respectively. The other fields in Rajasthan Block contained gross hydrocarbons initially in place and the gross 2P reserves plus 2C resources 2.9 bnboe and 0.5 bnboe, respectively.

Production from the Rajasthan Block

The following table sets out the net average oil and gas daily production from the Rajasthan Block for the periods indicated:

		Fiscal Year		
	Units	**2022**	**2023**	**2024**
Particulars Average Daily Production (Rajasthan)				
Gross Operated	Boepd	137,723	119,888	106,469
Net Operated......................................	Boepd	96,406	83,922	74,528
Oil..	Bopd	81,506	70,178	60,971
Gas...	Mmscfd	89.4	82.5	81.3

The production of the Rajasthan Block decreased from 119,888 boepd on a gross basis in Fiscal Year 2023 to 106,469 boepd in Fiscal Year 2024. The natural reservoir decline in the Mangala, Bhagyam and Aishwariya fields has been partially offset by infill wells brought online in Mangala, Aishwariya, Bhagyam, Tight Oil (Aishwariya Barmer Hill) and Tight Gas (Raageshwari Deep Gas) fields.

The Rajasthan Block PSC

As of March 31, 2024, we hold 70% participating interest in the Rajasthan Block and our joint operation partner holds the remaining 30% participating interest. The Rajasthan Block PSC was originally valid until May 2020 but has since been extended to May 2030.

The Ravva Block (Operator; 22.5% participating interest)

Our Oil and Gas Business's production operations in the Krishna-Godavari Basin are centred on the Ravva Block, lying off the coast of Andhra Pradesh in Eastern India.

Production from the Ravva Block

The following table sets out the net average oil and gas daily production from the Ravva Block for the periods indicated.

		Fiscal Year		
	Units	**2022**	**2023**	**2024**
Particulars Average Daily Production (Ravva)				
Gross Operated	Boepd	14,166	11,802	10,807
Net Operated.......................................	Boepd	3,187	2,655	2,432
Oil...	Bopd	2.715	2,314	2,208
Gas..	Mmscfd	2.8	2.0	1.3

The production of the Ravva Block decreased from 11,802 boepd on a gross basis in Fiscal Year 2023 to 10,807 boepd in Fiscal Year 2024, owing to the natural field decline.

The Ravva Block PSC

As of March 31, 2024, we held a 22.5% working interest in the Ravva Block with the remaining interests currently held by three other oil and gas companies, holding 40.0%, 25.0% and 12.5%, respectively. The Ravva Block PSC was originally valid until October 27, 2019 but has since been extended for 10 years by the GoI.

The Cambay Block (Operator; 40.0% participating interest)

The Cambay Block is an offshore block which is located in the Cambay Basin of the state of Gujarat in western India. Our Oil and Gas Business's operations in the Cambay Block are centred on the Lakshmi and Gauri oil and gas fields and the CB-X development area. Lakshmi and Gauri offshore fields cover areas of 121.1 sq. kms and 52.7 sq. kms, respectively, in the Cambay Basin and lie off the coast of the state of Gujarat. CB-X is an onshore gas field situated in the Cambay Block. Currently, there is no production from CB-X field.

Production from the Cambay Block

The following table sets out the net average oil and gas daily production from the Cambay Block for the periods indicated.

		Fiscal Year		
	Units	**2022**	**2023**	**2024**
Particulars Average Daily Production (Cambay)				
Gross Operated	Boepd	8,923	10,777	8,899
Net Operated.......................................	Boepd	3,569	4,311	3,560
Oil...	Bopd	2,847	3,198	2,701
Gas..	Mmscfd	4.3	6.7	5.2

The production of Cambay Block decreased from 10,777 boepd in Fiscal Year 2023 to 8,899 boepd in Fiscal Year 2024. This was primarily due to the natural field decline.

The Cambay Block PSC

As of March 31, 2024, our Oil and Gas Business's participating interest in the Cambay Basin joint operation consists of a 40% interest in the Lakshmi, Gauri and CB-X development areas. The remaining interests in these development areas are held by two other participants, holding 50% and 10%, respectively. The Cambay Block PSC was originally valid until 2023. We have received interim extensions from the Government of India (GoI), each for a period of three months. The latest extension is valid until September 2024, which is in accordance with the usual practice until the PSC is extended for a longer duration.

Sales and marketing

All of the oil and gas that we produced in Fiscal Year 2024 was sold under annual/monthly contracts specifying quantity and price. The crude oil price in Fiscal Year 2024 was benchmarked to Dated Brent, an international benchmark crude for low sulphur crude grades. The crude oil price benchmarks are based on crude oil sales agreement.

(iv) Copper Business

Introduction

Our Copper Business comprises operations in India and the UAE. Our Copper Business is operated by our Company and its business in the UAE is operated by its Subsidiary, Fujairah Gold FZC ("**Fujairah Gold**"). As of March 31, 2024, we own 100% of the share capital of Fujairah Gold.

Our Copper Business is principally a custom smelting business, which includes a smelter, refinery, phosphoric acid plant, sulphuric acid plant, copper rod plant and three captive power plants at Tuticorin in southern India, a refinery and a copper rod plant, and three anode casting plants at Silvassa in western India, a precious metal refinery that produces gold and silver, a doré anode plant, and a copper rod plant at Fujairah, the UAE.

As a custom copper producer, our Company buys copper concentrates and blisters at LME copper price less the treatment charge and refining charge ("**TcRc**") that it negotiates with suppliers. We sell refined copper at LME prices in domestic and export markets. We receive a discount from our suppliers in the form of a TcRc, which is influenced by the global copper concentrate and blister demand, supply of copper smelting and refining capacity, LME trends, LME-linked price participation and other factors. We source our concentrates and blisters from various global suppliers.

Revenue from operations from our Copper Business was ₹19,726 crore in Fiscal Year 2024, compared to ₹17,491 crore in Fiscal Year 2023 and ₹15,151 crore in Fiscal Year 2022. For Fiscal Year 2024, EBITDA from our Copper Business was ₹(69) crore, compared to ₹(4) crore for Fiscal Year 2023 and ₹(115) crore for Fiscal Year 2022.

Principal products

Copper cathode. Our copper cathodes from Silvassa are square shaped with purity levels of 99.9% copper. These cathodes meet international quality standards and are registered as LME "A" Grade. The major uses of copper cathodes are in the manufacture of copper rods for the wire and cable industry and copper tubes for consumer durable goods. Copper cathodes are also used for making alloys like brass, bronze and alloy steel, with applications in transportation, electrical appliances and machinery in defence and construction.

Copper rods. Our copper rods are currently used primarily for power cable, winding wire, housing wire, transformer parts, etc.

Sulphuric acid. We produce sulphuric acid at our sulphuric acid plants through conversion of sulphur dioxide gas that is generated from the copper smelter.

Production

Copper cathode is used as an input material for copper rods. Approximately one tonne of copper cathode is required to produce one tonne of copper rods. The table below sets out our total production for the periods indicated.

		Fiscal Year		
	Product	**2022**	**2023**	**2024**
		(tonnes, except for gold in kg)		
Facility				
Silvassa[(1)]	Copper cathode	125,104	147,880	140,716
	Copper rods	126,445	154,767	188,487
Fujairah[(2)]	Copper rods	53,791	70,648	65,583
	Silver	4.4	5.8	8.7
	Gold	42	187	271

Notes:

(1) During Fiscal Years 2022, 2023 and 2024, these plants produced secondary material of 162,946 tonnes, 174,056 tonnes and 174,515 tonnes, respectively, which further supported the tank-house operations at Silvassa.

(2) During Fiscal Year 2024, Vedanta Copper International has been incorporated in Kingdom of Saudi Arabia to produce copper rods with capacity 125 ktpa post commissioning.

Description of operations

Smelters and Refineries

The table below sets out our total capacities from the Silvassa facilities as of March 31, 2024:

	Capacity					
	Copper Anode[(1)]	Copper Cathode[(4)]	Copper Rods[(2)]	Sulphuric Acid[(3)]	Phosphoric Acid[(3)]	Thermal Power Plant
			(ktpa)			*(MW)*
Silvassa[(5)]	245	216	258	—	—	—
Total	**645**	**462**	**354**	**1,300**	**230**	**160**

Notes:

(1) Copper anode is an intermediate product produced by copper smelters and is generally not sold to customers. It is used to produce copper cathode by copper refineries. Approximately one tonne of copper anode is required to produce one tonne of copper cathode.

(2) Copper cathode is used as an input material for copper rods. Approximately one tonne of copper cathode is required to produce of one tonne of copper rods.

(3) Sulphuric acid is used as an input material for phosphoric acid. Approximately 2.8 tonnes of sulphuric acid are required to produce one tonne of phosphoric acid.

(4) Copper starter sheets are used as a starting material for KBC copper cathodes. Approximately one tonne of copper starter sheets are required to produce eight tonne of copper cathodes at TLP.

(5) Copper anode in Silvassa is an intermediate product produced by copper blister processing plants from copper blister and is used to produce copper cathode by copper refineries. Approximately one tonne of copper anode is required to produce one tonne of copper cathode.

(6) Vedanta Copper International has been incorporated in Kingdom of Saudi Arabia to produce copper rods with capacity 125 ktpa post commissioning.

Silvassa. The Silvassa facility comprises a refinery and two copper rod plants and is located approximately 140 km from Mumbai in the union territory of Dadra and Nagar Haveli in western India. The Silvassa facility consists of a 245,000 tonnes of blister/secondary material processing plant, a 216 ktpa copper refinery, and a copper rod mill with an installed capacity of 258 ktpa. Our Silvassa facility draws power from the state power grid to satisfy its power requirements.

Fujairah precious metal refinery. Fujairah Gold's facility is located in Fujairah Free Zone-2. It is strategically located 130 km east of Dubai, on the coast of the Arabian Sea. The precious metals refinery has a capacity of 20 million tonnes of gold and 105 million tonnes of silver. Fujairah Gold's facility also includes a copper rod plant with an annual capacity of 100 ktpa.

Sales and marketing

Our copper sales and marketing head office is located in Mumbai. We sell copper rods and cathodes in both the domestic and export markets. In Fiscal Years 2022, 2023 and 2024, exports accounted for approximately 10.8%, 7.6% and 21.9% of the revenue from operations of our Copper Business, respectively.

Domestic sales by our Group in India are broadly based on the LME spot price plus regional premiums, as well as domestic supply and demand conditions. A majority of our sales are made pursuant to existing supply agreements. The price for the copper we sell in India is normally higher than the price it charges in the export markets due to the tariff structure on costs, smaller order sizes that domestic customers place and the packaging, storing and truck loading expenses that it incurs when supplying domestic customers. Our export sales of copper are made on the basis of both long-term sales agreements. The prices of our copper exports include the LME price plus a producer's premium. Our Group does not enter into fixed price long-term copper sales agreements with its customers.

(v) Iron Ore Business

Introduction

Our Iron Ore Business is carried out in the states of Goa and Karnataka. Our Iron Ore Business includes exploration, mining and processing of iron ore. Our Group is one of the one of leading iron ore producers in India in Fiscal Year 2024. During Fiscal Year 2024, we produced 6.1 million dmt of saleable iron production. The sales for Fiscal Year 2024 were at 6.7 million dmt (comparing sales from Goa, Karnataka and WCL).

We operate two metallurgical coke plants and a pig iron plant with an installed rated capacity of 522 ktpa, 120 ktpa and 950 ktpa, respectively, in Goa and Maharashtra. Our Group manufactures pig iron through the blast furnace route. In Fiscal Year 2024, we produced approximately 831 kt of pig iron and 417 kt of metallurgical coke. In addition, we operate two waste heat recovery plants of 30 MW and 35 MW, respectively in Goa, which generates power from the waste gases of the metallurgical coke plant and blast furnace.

We also have 100% ownership interest in WCL, a Liberian iron ore exploration company. WCL's assets include development rights to the Western Cluster, a network of iron ore deposits in West Africa, in three concession areas, namely Bomi Hills, Bea Mountain and Mano River.

Revenue from operations from our Iron Ore Business was ₹8,956 crore in Fiscal Year 2024, compared to ₹6,046 crore in Fiscal Year 2023 and ₹6,233 crore in Fiscal Year 2022. For Fiscal Year 2024, EBITDA from our Iron Ore Business was ₹1,676 crore, compared to ₹988 crore for Fiscal Year 2023 and ₹2,280 crore for Fiscal Year 2022.

Principal products

Iron ore. Our iron ore reserves consist of both lump and fine ore. Lump ore is sold from the mines in Karnataka primarily to domestic pig iron or steel producers.

Pig iron. We produce basic, foundry and nodular grade pig iron in various sub-grades for steel mills and foundries.

Metallurgical coke. We also produce metallurgical coke, which is primarily used for captive consumption for producing pig iron in India.

Power. Electricity for our metallurgical coke and manufacturing operations is primarily supplied by our captive power plant which generates power from the waste gases of our metallurgical coke plant and blast furnace.

Production

The table below sets out our total production[(1)] for the periods indicated:

		Fiscal Year		
	Product	**2022**	**2023**	**2024**
			(Million tonnes)	
Mine/Mine Type				
Goa (Open-Pit)[(1)]	Iron ore	0.0	0.0	0.0
Sesa Resources Limited (open-pit)[(1)]	Iron ore	0.0	0.0	0.0
A. Narrain (Open-Pit)	Iron ore	5.4	5.3	5.6
Liberia	Iron ore	0.0	0.2	0.5
Total Iron Ore	**Iron ore**	**5.4**	**5.5**	**6.1**
Amona Plant	Metallurgical coke	0.48	0.41	0.42
	Pig iron	0.79	0.68	0.83

Note:

(1) No iron ore was mined from the Goa mines in Fiscal Years 2022, 2023 and 2024.

The table below sets out Proved and Probable iron ore Reserves[(1)] as of March 31, 2024 at mines that we own or have rights to as set out to in the table below:

	Proved Reserve		**Probable Reserve**		**Total Proved and Probable Reserves**	
	Quantity	**Iron Grade**	**Quantity**	**Iron Grade**	**Quantity**	**Iron Grade**
	(Million tonnes)	*(%)*	*(Million tonnes)*	*(%)*	*(Million tonnes)*	*(%)*
WCL – Bomi	2.5	60.7	220.1	36.5	222.6	36.8
Karnataka — A. Narrain	7.9	54.8	31.1	41.2	39.0	43.9
Total Iron Ore Reserves	**10.4**	**56.2**	**251.2**	**37.1**	**261.6**	**37.9**

Note:

*(1) See "**Annexure C – Mineral Resource and Ore Reserve Reporting**" on page 773 for an explanation of the basis of preparation of reserve amounts.*

Additional Information – for India

- The reserve estimates were prepared by the mining engineers at our Group and SRK Mining Services (India) Private Limited ("**SRK IN**") reviewed in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "**JORC Code**"). The estimates were independently audited by SRK in 2024.

- Ore reserves are estimated at a variable cut-off grade based on ore type; the minimum cut-off grade was 30% Fe iron for siliceous ore and 45% Fe iron for normal ore.

The ore bodies are of relatively significant size with good continuity of the mineralised zones and little internal dilution, the contacts are well constrained, free digging and diluting material can also carry grade, a mining recovery of 98%; a mining dilution of 2% is considered.

Description of operations

Production facilities

Amona plant. The Amona plant has been engaged in the manufacture and sale of pig iron since it commenced its operations. Our production consists mainly of low ash coking coal and we import almost 100.0% of low ash coking coal each year. We generate our own electric power from the waste heat of our metallurgical coke plant and the blast furnace gas.

Vazare Plant. We acquired this plant given it complements backward integration opportunity for our existing pig iron division and also increases our footprint in the met coke market in southwestern part of India.

The following table sets out the total rated capacities as of March 31, 2024 at our Amona and Vazare facilities:

	Capacity		
	Metallurgical Coke	**Pig Iron**	**Power**
	(tpa)	*(tpa)*	*(mw)*
Amona Plant	0.522	0.950	65
Vazare Plant	0.12	—	—

Mines

Karnataka. Our main operation in Karnataka is at the A. Narrain mine which is located approximately 200 km northwest of Bangalore. The open-pit mine is well connected by rail.

WCL. WCL comprises of three concession areas, namely Bomi Hills, Bea Mountain and Mano River.

Sales and marketing

Pig iron. Currently, the majority of the pig iron produced by our Group is sold within India to foundries and steel mills. The sale of pig iron is generally done on a spot basis with prices valid for a month. The prices of pig iron are fixed, with material generally being sent on a freight-to-pay and prepaid basis.

Metallurgical coke. Besides sales within our Group, balance is sold in the domestic Indian market to foundries, pig iron producers, ferrous alloys producers and cement plants. The sale of metallurgical coke to other customers is done on a spot basis with delivery schedule over the month.

(vi) Steel Business

Introduction

ESL's manufacturing facility is a greenfield integrated steel plant located near Bokaro, Jharkhand, India, which has a current capacity of 1.7 mtpa. It primarily consists of one sinter plant, a vertical coke oven plant, two blast furnaces, an oxygen plant, a lime calcination plant, a steel melting shop, a wire rod mill, a bar mill, a captive power plant and a ductile iron pipe plant. ESL is selling primarily TMT bars, wire rods, ductile iron pipes, pig iron and steel billets in open market and has established its presence in the domestic market. Our Company holds 95.49% of the paid-up share capital of ESL as at March 31, 2024.

Total Saleable Production from ESL was 1,260 kt, 1,285 kt and 1,386 kt in Fiscal Years 2022, 2023 and 2024. Revenue from operations from our Steel Business was ₹8,300 crore in Fiscal Year 2024, compared to ₹7,852 crore in Fiscal Year 2023 and ₹6,474 crore in Fiscal Year 2022. For Fiscal Year 2024, EBITDA from our Steel Business was ₹225 crore compared to ₹316 crore and ₹701 crore for Fiscal Years 2023 and 2022, respectively.

Principal Products

TMT Bars. TMT Bars are basically thermo mechanically treated steel bars which are produced by controlled quenching and self-tempering process. We sell TMT Bars primarily to the construction industry.

Wire Rod. Steel wire rod is rolled from steel billet in a wire rod mill and is used primarily for the manufacture of wire. The steel for wire rod is produced by all the modern steelmaking processes, including the basic oxygen and electric furnace processes. Steel wire rod is usually cold drawn into wire suitable for further processing such as cold rolling, cold heading, cold upsetting, cold extrusion, cold forging or hot forging. We sell wire rod primarily to automobile and white goods industries.

Ductile Iron Pipe. Ductile iron pipe is a pipe made of ductile cast iron commonly used for potable water transmission and distribution. The ductile iron used to manufacture the pipe is characterised by the spheroidal or nodular nature of the graphite within the iron. Protective internal linings and external coatings are often applied to ductile iron pipes to inhibit corrosion, the standard internal lining is cement mortar and standard external coatings include bonded zinc, asphalt or water-based paint. The ductile iron pipe is primarily used in sanitation, sewerage and irrigation.

Pig Iron. Pig iron is an intermediate product of the iron industry, also known as crude iron, which is first obtained from a smelting furnace in the form of oblong blocks. Pig iron has a very high carbon content, typically ranging from 3.8% to 4.7%, along with silica and other constituents of dross, which makes it very brittle and not useful directly as a material except for limited applications. Pig iron is made by smelting iron ore into a transportable ingot of impure high carbon-content iron in a blast furnace as an ingredient for further processing steps. Pig iron is further processed and is used in steel plants.

Steel Billet. A billet is a length of metal that has a round or square cross-section. Billets are created directly via continuous casting or extrusion or indirectly via hot rolling an ingot or bloom. Billets are further processed via profile rolling and drawing. Final products include TMT and Wire rod.

By Product

Granulated Slag. Granulated blast-furnace slag is obtained by quenching molten iron slag from a blast furnace in water or steam, to produce a glassy, granular product that is then dried and grounded into a fine powder. Granulated slag is used in the production of quality-improved slag cement by cement industry.

Production Volumes

The following table sets out ESL's total production from Bokaro facility for Fiscal Years 2022, 2023 and 2024:

	Fiscal Year		
	2022	**2023**	**2024**
		(tonnes)	
Product			
TMT	398,579	462,815	505,287
Wire rod	420,509	407,124	435,767
Ductile iron pipe	163,882	196,391	211,823
Pig iron	185,854	192,078	203,369
Saleable Steel billet	91,334	26,488	29,922
Total	**1,260,168**	**1,284,897**	**1,386,168**

(vii) Commercial Power Generation Business

Introduction

Our Commercial Power Generation Business is primarily conducted by our Company and our Subsidiary, TSPL. Our Commercial Power Generation Business has a portfolio with total gross capacity of 6,580 MW, and 4,380 MW of which are currently operational. We have PPAs in place with public utilities involved in power distribution for 2,580 MW of our merchant capacity.

The following table sets out information relating to our power plants as of March 31, 2024:

Plant Location	Gross Capacity (MW)	Merchant Capacity (MW)	Remarks
Talwandi Sabo, Punjab	1,980	1,980	PPA with Punjab Discom
Jharsuguda SEZ, Odisha	2,400	600	PPA with Odisha Discom
Singhatari Chhattisgarh	1,200	1,200	Under construction
Meenakshi, Tirupati	1,000	1,000	Partly operational
Total	**6,580**	**4,780**	

Revenue from operations from our Commercial Power Generation Business was ₹6,153 crore in Fiscal Year 2024, compared to ₹6,724 crore in Fiscal Year 2023 and ₹5,501 crore in Fiscal Year 2022. For Fiscal Year 2024, EBITDA from our Commercial Power Generation Business was ₹971 crore, compared to ₹913 crore for Fiscal Year 2023 and ₹1,082 crore for Fiscal Year 2022.

Commercial power plants

Vedanta Limited. We operate a 2,400 MW coal based thermal power plant (comprising of four units of 600 MW each) in Jharsuguda, Odisha. The three 600 MW units are captive power for the Aluminium Business and one 600 MW unit is an independent power plant. Our Company has a long-term coal linkage for the second 600 MW unit and entered into a fuel supply agreement of 2.56 mtpa. Independent power plants in Odisha source coal from GoI's coal mining companies, long-term coal supply agreements with various state government under PPAs and from imports. During Fiscal Year 2024, 2.34 million tonnes of coal was purchased from these sources towards our Jharsuguda independent power plant as compared to 1.72 tonnes and 2.68 million tonnes purchased during Fiscal Years 2023 and 2022, respectively. The typical coal volume required for full scale operations of 600 MW independent power plant ranges between 2.5 million to 3.5 million tonnes. However, actual coal consumption is largely dependent on the amount of power generation. For Fiscal Years 2022, 2023 and 2024, the ten largest customers of the Jharsuguda operations accounted for 100.0% of our Company's Power Business.

TSPL. TSPL has secured a long-term linkage for 7.44 mtpa coal which is transported by rail. TSPL also sources coal from sources such as the GoI's coal mining companies and imports. In Fiscal Year 2024, the total coal purchased from these sources was 7.73 million tonnes. The total volume of coal consumed annually by our coal-fuelled power plants is largely dependent on the amount of generation and ranges between 6.99 million to 8.16 million tonnes for plant load factor ranging from 60.0% to 70.0%. For Fiscal Years 2022, 2023 and 2024, a state-owned power company accounted for 100.0% of TSPL power business.

Athena. In July 2023, we acquired Athena Chhattisgarh Power Limited ("**Athena**") which owns a 1,200 MW coal-based thermal power plant located at Raigarh district of Chhattisgarh. It is a sub-critical project with two units of 600 MW each. The two 600 MW units of Athena are yet to be commissioned. However, Athena is in advanced stages of securing project financing from Power Finance Corporation and is expected to commence operations in Fiscal Year 2026.

Meenakshi. In August 2023, we acquired Meenakshi Energy Limited ("**Meenakshi**") which owns a 1,000 MW thermal coal-based power plant located in Nellore district of Andhra Pradesh. With an acquisition cost of ₹1,440 crore, the project comprises of two phases with the first phase having two 150 MW units and the second phase having two 350 MW units each. The two 150 MW units was completed and is fully operational since Fiscal Year 2025, whilst the two 350 MW units have been commissioned but have not commenced commercial operations. Since our acquisition in 2023, the plant has undergone revival. Phase I (2x150 MW) has commenced operations in the first quarter of Fiscal Year 2025 and Phase II (2x350 MW) is expected to commence operations shortly.

(viii) Other Activities

Ferro Alloys Corporation Limited

On September 21, 2020, we completed the acquisition of Ferro Alloys Corporation Limited ("**FACOR**"). FACOR was acquired under the corporate insolvency resolution process pursuant to the Bankruptcy Code. The NCLT on January 30, 2020 approved the resolution plan for the acquisition resulting in FACOR becoming a wholly owned **S**ubsidiary of our Company. FACOR then amalgamated with its subsidiary Facor Power Limited ("**FPL**") by NCLT Order dated November 22, 2022.

For Fiscal Year 2024, FACOR's ore production volume and ferro chrome production were 239,831 tonnes and 79,572 tonnes, respectively and ferro chrome sales was 78,403 tonnes.

Vedanta Semiconductors Private Limited and Vedanta Displays Limited

In 2022, we incorporated Vedanta Semiconductors Private Limited and Vedanta Displays Limited to spearhead our foray into semiconductors and display glass respectively. Each of Vedanta Semiconductors Private Limited and Vedanta Displays Limited are wholly owned subsidiaries of our Company.

Market Share and Competition

Our Aluminium Business has a significant market share of approximately 45% in producing primary aluminium sector in India and is the largest aluminium producer in India accounting for approximately 56.5% of the overall smelting capacity in the country (*Source: ICRA Report*). Our competitors include, among others, Hindalco and Nalco (*Source: ICRA Report*).

HZL is the market leader for zinc, with a significant approximately 75% market share (in domestic consumption terms) and ranked as the second largest producer of zinc in the world (*Source: ICRA Report*). It is also the leading producer of refined lead in India with a market share of approximately 66% during Fiscal Year 2024 (*Source: ICRA Report*). HZL is the only primary silver producer in India and is the third largest silver producing company in the world with a market share of approximately 3% globally (*Source: ICRA Report*). Our competitors include, among others, Glencore, Teck Resources, Fresnillo and KGHM polska Miedz (*Source: ICRA Report*).

We contribute approximately 25% of India's domestic crude oil production during Fiscal Year 2024 (*Source: ICRA Report*). Our competitors include, among others, ONGC, IOCL, HMPL and BPCL (*Source: ICRA Report*).

We are also one of the leading iron ore producers in India in Fiscal Year 2024 (*Source: ICRA Report*). Our competitors include, among others, Tata Steel, SAIL, JSW Steel, AM/NS India, Jindal Steel and Power and Rungta Mines (*Source: ICRA Report*).

Intellectual Property

Our Company has entered into a brand license and strategic services agreement dated March 18, 2023 (as amended and restated on January 25, 2024) with Vedanta Resources Limited ("**VRL**") and Vedanta Resources Investments Limited ("**VRIL**") ("**Agreement**"). Prior to the Agreement, VRL had granted a non-exclusive license to Vedanta UK Holdings Limited to use the 'Vedanta' name, logo and trademarks ("**Trademarks**"), which in turn granted such license to VRIL. Pursuant to this Agreement, VRIL has granted a non-exclusive, non-assignable and non-transferable license to our Company to use the Trademarks in accordance with the terms of the Agreement. The Agreement is valid for a period of 15 years until March 31, 2038 and upon expiry or termination of the Agreement, the sub-license will automatically convert into a direct license between VRL and our Company.

Sustainability

In Fiscal Year 2012, we introduced a series of policies and technical and management standards (the "**Vedanta Sustainability Framework**") aligned to international sustainability standards, such as the International Finance Corporation Performance Standards, the International Council on Mining and Metals Sustainable Development Framework and the United Nations Global Compact Principles. We also engage with third party consultants to effectively mitigate, manage and resolve environment pollution, if any, in locations where we operate.

The sustainability committee at our Group is tasked to oversee our management of sustainability matters including but not limited to decarbonisation, water management, safety, employment practices, sustainable development engagement with the communities in which we operate, human rights and land access. The board of our Group reviews its performance twice in a year. The sustainability committee was renamed to the ESG board committee to increase the scope of the committee and include ESG issues.

We are ranked 3rd among 172 global metal and mining peers in the S&P Global CSA 2023, a significant climb from previous years. Additionally, HZL secured the top position in the same assessment, showcasing our dedication to responsible mining practices. Vedanta Aluminium also achieved the top ranking within the aluminium producer category, further solidifying our commitment to sustainability across our operations. Furthermore, our Company and HZL were included in the prestigious S&P Global Sustainability Yearbook 2024 recognizing among the top 21 sustainability performers in the industry.

The table below summarizes our current and historical scores/ratings from key ESG rating agencies:

Rating Agency	Current Score/Rating	Historical Score/Rating
S&P Global CSA 2023	81/ 100	66 > 62 > 76 > 81 (Steady Improvement)
MSCI	BB	CCC > CCC > B > BB > BB (Upward Trend)
Sustainalytics	37.6 Rank: 86/243	40.7 > 38.9 > 37.6 (Continuous Risk Reduction)
CDP-Climate Change	B	D > B- > B > B > B (Significant Improvement)

Rating Agency	Current Score/Rating	Historical Score/Rating
CDP- Water	A	B > A- (Maintaining High Standards)

Environment, Health and Safety

Health and safety is critical to our business operations and we have established necessary policies, procedures and related governance mechanism including governance committees across all units to successfully manage risk and realise the ambition of zero fatalities. Regular assessments are also conducted, and improvement programmes are in place across all operating units to ensure health and safety risk are well addressed and managed. We also ensure that workers' rights continue to be honoured at every stage of our operations, across diverse worker groups and the changing legal landscape. Moreover, in our effort to promote health and safety, we have adopted many practices, including the experience-based risk quantification and bow tie and making better risk decision approach to enhance our risk assessment, incident investigations, decision-making capabilities cross business safety audits, fatality investigation and learning through incident cause analysis method ("**ICAM**"). We have implemented the Critical Risk Management framework across our operations, which identifies 13 critical risks and is based on the 9-step methodology developed by the ICMM.

Corporate Social Responsibility

Making a positive contribution to local communities in India and Africa remains a high priority for our Group. Through its philanthropic arm, Anil Agarwal Foundation, our Group has impacted over 50 million lives and pledged ₹50 billion over next five years to strengthen the rural communities through a sustainable and inclusive growth model. The aim is to transform communities by providing nutrition and healthcare to 100 million women and children by 2030.

ORGANIZATIONAL STRUCTURE

Corporate History

Our Company was originally incorporated as 'Sesa Goa Private Limited' on June 25, 1965, as a private limited company under the Companies Act, 1956 with the RoC, Goa. Subsequently, our Company was converted into a public limited company and consequently, a fresh certificate of incorporation was issued on October 10, 1996, by the RoC, Goa. The name of our Company was changed from 'Sesa Goa Limited' to 'Sesa Sterlite Limited' and subsequently, a fresh certificate of incorporation was issued on September 18, 2013, by the RoC, Goa. Thereafter, the name of our Company was changed from 'Sesa Sterlite Limited' to 'Vedanta Limited' and subsequently, a fresh certificate of incorporation was issued on April 21, 2015, by the RoC, Goa. Subsequently, pursuant to a change in our registered office, a certificate of registration of regional director order in relation to the change of the state of our registered office was issued by the RoC on February 19, 2017.

The CIN of our Company is L13209MH1965PLC291394. Our Registered Office is located at 1st Floor, 'C' Wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai – 400 093, Maharashtra, India and our Corporate Office is located at Core 6, 3rd Floor, Scope Complex 7, Lodhi Road, New Delhi – 110 003, Delhi, India.

Organizational Structure

As of the date of this Preliminary Placement Document, our Company has 48 Subsidiaries, two Associates and four Joint Ventures. For further details, see "***Definitions and Abbreviations***" on page 21, respectively.

For details in relation to the composite scheme of arrangement approved by the Board of Directors on September 29, 2023, see "***Our Business – Proposed Demerger***" on page 190.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles.

In accordance with the Articles, our Company shall not have less than three Directors and not more than 15 Directors. As on the date of this Preliminary Placement Document present, our Company has eight* Directors on its Board, comprising of two Executive Directors, two Non-Executive Directors and four* Non-Executive Independent Directors, inclusive of two women Non-Executive Independent Directors.

** Pursuant to a resolution passed by our Board in its meeting dated June 17, 2024 and a special resolution passed by our Shareholders in their meeting dated July 10, 2024, Prasun Kumar Mukherjee has been appointed as a Non-Executive Independent Director of our Company for a term of two years with effect from August 11, 2024.*

The following table sets forth details regarding our Board as of the date of this Preliminary Placement Document:

Name, DIN, Term, Address, Occupation and Nationality	Age (in years)	Designation
Anil Agarwal **Term:** Liable to retire by rotation **Address:** 44 Hill Street, London, United Kingdom, W1J 5NX GB **Occupation:** Industrialist **Nationality**: Indian **DIN:** 00010883	71	Non-Executive Chairman
Navin Agarwal **Term:** Re-appointed for a term of five years with effect from August 1, 2023 **Address:** Soham, 8/ 738 Behramji Gamadia Road, Mumbai – 400 026, Maharashtra, India **Occupation:** Industrialist **Nationality**: Indian **DIN:** 00006303	63	Executive Vice Chairman
Arun Misra **Term:** Appointed with effect from August 1, 2023 to May 31, 2025 **Address:** D8, Ambavgarh, The Junior Study School, Girwa, Udaipur – 313 001, Rajasthan, India **Occupation:** Service **Nationality**: Indian **DIN:** 01835605	59	Executive Director
Priya Agarwal Hebbar **Term:** Re-appointed for a term of five years with effect from	34	Non-Executive Director

Name, DIN, Term, Address, Occupation and Nationality	Age (in years)	Designation
May 17, 2023 and liable to retire by rotation **Address:** Flat No. 2501/2502, Raheja Legend, Plot No. 254 A, Dr. Anne Besant Road, Worli, Mumbai – 400 025, Maharashtra, India **Occupation:** Professional **Nationality**: United States of America **DIN:** 05162177		
Dindayal Jalan **Term:** Re-appointed for a term of three years with effect from April 1, 2023 to March 31, 2026 and not liable to retire by rotation **Address:** D-807, Ashok Tower, 63/74, SS Rao Road, Parel, Mumbai – 400 012, Maharashtra, India **Occupation:** Professional **Nationality**: Indian **DIN:** 00006882	67	Non-Executive Independent Director
Upendra Kumar Sinha **Term:** Re-appointed for a term of three years with effect from August 11, 2021 and not liable to retire by rotation **Address:** K-94, 2nd Floor, Hauz Khas Enclave, Hauz Khas, New Delhi – 110 016, India **Occupation:** Retired civil servant **Nationality**: Indian **DIN:** 00010336	72	Non-Executive Independent Director
Padmini Sekhsaria **Term:** Re-appointed for a term of two years with effect from February 5, 2023 and not liable to retire by rotation **Address:** B-2001, Lodha Altamount, Altamount Road, Cumballa Hill, Mumbai – 400 026, Maharashtra, India **Occupation:** Professional **Nationality**: Indian **DIN:** 00046486	48	Non-Executive Independent Director
Pallavi Joshi Bakhru **Term:** Appointed for a term of two years with effect from July 1, 2024 and not liable to retire by rotation **Address:** W-129, Greater Kailash Part-2, South Delhi, India – 110 048 **Occupation:** Professional	56	Non-Executive Independent Director

Name, DIN, Term, Address, Occupation and Nationality	Age (in years)	Designation
Nationality: Indian **DIN:** 01526618		

Relationship with other Directors

Except as disclosed below, none of our Directors of our Company are related to each other:

(i) Anil Agarwal and Navin Agarwal are brothers; and
(ii) Priya Agarwal Hebbar is the daughter of Anil Agarwal.

Borrowing powers of our Board

Our Board has resolved by way of resolution dated September 5, 2014 and our shareholders have approved by way of a special resolution passed through postal ballot dated October 11, 2014, that our Board is authorised to borrow from, *inter alia*, any bank, financial or other institution(s), mutual fund(s), non-resident Indian(s), foreign institutional investors, foreign portfolio investors, whether Shareholders or not, through suppliers credit and any other securities or instruments, and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institutions, either in Indian rupees or in such other foreign currencies as may be permitted by law, from time to time, as may be deemed appropriate by our Board, an aggregate amount not exceeding ₹ 80,000 crores or the aggregate of the paid up capital and free reserves of our Company, whichever is higher.

Interest of the Directors

All our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof, to the extent of other remuneration and reimbursement of expenses, if any, payable to them by our Company under our Articles of Association and respective appointment letters. The Executive Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered. Our Directors may also be interested to the extent of Equity Shares held by them or stock options granted to them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms, HUFs, and trusts, in which they are interested as directors, members, partners, karta, trustees, etc.

Except as provided in "***Related Party Transactions***" on page 47, there have been no related party transactions between the Company and any of the Directors during the three Fiscals immediately preceding the date of this Preliminary Placement Document. Further, in the current Fiscal, none of the directors have entered into any additional type of related party transactions, other than disclosed in the related party transactions of the Company for the periods mentioned above. For further details on the related party transactions mentioned above, see "***Related Party Transactions***" on page 47. Further, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Shareholding of Directors

The following table sets forth the shareholding of the Directors in our Company as on the date of this Preliminary Placement Document:

Name	Number of Equity Shares	Percent of the issued and paid-up Equity Share capital (in %)
Arun Misra	94,747	0.00%
Dindayal Jalan	11,000	0.00%
Pallavi Joshi Bakhru	13,000	0.00%
Total	**1,18,747**	**0.00%**

Remuneration to the Executive Directors

The following table sets forth the details of remuneration paid by our Company to the Executive Directors of our Company during the current Fiscal from April 1, 2024 till July 12, 2024 and for the Fiscals 2024, 2023 and 2022:

(in ₹ crores)

S. No.	Name of Director	Remuneration for the current Fiscal (from April 1, 2024 till July 12, 2024)	Remuneration for the Fiscal 2024	Remuneration for the Fiscal 2023	Remuneration for the Fiscal 2022
1.	Navin Agarwal	2.62	22.78	21.44	19.49
2.	Arun Misra#	Nil	Nil	NA	NA

 # Appointed as Executive Director with effect from August 1, 2023.

Remuneration to Non-Executive Directors

Each Non-Executive Independent Director is entitled to receive sitting fees of ₹ 1,00,000 per meeting for attending each meeting of our Board and committee meetings of our Board.

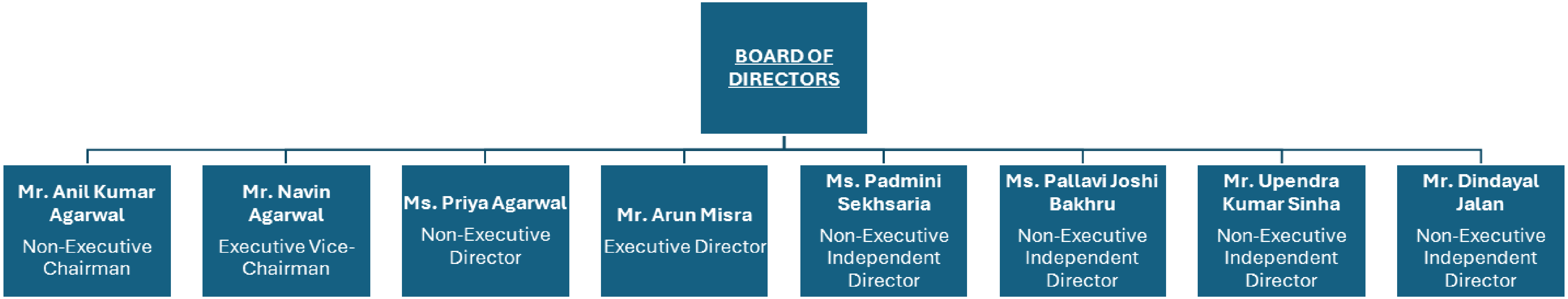
The following table sets forth the compensation paid by our Company to the Non-Executive Directors of our Company during the current Fiscal from April 1, 2024 till July 12, 2024 and Fiscals 2024, 2023 and 2022:

(in ₹ crores)

S. No.	Name of Director	Remuneration (including sitting fees)			
		Current Fiscal (from April 1, 2024 till July 12, 2024)	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Anil Agarwal	-	0.15	0.06	0.13
2.	Priya Agarwal Hebbar	0.40	1.60	1.11	1.13
3.	Dindayal Jalan	0.06	1.04	0.98	1.01
4.	Upendra Kumar Sinha	0.07	1.06	1.02	10.50
5.	Padmini Sekhsaria	0.03	0.85	0.85	0.90
6.	Pallavi Joshi Bakhru*	0.00	0.00	0.00	0.00

***** *Pallavi Joshi Bakhru was appointed with effect from July 1, 2024, pursuant to Board Resolution dated June 17, 2024, and accordingly has not received any remuneration yet.*

Organisational Chart of our Company



Key Managerial Personnel and Senior Management

The Key Managerial Personnel and members of Senior Management are permanent employees of our Company. The details of our other Key Managerial Personnel and the members of our Senior Management in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as on the date of this Preliminary Placement Document are set forth below:

S. No.	Name	Designation
Key Managerial Personnel		
1.	Navin Agarwal	Executive Vice Chairman
2.	Arun Misra	Executive Director
3.	Ajay Goel*	Chief Financial Officer
4.	Prerna Halwasiya*	Company Secretary and Compliance Officer
Senior Management		
1.	Madhu Srivastava	Chief Human Resource Officer
2.	John Slaven	CEO, Aluminium

** Ajay Goel and Prerna Halwasiya are also members of the Senior Management of our Company.*

Shareholding of Key Managerial Personnel and Senior Management

Except as disclosed below, none of our Key Managerial Personnel or member of the Senior Management hold Equity Shares in our Company as on the date of this Preliminary Placement Document.

Sr. No.	Name of the Key Managerial Personnel / member of the Senior Management	Number of Equity Shares	Percentage (%) shareholding
1.	Ajay Goel	3,250	0.00
2.	Prerna Halwasiya	16,707	0.00
3.	Madhu Srivastava	63,143	0.00

Relationship

None of our Key Managerial Personnel and member of the Senior Management are related to each other or to the Directors.

Interest of Key Managerial Personnel and members of the Senior Management

The Key Managerial Personnel, other than the Directors of our Company, and members of the Senior Management do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them in the ordinary course of business. Our Key Managerial Personnel and members of the Senior Management may also be interested to the extent of Equity Shares held by them or stock options granted to them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them. All our Key Managerial Personnel and members of the Senior Management may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms, HUFs, and trusts, in which they are interested as directors, members, partners, karta, trustees, etc., if any. For details of interests of Directors, see "– ***Interest of the Directors***" on page 216.

Except as provided in "***Related Party Transactions***" on page 47, there have been no related party transactions between the Company and any of the Key Managerial Personnel or members of the Senior Management during the three Fiscals immediately preceding the date of this Preliminary Placement Document. Further, in the current Fiscal, none of the Key Managerial Personnel or members of the Senior Management have entered into any additional type of related party transactions, other than disclosed in the related party transactions of the Company for the periods mentioned above. For further details on the related party transactions mentioned above, see "***Related Party Transactions***" on page 47.

Corporate Governance

Our Board presently consists of eight* Directors. In compliance with the requirements of the SEBI Listing Regulations, our Board consists of four* Non-Executive Independent Directors (including two women Non-Executive Independent Directors).

** Pursuant to a resolution passed by our Board in its meeting dated June 17, 2024 and a special resolution passed by our Shareholders in their meeting dated July 10, 2024, Prasun Kumar Mukherjee has been appointed as a Non-Executive Independent Director of our Company for a term of two years with effect from August 11, 2024.*

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations. Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company's executive management provides our Board detailed reports on its performance periodically.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The statutory committees of our Board are: (i) Audit and Risk Management Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; and (iv) Corporate Social Responsibility Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Preliminary Placement Document:

S. No.	Committee	Name and Designation of Members
1.	Audit and Risk Management Committee	(1) Upendra Kumar Sinha (Chairperson) (2) Dindayal Jalan (Member) (3) Pallavi Joshi Bakhru (Member)
2.	Nomination and Remuneration Committee	(1) Upendra Kumar Sinha (Chairperson) (2) Dindayal Jalan (Member) (3) Anil Agarwal (Member)
3.	Stakeholders' Relationship Committee	(1) Dindayal Jalan (Chairperson) (2) Upendra Kumar Sinha (Member) (3) Padmini Sekhsaria (Member) (4) Arun Misra (Member)
4.	Corporate Social Responsibility Committee	(1) Padmini Sekhsaria (Chairperson) (2) Priya Agarwal Hebbar (Member) (3) Upendra Kumar Sinha (Member) (4) Pallavi Joshi Bakhru (Member)

Other Confirmations

None of the Directors, Promoters, Key Managerial Personnel or members of the Senior Management of our Company has any financial or other material interest in the Issue and there is no effect of such interest as is different from the interest of other persons.

Neither our Company, nor the Directors or Promoters have ever been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI.

Neither our Company, nor any of our Directors or Promoters have ever been declared as 'fraudulent borrowers' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016, and SEBI ICDR Regulations.

Neither our Company, nor our Directors or Promoters have been debarred from accessing capital markets under any order or direction made by SEBI. Further, none of the Promoters and Directors have been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Directors, Promoters, Key Managerial Personnel or members of the Senior Management of our Company intends to subscribe to the Issue.

No change in control in our Company will occur consequent to the Issue.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations apply to our Company and its employees and require our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of practices and procedures for fair disclosure of unpublished price sensitive information ("**Code**") in accordance with the SEBI Insider Trading Regulations.

Related Party Transactions

For details in relation to the related party transactions entered into by our Company during the last three Financial Years, immediately preceding the year of circulation of this Preliminary Placement Document, see "***Related Party Transactions***" on page 47.

Employee stock option schemes

For details with respect the employee stock option scheme of our Company, see "***Capital Structure – Employee stock option scheme***" on page 93.

SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on June 30, 2024, is set forth below.

Summary statement showing the shareholding pattern of the Company

Category	Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VI) As a % of (A+B+C2)	No. of Voting Rights held in each class of securities		No. of shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	Sub-categorization of shares		
											Shareholding (No. of shares) under		
						No of Voting Rights	Total as a % of (A+B+C)	No. (a)	As a % of total shares held (b)		Sub-category (i)	Sub-category (ii)	Sub-category (iii)
(A)	Promoters & Promoter Group*	9	2,20,48,67,749	2,20,48,67,749	59.32	2,20,48,67,749	59.32	2,20,47,24,753	99.99	2,20,48,67,749	-	-	-
(B)	Public	17,92,811	1,50,57,54,389	1,50,57,54,389	40.51	1,50,57,54,389	40.51		0.00	1,49,98,93,229			
(C)	Non Promoter-Non Public	1	65,84,101	65,84,101	0.00	65,84,101	0.18		0.00	65,84,101	-	-	-
(C1)	Shares underlying DRs				0.00		0.00		0.00		-	-	-
(C2)	Shares held by Employee Trusts	1	65,84,101	65,84,101	0.18	65,84,101	0.18		0.00	65,84,101	-	-	-
	Total	**17,92,821**	**3,71,72,06,239**	**3,71,72,06,239**	**100.00**	**3,71,72,06,239**	**100.00**	**2,20,47,24,753**	**59.31**	**3,71,13,45,079**			

Note: C = C1 + C2
Total = A+B+C

Statement showing shareholding pattern of our Promoters and Promoter Group

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held(b)	Class eg: X	Total	
A1) Indian					0.00		0.00		0.00	
Individuals/Hindu undivided Family		4	1,42,996	1,42,996	0.00	1,42,996	0.00		0.00	1,42,996
PRAVIN AGARWAL	Promoter Group	1	1,000	1,000	0.00	1,000	0.00		0.00	1,000
SUMAN DIDWANIA	Promoter Group	1	87,696	87,696	0.00	87,696	0.00		0.00	87,696
ANKIT AGARWAL	Promoter Group	1	36,300	36,300	0.00	36,300	0.00		0.00	36,300
SAKSHI MODY	Promoter Group	1	18,000	18,000	0.00	18,000	0.00		0.00	18,000
ANIL AGARWAL	Promoter				0.00		0.00		0.00	
VEDVATI AGARWAL	Promoter Group				0.00		0.00		0.00	
NAVIN AGARWAL	Promoter Group				0.00		0.00		0.00	
KIRAN AGARWAL	Promoter Group				0.00		0.00		0.00	
AGNIVESH AGARWAL	Promoter Group				0.00		0.00		0.00	
PRIYA AGARWAL	Promoter Group				0.00		0.00		0.00	
PRATIK AGARWAL	Promoter Group				0.00		0.00		0.00	
Any Other (specify)					0.00		0.00		0.00	
HARE KRISHNA PACKAGING PVT LIMITED	Promoter Group				0.00		0.00		0.00	
STERLITE METALS ROLLING MILLS PVT LIMITED	Promoter Group				0.00		0.00		0.00	
Sub Total A1		**4**	**1,42,996**	**1,42,996**	**0.00**	**1,42,996**	**0.00**		**0.00**	**1,42,996**
A2) Foreign					0.00		0.00		0.00	
Any Other (specify)		5	2,20,47,24,753	2,20,47,24,753	59.31	2,20,47,24,753	59.31	2,20,47,24,753	100.00	2,20,47,24,753
WELTER TRADING	Promoter	1	3,82,41,056	3,82,41,056	1.03	3,82,41,056	1.03	3,82,41,056	100.00	3,82,41,056

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held(b)	Class eg: X	Total	
LIMITED	Group									
FINSIDER INTERNATIONAL COMPANY LIMITED	Promoter				0.00		0.00		0.00	
TWIN STAR HOLDINGS LTD	Promoter Group	1	1,56,48,05,858	1,56,48,05,858	42.10	1,56,48,05,858	42.10	1,56,48,05,858	100.00	1,56,48,05,858
VEDANTA HOLDINGS MAURITIUS LIMITED	Promoter Group	1	10,73,42,705	10,73,42,705	2.89	10,73,42,705	2.89	10,73,42,705	100.00	10,73,42,705
VEDANTA HOLDINGS MAURITIUS II LIMITED	Promoter Group	1	49,28,20,420	49,28,20,420	13.26	49,28,20,420	13.26	49,28,20,420	100.00	49,28,20,420
VEDANTA NETHERLANDS INVESTMENTS B.V.	Promoter Group	1	15,14,714	15,14,714	0.04	15,14,714	0.04	15,14,714	100.00	15,14,714
VEDANTA NETHERLANDS INVESTMENTS II B.V.	Promoter Group				0.00		0.00		0.00	
VEDANTA UK INVESTMENTS LIMITED	Promoter Group				0.00		0.00		0.00	
WESTGLOBE LIMITED	Promoter Group				0.00		0.00		0.00	
RICHTER HOLDING LIMITED, CYPRUS	Promoter Group				0.00		0.00		0.00	
VEDANTA RESOURCES CYPRUS LIMITED (VRCL, CYPRUS)	Promoter Group				0.00		0.00		0.00	
VEDANTA RESOURCES MAURITIUS LIMITED	Promoter Group				0.00		0.00		0.00	
VEDANTA	Promoter				0.00		0.00		0.00	

Category of shareholder	Entity Type	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
						No.(a)	As a % of total Shares held(b)	Class eg: X	Total	
RESOURCES HOLDINGS LIMITED (VRHL, UK)	Group									
VEDANTA FINANCE UK LIMITED (VFUL)	Promoter Group				0.00		0.00		0.00	
VEDANTA RESOURCES LIMITED, UK	Promoter Group				0.00		0.00		0.00	
VEDANTA HOLDINGS JERSEY LIMITED	Promoter Group				0.00		0.00		0.00	
VOLCAN INVESTMENTS CYPRUS LIMITED	Promoter Group				0.00		0.00		0.00	
VEDANTA RESOURCES FINANCE LIMITED	Promoter Group				0.00		0.00		0.00	
VEDANTA RESOURCES FINANCE II PLC	Promoter Group				0.00		0.00		0.00	
ANIL AGARWAL DISCRETIONARY TRUST	Promoter Group				0.00		0.00		0.00	
CONCLAVE PTC LIMITED	Promoter Group				0.00		0.00		0.00	
VEDANTA INCORPORATED (ERSTWHILE VOLCAN INVESTMENTS LIMITED)*	Promoter Group				0.00		0.00		0.00	
Sub Total A2		**5**	**2,20,47,24,753**	**2,20,47,24,753**	**59.31**	**2,20,47,24,753**	**59.31**	**2,20,47,24,753**	**100.00**	**2,20,47,24,753**
A=A1+A2		**9**	**2,20,48,67,749**	**2,20,48,67,749**	**59.32**	**2,20,48,67,749**	**59.32**	**2,20,47,24,753**	**99.99**	**2,20,48,67,749**

Notes:

*- During the first quarter, Pravin Agarwal, a part of the Promote Group, and Finsider International Company Limited ("**Finsider**"), a Promoter, had sold 17,660 and 9,79,45,940 Equity Shares respectively. Post this, the holdings of Pravin Agarwal have reduced to 1,000 Equity Shares and holdings of Finsider have reduced to Nil Equity Shares. With this, the total shareholding of Promoter and Promoter Group has been reduced from 61.95% to 59.32%.*

- The name of Volcan Investments Limited, part of Promoter Group, has been changed to Vedanta Incorporated.

Statement showing shareholding pattern of the public Shareholders

Category and Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form (Not Applicable)	Sub-categorization of shares (XV) Shareholding (No. of shares) under		
								Subcategory (i)	Subcategory (ii)	Subcategory (iii)
B1) Institutions	0	0		0.00		0.00		-	-	-
B2) Institutions (Domestic)	0	0		0.00		0.00		-	-	-
Mutual Funds/	32	19,83,49,117	19,83,49,117	5.34	19,83,49,117	5.34	19,83,49,117			
Alternate Investment Funds	20	57,47,047	57,47,047	0.15	57,47,047	0.15	57,47,047			
Banks	18	38,627	38,627	0.00	38,627	0.00	24,847			
Insurance Companies	16	34,52,74,826	34,52,74,826	9.29	34,52,74,826	9.29	34,52,73,826			
LIFE INSURANCE CORPORATION OF INDIA	1	31,78,58,862	31,78,58,862	8.55	31,78,58,862	8.55	31,78,57,862			
NBFCs registered with RBI	13	35,376	35,376	0.00	35,376	0.00	35,376			
Sub Total B1	**99**	**54,94,44,993**	**54,94,44,993**	**14.78**	**54,94,44,993**	**14.78**	**54,94,30,213**			
B3) Institutions (Foreign)	0	0		0.00		0.00		-	-	-
Foreign Portfolio Investors Category I	624	35,46,45,999	35,46,45,999	9.54	35,46,45,999	9.54	35,46,45,999			
Foreign Portfolio Investors Category II	49	2,56,03,106	2,56,03,106	0.69	2,56,03,106	0.69	2,56,03,106			
Any Other(Institutions (Foreign))	12	57,051	57,051	0.00	57,051	0.00	42,571			
BANKS	8	27,394	27,394	0.00	27,394	0.00	17,754			
FOREIGN INSTITUTIONAL INVESTORS	4	29,657	29,657	0.00	29,657	0.00	24,817			
Sub Total B2	**685**	**38,03,06,156**	**38,03,06,156**	**10.23**	**38,03,06,156**	**10.23**	**38,02,91,676**			
B4) Central Government/ State Government(s)/ President of India	0	0		0.00		0.00		-	-	-
Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	3	26,24,263	26,24,263	0.07	26,24,263	0.07	26,24,263			
Sub Total B3	**3**	**26,24,263**	**26,24,263**	**0.07**	**26,24,263**	**0.07**	**26,24,263**			
B5) Non-Institutions	0	0		0.00		0.00		-	-	-
Directors and their relatives (excluding independent directors and nominee directors)	2	1,76,397	1,76,397	0.00	1,76,397	0.00	1,76,397			
Key Managerial Personnel	2	19,957	19,957	0.00	19,957	0.00	19,957			
Investor Education and Protection Fund (IEPF)	1	60,24,304	60,24,304	0.16	60,24,304	0.16	60,24,304			
Resident Individuals holding nominal share capital up to Rs. 2 lakhs	17,50,732	40,38,47,493	40,38,47,493	10.86	40,38,47,493	10.86	39,83,16,085			
Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	31	1,49,29,769	1,49,29,769	0.40	1,49,29,769	0.40	1,49,29,769			
Non Resident Indians (NRIs)	18,414	1,45,04,734	1,45,04,734	0.39	1,45,04,734	0.39	1,44,45,195			
Foreign Nationals	3	3,231	3,231	0.00	3,231	0.00	3,231			
Foreign Companies	6	16,22,693	16,22,693	0.04	16,22,693	0.04	16,22,693			
Bodies Corporate	3,697	11,74,96,830	11,74,96,830	3.16	11,74,96,830	3.16	11,72,58,633			

Category and Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form (Not Applicable)	Sub-categorization of shares (XV) Shareholding (No. of shares) under		
								Subcategory (i)	Subcategory (ii)	Subcategory (iii)
PTC Cables Private Limited	1	7,46,39,083	7,46,39,083	2.01	7,46,39,083	2.01	7,46,39,083			
Any Other (specify)	19,136	1,47,53,569	1,47,53,569	0.40	1,47,53,569	0.40	1,47,50,813			
Trusts	60	7,21,821	7,21,821	0.02	7,21,821	0.02	7,19,065			
HUF	19,046	1,40,00,839	1,40,00,839	0.38	1,40,00,839	0.38	1,40,00,839			
Clearing Members	30	30,909	30,909	0.00	30,909	0.00	30,909			
Sub Total B4	**17,92,024**	**57,33,78,977**	**57,33,78,977**	**15.42**	**57,33,78,977**	**15.42**	**56,75,47,077**			
B=B1+B2+B3+B4	**17,92,811**	**1,50,57,54,389**	**1,50,57,54,389**	**40.51**	**1,50,57,54,389**	**40.51**	**1,49,98,93,229**			

Notes:

(1) 2,98,632 Equity Shares are under abeyance, pending for allotment as they are subjudice and hence do not form part of the listed Equity Share capital.

(2) Details of the shareholders acting as persons in concert including their shareholding (No. and %):

(3) Details of shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Details of the shareholders acting as persons in Concert for Public:

Serial No.	Shareholder Name	Name of the PAC	Number of shares	Percentage of shareholding by PAC
1	Naivedya Agarwal	Naivedya Agarwal	81,650	0.00
2	Shweta Agarwal	Shweta Agarwal	1,350	0.00
3	Varunn Mody	Varunn Mody	200	0.00
4	Viraj Didwania	Viraj Didwania	919	0.00

Details of Shares which remained unclaimed for Public:

Serial No.	Number of shareholders	Outstanding shares held in demat or unclaimed suspense account	Voting rights which are frozen	Disclosure of notes on shares which remain unclaimed for public shareholders
1	144	2,04,365	-	-

Statement showing shareholding pattern of non-Promoter - non-public Shareholders

Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Total no. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)(VIII)	Number of equity shares held in dematerialized form (XIV) (Not Applicable)
C1) Custodian/DR Holder	0	0		0.00	
C2) Employee Benefit Trust	0	0		0.00	
Employee Benefit Trust	1	65,84,101	65,84,101	0.18	65,84,101
Sub Total C2	**1**	**65,84,101**	**65,84,101**	**0.18**	**65,84,101**
C= C1+C2	**1**	**65,84,101**	**65,84,101**	**0.00**	**65,84,101**

Notes:

(1) As per Regulation 3(5) of the SEBI SBEB Regulations the voting rights of Vedanta Limited ESOS Trust are reserved.

ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the Bid, payment of Application Amount, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are assumed to have apprised themselves of the same from our Company or the Book Running Lead Managers. Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders are required to confirm and are deemed to have represented to our Company, the Book Running Lead Managers and their respective directors, employees, counsels, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Book Running Lead Managers and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Equity Shares. Prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Also see "**Selling Restrictions**" and "**Transfer Restrictions**" on pages 244 and 250, respectively.*

Our Company, the Book Running Lead Managers and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document and the Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and other applicable provisions of the Companies Act, 2013 and rules thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided that:

- the Shareholders have passed a special resolution through postal ballot approving the Issue. Such special resolution *inter alia* specifies (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP and (b) the Relevant Date;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of the Issue, the contribution made by the Promoters or Directors either as part of the Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our shareholders for convening the meeting to pass the above-mentioned special resolution except for Equity Shares allotted during the preceding one year from the date of this Preliminary Placement Document. For details, see "***Capital Structure***" on page 90;

- invitation to apply in the Issue must be made through a private placement offer cum application (i.e., this Preliminary Placement Document) and an Application Form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company earlier or has withdrawn or abandoned any such invitation or offer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed;

- our Directors and Promoter, Anil Agarwal, are not Fugitive Economic Offenders;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer cum application (i.e., this Preliminary Placement Document and the Application Form), our Company must prepare and record a list of Eligible QIBs to whom the offer will be made. The Issue must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe;

- our Company acknowledges the offerings of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited;

- our Company, our Directors or Promoters have never been identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI; and

- our Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016.

At least 10% of the Equity Shares issued pursuant to this Issue to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The "Relevant Date" referred to above means the date of the meeting in which the Board or the Committee of Directors decides to open the Issue and "stock exchange" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the special resolution of the Shareholders passed through postal ballot on June 21, 2024, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the shareholders' resolution approving the Issue, being June 21, 2024 and within 60 days from the date of receipt of Application Amount from the Successful Bidders, failing which our Company shall refund the Application Amount in accordance with applicable laws. For details of refund of Application Amount, see "***– Pricing and Allocation*** *" and "****–Designated Date and Allotment of Equity Shares***" on pages 238 and 239, respectively.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information required under applicable laws including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 250 crore; and
- five, where the issue size is greater than ₹ 250 crore.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "***– Bid Process – Application Form***" on page 235.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

Our Company has filed a draft of this Preliminary Placement Document with each of the Stock Exchanges and has received the in-principle approvals of the Stock Exchanges, each dated July 15, 2024 under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to this Issue on the Stock Exchanges. We will file a copy of the Placement Document with the Stock Exchanges.

Allotments made to VCFs, and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares offered in the Issue have not been, and will not be, registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions", as defined in, and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur and within the United States to "qualified institutional buyers", as defined in Rule 144A under the U.S. Securities Act, in transactions exempt from the registration requirements of the U.S. Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 244 and 250, respectively.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On the Issue Opening Date, our Company in consultation with the Book Running Lead Managers shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC within the stipulated time periods as required under the Companies Act, 2013 and the PAS Rules. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered will be determined by our Company in consultation with the BRLMs, at their sole discretion.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Application Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible QIBs may submit the Application Form, including any revisions thereof along with the Application Amount transferred to the escrow account specified in the Application Form and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Book Running Lead Managers. Application Form may be signed physically or digitally, if required under applicable laws in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable laws. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to

be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Bidders will be required to indicate the following in the Application Form:

   - Full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id and bank account details;
   - number of Equity Shares Bid for;
   - price at which they are agreeable to subscribe for the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;
   - Equity Shares held by the Eligible QIBs in our Company prior to the Issue;
   - details of the depository account to which the Equity Shares should be credited;
   - a representation that it is either (i) outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, or (ii) a U.S. QIB, and it has agreed to certain other representations set forth in the "***Representations by Investors***" on page 3 and "***Transfer Restrictions***" on page 250 and certain other representations made in the Application Form; and
   - Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form.

5. Eligible QIBs shall be required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Application Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, (c) the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "***– Refunds***" on page 240.

6. Once a duly completed Application Form is submitted by a Bidder, whether signed or not, and the Application Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision in the Issue Price before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

8. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, on or after the Issue Closing Date, our Company shall, in consultation with Book Running Lead Managers determine the final terms, including the Issue Price and number of the Equity Shares to be issued pursuant to the Issue and Allocation to the Successful Bidders. Upon such determination, the Book Running Lead Managers, on behalf of our Company, will send the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of this Preliminary Placement Document and Application Form. Please note that the Allocation will be at the absolute discretion of our Company and will be in consultation with the Book Running Lead Managers.

9. The Bidder acknowledges that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company will be required to disclose the names of proposed allottees and the percentage of their post-Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

10. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Book Running Lead Managers, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution for Allotment and prior to crediting the Equity Shares allotted pursuant to this Issue, into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to the Successful Bidders. Our Company and the Book Running Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Bidders are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

17. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which Application Amount was remitted (as set out in the Application Form).

Qualified Institutional Buyers

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to foreign portfolio investors, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs who can participate in the Issue as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions (which are resident in India);
- mutual funds registered with SEBI;
- pension funds with minimum corpus of ₹ 25 crores registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹ 25 crores;
- public financial institutions;
- scheduled commercial banks;
- state industrial development corporations;
- systemically important non-banking financial companies;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- foreign venture capital investors registered with SEBI.

Eligible FPIs are permitted to participate through the portfolio investment scheme under Schedule II of FEMA Rules in this Issue. Eligible FPIs are permitted to participate in the Issue subject to compliance with all applicable laws and such that the shareholding of the FPIs do not exceed specified limits as prescribed under applicable laws in this regard. FVCIs are not permitted to participate in this Issue.

In terms of the SEBI FPI Regulations and the FEMA Rules, the issue of Equity Shares to a single FPI including its investor group (which means the multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control, shall be treated as part of the same investor group) must be below 10% of our post-Issue Equity Share capital and the total holding of all FPIs, collectively, shall be below 24% of the paid-up equity share capital of our Company. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that (i) the individual investment of the FPI (including its investor group) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. Other than those Eligible FPIs, as prescribed in Regulation 22(4) of the SEBI FPI Regulations, in the event that such divestment of excess holding is not undertaken within the aforementioned prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per the procedure specified by SEBI and receipt of necessary regulatory approvals as required and in accordance with applicable laws, and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations and FEMA Rules.

As per the FPI Operational Guidelines, these investment restrictions shall also apply to subscribers of P-Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as a FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed National Securities Depository Limited as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the Issue and sale of the Equity Shares in certain jurisdictions, see “***Selling Restrictions***” and “***Transfer Restrictions***” on pages 244 and 250, respectively.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, or any person related to, the Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoters:

- rights under a shareholders’ agreement or voting agreement entered into with the Promoters or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any Equity Shares in our Company, and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company and the Book Running Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of under subscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the Book Running Lead Managers who are QIBs, may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are specifically addressed to them) supplied by our Company and the Book Running Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, a Bidder will be deemed to have made the representations, warranties, acknowledgements and undertakings given or made under the sections "***Notice to Investors***", "***Representations by Investors***", "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 1, 3, 244 and 250, respectively, including as follows:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Eligible QIB confirms that it is not a Promoters and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

3. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoters;

4. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

5. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI having a valid and existing registration with SEBI under the applicable laws in India, and is eligible to invest in India under applicable law, including the FEMA Rules and the restrictions stated under this section, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

6. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

7. The Eligible QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB or as specified in this Preliminary Placement Document;

8. The Eligible QIB confirms that its Bid would not result in triggering an open offer under the SEBI Takeover Regulations;

9. The Eligible QIB agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 and rules made thereunder, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Book Running Lead Managers. The Eligible QIB further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

10. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, 2013, upon Allocation, the Company will be required to disclose names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs;

11. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    a. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other Eligible QIB; and

b. ‘Control’ shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

12. The Eligible QIB confirms that:

    a. if it is within the United States, it is a U.S. QIB who is, or are acquiring the Equity Shares for its own account or for the account of an institutional investor who also meets the definition and requirement of a U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate; and

    b. if it is outside the United States, it is subscribing to the Equity Shares in an “offshore transaction”, as defined in, and in reliance on, Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate;

13. The Eligible QIBs acknowledge that no Allotment shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;

14. The Eligible QIBs confirm that they shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; and

15. Each Eligible QIB confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations read with the FEMA Rules, along with the restrictions specified above in this section.

ELIGIBLE QIBS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, PHONE NUMBER, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN OR PAN ALLOTMENT LETTER (AS THE CASE MAYBE), DEPOSITORY PARTICIPANT’S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGERS TO EVIDENCE THEIR STATUS AS A “QIB” AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGERS, ESCROW AGENT OR ANY STATUTORY OR REGULATORY AUTHORITY OR STOCK EXCHANGES IN THIS REGARD, INCLUDING AFTER ISSUE CLOSING DATE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as the case maybe). The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Book Running Lead Managers either through electronic form or through physical delivery at either of the following addresses:

Name of the Book Running Lead Manager	Address	Contact Person	Email	Contact number
Citigroup Global Markets India Private Limited	1202, 12th Floor, First International Financial Centre, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 098, Maharashtra	Huzefa Bodabhaiwala	vedanta.qip@citi.com	+91 22 6175 9999
JM Financial Limited	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra, India	Prachee Dhuri	vedanta.qip@jmfl.com	+91 22 66303030
Nuvama Wealth Management Limited (*formerly known as Edelweiss Securities Limited*)	801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051, Maharashtra, India	Manish Tejwani / Lokesh Shah	vedanta.qip@nuvama.com	+ 91 22 4009 4400

The Book Running Lead Managers shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

Bidders Bidding in the Issue shall pay the entire Application Amount along with the submission of the Application Form, within the Issue Period.

Payment of Application Amount

Our Company has opened the "Vedanta Limited QIP Escrow Account" with IndusInd Bank Limited, our Escrow Agent, in terms of the arrangement among our Company, the Book Running Lead Managers and IndusInd Bank Limited as the Escrow Agent. Bidders will be required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws. Bidders can make payment of the Application Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer.

Note: Payments made through cash, demand draft or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account within the Issue Period stipulated in the Application Form, the Application Form of the QIB is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "Vedanta Limited QIP Escrow Account" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "***– Refunds***" on page 240.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchange(s) during the two weeks preceding the Relevant Date. However, a discount of not more than 5% of the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations, as approved by our Shareholders pursuant to special resolution passed through postal ballot dated June 21, 2024, may be offered by our Company in accordance with the provisions of the SEBI ICDR Regulations.

The "Relevant Date" referred to above, for Allotment, will be the date of the meeting in which the Committee of Directors of our Board decides to open the Issue. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Build-up of the book

The Eligible QIBs shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Book Running Lead Managers. Such Bids cannot be withdrawn or revised downwards after the Issue Closing Date. The book shall be maintained by the Book Running Lead Managers.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with Book Running Lead Managers have the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Book Running Lead Managers, in their sole and absolute discretion, shall decide the Successful Bidders to whom the serially numbered CAN shall be dispatched, pursuant to which the details of the Equity Shares Allocated to them the, Issue Price and the Application Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in the Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board, or a duly authorised committee thereof, will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

Bidders are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "***Representations by Investors***" on page 3 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued, and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire,

as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts, our Company will apply for the final trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC.

7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees, belonging in the same group or under common control in the Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company will be disclosed in the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which the Application Amount was remitted (as set out in the Application Form). The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of the Application Amount, our Company shall repay the Application Amount within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at the rate of 12% p.a. from the expiry of the 60^{th} day.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals of the Stock Exchanges for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company and the Company files the return of Allotment in connection with the Issue with the RoC. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other Instructions

Permanent Account Number or PAN

Each Bidder should mention its PAN allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. However, this requirement may not apply to certain Bidders who are exempted from the requirement of obtaining a PAN under the IT Act. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Book Running Lead Managers in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For details see "– ***Refunds***" on page 240.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Managers will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT

Placement Agreement

The Book Running Lead Managers have entered into the Placement Agreement dated July 15, 2024 with our Company, pursuant to which the Book Running Lead Managers have agreed, subject to certain conditions, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares on a reasonable efforts basis to be placed with the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, as amended and other applicable provisions of the Companies Act and the rules made thereunder.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the BRLMs, and it is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares post the Issue.

The Equity Shares offered in the Issue have not been, and will not be, registered under the U.S. Securities Act or any state securities laws of the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur and within the United States to "qualified institutional buyers", as defined in Rule 144A under the U.S. Securities Act, in transactions exempt from the registration requirements of the U.S. Securities Act. For further information, see "***Selling Restrictions***" and "***Transfer Restrictions***" on pages 244 and 250, respectively.

This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares issued pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

In connection with the Issue, the Book Running Lead Managers (or their affiliates or associates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Managers (or their affiliates or associates) may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Managers may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "***Offshore Derivative Instruments***" on page 8.

From time to time, the Book Running Lead Managers, and their affiliates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, commercial banking, trading services for our Company, Subsidiaries, Joint Ventures, group companies, affiliates and the shareholders of our Company, as well as to their respective affiliates, pursuant to which compensation has been paid or will be paid to the Book Running Lead Managers and their respective affiliates and associates.

Lock-up

Subject to the exceptions set out below, our Company will not: (a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares; or (c) publicly announce any intention to enter into any transaction described in (a) or (b) above, whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, for a period from the date hereof up to 60 days after the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Managers, however, the foregoing restriction shall not be applicable to the (i) the issuance of Equity Shares pursuant to the Issue; and (ii) any transaction required by law or an order of a court of law or a statutory authority.

Further, subject to the exceptions set out below, our Promoters and each member of the Promoter Group will not, for a period of 60 days after the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Managers, directly or indirectly: (a) issue, offer, sell, lend, pledge, contract to sell or issue, purchase or sell any option or contract to purchase, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above.

SELLING RESTRICTIONS

The distribution of this Preliminary Placement Document or any offering material and the offering, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act, 2013.

General

No action has been taken or will be taken by our Company or the BRLMs that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013. Each purchaser of the Equity Shares in the Issue will be deemed to have made acknowledgments and agreements as described under "***Transfer Restrictions***", "***Notice to Investors***" and "***Representations by Investors***" on page 250, 1 and 3 respectively.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document has not been and will not be registered as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Australia

This Preliminary Placement Document:

- does not constitute a product disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "**Corporations Act**");
- has not been, and will not be, lodged with the Australian Securities and Investments Commission ("**ASIC**"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;
- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a "retail client" (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors ("**Exempt Investors**"), available under section 708 of the Corporations Act.

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Equity Shares may be issued, and no draft or definitive Preliminary Placement Document, advertisement or other offering material relating to any Equity Shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Equity Shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of Equity Shares under this Preliminary Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to us that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. This Preliminary Placement Document has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. Our Company has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Preliminary Placement Document will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency ("**BMA**") has not reviewed, nor has it approved, this Preliminary Placement Document or the marketing of Equity Shares in the Kingdom of Bahrain. Accordingly, Equity Shares may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

British Virgin Islands

The Equity Shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on our behalf. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a "**BVI Company**"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

This Preliminary Placement Document has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered document has been or will be prepared in respect of the Equity Shares for the purposes of the Securities and Investment Business Act, 2010 or the Public Issuers Code of the British Virgin Islands.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands.

Dubai International Financial Centre

This Preliminary Placement Document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority ("**DFSA**"). This Preliminary Placement Document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Preliminary Placement Document. The securities to which this Preliminary Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Preliminary Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Preliminary Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that it may make an offer to the public in that Relevant State of any Shares at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Equity Shares shall require the Company or any Book Running Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares has been or will be issued for the purposes of the issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree is not a "qualified institutional investor" (*tekikaku kikan toshika*), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (*shoninzu muke kanyu*), as provided under Article 23- 13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA will not be made.

If an offeree is a Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (*tekikaku kikan toshikamuke kanyu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA will not be made. To subscribe to the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Kuwait

The Equity Shares have not been authorised or licensed for offering, marketing or sale in the State of Kuwait. The distribution of this Preliminary Placement Document and the offering and sale of the Equity Shares in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia ("**Commission**") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Equity Shares, as principal, if the offer is on terms that the Equity Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Equity Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Preliminary Placement Document is subject to Malaysian laws. This Preliminary Placement Document does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Preliminary Placement Document nor any offering material or information contained herein relating to the offer of Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Preliminary Placement Document does not constitute an offer to sell Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

This Preliminary Placement Document is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "**New Zealand Securities Act**"). This Preliminary Placement Document is being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act ("**Habitual Investors**"). By accepting this Preliminary Placement Document, each investor represents and warrants that if they receive this Preliminary Placement Document in New Zealand they are a Habitual Investor and they will not disclose this Preliminary Placement Document to any person who is not also a Habitual Investor.

Qatar (excluding the Qatar Financial Centre)

The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar in a manner that would constitute a public offering. This Preliminary Placement Document has not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, Central Bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, this Preliminary Placement Document is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than the recipient thereof.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Preliminary Placement Document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorized financial adviser.

Qatar Financial Centre

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Center ("**QFC**"), and accordingly should not be construed as such. This Preliminary Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Preliminary Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority ("**CMA**") pursuant to resolution number 2-11-2004 dated October 4, 2004 as amended by resolution number 1-28-2008, as amended (the "**CMA Regulations**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorized financial adviser.

Singapore

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Equity Shares, may not be circulated or distributed, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001, of Singapore as modified and amended from time to time (the "**SFA**")) or (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Sultanate of Oman

This Preliminary Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA. The offering and sale of Equity Shares described in this Preliminary Placement Document will not take place inside Oman. This Preliminary Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

South Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Preliminary Placement Document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Preliminary Placement Document nor any other offering or marketing material relating to the offering, our Company or the Equity Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Equity Shares will not be supervised by, the Swiss Financial Market Supervisory Authority and the offer of Equity Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Equity Shares.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "**Promotion**") of this Preliminary Placement Document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to "Qualified Investors" (excluding "**High Net Worth Individuals**") (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this Preliminary Placement Document nor does any such entity accept any liability for the contents of this Preliminary Placement Document.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares, except that the Equity Shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the BRLMs for any such offer; or

(c) in any other circumstances falling within Section 86 of the FSMA provided that no such offer of the Equity Shares shall require the Issuer or any Placement Agent to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

United States of America

Please see "***Transfer Restrictions – Purchaser Representations and Transfer Restrictions for Purchasers within the United States***" on page 250 of this Preliminary Placement Document.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any resale, pledge or transfer of Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on the floor of the Stock Exchanges, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any offer, resale, pledge or transfer of our Equity Shares. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "***Selling Restrictions***" on page 244.

Purchaser Representations and Transfer Restrictions for Purchasers within the United States

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

If you purchase the Equity Shares offered in the United States, by accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed to us and the Book Running Lead Managers as follows:

- You (A) are a U.S. QIB, (B) are aware that the sale of the Equity Shares to you is being made pursuant to an available exemption from the registration requirements of the U.S. Securities Act and (C) are acquiring such Equity Shares for your own account or for the account of a U.S. QIB;

- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a person who is a U.S. QIB, (ii) in an "offshore transaction", as defined in, and in reliance upon Regulation S, (iii) pursuant to and in accordance with Rule 144 under the U.S. Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, or (v) pursuant to an effective registration statement under the U.S. Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction in which such offers or sales are made;

- You agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer agrees) that neither you/it, nor any of your/its affiliates, nor any person acting on your/its behalf, will make any "general solicitation" or "general advertising" within the meaning of Regulation D under the U.S. Securities Act, with respect to the Equity Shares. You/ it acknowledge and agree that you/it is not purchasing any Equity Shares as a result of any "general solicitation" or "general advertising";

- The Equity Shares offered and sold in the United States are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Equity Shares;

- You will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

- You will base your investment decision on a copy of this Preliminary Placement Document. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the Book Running Lead Manager) or any of its respective affiliates has made or will make any representations, express or implied, to you with respect to our Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the Issue or the Equity Shares, other than (in the case of our Company only) the information contained in this Preliminary Placement Document, as it may be supplemented;

- You are a sophisticated investor and possess such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in similar jurisdictions. You and any accounts for you are subscribing to the Equity Shares for (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or any of the Book Running Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to distribution;

- You will notify any transferee to whom you subsequently offer, sell, pledge or otherwise transfer and the executing broker and any other agent involved in any resale of the Equity Shares of the foregoing restrictions applicable to the Equity Shares and instruct such transferee, broker or agent to abide by such restrictions;

- You acknowledge that if at any time its representations cease to be true, you agree to resell the Equity Shares at our Company's request;

- You have been provided access to this Preliminary Placement Document which you have read in its entirety;

- You acknowledge and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Book Running Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgements, representations or agreements are no longer accurate you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgements, representations and agreements on behalf of each such account; and

- Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognized by us.

Purchaser Representations and Transfer Restrictions for Purchasers outside the United States

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of Equity Shares, you will be deemed to have represented and agreed as follows:

(i) You will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Preliminary Placement Document) which may be applicable in your jurisdiction and you have obtained or will obtain any consent, approval or authorization required for you to purchase and accept delivery of Equity Shares, and you acknowledge and agree that none of us or the Book Running Lead Managers and its respective affiliates shall have any responsibility in this regard;

(ii) You certify that you are, or at the time the Equity Shares are purchased will be, (a) the beneficial owner of the Equity Shares, you are located outside the United States of America (within the meaning of Regulation S), and you have not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States; or (b) you are a broker-dealer acting on behalf of a customer and you customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States of America (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States;

(iii) You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to U.S. QIB in a transaction meeting the requirements of Rule 144A, (ii) in an "offshore transaction", as defined in, and in compliance with Rule 903 or Rule 904 of Regulation S, as applicable, (iii) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, or (iv) pursuant to an effective registration statement under the U.S. Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction;

(iv) You agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer agrees) that neither you, nor any of your affiliates, nor any person acting on your behalf, will make any "directed selling efforts" as defined in Regulation S. You acknowledge and agree that you are not purchasing any Equity Shares as a result of any directed selling efforts;

(v) You will base your investment decision on a copy of this Preliminary Placement Document. You acknowledge that neither our Company nor any of its affiliates nor any other person (including the Book Running Lead Manager) or any of its respective affiliates has made or will make any representations, express or implied, to you with respect to our Company, the Issue, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning our Company, the Issue or the Equity Shares, other than (in the case of our Company) the information contained in this Preliminary Placement Document, as may be supplemented;

(vi) You acknowledge and agree (or if you're a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Book Running Lead Manager, your affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgments, representations or agreements are no longer accurate, you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgments, representations and agreements on behalf of each such account; and

(vii) Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions, will not be recognized by us.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Managers or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investor, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SEBI ICDR Regulations, 2013 the SCRA, the SCRR, the SEBI Act, SEBI Listing Regulations and various guidelines and regulations issued by SEBI and the Stock Exchanges. The SCRA and the SCRR empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended, govern the voluntary and compulsory delisting of equity shares from the stock exchanges. Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such the public shareholding having fallen below the 25% threshold. However, every listed public sector company whose public shareholding falls below 25% at any time on or after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such commencement or fall, respectively, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above mentioned requirements.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the “equities” as well as the “derivatives” segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation fully automated BSE on-line trading platform (“**BOLT+**”) through which all trades on the equity cash, equity derivatives and currency segments of the exchange are executed.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (“**NEAT**”), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Settlement

The stock exchanges in India operate on a trading day plus one, or T+1 rolling settlement system. At the end of the T+1 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Tuesday.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

SEBI Insider Trading Regulations

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an 'insider' from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

Further, the board of directors or head(s) of the listed entities are required to maintain a structured digital database containing, *inter alia*, the nature of UPSI, the names of such persons who have shared the UPSI and the names of persons with whom such UPSI is shared under the SEBI Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term “securities”, as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of the Company is ₹ 74,12,01,00,000 comprising of 44,02,01,00,000 Equity Shares (of face value of ₹1 each) and 3,01,00,00,000 Preference Shares (of face value of ₹10 each). As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up capital of the Company is ₹ 3,71,75,04,871 comprising of 3,71,75,04,871 Equity Shares (of face value of ₹1 each). For further details please see "***Capital Structure***" on page 90. The Equity Shares are listed on BSE and NSE.

The listed Equity Share capital of the Company as on March 31, 2024, is ₹ 3,71,72,06,239 comprising of 3,71,72,06,239 Equity Shares (of face value of ₹1 each). 2,98,632 Equity Shares are currently under abeyance and pending for allotment, as they are subjudice. Accordingly, these Equity Shares do not form part of the listed and paid-up Equity Share capital.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. The shareholders have the right to decrease but not increase the dividend amount recommended by the board of directors. Dividends are generally declared as a percentage of par value (on per share basis) and distributed and paid to shareholders. The Companies Act provides that shares of the same class of a company must receive equal dividend treatment.

These distributions and payments are required to be paid to or claimed by shareholders within 30 days of the date of declaration of dividend. The Companies Act states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account within seven days from the date of expiry of the period of 30 days. Any dividend amount that remains unclaimed for seven years from the date of such transfer is to be transferred by our Company to a fund, called the Investor Education and Protection Fund, created by the Government of India.

The Articles authorize the Board to pay to the members such interim dividends of such amount on such class of shares and at such time as it may think fit. Under the Companies Act dividends payable can be paid only in cash to the registered shareholder at a record date fixed prior to the relevant AGM, to his order or to the order of his banker. However, any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company, or otherwise than in accordance with the provisions of the Act and no dividend shall carry interest as against the Company.

Bonus Shares

In addition to permitting dividends to be paid as described above, the Companies Act permits the Board, subject to the approval of the Shareholders of our Company, to distribute to the Shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the Shareholders in proportion to the number of equity shares owned by them.

Bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/interest payments on fixed deposits or debt securities issued by it. Bonus shares shall not be issued in lieu of dividend. Further, listed companies are also required to follow the SEBI ICDR Regulations for issuance of bonus shares.

Pre-Emptive Rights and Issue of Additional Shares

The Companies Act gives shareholders the right to subscribe for new shares in proportion to their existing shareholdings unless otherwise determined by a resolution passed by members who, being entitled so to do, vote in person or by proxy or by postal ballot, are required to be not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting. Under the Companies Act, in the event of an issuance of securities, subject to the limitations set forth above, our Company must first offer the new Equity Shares to the holders of Equity Shares at the date of offer. The offer shall be made by notice specifying the number of Equity Shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. The offer, required to be made by notice, shall include a statement that the right exercisable by the Shareholders to renounce the Equity Shares offered in favour of any other person.

Our Board is permitted to distribute Equity Shares not accepted by existing shareholders in the manner it deems beneficial for us, in accordance with the Articles. Under the provisions of Section 62(1)(c) of the Companies Act, 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash of for a consideration other than cash, in the event a special resolution to that effect is passed by our Shareholders in a general meeting. In addition, our Company will also be required to comply with the SEBI ICDR Regulations.

Issuance of Preference Shares

Subject to Section 55 of the Companies Act, any new shares may be issued as preference shares or convertible preference shares which are liable to be redeemed in any manner permissible under the Companies Act.

General meetings of shareholders

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. Our Company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board may convene an EGM when necessary or at the request of Shareholders in accordance with the Companies Act. Written notice or notice via electronic mode means setting out the business to be transacted at the meeting must be given at least 21 days prior to the date set for the general meeting to the Shareholders. Shorter notice is permitted if consent is received from 95% of the Shareholders entitled to vote at such meeting. As per the provisions of the Companies Act and the Articles of Association, all general meetings other than Annual General Meetings shall be called EGM. The Board may, whenever it thinks fit, call an Extraordinary General Meeting. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Five Shareholders or such other number of Shareholders as required under the Companies Act or applicable laws personally present shall constitute quorum for a general meeting. The Chairperson of the Company shall preside as Chairperson at every general meeting of the Company.

Voting rights

A shareholder has one vote for each equity share and voting may be on a poll or through electronic means or postal ballot.

Ordinary resolutions may be passed by simple majority if the votes cast in favour exceeds the votes cast against the resolution. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Companies Act read with the rules issued thereunder. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting.

Transfer and transmission of shares

Equity Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to STT (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with NSDL and CDSL. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered. Further, SEBI has mandated that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019.

Pursuant to the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of Equity Shares shall not be processed unless the Equity Shares are held in dematerialized form with a depository.

The Equity Shares shall be freely transferable, subject to applicable laws.

Winding up

Our Articles of Association provide that on winding up, the liquidator may, with the sanction of a special resolution and any other sanction required under the Companies Act, 2013, divide amongst the members, in specie or kind, the whole or any part of the assets of our Company and vest the whole or any part of the assets of the Company in trustees upon such trust for the benefit of the contributories if considered necessary.

INDIAN TAXATION

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY, TO MATERIAL SUBSIDIARIES AND TO SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
Vedanta Limited
Core 6, 3rd Floor Scope complex 7,
Lodhi Road, New Delhi- 110003

Dear Sirs,

Statement of Possible Tax Benefits available to Vedanta Limited, to material subsidiaries and to shareholders of the Company under the Indian tax laws

1. We hereby confirm that the enclosed Annexure, prepared by Vedanta Limited ('the Company'), provides the possible tax benefits available to the Company, to the following material subsidiaries of the Company namely Bharat Aluminium Company Limited, Talwandi Sabo Power Limited, Hindustan Zinc Limited and Cairn India Holdings Limited, (hereinafter referred to as material subsidiaries) and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2024, i.e. applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, presently in force in India. Several of these benefits are dependent on the Company or its shareholders or its material subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and or its material subsidiaries or the Company's shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company or material subsidiaries or Company's shareholders may or may not choose to fulfil in the future.

2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed issue of equity shares of Re. 1 each by the Company in a Qualified Institutions Placement in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("Proposed Offering").

3. We do not express any opinion or provide any assurance as to whether:

   i) the Company or its material subsidiaries or Company's shareholders will continue to obtain these benefits in future;
   ii) the conditions prescribed for availing the benefits have been / would be met with; and
   iii) the revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and its material subsidiaries and on the basis of their understanding of the business activities and operations of the Company and its material subsidiaries.

5. This Statement is issued solely for inclusion in the Preliminary Placement Document in connection with the Proposed Offering, to be filed by the Company with the National Stock Exchange of India Limited and BSE Limited, and is not to be used, referred to or distributed for any other purpose.

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

per Amit Chugh
Partner
Membership Number: 505224
UDIN: 24505224BKFJZH2182
Place of Signature: Gurugram
Date: July 15, 2024

ANNEXURE 1 TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY, TO MATERIAL SUBSIDIARIES OF THE COMPANY AND COMPANY'S SHAREHOLDERS UNDER THE DIRECT TAX LAW IN INDIA

UNDER THE INCOME-TAX ACT, 1961 as amended by the Finance Act 2024 read with the Income-tax Rules, 1962, i.e. applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26 (hereinafter referred to as "the Act")

1. GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY & ITS MATERIAL SUBSDIAIRES UNDER THE ACT

1.1. **Lower corporate tax rate under Section 115BAA**

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act, 2019") w.e.f. April 1, 2020 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/incentives (e.g. deduction under Section 10AA, 32(1)(iia), 33ABA, 35(2AB), 80-IA etc.) and subject to other conditions as laid down under the relevant provisions.

The Amendment Act, 2019 further provides that domestic companies availing such option will not be subject to Minimum Alternate Tax ("MAT") under Section 115JB. A corporate taxpayer is required to exercise its option of being governed under concessional tax regime as per applicable rules on or before the due date of filing of its tax return. Once exercised, the option cannot be withdrawn and is applicable to all subsequent tax years. This is effective from 1 April 2019. The Company & its material subsidiaries evaluated and exercised the above option u/s 115BAA of the Act as under:

Entity	Financial Year in which option u/s 115BAA exercised
Vedanta Limited	2022-23
Hindustan Zinc Limited	2023-24
Bharat Aluminium Company Limited	2020-21
Talwandi Sabo Power Limited	2020-21

1.2. The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. The depreciation rates in respect of Motor Cars, Plant and Machinery and Office Equipment is 15%, furniture & fittings and electrical equipment is 10%, Intangible assets is 25% (does not include goodwill of business or profession), Computers 40%, Buildings (Residential) is 5% and Buildings (Others) is 10%. Allowance for depreciation is in general available and hence may not be treated as a possible tax benefit.

1.3. **Deduction available under Section 80M - Deduction in respect of inter-corporate dividends**

A new Section 80M has been inserted by the Finance Act, 2020 w.e.f. April 1, 2020 providing for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 139(1) of the Act.

Where the Company including any material subsidiary receives any such dividend during a Financial Year and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said Financial Year, it shall be entitled to the deduction under Section 80M of the Act.

The above general direct tax benefits are captured to the extent the same are relevant to the Company and its material subsidiaries.

2. GENERAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS UNDER THE ACT

2.1. Resident shareholders (general provisions):

Income arising from transfer of shares of the company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) from of equity shares, if STT has been paid on both acquisition and transfer in case of equity shares. The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

As per section 112A(4) of the Act read with Notification No 60/2018 dated 1 October 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of payment of STT:

a) share acquisitions undertaken prior to October 1, 2004
b) share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

Short-term capital gains arising on transfer of the shares of the Company will be chargeable to tax at the rate of 15% (plus applicable surcharge and cess) as per the provisions of section 111A of the Act if such transaction is chargeable to securities transaction tax. The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre and where the consideration for such transactions is payable in foreign currency.

Please note there may be other general benefits available to resident shareholders.

2.2. Non-resident shareholders (general provisions):

In respect of non-residents shareholders, applicable tax rates and consequential taxation will be subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.

Please note there may be other general benefits available to non-resident shareholders.

NOTES:

- The above statement of possible tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership or disposal of shares.

- The above statement covers only certain possible direct tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

- The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2025-26 to the extent not amended by future amendments to the Act. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

- There are no possible tax benefits available to the material foreign subsidiaries of the Company including Black Mountain Mining (Proprietary) Limited under the direct tax laws applicable in India.

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY, TO MATERIAL SUBSIDIARIES AND TO SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE TAX LAWS IN INDIA

To,

The Board of Directors
Vedanta Limited
Core 6, 3rd Floor Scope complex 7,
Lodhi Road, New Delhi- 110003

Dear Sirs,

Statement of Possible Tax Benefits available to Vedanta Limited, to material subsidiaries and to shareholders of the Company under the applicable tax laws in India

1. We hereby confirm that the enclosed Annexures, prepared by Vedanta Limited ('the Company'), provides the possible special tax benefits available to the Company, to material subsidiaries ((namely Bharat Aluminium Company Limited, Talwandi Sabo Power Limited, Hindustan Zinc Limited and Meenakshi Energy Limited hereinafter referred to as "material Indian subsidiaries"), (Cairn India Holdings Limited and Black Mountain Mining (Proprietary) Limited hereinafter referred to as "material foreign subsidiaries") and collectively these referred to as "material subsidiaries") and to the shareholders of the Company under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, relevant State Goods and Services Tax Act read with rules, circulars, and notifications ("GST law"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), related Rules & Regulations and Foreign Trade Policy 2023 ("FTP"), presently in force in India. Several of these benefits are dependent on the Company and or its material subsidiaries or the Company's shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and or its material subsidiaries or the Company's shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company and or its material subsidiaries faces in the future, Company and or its material subsidiaries or the Company's shareholders may or may not choose to fulfil.

2. We hereby also confirm that the enclosed Annexure, prepared by the Company, provides the possible tax benefits available to the Meenakshi Energy Limited ("MKEL") under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2024, i.e. applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, presently in force in India. Several of these benefits are dependent on the MKEL fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the MKEL to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the MKEL may or may not choose to fulfil in the future.

3. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed issue of equity shares of Re. 1 each by the Company in a Qualified Institutions Placement in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("Proposed Offering")..

4. We do not express any opinion or provide any assurance as to whether:

   iv) the Company and or its material subsidiaries or Company's shareholders will continue to obtain these benefits in future;
   v) the conditions prescribed for availing the benefits have been / would be met with; and
   vi) the revenue authorities/courts will concur with the views expressed herein.

5. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and its material subsidiaries and on the basis of their understanding of the business activities and operations of the Company and or its material subsidiaries.

6. This Statement is issued solely for inclusion in the Preliminary Placement Document in connection with the Proposed Offering, to be filed by the Company with the National Stock Exchange of India Limited and BSE Limited, and is not to be used, referred to or distributed for any other purpose.

For A S C B S R And Company LLP
Chartered Accountants
ICAI Firm Registration Number: 013811N / N500402

Alok Kumar Agarwal
Partner
Membership Number: 092969
Place of Signature: New Delhi
Date: July 15, 2024

ANNEXURE 1 STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY, TO MATERIAL SUBSIDIARIES AND TO SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE TAX LAWS IN INDIA

Under the Central Goods and Services Tax Act, 2017/ Integrated Goods And Services Tax Act, 2017 relevant State Goods and Services Tax Act (SGST) read with rules, circulars, and notifications ("GST law")**, the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law"), related Rules & Regulations and Foreign Trade Policy 2023 ("FTP"), presently in force in India** ***(herein collectively referred as "indirect tax laws")***

Special indirect tax benefits available to the Company and its material Indian subsidiaries

1. Special tax benefits available to the Company and its material Indian subsidiaries under GST Law

a) **Benefits under the GST Law-** Under the GST regime, supplies of goods or services which qualify as 'export' of goods or services are zero-rated which can be supplied either with or without payment of Integrated Goods and Services Tax (IGST) subject to fulfilment of conditions prescribed. The exporter has the option to either undertake exports under cover of a Bond/ Letter of Undertaking (LUT) without payment of IGST and claim refund of accumulated input tax credit subject to fulfilment of conditions prescribed for export or the exporter may export with payment of IGST and claim refund of IGST paid on such exports as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017. Thus, the Integrated Goods and Service Tax Act, 2017 permits a supplier undertaking zero rated supplies (which will include the supplier making supplies to SEZ) to claim refund of tax paid on exports as IGST (by undertaking exports on payment of tax using ITC) or export without payment of tax by executing a Bond/ LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

2. Tax benefits available to the Company and its material Indian subsidiaries under Customs Law

b) **Benefits of Duty Drawback scheme under Section 75 of Customs Act,1962-** As per Section 75 of the Customs Act, the Central Government is empowered to allow duty drawback on export of goods, where the imported materials are used in the manufacture of such goods. The Company avails duty drawback benefit equal to or less than the duty paid, as applicable, on imported material when it undertakes export of goods.

c) **Benefit under Export Promotion Capital Goods Scheme (EPCG)-** Chapter-3 of The Foreign Trade Policy, 2023 contain provision of this scheme. The objective of the Export Promotion Capital Goods (EPCG) Scheme is to facilitate import of capital goods for producing quality goods and services and enhance manufacturing competitiveness. EPCG Scheme allows import of capital goods that are used in pre-production, production and post-production without the payment of customs duty. The benefit under the scheme is subject to an export value equivalent to 6 times of duty saved on the importation of such capital goods within 6 years from the date of issuance of the authorization. EPCG scheme covers manufacturer exporters with or without supporting manufacturer(s), merchant exporters tied to supporting manufacturer(s) and service providers.

d) **Benefits of Remission of Duties and Taxes on Export Products ("RoDTEP") Scheme** under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015- The Government of India by making amendment in the Foreign Trade Policy 2015-20 vide DGFT Notification No. 19/2015-20 dated 17.08.2021 introduced this scheme with the objective of refunding the un-refunded duties/taxes/levies at the Central, State, and Local level borne on the exported goods including prior stage cumulative indirect taxes on goods and services used in the production and distribution of the exported product. The Company avails RoDTEP benefit as notified, on exported products

e) **Benefit under Advance Authorisation**: Chapter-3 of The Foreign Trade Policy, 2023 contain provision of this scheme. Advance Authorisation Scheme allows duty free import of inputs, which are physically incorporated in an export product. In addition to any inputs, packaging material, fuel, oil, catalyst which is consumed / utilized in the process of production of export product, is also be allowed.

f) **Exemption from Customs Duties:** The Government under section 25 (1) of the Customs Act, 1962 is empowered to exempt either absolutely or subject to such conditions as may be specified in the notification, goods of any specified description from the whole or any part of duty of customs leviable thereon.

Special tax benefits available to Shareholders

The Shareholders of the Company and its material subsidiaries are not entitled to any special tax benefits under indirect tax laws

UNDER THE INCOME-TAX ACT, 1961 as amended by the Finance Act 2024 read with the Income-tax Rules, 1962, i.e. applicable for the Financial Year 2024-25 relevant to the Assessment Year 2025-26 (hereinafter referred to as "the Act")

3. GENERAL TAX BENEFITS AVAILABLE TO THE MKEL UNDER THE ACT

MKEL is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Act. The depreciation rates in respect of Motor Cars, Plant and Machinery and Office Equipment is 15%, furniture & fittings and electrical equipment is 10%, Intangible assets is 25% (does not include goodwill of business or profession), Computers 40%, Buildings (Residential) is 5% and Buildings (Others) is 10%. Allowance for depreciation is in general available and hence may not be treated as a possible tax benefit.

The above general direct tax benefits are captured to the extent the same are relevant to the MKEL.

NOTES:

1. These benefits are dependent on the Company and/or its material Indian subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

2. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition of Equity Shares by a U.S. Holder (as defined below). This summary deals only with initial purchasers of Equity Shares in this offering that are U.S. Holders that will hold the Equity Shares as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Equity Shares by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address state, local, non-U.S. or other tax laws (such as estate or gift tax laws). This summary also does not address tax considerations applicable to investors that own (directly, indirectly or by attribution) 10 per cent. or more of the equity interests of our Company by vote or value, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Equity Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Equity Shares in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar).

As used herein, the term "**U.S. Holder**" means a beneficial owner of Equity Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Equity Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Equity Shares by the partnership.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed Treasury regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and India (the "**Treaty**"), all as of the date hereof and all subject to change at any time, possibly with retroactive effect. No rulings have been requested from the U.S. Internal Revenue Service (the "**IRS**") and there can be no guarantee that the IRS would not challenge, possibly successfully, the treatment described below.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF THE EQUITY SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

EXCEPT AS SPECIFICALLY DESCRIBED BELOW, THIS DISCUSSION DOES NOT ADDRESS THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PROPOSED DEMERGER.

The Proposed Demerger

The Proposed Demerger is not being structured to achieve any particular U.S. federal income tax treatment and no analysis has been conducted regarding the potential U.S. federal income tax consequences of the Proposed Demerger to U.S. Holders. The U.S. federal income tax treatment of the Proposed Demerger will depend, in part, on the application of complex statutory and regulatory rules, and no assurance can be given regarding the U.S. federal income tax treatment of the Proposed Demerger. The distribution of stock of a subsidiary is generally treated as a taxable distribution to U.S. Holders unless it qualifies for non-recognition (i.e., tax deferred) treatment. Pursuant to Section 355 of the Code, a distribution of all of the stock of a subsidiary could, in certain circumstances, qualify for non-recognition treatment in which case gain or loss is not recognized by a U.S. Holder and the tax basis of the U.S. Holder in the stock of the parent is apportioned between the stock of the parent and the stock of the subsidiary (or subsidiaries) received. However, Section 355 and Treasury Regulations and guidance promulgated thereunder include complex technical requirements that have to be met for a distribution of a particular subsidiary's stock to qualify for non-recognition treatment, and no distribution of stock of any subsidiary pursuant to the Proposed Demerger is being structured to achieve any particular U.S. tax result (including any non-recognition treatment). Accordingly, any distribution of the stock of our subsidiaries in the Proposed Demerger could potentially be treated as a taxable distribution for U.S. federal income tax purposes. If any distribution of a stock of our subsidiary is treated as a taxable distribution, the amount of that taxable distribution shall equal the fair market value of the stock of that subsidiary received in the Proposed Demerger, and U.S. Holders could face a significant U.S. tax liability even though no cash is received. See "***— Distributions***" below for a discussion of the taxation of distributions. Prospective U.S. Holders should consult their own tax advisers regarding the potential U.S. federal income tax consequences of the Proposed Demerger, and the ownership and disposition of any stock received, in their particular circumstances. Except as specifically described herein, this discussion does not address the U.S. federal income tax consequences of the Proposed Demerger.

Distributions

This section is subject to further discussion under "***— Passive Foreign Investment Company Considerations***" below.

Distributions of cash and property paid by our Company out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), before reduction for any Indian withholding tax paid by our Company with respect thereto, generally will be taxable to a U.S. Holder as dividend income. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Equity Shares and thereafter as capital gain. However, our Company does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by our Company with respect to Equity Shares will be treated as ordinary dividend income. Such dividend income will not be eligible for the dividends received deduction allowed to corporations. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from our Company.

Dividends paid by our Company generally will be taxable to a non-corporate U.S. Holder at the special reduced rate normally applicable to long-term capital gains, provided our Company qualifies for the benefits of the Treaty, and certain holding period and other requirements are met. A U.S. Holder will not be able to claim the reduced rate on dividends received from our Company if our Company is treated as a passive foreign investment company in the taxable year of our Company in which the dividends are received or in the preceding taxable year. See "***—Passive Foreign Investment Company Considerations***" below. Prospective purchasers should consult their tax advisers regarding the qualified dividend income rules and the availability of the reduced rates in their particular circumstances.

Dividends paid in Indian rupees will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the dividends are received by the U.S. Holder, regardless of whether the Indian rupees are converted into U.S. dollars at that time. If dividends received in Indian rupees are converted into U.S. dollars at the spot rate applicable on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income.

A U.S. Holder may be entitled, subject to certain complex limitations and requirements, to a credit against its U.S. federal income tax liability for Indian income taxes withheld by our Company on payments of dividends (at a rate not exceeding any applicable Treaty rate). Dividends generally will constitute foreign source "passive category income" for purposes of the foreign tax credit. The rules governing foreign tax credits are complex and recently issued final U.S. Treasury regulations ("**Final FTC Regulations**") have imposed additional requirements that must be met for a foreign tax to be creditable, and we do not intend to determine whether such requirements are met. However, recent notices (the "**Notices**") from the IRS indicate that the U.S. Treasury and the IRS are considering proposing amendments to the Final FTC Regulations and allow taxpayers, subject to certain conditions, to defer the application of many aspects of the Final FTC Regulations until the date when a notice or other guidance withdrawing or modifying this temporary relief is issued (or any later date specified in such notice or other guidance). In lieu of claiming a credit, subject to applicable limitations and requirements, a U.S. Holder may be able to take a deduction for such taxes. An election to deduct foreign creditable taxes instead of claiming foreign tax credits must be applied to all creditable foreign taxes paid or accrued in the U.S. Holder's taxable year. Prospective purchasers should consult their tax advisers regarding the creditability (or alternatively, deductibility) of any Indian taxes withheld and any applicable limitations in their particular circumstances.

Sale or Other Taxable Disposition

This section is subject to further discussion under "***— Passive Foreign Investment Company Considerations***" below.

Upon a sale or other taxable disposition of Equity Shares, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other taxable disposition and the U.S. Holder's adjusted tax basis in the Equity Shares, in each case as determined in U.S. dollars. This capital gain or loss will generally be long-term capital gain or loss if the U.S. Holder's holding period in the Equity Shares exceeds one year. Losses will generally be treated as long-term capital losses regardless of the holding period the extent that any distributions by our Company are treated as "extraordinary dividends" (e.g., generally, distributions in excess of 10% of the U.S. Holder's adjusted tax basis in the Equity Shares within a period of 85 days that qualify for the reduced rate for qualified dividend income described above). Non-corporate U.S. Holders are subject to tax on long-term capital gain at reduced rates. The deductibility of capital losses is subject to significant limitations. U.S. Holders should consult their own tax advisers about how to account for proceeds received on the sale or other taxable disposition of Equity Shares that are not paid in U.S. dollars.

Gain or loss, if any, realized by a U.S. Holder on the sale or other disposition of Equity Shares generally will be treated as U.S. source gain or loss for U.S. foreign tax credit limitation purposes. As a result, the use of U.S. foreign tax credits relating to any Indian income tax imposed upon gains in respect of Equity Shares may be limited. Moreover, under the Final FTC Regulations described above (and subject to the Notices described above), Indian income taxes on disposition gains of U.S. Holders that are not entitled to, or do not elect to apply, the benefits of the Treaty, are generally not creditable for U.S. federal income tax purposes. Indian income taxes on disposition gains that are not creditable may reduce the amount realized on the disposition of Equity Shares or alternatively may be deductible. Indian STT is not creditable for U.S. federal income tax purposes. U.S. Holders should consult their tax advisers regarding the tax consequences if income taxes are imposed on a taxable disposition of Equity Shares, including their ability to credit or deduct any Indian income tax against their U.S. federal income tax liability, the proper application of the Treaty (which in some respects is not entirely clear), the determination of the amount realized and disclosure obligations of any Treaty-based tax return position, as well as the proper U.S. federal income tax treatment of Indian STT (including whether Indian STT is deductible, increases the adjusted tax basis in the Equity Shares or reduces the amount realized on disposition).

Passive Foreign Investment Company Considerations

A non-U.S. corporation will be a passive foreign investment company ("**PFIC**") in any taxable year in which, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules", either (i) at least 75 per cent. of its gross income is "passive income" or (ii) at least 50 per cent. of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. For these purposes, "passive income" generally includes interest, dividends, rents, royalties and gains from non-dealer securities transactions and gains from transactions in any commodities (subject to an exception for active business gains from the sale of commodities). In general, cash is a passive asset for these purposes.

Based on the current and projected composition of our Company's income and assets and the value of its assets (including goodwill), and the manner in which it conducts its business, our Company does not expect to be a PFIC for the current taxable year. However, our Company's possible status as a PFIC must be determined annually after the close of each taxable year, and therefore may be subject to change. This determination will depend on, among other things, the composition of the income and assets, as well as the value of the assets, of our Company and its subsidiaries from time to time. The value of our assets (including goodwill) for purposes of the PFIC determination may be determined by reference to the market price of our Equity Shares, which could fluctuate significantly, and if the market price of the Equity Shares decreases while our Company holds a substantial amount of cash and other passive assets, the risk of our Company becoming a PFIC will increase. Moreover, certain activities our Company may be engaged in could be treated as giving rise to passive income and if the proportionate share of our Company's income and assets attributable to such activities increases as our business evolves, our Company may become a PFIC. In addition, our Company's possible status as a PFIC will also depend on the application of complex statutory and regulatory rules that are subject to potentially varying or changing interpretations, and their application to certain activities conducted or that may be conducted in the future by our Company is subject to some uncertainties. Furthermore, our Company has not conducted an analysis regarding its expected PFIC status following the Proposed Demerger and therefore, our Company could become a PFIC as a result of the Proposed Demerger. Accordingly, there can be no assurance that our Company will not be a PFIC for any year in which a U.S. Holder holds the Equity Shares. Moreover, our Company has not conducted any PFIC analysis regarding the potential PFIC status of any of its subsidiaries the stock of which may be distributed pursuant to the Proposed Demerger and no assurance can be given that any such subsidiary will not be a PFIC. If any such subsidiary is a PFIC, similar adverse U.S. federal income tax consequences to the ones described herein could apply with respect to the U.S. Holder's ownership and disposition of the stock of such subsidiary following the Proposed Demerger.

If our Company is a PFIC in any year during which a U.S. Holder holds the Equity Shares, and such holder has not made any of the elections described below, the U.S. Holder will generally be subject to special rules with respect to (i) any "excess distribution" (generally, the excess of the total amount of distributions during a taxable year in which distributions received by the U.S. Holder on the Equity Shares over 125 per cent. of the average annual distributions received by the U.S. Holder in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the Equity Shares) and (ii) any gain realised on the sale or other disposition of the Equity Shares. Under these rules (a) the excess distribution or gain will be allocated rateably over the U.S. Holder's holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which our Company is a PFIC will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year and an interest charge for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year. Additionally, dividends paid by our Company will not be eligible for the special reduced rate of tax described above under "— *Distributions*". If our Company is a PFIC for any taxable year during which a U.S. Holder holds the Equity Shares, our Company would generally continue to be treated as a PFIC with respect to such U.S. Holder for all succeeding years during which such holder owns the Equity Shares, even if our Company ceases to meet the threshold requirements for PFIC status (unless the U.S. Holder makes a deemed sale election with respect to the Equity Shares once our Company is no longer a PFIC). If our Company is a PFIC for any taxable year, U.S. Holders should consult their tax advisers regarding the application of the PFIC rules to their ownership of the Equity Shares.

If our Company is a PFIC for any taxable year, to the extent any of its subsidiaries or other entities in which it holds equity interests are also PFICs, a U.S. Holder will generally be deemed to own equity interests in such lower-tier PFICs that are directly or indirectly owned by our Company in the proportion which the value of the Equity Shares owned by such U.S. Holder bears to the value of all of our Company's equity interests, and such U.S. Holder will generally be subject to the tax consequences described above (and the IRS Form 8621 reporting requirement described below) with respect to the equity interests of such lower-tier PFIC the U.S. Holder is deemed to own. As a result, if our Company receives a distribution from any lower-tier PFIC or sells equity interests in a lower-tier PFIC, a U.S. Holder will generally be subject to tax under the excess distribution rules described above in the same manner as if such U.S. Holder had held a proportionate share of the lower-tier PFIC equity interests directly, even if such amounts are not distributed to the U.S. Holder. The application of the PFIC rules to indirect ownership of any lower-tier PFIC held by our Company is complex and uncertain, and U.S. Holders should therefore consult their own tax advisers regarding the application of such rules to their ownership of Equity Shares.

If our Company is a PFIC in a taxable year and the Equity Shares are treated as "marketable stock" in such year, a U.S. Holder may make a mark-to-market election with respect to its Equity Shares. A U.S. Holder that makes a valid mark-to-market election with respect to the first taxable year during its holding period in which our Company is a PFIC generally will not be subject to the PFIC rules described above. Instead, in general, such U.S. Holder will include as ordinary income each year the excess, if any, of the fair market value of the Equity Shares at the end of the taxable year over the U.S. Holder's adjusted basis in the Equity Shares. Such U.S. Holder will also be allowed to take an ordinary loss in respect of the excess, if any, of such holder's adjusted basis in the Equity Shares over the fair market value of such Equity Shares at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. Holder's basis in the Equity Shares will be adjusted to reflect any such income or loss amounts. Any gain that is recognised on the sale or other taxable disposition of Equity Shares would be ordinary income and any loss would be an ordinary loss to the extent of the net amount of previously included income as a result of the mark-to-market election and, thereafter, a capital loss. However, because a mark-to-market election cannot technically be made for equity interests in any lower-tier PFICs of our Company that are not treated as "marketable stock", a U.S. Holder would continue to be subject to the excess distribution rules with respect to any lower-tier PFICs, any distributions received by our Company from a lower-tier PFIC, and any gain recognised by our Company upon a sale of equity interests of a lower-tier PFIC, even if a mark-to-market election has been made by the U.S. Holder with respect to its Equity Shares. The interaction of the mark-to-market rules and the rules governing lower-tier PFICs is complex and uncertain, and U.S. Holders should therefore consult their own tax advisers regarding the availability and advisability of the mark-to-market election as well as the application of the PFIC rules to their ownership of the Equity Shares.

In some cases, a shareholder of a PFIC may be subject to alternative treatment by making a qualified electing fund ("**QEF**") election to be taxed currently on its share of the PFIC's undistributed income. To make a QEF election, our Company must provide U.S. Holders with certain information compiled according to U.S. federal income tax principles. our Company currently does not intend to provide such information for U.S. Holders, and therefore it is expected that this election will be unavailable.

A U.S. Holder who owns, or who is treated as owning, PFIC stock during any taxable year in which our Company is classified as a PFIC may be required to file IRS Form 8621. Prospective purchasers should consult their tax advisers regarding the requirement to file IRS Form 8621 and the potential application of the PFIC regime to their investment in our Company.

Backup Withholding and Information Reporting

Payments of dividends on, and proceeds from the sale or other taxable disposition of, Equity Shares by a U.S. or U.S.-connected paying agent or other U.S. or U.S.-connected intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers about these rules and any other reporting obligations that may apply to the ownership or disposition of Equity Shares, including reporting obligations related to the holding of certain "specified foreign financial assets".

LEGAL PROCEEDINGS

Our Company and our Material Subsidiaries are involved in certain legal proceedings from time to time, which are primarily in the nature of civil suits, arbitrations, criminal complaints, tax disputes and regulatory proceedings before various authorities. These legal proceedings may have been initiated by us or by other parties against us and are pending at different levels of adjudication before various courts, tribunals, and appellate tribunals in various jurisdictions.

*As on the date of this Preliminary Placement Document, except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's "Policy for Determination of Materiality of Any Event / Information" framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted and last revised by the Board pursuant to its resolution dated July 21, 2023 ("**Materiality Policy**"). Additionally, solely for the purpose of the Issue, this section includes such legal proceedings which have been considered material by the Company, including, inter alia, (i) outstanding civil litigation or arbitration proceedings (including tax claims, which shall not include show-cause notices received from taxation authorities) involving our Company, Directors and Material Subsidiaries, where the amount involved exceeds approximately ₹ 413 crores, being 2% of the net worth of our Company, based on the last audited consolidated financial statements of our Company, in accordance with the Materiality Policy ("**Materiality Threshold**"); (ii) outstanding actions initiated by statutory or regulatory authorities against our Company, Directors and Material Subsidiaries; (iii) outstanding criminal litigation filed against our Company, Directors and Material Subsidiaries; (iv) any inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years involving our Company and Subsidiaries and any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years for our Company and Subsidiaries; (v) any acts of material frauds committed against our Company in the last three years, and if so, the action taken by our Company; (vi) any significant and material order passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; (vii) any default by our Company including the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; (d) loan from any bank or financial institution and interest thereon; or (e) any default in annual filing of our Company under the Companies Act, 2013 or the rules made thereunder; (viii) any litigation or legal action pending or taken by any ministry or department of the government or a statutory authority against our Promoters during the last three years and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any; and (ix) any other outstanding litigation involving our Company on a consolidated basis, Directors, Promoters or Material Subsidiaries which may be considered material by our Company for the purposes of disclosure in this Preliminary Placement Document.*

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Directors and Material Subsidiaries from third parties shall not, unless otherwise decided by the Board of Directors, be considered as material litigation until such time that our Company, Directors or Material Subsidiaries, as the case may be, are impleaded as a defendant in litigation proceedings before any judicial forum.

Capitalised terms used herein shall, unless otherwise specified, have the meanings ascribed to such terms in this section, and disclosure pertaining to each matter.

I. Litigation involving our Company

1. *Litigation against our Company*

a. Material civil litigation

(i) Our Company and certain others ("**Respondents**") entered into certain agreements with Gujarat Gas Limited ("**Gujarat Gas**") for the offtake of all gas produced from the CB-OS/2 block ("**Agreements**"). Gujarat Gas initiated arbitration proceedings under Section 23 of the Arbitration Act against the Respondents alleging breach of the Agreements by the Respondents in relation to, *inter alia*, sale of gas from the CB-OS/2 block to third parties, reduction of allocation of gas from CB-0S/2 Block to Gujarat Gas and the failure of the Respondents to notify Gujarat Gas of plans to develop a new oil well. Gujarat Gas claimed, *inter alia*, approximately ₹ 600 crores as damages from the Respondents for the amounts received due to the diversion of natural gas from the CB-OS/2 block to third party buyers. The Respondents filed a counter claim seeking *alia* USD 86.77 million on the grounds that *inter alia* Gujarat Gas refused to exercise its right of step in, and the Agreements did not require consent or consultation of Gujarat Gas in case of termination. The matter is currently pending.

b. Material tax litigation

(i) For the assessment year 2010-2011 ("**Assessment Year**"), the Assistant Commissioner of Income Tax, Panaji, Goa ("**Assessing Officer**") issued a notice to our Company for reopening the case under Section 148 of the Income Tax Act, 1961 ("**Act**") for the Assessment Year. The Assessing Officer furnished reasons for reopening the case on account of, examination of deductions claimed under Section 10B of the Act, pricing for iron ore exported basis the report of the Justice M.B. Shah Commission on mining, among others, tax claims of which aggregated to ₹ 565 crores ("**Assessment Notice**"). Aggrieved by the Assessment Notice, our Company has filed a writ petition before the High Court of Bombay at Goa. The matter is currently pending.

(ii) For the assessment year 2011-2012 ("**Assessment Year**"), our Company filed income tax return before the income tax authorities. The Joint Commissioner of Income Tax, Panaji, Goa ("**Assessing Officer**") passed an order against our Company under Section 143(3) of the Act disallowing certain claims, expenses under Section 14A of the Act, demurrage charges, additional depreciation, deductions under Section 10-B of the Act, among others, tax claims of which aggregated to ₹ 618 crores ("**Assessment Order**"). Aggrieved by the Assessment Order, our Company has filed an appeal before the Commissioner of Income Tax (Appeals), Panaji, Goa. The matter is currently pending.

(iii) For the assessment year 2012-2013 ("**Assessment Year**"), our Company filed income tax return before the income tax authorities under the provisions of the Income Tax Act, 1961 ("**Act**"). The Assistant Commissioner of Income Tax, Panaji, Goa ("**Assessing Officer**") passed an order against our Company under Section 143(3) read with Section 144C(13) of the Act. The Assessing Officer disallowed certain claims, expenses under Section 14A of the Act, provisions made for liabilities, demurrage charges, among others, tax claims of which aggregated to ₹ 1,016 crores ("**Assessment Order**"). Aggrieved by the Assessment Order, our Company has filed an appeal before the Income Tax Appellate Tribunal, Panaji, Goa. The matter is currently pending.

(iv) For the assessment year 2013-2014 ("**Assessment Year**"), our Company filed income tax return before the income tax authorities under the provisions of the Income Tax Act, 1961 ("**Act**"). The Assistant Commissioner of Income Tax, Panaji, Goa ("**Assessing Officer**") passed an order against our Company under Section 143(2) read with Sections 92CA and 144C(3), 144C(4) of the Act. The Assessing Officer disallowed certain claim, expenses under Section 14A of the Act, demurrage charges, additional depreciation, claim of losses, among others, tax claims of which aggregated to ₹ 873 crores ("**Assessment Order**"). Aggrieved by the Assessment Order, our Company has filed an appeal before the Commissioner of Income Tax (Appeals). The matter is currently pending.

(v) For the assessment year 2014-2015 ("**Assessment Year**"), our Company filed return before the income tax authorities under the provisions of the Income Tax Act, 1961 ("**Act**"). The Assistant Commissioner of Income Tax, New Delhi passed an order against our Company under Section 143(3) read with Section 144C(13) of the Act and disallowed certain claims, expenses under Section 14A of the Act, additional depreciation, CSR expenses, and added certain receivables, among others, tax claims of which aggregated to ₹ 935 crores ("**Assessment Order**"). Aggrieved by the Assessment Order, our Company filed an appeal before the Income Tax Appellate Tribunal ("**ITAT**"). The ITAT, *inter alia*, allowed the claim for expenses under Section 14A of the Act and partly allowed the appeal ("**ITAT Order**"). Aggrieved by the ITAT Order, our Company filed an appeal before the High Court of Delhi ("**High Court**"). The High Court partly admitted the appeal and on certain other claims remanded the matter to the ITAT. The matter is currently pending.

(vi) For the assessment year, 2015-2016 ("**Assessment Year**"), our Company filed return before the income tax authorities, under the provisions of the Income Tax Act, 1961 ("**Act**"). The National Faceless Assessment Centre, Income Tax Department, under Section 143(3) read with Section 144B of the Act, disallowed certain expenses, claim of deduction under Section 14A, additional depreciation, expenditure incurred on iron ore mines, among others, tax claims of which aggregated to ₹1,140 crores ("**Assessment Order**"). Aggrieved by the Assessment Order, our Company filed an appeal before the Income Tax Appellate Tribunal. The matter is currently pending.

c. Actions initiated by statutory or regulatory authorities

(i) SEBI issued a show cause notice to Sterlite Industries India Limited (now merged with our Company) ("SIIL") to show cause as to why it should not proceed against SIIL under Section 24 read with Section 27 of the SEBI Act, 1992 for alleged violation of regulation 4(a) and 4(d) of the SEBI (Prohibition of Fraudulent and unfair Trade Practices relating to securities market) Regulations, 1995 ("**Alleged Violations**"). SIIL replied to the show cause notice. Thereafter, the Chairman of SEBI ("**Authority**") passed an order dated April 19, 2001 prohibiting SIIL from accessing the capital markets for a period of two years and ordering prosecution proceedings for the Alleged Violations ("**Impugned Order**"). Accordingly, SEBI proceeded to file a criminal complaint before the 8th Additional Chief Metropolitan Magistrate's Court at Esplanade Mumbai ("**Trial Court**"). SIIL filed an appeal before the Securities Appellate Tribunal ("**SAT**") against the Impugned Order. The Impugned Order was subsequently overruled by the SAT vide an order dated October 22, 2001 on the basis that *inter alia* there was insufficient material evidence to establish that SIIL had, directly or indirectly, engaged in market manipulation and allowed the appeal filed by SIIL ("**SAT Order**"). SEBI filed an appeal before the High Court of Judicature at Bombay ("**Bombay High Court**") against SIIL, our Director, Anil Agarwal and others ("**Accused**") challenging the SAT Order. SIIL filed a criminal application before the Bombay High Court to stay the criminal proceedings initiated by SEBI through its criminal complaint. The Bombay High Court *inter alia vide* an order dated November 22, 2006 admitted the application and granted an interim stay on the criminal proceedings. As per the amendment to the SEBI Act, 1992 through the Securities Law (Amendment) Act, 2014, the jurisdiction of the matter has been transferred from the Trial Court to the sessions court. The aforementioned interim stay on the criminal proceedings granted by the Bombay High Court continues to be in force as on date. The matter is currently pending.

(ii) The Special Director, Enforcement Directorate ("**Adjudicating Authority**") vide an order imposed a penalty of ₹ 20 crores on Sterlite Industries India Limited (now merged with our Company) ("**SIIL**") and ₹ 5 crores each on Naveen Agarwal and Anil Agarwal alleging violation of Section 8(1) of the Foreign Exchange Regulation Act, 1973 ("**Act**") for acquiring and transferring foreign exchange equivalent amounting to ₹208 crores into an overseas entity, without prior approval of the RBI ("**Order I**"). Our Company challenged Order I before the Appellate Authority for FEMA, New Delhi ("**Appellate Authority**"). The Appellate Authority granted waiver of the pre-deposit of the penalty imposed on the Parties. The matter is currently pending.

(iii) Cairn UK Holdings Limited ("**CUHL**") filed a complaint on the SEBI complaint redress system ("**Complaint**") alleging non-payment of dividend amounting to ₹340.65 crores by Cairn India Limited (now merged with our Company) ("**CIL**") in respect of the equity shares held by CUHL in CIL. SEBI disposed off the Complaint on the ground that the unpaid dividends had been paid to the Government of India pursuant to the recovery notice issued by the Deputy Commissioner of Income Tax and the said matter was pending before the relevant income tax authorities. CUHL filed an appeal before the Securities Appellate Tribunal ("**SAT**") challenging the disposal of the Complaint by SEBI. Subsequently, the SAT directed SEBI to reconsider the Complaint for violation of provisions of the Companies Act and SEBI Listing Regulations for non-payment of dividends. Basis re-examination, SEBI disposed of the Complaint on the ground that inter alia there was absence of mens rea on the part of CIL, which is required to constitute an offence under Section 127 of the Companies Act ("**Disposal of Complaint**"). CUHL challenged the Disposal of Complaint before the SAT. The SAT observed that a *prima-facie* case was made out by CUHL and directed SEBI to investigate the alleged violations of the Companies Act and SEBI Listing Regulations within six months ("**SAT Order**"). SEBI filed an appeal before the Supreme Court and the Supreme Court upheld the SAT Order and extended the time for completing the enquiry. Thereafter, SEBI issued a show cause notice to our Company, our Directors, Navin Agarwal and Priya Agarwal Hebbar and others (collectively, "**Parties**") to show cause as to why suitable directions should not be initiated for *inter alia* alleged violations of certain provisions of the Companies Act and SEBI Listing Regulations for non-payment of dividend. Pursuant to an order ("**Order**"), SEBI directed our Company to pay CUHL ₹77.63 crores, that is simple interest at the rate of 18% per annum for delayed payment of dividend, due and payable to CUHL within 45 days of the Order and pursuant to its directions *inter alia* (a) restrained our Director, Navin Agarwal and certain others from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with securities market in any manner, whatsoever, for a period of two months from the date of the Order; and (b) restrained our Director, Priya Agarwal Hebbar and certain others from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with securities market for a period of one month from the date of the Order. Aggrieved by the Order, the Parties filed an appeal before SAT and subsequently, SAT granted a stay on the effect and operation of the Order subject to payment of 50% of the interest amount by our Company to CUHL. The aforesaid payment of 50% of the interest amount was deposited by our Company. The matter is currently pending before the SAT.

(iv) SEBI issued a show cause notice ("**Notice**") to our Company and others, alleging that pursuant to an investigation, it had observed that Cairn India Limited (now merged with our Company) ("**CIL**") had made a misleading announcement in relation to a buyback without any intention to fulfil the same. Pursuant to the Notice, SEBI directed our Company and others to show cause as to why (a) an enquiry shall not be held against them; and (b) penalty shall not be imposed under Section 15HB of the SEBI Act for violation of the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 ("**PFUTP Regulations**") and the Securities and Exchange Board of India (Buyback) Regulations, 1998 ("**Buyback Regulations**"). Subsequently, the Adjudicating Officer, SEBI ("**AO**") held our Company to be in violation of the provisions of the PFUTP Regulations and Buyback Regulations ("**Order**") and imposed a penalty of ₹5.25 crores on our Company for making misleading announcement in relation to a buyback of its shares. Our Company filed an appeal against the Order before the Securities Appellate Tribunal ("**SAT**") contending *inter alia* that it cannot be conclusively proved that our Company made such misleading announcement in relation to a buyback of its shares. Pursuant to its order, SAT set aside the Order ("**SAT Order**"). SEBI has filed an appeal before the Supreme Court challenging the SAT Order. The matter is currently pending.

(v) The District Collector, Salem ("**District Collector**") issued a notice to our Company ("**Demand Notice**") directing our Company to pay an amount of ₹42.92 crores as annual compensation towards surface rights over government Poramboke lands, for the period from 1997 to 2016. Our Company challenged the Demand Notice by filing a writ petition ("**Petition**") before the Madras High Court, contending that the Demand Notice was in violation of Section 13(2)(j) of the Mines and Minerals (Development & Regulation) Act, 1957 ("**Act**") read with Rule 27(1)(t) of the Mineral Concession Rules, 1960 ("**Rules**"), which prescribe that the state government is not to be compensated for the use of surface of the land by the lessee in case of a government land put for mining operations. However, the Madras High Court dismissed the Petition and allowed our Company to issue a representation to the State of Tamil Nadu and the District Collector in respect of the quantum of the demand in the Demand Notice ("**Impugned Order**"). The representation was furnished, but as on date no action has been taken to revise or revoke the Demand Notice. Our Company has filed an appeal before the Madras High Court challenging the Impugned Order. The matter is currently pending.

(vi) Our Company has also received two demand notices from the District Collector, Namakkal District, Tamil Nadu and the Assistant Director, Department of Geology and Mining, Namakkal District, respectively, towards compensation for surface rights in relation to the currently non-operation bauxite mining leases of our Company from the period since 1967 ("**Impugned Notices**"). Our Company has challenged these Impugned Notices by filing a writ petition before the Madras High Court on the ground that inter alia the Impugned Notices are in violation of Section 13(2)(j) of the Act read with Rule 27(1)(t) of the Rules. The matter is currently pending.

(vii) The Principal Secretary, Government of Odisha, Revenue and Disaster Management Department issued an order directing the Collector, Jharsuguda to, inter alia, withdraw the permission granted to Vedanta Aluminum Limited (now merged into our Company) ("**Petitioner**") to fill fly ash over plot number 188 of Mouza-Bhurkamunda, Odhisa ("**Plot**") and cause eviction of the Petitioner from the said land ("**PS Order**"). The District Office, Jharsuguda (Revenue Section) also issued an order, inter alia, withdrawing the permission granted to the Petitioner for filling fly ash over the Plot ("**DO Order**"). Aggrieved by the PS Order and the DO Order, the Petitioner has filed a writ petition before the Orissa High Court. The matter is currently pending.

d. Criminal litigation

(i) Fatima filed *a criminal petition against our Company, our Director, Navin Agarwal, and others before the Court of the Judicial Magistrate No. III, Thoothukkudi, Tamil Nadu under Section 200 of the Code of Criminal Procedure, 1973 read with Section 15 of the Environment Protection Act, 1986. For details, see "**- Litigation involving our Company – Litigation against our Company – Other litigation considered material by our Company**" on page 278.*

(ii) The Assistant Director of Factories & Boilers, Jharsuguda Zone, Odisha ("**Assistant Director**") filed a criminal complaint before the Sub Divisional Judicial Magistrate, Jharsuguda, Odisha under Rule 13 of the Orissa Factories Rules, 1950 against certain employees of our Company. The Assistant Director has alleged violations of Section 7-A(2)(a) of the Factories Act, 1948 and Rule 62 D of the Odisha Factories Rules, 1950 due to a fatal accident that took place at our Company's factory in Bhurkamunda, Sripura, Jharsuguda. The matter is currently pending.

(iii) SEBI filed a criminal complaint against Sterlite Industries India Limited (now merged with our Company) ("**SIIL**"), our Director, Anil Agarwal and others before the Additional Metropolitan Magistrate, Esplanade in relation to the alleged violation of Regulations 4(a) and 4(d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to securities market) Regulations, 1995. SIIL filed a criminal application before the Bombay High Court to stay the criminal proceedings initiated by SEBI through its criminal complaint. For details, see "***- Litigation involving our Company – Litigation against our Company – Actions initiated by Statutory or Regulatory Authorities*" and**

“*- Litigation involving our Directors – Litigation against our Directors – Criminal Litigation*” on pages 276 and 290, respectively.

e. Other litigation considered material by our Company

(i) In 2010, the Odisha State Commission (“**State Commission**”) approved the Orissa Electricity Regulatory Commission (Renewable and Co-generation Purchase Obligation and its Compliance) Regulations, 2010 (“**RCPO Regulations**”). Under the RCPO Regulations, every obligated entity was to purchase not less than 5% of its total annual energy consumption from co-generation and renewable energy sources from Fiscal 2012. Bhushan Steel and Power Limited filed a petition before the State Commission praying for relaxation from the RCPO Regulations. In order to have a comprehensive hearing, the State Commission decided to hear the power generating entities in the state, including Vedanta Aluminum Limited (now merged into our Company) (“**Appellant**”). With a view to take a common decision on the applicability of the RCPO Regulations, the State Commission initiated *suo motu* proceedings on fulfilling the renewable purchase obligation under the RCPO Regulations and decided to hear the obligated entities in Odisha (“**Suo-Motu Proceedings**”). The Appellant was impleaded as a party to the Suo-Motu Proceedings by the State Commission. The Appellant objected to the applicability of the RCPO Regulations on the grounds that, *inter alia*, the direction of the State Commission that captive plants and open access consumers should compulsorily purchase renewable energy is beyond the jurisdiction of the State Commission and alternatively, sought exemption from the RCPO Regulations. The State Commission held, *inter alia*, that reopening of issues with respect to various provisions of the RCPO Regulations cannot be entertained as it would amount to re-opening of the issues that have been previously decided by the State Commission and rejected the submissions made by the Appellant (“**Impugned Order**”). Aggrieved by the Impugned Order, the Appellant filed an appeal before the Appellate Tribunal for Electricity, New Delhi (“**APTEL**”). APTEL observed, *inter alia*, that the State Commission had failed to follow the rationale laid down by APTEL and set aside the Impugned Order (“**Impugned Judgement**”). Aggrieved by the Impugned Judgment, the State Commission filed a special leave petition before the Supreme Court. The matter is currently pending.

(ii) Satyanarayan Rao (“**Complainant**”) filed an appeal before the National Green Tribunal, Eastern Zone Bench at Kolkata (the “**Tribunal**”) against the environmental clearance (“**EC**”) granted to our Company’s plant located in Bhurkamunda District Jharsuguda, Odisha (“**Plant**”) by the Ministry of Environment, Forest and Climate Change (“**MoEF**”) for expansion of the Plant’s aluminum smelter production capacity. The Complainant argued that that the EC granted to our Company was invalid on the grounds that, *inter alia*, the expert appraisal committee (“**EAC**”) had failed to verify facts with respect to encroachment on forest lands by the project proponent and the EAC had failed to conduct a fresh public consultation regarding the EC granted to the Plant. The Tribunal dismissed the appeal on the grounds of insufficient cause for the condonation of delay for 39 days from the date of communication of the EC and 59 days from the grant of EC (“**Impugned Judgement**”). Aggrieved by the Impugned Judgment, the Complainant filed an appeal before the Supreme Court. The Supreme Court has remanded the matter to the Tribunal. The matter is currently pending.

(iii) The Odisha Electricity Regulatory Commission (“**OERC**”) *vide* a tariff order approved a retail supply tariff for the financial year 2022 for all its distribution utilities in Odisha (“**Tariff Order**”). As per the Tariff Order, only 20% of the transmission and wheeling charge was payable by an open access consumer drawing power from renewable source except biomass power plant and co-generation (“**Consumers**”). Odisha Power Transmission Corporation Limited (“**OPTCL**”) filed a petition before OERC seeking to allow to levy 100% transmission charges to all Consumers. Our Company and others were impleaded as parties to the proceedings. OERC passed an order withdrawing all concession charges given to Consumers for the Financial Year 2023 (“**Order I**”). Pursuant to the Order I, OPTCL retrospectively applied Order I and levied 100% transmission charges for Consumers for the financial years 2021 and 2022 (“**Charges**”). OERC held the Charges to be illegal (“**Order II**”). Subsequently, OPTCL has challenged Order II before the Appellate Tribunal for Electricity, New Delhi. The matter is currently pending.

(iv) Fatima (“**Complainant**”) filed a criminal petition against our Company, our Director, Navin Agarwal, and others (collectively, “**Accused**”) before the Court of the Judicial Magistrate No. III, Thoothukkudi, Tamil Nadu (“**CJM**”) under Section 200 of the Code of Criminal Procedure, 1973 read with Section 15 of the Environment Protection Act, 1986. The Complainant alleged, *inter alia*, that the Accused had failed to renew the consent and authorization for handling hazardous waste (“**Authorization**”) for our Company’s copper smelter plant located at the SIPCOT Industrial Complex, Thoothukudi, Tamil Nadu (“**Copper Smelter Plant**”) under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016. The CJM by way of an order dismissed the said petition on the ground that cases on the same issue were pending before the Madras High Court and the Supreme Court (“**Impugned Order**”). Aggrieved by the Impugned Order, the Complainant filed a criminal revision petition before the Madras High Court for setting aside the Impugned Order. The Complainant has alleged that *inter alia* our Company’s application for renewal of consent to operate was rejected due to failure of our Company to conform to certain conditions as mentioned in the Authorization. The matter is which is currently pending.

(v) The Complainant also filed a separate writ petition against the State of Tamil Nadu, our Company and others before the High Court of Madras ("**High Court**") seeking, *inter alia*, a writ of mandamus directing the State of Tamil Nadu ("**State**"), the Tamil Nadu State Pollution Control Board ("**TNPCB**") and the District Collector, Thoothukudi District, Tamil Nadu to demolish the Copper Smelter Plant and restore the site to its previous state by remediating the environment, including the soil and water. In relation to the writ petition, the High Court issued an order impleading the Central Pollution Control Board as a party to the writ petition. The matter is currently pending.

(vi) Separately, the State and TNPCB ("**Government Authorities**") also passed a series of orders directing the closure of the Copper Smelter Plant for violation of numerous environmental norms ("**Government Orders**"). Our Company challenged the Government Orders before the National Green Tribunal ("**NGT**"). The NGT formed a committee consisting of officials from the Ministry of External Affairs, the Central Pollution Control Board and a retired High Court Chief Justice ("**Committee**") and based on the Committee's recommendations, ordered the reopening of the Copper Smelter Plant ("**NGT Order**"). Aggrieved by the NGT Order, the Government Authorities filed an appeal before the Supreme Court. The Supreme Court observed, *inter alia*, that the NGT did not have the jurisdiction to decide the matter and set aside the NGT Order. However, the Supreme Court granted liberty to our Company to approach the High Court under Article 226 of the Constitution of India. ("**SC Order**"). Pursuant to the SC Order, our Company approached the High Court. The High Court observed that the Copper Smelter Plant, *inter alia*, did not have appropriate systems in place for the disposal of hazardous waste, failed to comply with the requirement of maintaining a green belt operated and ordered the closure of the Copper Smelter Plant ("**HC Order**"). Aggrieved by the HC Order, our Company filed a special leave petition before the Supreme Court. The Supreme Court observed, *inter alia*, that the unequivocal right to a clean environment is an indispensable entitlement extended to all persons and upheld the HC Order ("**SLP Order**"). Aggrieved by the SLP Order, our Company has filed a review petition before the Supreme Court. The review petition is currently pending.

(vii) Our Company operates captive power generating plants ("**CGP**") in Odisha for self-consumption. T.P. Western Odisha Distribution Limited ("**TPWODL**") issued demand notices and invoices to our Company demanding payment of cross subsidy charges for the Financial Year 2016 ("**Notices**"). Our Company challenged the Notices before the Odisha Electricity Regulatory Commission ("**OERC**") contending that *inter alia* CGP is exempt from the payment of cross subsidy charges. OERC observed that our Company lost its CGP status in Financial Year 2016 and directed our Company to make the payment in terms of the Notices ("**Order**"). Thereafter, TPWODL issued a revised notice demanding payment of cross subsidy charges ("**Revised Notice**"). Our Company has challenged the Order before the Appellate Tribunal for Electricity, New Delhi on the ground that *inter alia*, our Company was not granted a fair hearing and that the CGP status was wrongfully denied to our Company. The matter is currently pending.

(viii) Pursuant to the Government of India's ("**GoI**") policy of disinvestment, Sterlite Opportunities & Ventures Limited (now merged with our Company) ("**SOVL**") acquired 26% of the equity share capital of HZL from the GoI. In terms of the shareholders' agreement ("**SHA**"), SOVL had two call options to purchase the equity shares held by GoI in HZL. SOVL exercised the first call option on August 29, 2003 and acquired an additional 18.9% of HZL's issued share capital. SOVL exercised its second call option in 2009, however, the same was refused by the GoI. Consequently, SOVL initiated arbitral proceedings for enforcing its rights under the SHA to exercise the call options and to purchase the remaining equity shares held by the GoI in HZL. Separately, a writ petition **("Petition")** was filed before the Supreme Court questioning the decision of GoI to divest its shareholding in HZL. The Supreme Court disposed off the Petition and allowed the GoI's proposal to divest its entire shareholding in HZL in the open market in accordance with the applicable law and directed the Central Bureau of Investigation of India to register a regular case ("**CBI Enquiry**") in relation to the process followed by GoI for the disinvestment of HZL ("**Order**") and submit reports every quarter. Pursuant to the Order, our Company has withdrawn the arbitration claim, which has been accepted by the arbitration tribunal. Our Company also filed a miscellaneous application ("**Application**") before the Supreme Court on the grounds that the GoI had not divested its remaining shareholding HZL. The Application was subsequently disposed off by the Supreme Court. The CBI Enquiry is currently pending.

(ix) The Commissioner of Income Tax ("**CIT**") had filed an intervention application before the Bombay High Court objecting to the scheme of amalgamation and arrangement ("**Scheme**") amongst Ekaterina Limited, Sterlite Industries (India) Limited, Madras Aluminum Company Limited, Sterlite Energy Limited, Vedanta Aluminum Limited and our Company on the grounds that by virtue of the Scheme the entire tax liability of our Company would be wiped out and refunded to it. However, the Bombay High Court passed an order stating that the Central Government and the income tax authorities do not have the power to intervene or to be heard on any scheme which is filed for seeking sanction. Aggrieved by the High Court's order, the CIT and the Ministry of Corporate Affairs have filed separate special leave petitions against the Bombay High Court order before the Supreme Court of India. The matters are currently pending.

2. *Litigation by our Company*

a. Material civil litigation

(i) The Government of India ("**GoI**") entered into a production sharing contract ("**PSC**") with Oil and Natural Gas Corporation and Shell India Production Development ("**SIPD**") in relation to, *inter alia,* carrying out exploration, discovery, development and production of petroleum resources on the Rajasthan block RJ-ON-90/1 and subsequently, our Company acquired SIPD's interest in the PSC. The GoI demanded payment from our Company on the basis of the audit carried out by the GoI in terms of the PSC ("**Audit Exceptions**"). Our Company invoked arbitration proceedings against the GoI regarding, *inter alia,* recovery of exploration, development, and production costs. Further, our Company challenged the demand of payment of dues arising out of Audit Exceptions. The GoI filed a counterclaim demanding, *inter alia,* ₹8,596.80 crores on the basis of its Audit Exceptions. Pursuant to its order, the arbitral tribunal ("**Tribunal**") decided in our Company's favour on substantial issues and *inter alia* dismissed the GoI's counterclaim to enforce the Audit Exceptions. The Tribunal passed a final partial award regarding the interpretation of the PSC and observed, *inter alia*, that the audit exceptions pertaining to the allocation of development costs, production costs, exploration costs are unenforceable and provided that if the parties could not agree on precise figures for the quantum of costs, then the Tribunal would provide appropriate directions ("**Final Partial Award**"). Subsequently, the GoI applied before the Tribunal for injunctive relief under Section 17 of the Arbitration Act against unilateral deductions. The Tribunal held, *inter alia*, that unilateral deductions do not amount to unilaterally settling quantum and the accounts at issue did not violate the Final Partial Award, therefore the requests made by the GoI for restraining our Company from implementing the Final Partial Award would not meet the threshold for harm to the GoI required for injunctive relief ("**Impugned Order**"). Aggrieved by the Impugned Order, the GoI filed an appeal before the Delhi High Court under Section 37 of the Arbitration Act. The GoI also filed a separate appeal before the Delhi High Court under Section 34 of the Arbitration Act seeking the setting aside of the Final Partial Award. The matter is currently pending.

(ii) Our Company entered into a consolidated power purchase agreement ("**PPA**") with the Grid Corporation of Odisha ("**GRIDCO**") for the supply of power from our Company's power plant located in Jharsuguda, Odisha. Our Company filed a petition before the Odisha Electricity Regulatory Commission ("**OERC**") under Section 86(1) of the Electricity Act, 2003 for adjudication of disputes between our Company and GRIDCO regarding, *inter alia,* payment of outstanding dues and execution of the revised PPA ("**Petition**"). The OERC dismissed the Petition on the grounds that, *inter alia,* the matter for payment of outstanding disputes was pending before the Supreme Court and the revised PPA was to be considered for approval after *the sub judice* matter had been settled by the OERC ("**Impugned Order**)". Aggrieved by the Impugned Order, our Company filed an appeal before the Appellate Tribunal for Electricity ("**APTEL**"). APTEL dismissed the appeal and observed, *inter alia,* that the entire issue was covered by previous judgments of APTEL and ordered GRIDCO to make payments amounting to ₹ 448.90 crores to our Company for supply of power from 2010 to 2016 ("**Appellate Judgement**"). Aggrieved by the Appellate Judgement, GRIDCO has filed an appeal before the Supreme Court under Section 125 of the Electricity Act, 2003. The appeal is currently pending.

(iii) GRIDCO also filed an application before the OERC under Section 86(1)(f) of the Electricity Act, 2003 for resolution of disputes regarding, *inter alia*, definition of marginal sources and priority of marginal sources and calculations of annual fixed charges and capacity charges. The OERC observed, *inter alia,* that marginal source should include un-requisitioned power from the interstate generating station, power overdrawn under demand side management and power drawn from the Indian Energy Exchange Limited, and directed both parties to make amendments to the PPA keeping in view the directions given by the OERC *vide* its order ("**OERC Order**"). Aggrieved by the OERC Order, our Company filed an appeal before APTEL under Section 111 of the Electricity Act, 2003. GRIDCO also filed a cross appeal before APTEL against the OERC Order on the grounds of short supply of power by our Company and incorporation of the penalty clause in the PPA. The matter is currently pending.

(iv) The Government of India ("**GoI**") entered into a production sharing contract ("**PSC**") with the Oil and Natural Gas Corporation and Shell India Production Development ("**SIPD**") in relation to, *inter alia,* carrying out petroleum-related operations on the Rajasthan block and subsequently, our Company acquired SIPD's interest in the PSC. As per the PSC, in case commercial production of natural gas continued beyond the term of the PSC, the PSC would get extended for a further period of 10 years. In light of this, our Company filed a writ petition before the Delhi High Court seeking an extension of the PSC, however, the GoI introduced an extension policy revising the terms of the PSC and insisted on an increase in the share of profit payable to the GoI ("**Extension Policy**"). The GoI also called upon our Company to submit a formal application ("**Application**") in accordance with the Extension Policy to seek extension of the PSC. Our Company submitted the Application but challenged the applicability of the Extension Policy contending that the extension of the PSC was a contractual right under the PSC which could not be altered by the Extension Policy. Pursuant to an order, the Delhi High Court held that the Extension Policy was contrary to the terms of the PSC ("**Order I**"). Aggrieved by the Order I, the GoI filed an appeal ("**Appeal**") before the Division Bench of the Delhi High Court ("**Division Bench**"). The Division Bench *vide* its order ("**Order II**") set aside the Order I and held that the Extension Policy was the "applicable law" and that the Application would be extended under the Extension Policy. Aggrieved by the Order II, our Company filed a special leave petition ("**Special Leave Petition**") before the Supreme Court. Pending the Special Leave Petition, PSC has been extended for a period of 10 years with effect from May 15, 2020. The matter is currently pending.

(v) Our Company filed a writ petition against Odisha Mining Corporation Limited ("**OMC**") before the High Court of Orissa ("**Orissa High Court**") challenging the unilateral application of Rule 45 of the Minerals (Other than Atomic and Hydro Carbons Energy Minerals) Concession Rules, 2016 ("**MCR Rules**") in fixing the price of bauxite. Our Company contended that Rule 45 of the MCR Rules is not applicable to the sale of bauxite and accordingly, OMC shall supply the agreed quantity of bauxite in accordance with, *inter alia*, the sales agreements entered into between our Company and OMC ("**Agreement**"). During the course of this proceeding, the Orissa High Court passed an order directing OMC to supply the agreed quantity of bauxite until the term of the Agreement, subject to additional payment of ₹ 1,000 per metric tonne by our Company, along with an undertaking for the differential amount with the floor price arrived at by OMC in accordance with MCR Rules. The matter is currently pending.

(vi) Our Company issued a notice inviting offer ("**NIO**") and a request for proposal ("**RFP**") inviting companies to offtake all or a portion of gas volumes available for sale from the gas block in Barmer, Rajasthan ("**Rajasthan Block**"). Pursuant to the e-auction process, Gujarat State Petroleum Corporation Limited ("**GSPC**") along with four other bidders emerged as the successful bidder. However, GSPC denied its obligation to sign the gas sales agreement ("**GSA**"), abide by the terms of the GSA and offtake the gas at bid price and rather offered to offtake the bid volume of 1,907,543 standard cubic meters per day of gas at the price of 14.1% average brent price of crude oil with effect from April 01, 2023, which was 30.5% lower than the contractual price for sale of gas. Our Company accepted the offer on an interim arrangement basis to avoid loss of natural gas. Subsequently, our Company initiated arbitration proceedings against GSPC, however, GSPC refused to appoint their nominee arbitrator. Thereafter, our Company has filed an application under Section 11(6) of the Arbitration Act before the High Court of Delhi. The matter is currently pending.

(vii) Our Company entered into a share purchase agreement ("**SPA**") with the Union of India ("**Respondent**") and BALCO on March 2, 2001 ("**Closing Date**") to purchase 51% of the issued, subscribed and paid-up capital of BALCO. Pursuant to the SPA, our Company entered into a shareholders agreement ("**SHA**") with the Respondent and BALCO on the Closing Date. Under Clause 5.8 of the SHA, the Petitioner had a right to issue a call notice ("**Call Notice**") upon the expiry of the third anniversary of the Closing Date or any time thereafter, pursuant to which the Respondent was under an obligation to sell its entire existing shareholding to our Company. Upon expiry of the Closing Date, our Company issued the Call Notice to the Respondent. At the request of the Respondent, our Company agreed to extend the time of sale of the shareholding of the Respondent in BALCO until March 2006. Basis the report prepared by a valuer, the Respondent determined the value of the shares to be sold at ₹101.65 per share. In the interest of an expeditious sale of the Respondent's shares, our Company made a payment of ₹1,098.90 crores to the Respondent, subject to final determination in arbitration. In view of the defaults and delays by the Respondent, our Company issued a notice to the Respondent which entitled the Petitioner to purchase shares at a lower price ("**Demand Notice**"). The Respondent replied to the Demand Notice and argued that Clause 5.8 of the SHA is violative of Section 111A of the Companies Act, 1956 ("**Companies Act**"). Upon the failure of the parties to resolve the dispute through mediation and negotiation, the matter was referred to an arbitral tribunal ("**Arbitral Tribunal**"). The Arbitral Tribunal held, *inter alia*, that Clause 5.8 of the SHA was void, ineffective and inoperative by virtue of being violative of Section 111A of the Companies Act ("**Award**"). Aggrieved by the Award, our Company has filed a petition before the High Court of Delhi. The matter is currently pending.

b. Material tax litigation

Nil

c. Other litigation considered material by our Company

(i) Our Company entered into a consolidated power purchase agreement ("**PPA**"), with the Grid Corporation of Odisha Limited ("**GRIDCO**") for supplying 25% of the energy produced from the coal fired power plant ("**Power Plant**") located in Jharsuguda, Odisha at full tariff. Our Company filed a petition before the Odisha Electricity Regulatory Commission ("**OERC**") to convert its four units of the power plant from independent power plants ("**IPP**") to captive generating plants ("**CGP**"). The OERC passed an order, *inter alia*, allowing the conversions of three units of the Power Plant to CGP but held that the remaining unit ("**Unit-II**") of the Power Plant will continue to remain an IPP and connected to the state grid ("**Impugned Order**"). Aggrieved by the Impugned Order, our Company filed a review petition before the OERC for allowing the conversion of Unit-II from IPP to CGP. The OERC passed an order allowing Unit-II to normally operate as CGP subject to certain conditions, including but not limited to operating Unit-II as IPP if GRIDO requires power from our Company for state consumption and has given a three month notice for the same ("**Review Order**"). Aggrieved by the Review Order, GRIDCO filed an appeal before the Appellate Tribunal for Electricity, New Delhi ("**APTEL**"). APTEL set aside the Review Order on the sole ground that OERC had not indicated the reasons for reviewing the Impugned Order and ordered OERC to pass a fresh order ("**APTEL Order**"). In compliance with the APTEL Order, the OERC undertook the matter for hearing and held, *inter alia*, that in compliance with the PPA and the Impugned Order, Unit-II of the Power Plant will not convert from IPP to CGP ("**Final Order**"). Aggrieved by the Final Order, our Company has filed an appeal before APTEL. The matter is currently pending.

(ii) Our Company and others ("**Petitioners**") filed separate writ petitions ("**Writ Petitions**") before the High Court of Karnataka ("**High Court**"), against the State of Karnataka ("**State**"), challenging the imposition and legal validity of the forest development tax ("**FDT**") under the Karnataka Forest (Amendment) Act, 2016 ("**Amendment Act**"). The High Court clubbed the Writ Petitions together and directed the Petitioners to furnish a bank guarantee for 25% of the amount due under the FDT, subject to which, the State was restrained from collecting the FDT during the pendency of the Writ Petitions ("**Impugned Order**"). Aggrieved by the Impugned Order, the State filed a special leave petition before the Supreme Court. The Supreme Court ordered the High Court to dispose off the Writ Petitions within six months with an interim arrangement that the Petitioners will pay 50% of the demanded amount under the FDT and furnish a bond for the remaining amount, in accordance with the provisions of the Amendment Act ("**SC Order**"). Pursuant to the SC Order, the High Court allowed the Writ Petitions and declared the Amendment Act as *ultra vires* of the Constitution of India and directed the State to refund the FDT collected by it ("**Impugned Judgement**"). Aggrieved by the Impugned Judgement, the State filed a special leave petition before the Supreme Court. The matter is currently pending.

(iii) Our Company filed a writ petition ("**Petition**") before the Supreme Court challenging the arbitrary and discriminatory conditions imposed by the National Aluminum Company ("**NALCO**") in its tender (bid invitation) ("**Tender Document**") for the sale of processed bauxite. The Supreme Court held that there was no reason to entertain the Petition under Article 32 of the Indian Constitution and opined that the Petitioner may avail their legal remedies before the Orissa High Court ("**High Court**") in accordance with the law ("**SC Order**"). Pursuant to the SC Order, the Petitioner filed a writ petition before the High Court challenging the validity of the Tender Document. The matter is currently pending.

II. Litigation involving our Material Subsidiaries

1. Litigation against our Material Subsidiaries

a. Material civil litigation

*Talwandi Sabo Power Limited ("**TSPL**")*

(i) TSPL entered into a long-term power purchase agreement ("**PPA**") with Punjab State Power Corporation Limited ("**PSPCL**"). The PPA provided for an adjustment in tariff on account of any change in law occurring prior to June 16, 2008 ("**Cutoff Date**"). PSPCL filed a petition before the Punjab State Electricity Regulatory Commission ("**PSERC**"), claiming a 'change in law' event in terms of the PPA on the grounds that pursuant to the notification issued by the Government of India ("**GoI**") in October 2009, TSPL was entitled to the mega power project status and thereby was eligible to certain customs and excise exemption. The benefits of these exemptions had to be passed on to PSPCL. TSPL in its reply stated that as of the Cutoff Date, similar benefits were available to it under India's foreign trade policy as a non-mega power project and accordingly, TSPL's economic position was not altered pursuant to the grant of mega power project status to warrant the passing on of such benefits to PSPCL. The PSERC decided the

matter in favour of PSPCL and directed TSPL to pass on the benefits to PSPCL ("**Impugned Order**"). Aggrieved by the Impugned Order, TSPL filed an appeal before the Appellate Tribunal for Electricity ("**APTEL**"). APTEL held, *inter alia*, that TSPL's claim that the benefit accrued to them, on account of conferment of mega power status is counterbalanced by the loss of the foreign trade policy benefits of the same value, and hence, they are entitled to a corresponding adjustment is rejected ("**APTEL Order**"). Aggrieved by the APTEL Order, TSPL filed an appeal before the Supreme Court. The matter is currently pending.

(ii) TSPL entered into a power purchase agreement ("**PPA**") with Punjab State Power Corporation Limited ("**PSPCL**" or "**Complainant**"), for establishment of a power generation station to sell electricity generated from the station to PSPCL. The Complainant invoked arbitration proceedings against TSPL on the grounds that there was a delay commissioning three units (660 MW each), in terms of the PPA and delay in the availability of coal on account of the fuel supply agreement not being signed and demanded liquidated damages for an amount of ₹ 952.92 crores ("**Liquidated Damages**"). The arbitral tribunal ("**Tribunal**") observed, *inter alia*, that the Complainant had failed to arrange the double circuit 400 kV transmission lines by the scheduled connection date and was generally in default under the provisions of the PPA. Pursuant to the same, the Tribunal held that TSPL was under no liability to pay Liquidated Damages to PSPCL for the delay in commissioning of the three power generation units ("**Arbitral Award**"). Aggrieved by the Arbitral Award, the Complainant filed an appeal before the Additional District Judge, Patiala ("**Trial Court**") under Section 34 of the Arbitration Act for setting aside the Arbitral Award. The Trial Court dismissed the appeal and observed, *inter alia*, that the reasons for granting the Arbitral Award were proper, intelligible and there was no proof that the Tribunal had not adopted a judicial approach for deciding the Arbitral Award ("**Impugned Order**"). Aggrieved by the Impugned Order, the Complainant filed an appeal before the High Court of Punjab and Haryana. The matter is currently pending.

(iii) Punjab State Power Corporation Limited ("**PSPCL**" or "**Respondent**") issued a preliminary default notice to the Respondent alleging an event of default because the TSPL had failed to achieve average power availability of 65% for a non-consecutive time period of 12 months in a continuous aggregate time period of 36 months ("**Default Notice**"). Aggrieved by the Default Notice, TSPL filed an appeal under Section 86(1)(f) of the Electricity Act, 2003 before the Punjab State Electricity Regulatory Commission ("**PSERC**") for setting aside and quashing the Default Notice. PSERC dismissed the appeal and observed, *inter alia*, that the TSPL's claim of deemed capacity for the months of October and November 2020 and the TSPL's plea to consider its failure to achieve the prescribed average availability of its plant due to a force majeure event were not sustainable ("**PSERC Order**"). Aggrieved by the PSERC Order, PSPCL filed an appeal before the Appellate Tribunal for Electricity, New Delhi ("**APTEL**") under Section 111 of the Electricity Act. The matter is currently pending.

(iv) TSPL filed a petition before the Punjab State Electricity Regulatory Commission ("**PSERC**"), under Section 86(1)(b) of the Electricity Act, 2003 and the provisions of the power purchase agreement ("**PPA**") entered into with Punjab State Power Corporation Limited ("**PSPCL**" or "**Respondent**") for the approval and consequent tariff adjustment sought by TSPL Respondent due to a 'change in law' event, namely, the introduction of new environmental norms ("**Amendment Rules**"), resulting in additional capital and operating expenditure under the PPA aggregating up to approximately ₹2.31 crore per megawatt. The PSERC observed, *inter alia*, that TSPL did not raise any objection on the receipt of environmental clearance for the project with regard to the direction by the Ministry of Environment, Forest and Climate Change for space provisioning for retrofitting of the flue gas desulphurization ("**FGD**") equipment and selective non catalytic reduction technology system ("**SNCR**") at a later stage and allocating funds for the same. Hence, PSERC ruled that the introduction of the Amendment Rules could not be categorized as a change in law event ("**PSERC Order**"). Aggrieved by the PSERC Judgment, TSPL filed an appeal before the Appellate Tribunal for Electricity, New Delhi ("**APTEL**"). APTEL set aside the PSERC Order and observed, *inter alia*, that the installation and operation of the FGD, SNCR and associated system to comply with emission levels of sulphur dioxide is change in law and additional expenditure for same has to be included as additional capital costs to be incurred by the Respondent ("**APTEL Order**"). Aggrieved by the APTEL Order, the Respondent filed an appeal before the Supreme Court. The matter is currently pending.

(v) TSPL also filed a separate petition before the Punjab State Electricity Regulatory Commission ("**PSERC**") seeking, *inter alia*, a declaration by the PSERC that the revised policy for biomass utilization for power generation ("**Policy**") implemented by the Ministry of Power qualified as a 'Change in Law' event under Article 13 of the PPA entered into with Punjab State Power Corporation Limited ("**Respondent**"). The PSERC held, *inter alia*, that the Policy qualified as a 'Change in Law' event under the provisions of the PPA and further opined that in order to determine the threshold amount for entitlement of the 'Change in Law' compensation, the value of the letter of credit provided by PSPCL (which is on a fortnightly basis) has to be aggregated for a full contract year ("**PSERC Order**"). Subsequently, the Respondent filed a review petition before the PSERC seeking review of a particular paragraph of the PSERC Order on the limited aspect of interpretation of Article 13.2(b) of the PPA. The PSERC dismissed the review petition and held, *inter alia*, that the please made by the Respondent are in the nature of an appeal in disguise, which is not a permissible ground for the exercise of review jurisdiction ("**Review Order**"). Aggrieved by the Review Order, the Respondent filed an appeal before the APTEL. The matter is currently pending.

b. Material tax litigation

*Bharat Aluminium Company Limited ("**BALCO**")*

(i) For the assessment year 2015-2016 ("**Assessment Year**"), BALCO filed income tax return under the provisions of the Income Tax Act, 1961 ("**Act**"). The assessment of BALCO for the Assessment Year was completed under Section 143(3) read with Section 144C and Section 263 of the Act by the Income Tax Department ("**Assessing Officer**"). The Assessing Officer disallowed certain claims, *inter alia*, deduction under Section 80IA of the Act ("**Assessment Order**"). Pursuant to the Assessment Order, the Assessing Officer imposed a penalty of ₹574 crores alleging that BALCO had concealed the particulars of its income ("**Penalty Order**"). Aggrieved by the Penalty Order, BALCO filed an appeal before the Commissioner of Income Tax (Appeals). The matter is currently pending.

*Hindustan Zinc Limited ("**HZL**")*

(i) In relation to the income tax return filed by HZL under the provisions of the Income Tax Act, 1961 ("**Act**") for the period from AY 2011 to AY 2019 ("**Assessment Year(s)**"), the Income Tax Department issued orders disallowing claims of certain expenses under Section 14A of the Act and deductions under Sections 80IA and 80IC of the Act, among others, claims of which aggregated to approximately ₹ 12,501.41 crores ("**Assessment Orders**"). Aggrieved by the Assessment Orders, HZL filed appeals before the relevant appellate authorities. The appeals filed for the AY 2014 to AY 2017 by HZL or Commissioner of Income Tax ("**CIT**") are pending before the Income Tax Appellate Tribunal, Jodhpur ("**ITAT**"). In relation to the orders passed by ITAT for the AY 2011, 2012, 2013, 2018 and 2019, appeals have been filed, either by HZL or the CIT before the High Court of Judicature of Rajasthan. The matters are currently pending.

c. Actions initiated by statutory or regulatory authorities

*Talwandi Sabo Power Limited ("**TSPL**")*

(i) The Directorate of Enforcement ("**ED**") has filed a complaint against TSPL and others under Section 45 read with Section 44 of the Prevention of Money Laundering Act, 2002 ("**PMLA**"), for the offence of money laundering, before the Designated Special Court under the PMLA, New Delhi. The ED alleged, *inter alia*, that illegal gratification of ₹0.50 crores was paid by TSPL for getting approval for reuse of visas for Chinese nationals from the Ministry of Home Affairs. The matter is currently pending.

*Hindustan Zinc Limited ("**HZL**")*

(i) HZL was granted a mining lease ("**Lease")** for lead, zinc and associated minerals over an area of 1,200 hectares situated in Bhilwara district, Rajasthan. The Mining Engineer, Mines and Geology Department, State of Rajasthan ("**Department of Mines**") issued notices to HZL stating that it was not paying the requisite royalty in terms of the Mineral Concession Rules, 1960 ("**Notices**"). HZL challenged the Notices by way of a writ petition before the High Court of Judicature for Rajasthan ("**Rajasthan High Court**"). The Rajasthan High Court *vide* its order held that royalty cannot be charged on lead and zinc ore and directed the amounts recovered in excess of the royalty payable to be adjusted against future demands ("**Order I**"). The Department of Mines and others challenged the Order I by way of an appeal ("**Appeal**") before the Division Bench of the Rajasthan High Court and pursuant to its order, the Rajasthan High Court dismissed the Appeal and directed them to recalculate the royalty payable by HZL ("**Order II**"). Thereafter, both the State of Rajasthan and HZL challenged Order II before the Supreme Court. Subsequently, the Supreme Court dismissed the State of Rajasthan's appeal and held that no royalty is chargeable on tailings and rejects of zinc and lead. Thereafter, the Department of Mines, Rajasthan had issued certain directions for computing royalty. The Mines and Geology Department, Udaipur issued a show cause notice demanding ₹ 1,925.73 crores from HZL in relation to, *inter alia*, payment of royalty along with interest for the period from April 2008 to March 2019 ("**SCN**"). HZL filed an appeal before the Rajasthan High Court challenging computation of royalty and the SCN, and subsequently, the Rajasthan High Court granted a stay on the SCN. However, the Department of Mines has raised a revised demand of ₹311 crores ("**Revised Demand**"). HZL has filed a revision application before the Central Government in Revision, Ministry of Mines, New Delhi contending that the Revised Demand is arbitrary, unreasonable and illegal. The Economic Adviser & Revisionary Authority has imposed a stay on the Revised Demand directing the State Government not to take any coercive action. The matter is currently pending.

(ii) HZL imported certain mining equipment and machinery ("**Equipment**") for an underground mining project in the Rampura Agucha Mines ("**Mine Project**"). The Equipment was sent to the mine site on a piecemeal basis and then assembled by HZL's representatives. Subsequently, the District Transport Officer, Bhilwara ("**DTO Bhilwara**") issued a demand notice ("**Notice**") to HZL imposing a penalty of ₹0.40 crores alleging delay in registration of the Equipment. The DTO Bhilwara did not respond to HZL's representation and subsequently demanded HZL to pay the penalty imposed by the Notice. Consequently, HZL challenged the Notice before the High Court of Judicature for Rajasthan ("**High Court**") contending that the registration amount was payable from the date of commissioning of the Equipment and not from the date of entry in the state. The High Court adjourned the proceedings until further notice and granted liberty to the parties to move the appropriate application for listing of the case immediately after disposal of the special leave petition filed before the Supreme Court in the said matter. The matter is currently pending.

(iii) HZL purchased certain plant and machineries during the course of expansion ("**Machines**"). The Indian Audit & Accounts Department issued a notice ("**Notice**") to HZL demanding payment of ₹4.86 crores as stamp duty ("**Stamp Duty**") for the purchase of the Machines. HZL replied to the Notice contending that the Stamp Duty is not payable as the Machines were movable in nature. Meanwhile, a case ("**Case**") had been registered against HZL before the Court of Collector Stamps. HZL was not made aware of the Case until a notice was issued to HZL demanding payment of ₹4.57 crores pursuant to an order passed by the Court of Collector Stamps. HZL has filed a writ petition before the High Court of Judicature for Rajasthan on the ground that proceedings had been initiated before in the Court of Collector Stamps for the payment of Stamp Duty, however, HZL had not received any notice or intimation of such proceedings. The matter is currently pending.

(iv) The State of Rajasthan ("**State**") and others ("**Respondents**") issued a demand notice to HZL for payment of an amount of ₹45.28 crores to the District Mineral Foundation ("**DMF**") under the DMF Trust Rules, 2016, with respect to HZL's mines located in Maton and Zawar, Rajasthan ("**Demand Notice**"). HZL filed a writ petition ("**Petition**") challenging the Demand Notice before the High Court of Judicature for Rajasthan ("**High Court**"). The High Court issued a notice and passed an interim order directing the State not to take any coercive action against HZL pursuant to the Demand Notice. The State subsequently passed an order against HZL demanding the payment of the purported DMF amount due and levied interest upon HZL for non-payment of the DMF amount ("**State Order**"). Aggrieved by the State Order, HZL approached the High Court to withdraw the Petition with the liberty to file a fresh writ petition. The High Court allowed HZL to file a fresh petition pursuant to which, HZL has filed a writ petition against the Demand Notice and State Order.

The State issued another demand notice and order to HZL for payment of an amount of ₹0.15 crores and levying of interest of ₹29.83 crores to the DMF under the DMF Trust Rules, 2016, with respect to HZL's mines located in Kayad, Rajasthan ("**State Notices**"). Aggrieved by the State Notices, HZL filed a writ petition the High Court for, *inter alia,* setting aside and quashing the State Notices.

The State issued another demand notice to HZL for levying of interest and payment of an amount of ₹16.14 crores to the DMF under the DMF Trust Rules, 2016, with respect to HZL's mines located in Sindesar Khurd and Dariba, Rajasthan ("**Demand Notice II**"). Aggrieved by the Demand Notice II, HZL filed a writ petition the High Court for, *inter alia,* setting aside and quashing the Demand Notice II. These matters are currently pending.

(v) The District Transport Officer, Chittorgarh, issued multiple demand notices ("**Demand Notices**") to HZL raising a demand of road tax and imposing a penalty on the folk lifter, cranes, pay loaders etc. ("**Equipment**") owned by HZL at its smelter plant, located in Chittorgarh, Rajasthan. Aggrieved by the Demand Notices, the Petitioner filed a writ petition (" **Petition**") before the High Court of Judicature for Rajasthan ("**High Court**"). The High Court dismissed the Petition and held that in view of the judgement passed by the Supreme Court in the matter of State of Rajasthan v. B.C.W., HZL can file an appeal within a period of four weeks from the filing of the Petition. Pursuant to the directions of the High Court, HZL filed an appeal before the High Court and argued, *inter alia,* that the Demand Notices are illegal and void, and the Equipment of the Petitioner cannot be subject to road tax under Section 14 of the Rajasthan Motor Vehicles Taxation Act, 1951. The matter is currently pending.

*Bharat Aluminium Company Limited ("**BALCO**")*

(i) The Office of the Welfare Commission, Chhattisgarh Labour Welfare Board issued a notice ("**Notice**") to BALCO, to *inter alia* deposit the contribution amounting to ₹1.34 crore for the contract labour employed through sub-contractors under Section 9 of the Chhattisgarh Labour Welfare Fund Act, 1982. Further, the Officer of the Welfare Commissioner, pursuant to the directions of the High Court of Chhattisgarh, issued a notice to BALCO, *inter alia,* asking them to present their case before the High Court of Chhattisgarh in relation to the recovery of amount. The matter is currently pending adjudication.

(ii) BALCO has filed a writ petition ("**Petition**") before the High Court of Chhattisgarh ("**High Court**") challenging the order passed by the Assistant Provident Fund Commissioner (Exemptions) ("**APFC**") ("**Order**"), by way of which the APFC directed BALCO to not bifurcate salaries into various head to curtail the provident fund benefit to the employees, and to calculate the provident fund and allied dues from 2004 onwards on personal allowance as well. In the Petition, BALCO submitted that the APFC had passed the Order basis complaints filed by certain former employees ("**Complainants**") of BALCO before the Regional Provident Fund Commissioner, Region Raipur alleging that BALCO failed to deduct the amount of provident fund as per definition of 'salary' under Rule 3(o) of the 'BALCO Employee Provident Fund Rules'. BALCO has contended in the Petition that *inter alia* the provident fund contributions payable to the Complainants have never been reduced and that in 2003, BALCO had carried out an annual performance appraisal of employees and restructured their salary package by merging the basic allowance and the dearness allowance which resulted in increase of salary of the employees. The matter is currently pending.

d. Criminal litigation

*Bharat Aluminium Company Limited ("**BALCO**")*

(i) Pankaj Aluminium Industries Private Limited filed a criminal complaint before the Metropolitan Magistrate of Mumbai against BALCO and its directors in connection with the payment made by the Complainant for certain aluminum products supplied by BALCO. For details, see "***- Litigation involving our Material Subsidiaries – Litigation against our Material Subsidiaries – Other litigation considered material by our Company***" on page 288.

(ii) M/s Vassu Enterprises ("**Complainant**") entered into an agreement with BALCO for material handling, scrap for purchase of heavy equipments, housekeeping, loading/ unloading and other services ("**Contract**"). BALCO terminated the Contract for unsatisfactory compliance of contractual obligations by the Complainant, including failure to comply with statutory labour compliance requirements. Pursuant to the termination of the Contract, the Complainant filed a complaint ("**Complaint**") against BALCO, our Director, Anil Agarwal and others ("**Accused**") before the Court of Chief Judicial Magistrate, East Singhbhum, Jamshedpur ("**CJM**") under Sections 420, 406, 409, 120B and 34 of the IPC for alleged misappropriation and illegal withholding of equipment and machinery. The CJM disposed of the Complaint and subsequently, the Complainant filed an FIR under Section 154 of the Code of Criminal Procedure, 1973 ("**CrPC**"). BALCO has filed a criminal writ petition under Section 156(3) of the CrPC before the High Court of Jharkhand, Ranchi ("**High Court**"). The High Court *vide* its order held that no coercive steps shall be taken against the Accused in the CJM till the next date. The Complainant has also filed an application ("**Application**") before the Jharkhand Micro, Small and Micro Enterprises Facilitation Council at Ranchi ("**MSME**") alleging delay in payment by BALCO and subsequently MSME issued a notice to BALCO. BALCO has filed a reply contending that the Complainant has filed the Application with ulterior motive to extort BALCO and also malign the image of BALCO and that the High Court has imposed a stay on the criminal compliant filed by the Complainant in relation to the same issue. The matter is currently pending.

(iii) Ajaykumar Padia ("**Complainant**") filed a petition against BALCO, our Directors, Anil Agarwal, Navin Agarwal, and others (collectively, "**Accused**") before the Court of Judicial Magistrate First Class, Pune ("**CJM**") for alleged offences under Sections 420, 34, 406 read with Section 109 of the IPC. The Complainant alleged, *inter alia*, that the Accused have abated, cheated and committed criminal breach of trust in respect of the deposit, commission and discount offered to the Complainant for the defective goods supplied by the Accused and caused wrongful loss to the Complainant. The CJM, *inter alia,* ordered investigation into the matter under Section 153(3) of the Code of Criminal Procedure, 1973. Pursuant to the investigation, the police investigated the matter and concluded, *inter alia*, that the concerned matter is of a civil nature ("**Report**"). Thereafter, the Complainant approached the CJM, questioning the police report and subsequently, the CJM *vide* an order observed that the Accused acted with dishonest intention and therefore issued process against the Accused under Sections 420, 406 read with Section 34 of the IPC ("**Impugned Order**"). Aggrieved by the Impugned Order, our Directors, Anil Agarwal, Navin Agarwal and others filed a writ petition before the High Court of Judicature for Bombay ("**High Court**"). The High Court observed, *inter alia*, that an alternative remedy is available before the sessions court and disposed the petition. Pursuant to the order of the High Court, our Director, Anil Agarwal and others filed a criminal revision application before the Additional District and Sessions Judge, Pune ("**Sessions Judge**"). The Sessions Judge ruled against the Accused and upheld the Impugned Order. Subsequently, our Director, Anil Agarwal and others filed a criminal application before the High Court. The High Court has imposed a stay. The matter is currently pending.

(iv) R.P. Shinde ("**Complainant**") filed a criminal complaint before the Chief Judicial Magistrate, Korba ("**CJM**") under Section 15 of the Environment (Protection) Act, 1986 ("**Environment Act**") and Sections 22, 22A, 37, 39 and 41 of Air (Pollution, Prevention and Control) Act, 1981 alleging violation of the notification dated November 3, 2009 ("**Notification**"), issued by the Ministry on Environment & Forests under the Environment Act. The Complainant has alleged violation of the Notification on the grounds that the 540 MV thermal power plant of BALCO has utilized only an extent of 46.45% of the fly ash as against 100% utilization for the period from September 2013 to August 2014. R.K. Dhancholiya ("**Petitioner**"), former manager of BALCO contented that there has been no violation of the Notification as the Notification states that the unitized fly ash, if any, can be utilized within the next two years. CJM passed an order of registration of Complaint and issued summons ("**Order**"). Petitioner filed a revision petition before the court of sessions however, the same was dismissed. Petitioner has filed a petition before the High Court of Chhattisgarh under Section 482 of the CrPC to set the Order contending that a prima case was made out by the Complainant. The matter is currently pending.

*Hindustan Zinc Limited ("**HZL**")*

(i) Govind Suthar ("**Complainant**") entered into an agreement with HZL and was awarded a work order worth ₹0.60 crores for mechanical construction. However, the work order was issued for only ₹0.46 crores and work worth only ₹0.32 crores was executed by the Complainant for which the Complainant was paid. The balance work was awarded to a third party due to, *inter alia*, non-completion of work on time by the Complainant. Subsequently, the Complainant filed a first information report against HZL, alleging cheating and forgery due to which the Complainant had suffered losses. The police concluded in their investigation that HZL had not committed the offence of cheating or forgery ("**Police Report**"). Aggrieved by the Police Report, the Complainant filed a protest petition ("**Protest Petition**") before the Additional Civil Judge and Judicial Magistrate First Class, Udaipur ("**ACJ Udaipur**"). The ACJ Udaipur dismissed the Protest Petition based on the findings of the Police Report ("**Order**"). Aggrieved by the Order, the Complainant filed an appeal against the Order before the District and Sessions Court, Udaipur. The matter is currently pending.

*Talwandi Sabo Power Limited ("**TSPL**")*

(i) The residents of Raipur, District Mansa ("**Complainants**") filed an application against TSPL before the Sub-Divisional Magistrate, Mansa ("**SDM**"). The Complainants have alleged that the ash coming out of a thermal power plant of TSPL fell on the crops and fodder causing financial loss to the Complainant. The SDM passed the order ("**Impugned Order**") directing TSPL to provide compensation amounting to ₹0.84 crores to the Complainants. TSPL has filed a petition under Section 482 of the Code of Criminal Procedure, 1973 ("**CrPC**") to quash the Impugned Order on the ground that it does not satisfy the tests of fairness and non-arbitrariness prescribed under Article 14 of the Constitution of India and that it is contrary to the procedure established by law and fails to adhere to the principles of natural justice. The matter is currently pending.

(ii) TSPL entered into a sale agreement ("**Agreement**") with Govardhan Steel ("**Respondent**") for selling its scrap of quantity 613.7 metric tonne. As per the Agreement, TSPL had the right to forfeit the security deposit in case of a breach of terms and conditions of the Agreement. In terms of the Agreement, an amount of ₹0.24 crores was forfeited as security deposit by TSPL due to the failure of the Respondent to perform their contractual obligations of lifting the scrap within the stipulated time period. Thereafter, Respondent filed a first information report ("**FIR**") at the Vishwakarma police station, Jaipur against TSPL alleging offences under Sections 420, 406 and 120B of the IPC. TSPL has filed a petition before the High Court of Judicature for Rajasthan under Section 482 of the Code of Criminal Procedure, 1973 for quashing the FIR contending that the Agreement provided for resolution of dispute be means of arbitration. The matter is currently pending.

e. Other litigation considered material by our Company

*Bharat Aluminium Company Limited ("**BALCO**")*

(i) BALCO filed a writ petition before the High Court of Chhattisgarh ("**High Court**") in relation to a dispute with the State of Chhattisgarh ("**State**") with respect to allotment of a government revenue land ("**Forest Land**") by BALCO. The High Court held that, *inter alia* BALCO was not in unauthorized possession of the Forest Land and disposed of the writ petition ("**HC Order**"). Aggrieved by the HC Order, the State filed a writ appeal ("**Writ Appeal**") before the High Court. The High Court observed, *inter alia*, that the removal of the tree growth and its non-forest use had been affected prior to the implementation of the Forest (Conservation) Act, 1980 ("**Forest Act**") and dismissed the Writ Appeal. Thereafter, Sarthak, an NGO ("**Petition I**") and Bhupesh Baghel ("**Petition II**") filed two separate petitions before the Supreme Court alleging *inter alia* encroachment of the land and use of Forest Land by BALCO for non-forest purposes and cutting of trees. The Supreme Court referred the Petition I to a central empowered committee ("**CEC**"), which recommended that BALCO may be directed to seek ex-post facto approval under Section 2 of the Forest Act for the allotment and non-forestry use of the Forest Land. In relation to Petition II, the Supreme Court directed BALCO not to cut trees in the Forest Land ("**Order**"). Thereafter, Bhupesh Baghel filed a contempt petition before the Supreme Court alleging *inter alia* violation of the provisions of the Forest (Conservation) Act, 1980 and that BALCO had cut trees in contempt of the Order ("**Contempt Petition**"). The Contempt Petition was referred to CEC, which in its report recommended the Supreme Court to *inter alia* direct BALCO to pay a penalty of ₹ 10 crores for non-compliance with the Order. Subsequently, BALCO has filed an application before the Supreme Court seeking urgent listing of the matter. The matter is currently pending.

(ii) State of Chhattisgarh ("**State**") filed a special leave petition ("**SLP**") before the Supreme Court challenging the order passed by the Chhattisgarh High Court ("**High Court**") ("**Impugned Order**") on the constitutional validity of Section 3(1)(a) ("**Section**") of the Chhattisgarh Upkar (Sanshodhan) Adhiniyam, 2004 ("**Act**"), which imposed an energy development cess ("**EDC**") on captive power plant producers. In the SLP, the State challenged the Impugned Order, by way of which the High Court had struck down the Section and observed, *inter alia*, that the Section was violative of Article 14 of the Constitution of India on the basis that the captive power plants were being charged the EDC at a different rate as compared to the independent power producers. The Supreme Court passed an order allowing, *inter alia*, the State to raise bills for payment of the EDC and simultaneously directed the State to not take any coercive actions for recovery of the EDC dues, until the matter was decided by the Supreme Court ("**SC Order**"). During the pendency of the SLP, the State introduced an amendment ("**Amendment**") to the Act, whereby the distributor's EDC was increased to ten paisa, at par with the captive power plant producers. Pursuant to the Amendment, the State filed an interim application ("**IA**") for modification of the SC Order on the grounds that after the Amendment, the EDC levied from captive power plant producers and the distributors was charged at the same rate and hence, the Section was not discriminatory in nature. The Supreme Court dismissed the IA and opined, *inter alia*, that at the existing stage of the SLP proceedings no ground was made out for modification of the SC Order. The matter is currently pending.

(iii) Pankaj Aluminum Industries Private Limited ("**Complainant**") filed a criminal complaint ("**Complaint**") before the Metropolitan Magistrate of Mumbai ("**Magistrate**") against BALCO and its directors in connection with the payment made by the Complainant for certain aluminum products supplied by BALCO ("**Products**"). The Complainant alleged that BALCO wrongfully adjusted a sum of ₹3.38 crores ("**Adjustment Amount**") paid by the Complainant towards the purchase of the Products against the previous dues of the Complainant's sister concern, Anish Metals Private Limited ("**Anish Metals**"). The Complainant further alleged that the Adjustment Amount, made without the Complainant's consent amounted to cheating, breach of trust and misappropriation. Subsequently, the Economic Offences Wing, filed a report ("**Report**") in the matter and opined that the matter was civil in nature because the Adjusted Amount paid by the Complainant against the past dues of Anish Metals did not result in financial cheating or breach of trust. Pursuant to the Report, the Magistrate dismissed the Complaint ("**Order**"). Aggrieved by the Order, the Complainant filed a criminal revision application before the Court of Sessions for Bombay at Greater Bombay.

The Complainant also filed a suit before the High Court Judicature at Bombay ("**High Court**"), seeking, *inter alia*, a declaration that the purported setting off, of the Adjustment Amount by BALCO against alleged debits due to BALCO from Anish Metals is illegal and sought an order of specific performance, directing BALCO to supply the Products as per the Complainant's purchase order. Alternatively, the Complainant sought for an order, directing BALCO to refund the Adjustment Amount.

(iv) The Complainant also filed a winding up petition before the High Court of Delhi against BALCO which was dismissed ("**Winding up Order**"). The Complainant has filed an appeal challenging the Winding up Order. The above matters are currently pending.

2. Litigation by our Material Subsidiaries

a. Material civil litigation

Nil

b. Material tax litigation

Nil

c. Other litigation considered material by our Company

(i) The Ministry of Mines, Government of India, notified the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015 ("**DMF Rules**") under the powers conferred by Section 9B (5) and Section 9B (6) of the Mines and Minerals (Development and Regulation) Act, 1957 ("**MMA**"), which were made effective from January 12, 2015. The Central Government also amended the Mines and Minerals (Development and Regulation) Act, 1957. The amendment provided for the establishment of District Mineral Foundation trust and was made effective retrospectively from January 12, 2015. HZL filed a writ petition before the High Court of Judicature for Rajasthan praying that the DMF Rules be struck down and declared unconstitutional on the grounds that, *inter alia,* the impugned levy of contribution at the rate of 30% of royalty, failing which, ravannas would not be issued, is illegal, arbitrary and unreasonable and the discriminatory rates between mining leases granted before and after January 12, 2015, are inconsistent with Section 9B (1) and Section 9B (2) of the MMA. The matter is currently pending.

III. Litigation involving our Directors

1. Litigation against our Directors

a. Material civil and tax litigation

Nil

b. Actions initiated by statutory or regulatory authorities

(i) The Enforcement Directorate, Ministry of Finance issued a show cause notice to Sterlite Industries India Limited (now merged with our Company) ("**SIIL**"), alleging contravention of Section 8(1) of the Foreign Exchange Regulation Act, 1973 for acquiring and transferring foreign exchange equivalent amounting to ₹208 crores into an overseas entity, without prior approval of the RBI. Further, our Directors, Navin Agarwal and Anil Agarwal were also charged for the alleged violation on the grounds that they were in charge of and responsible for the conduct of business of SIIL during the relevant period. For details, see "***- Litigation involving our Company – Litigation against our Company – Actions initiated by Statutory or Regulatory Authorities***" on page 276.

(ii) SEBI issued a show cause notice to our Company, our Directors, Navin Agarwal and Priya Agarwal Hebbar and others to show cause as to why suitable directions should not be initiated for *inter alia* alleged violations of the provisions of the Companies Act, 2013 and SEBI Listing Regulations for delay in payment of dividend by Cairn India Limited (now merged with our Company) to Cairn UK Holdings Limited. For details, see "***- Litigation involving our Company – Litigation against our Company – Actions initiated by Statutory or Regulatory Authorities***" on page 276.

c. ***Criminal litigation***

(i) Fatima filed a petition against our Company, our Director, Navin Agarwal, and others before the Court of the Judicial Magistrate No. III, Thoothukkudi, Tamil Nadu under Section 200 of the Code of Criminal Procedure, 1973 read with Section 15 of the Environment Protection Act, 1986. For details, see "- ***Litigation involving our Company – Litigation against our Company – Criminal Litigation***" and "***- Litigation involving our Company – Litigation against our Company – Other litigation considered material by our Company***" on pages 277 and 278, respectively.

(ii) M/s Vasu Enterprises has filed a complaint against BALCO, our Director, Anil Agarwal and others before the Chief Judicial Magistrate, East Singhbhum, Jamshedpur under Sections 420, 406, 409, 120B and 34 of the IPC for alleged misappropriation and illegal withholding of equipment and machinery. For details, see "***- Litigation involving our Material Subsidiaries – Litigation against our Material Subsidiaries – Criminal Litigation***" on page 286.

(iii) Ajaykumar Padia ("**Complainant**") filed a petition against BALCO, our Directors, Anil Agarwal and Navin Agarwal and others ("**Accused**") before the Court of Judicial Magistrate First Class, Pune ("**CJM**") for alleged offences under Sections 420, 34, 406 read with Section 109 of the IPC. For details, see "***- Litigation involving our Material Subsidiaries – Litigation against our Material Subsidiaries – Criminal Litigation***" on page 286.

(iv) SEBI filed a criminal complaint against Sterlite Industries India Limited (now merged with our Company) ("**SIIL**"), our Director, Anil Agarwal and others before the Additional Metropolitan Magistrate, Esplanade in relation to the alleged violation of Regulations 4(a) and 4(d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to securities market) Regulations, 1995. SIIL filed a criminal application before the Bombay High Court to stay the criminal proceedings initiated by SEBI through its criminal complaint. For details, see "- ***Litigation involving our Company – Litigation against our Company – Actions initiated by Statutory or Regulatory Authorities***" and "***- Litigation involving our Directors – Litigation against our Directors – Actions initiated by Statutory or Regulatory Authorities***" on pages 276 and 289, respectively.

d. ***Other litigation considered material by our Company***

Nil

2. ***Litigation by our Directors***

a. ***Material civil and tax litigation***

Nil

b. ***Other litigation considered material by our Company***

Nil

IV. Inquiries, inspections, or investigations under the Companies Act

Except as disclosed below, no inquiries, inspections or investigations have been initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Preliminary Placement Document involving our Company and our Subsidiaries, and there have been no prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company and our Subsidiaries.

SEBI issued a show cause notice to our Company, our Directors, Navin Agarwal and Priya Agarwal Hebbar and others to show cause as to why suitable directions should not be initiated for alleged violation of the provisions of the Companies Act, 2013 and SEBI Listing Regulations for non-payment of dividend by Cairn India Limited (now merged with our Company) to Cairn UK Holdings Limited. For details, see "***- Litigation involving our Company – Litigation against our Company – Actions initiated by Statutory or Regulatory Authorities***" on page 276.

V. Acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

No acts of material frauds have been committed against our Company in the last three years preceding the date of this Preliminary Placement Document.

VI. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

As on the date of this Preliminary Placement Document, there have been no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations

VII. Details of default, if any, including the amount involved, duration of default and present status, in repayment of statutory dues, debentures and interest thereon, deposits and interest thereon, loan from any bank or financial institution and interest thereon and default in annual filing of our Company under the Companies Act, 2013 or the rules made thereunder

As on the date of this Preliminary Placement Document, there have been no defaults in the payment of statutory dues or the repayment of debentures and interest thereon, repayment of deposit and interest thereon, repayment of loan from any bank or financial institution and interest thereon and default in the annual filings of our Company under the Companies Act, 2013 or the rules made thereunder, by our Company.

VIII. Details of any litigation or legal action (including regulatory actions), pending or taken by any ministry or department of the government or a statutory authority against our Promoters during the last three years immediately preceding the year of issue of this Preliminary Placement Document and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action

(i) The Enforcement Directorate, Ministry of Finance issued a show cause notice to Sterlite Industries India Limited (now merged with our Company) ("**SIIL**"), alleging contravention of Section 8(1) of the Foreign Exchange Regulation Act, 1973 for acquiring and transferring foreign exchange equivalent amounting to ₹208 crores into an overseas entity, without prior approval of the RBI. Further, our Promoter Anil Agarwal and others were also charged for the alleged violation on the grounds that they were in charge of and responsible for the conduct of business of SIIL during the relevant period. For details, see "***- Litigation involving our Company – Litigation against our Company – Actions initiated by Statutory or Regulatory Authorities***" on page 276.

(ii) SEBI filed a criminal complaint against Sterlite Industries India Limited (now merged with our Company) ("**SIIL**"), our Promoter, Anil Agarwal and others before the Additional Metropolitan Magistrate, Esplanade in relation to the alleged violation of Regulations 4(a) and 4(d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to securities market) Regulations, 1995. SIIL filed a criminal application before the Bombay High Court to stay the criminal proceedings initiated by SEBI through its criminal complaint. For details, see "***- Litigation involving our Company – Litigation against our Company – Actions initiated by Statutory or Regulatory Authorities***" and "***- Litigation involving our Directors – Litigation against our Directors – Actions initiated by Statutory or Regulatory Authorities***" on pages 276 and 289, respectively.

IX. Any other outstanding litigation involving our Company on a consolidated basis, our Directors, Promoters or Material Subsidiaries which may be considered material by the Company for the purposes of disclosure in this Preliminary Placement Document

(i) ESL entered into a mine development and production agreement ("**MDPA**") for mining of the Nadidihi iron ore block ("**Iron ore**") located in Odisha. The Deputy Director of Mines issued demand notices ("**Demand Notices**") to ESL demanding an amount of ₹856.78 towards penalty for annual shortfall in minimum dispatch required under Rule 12(A)(1) of the Mineral (Other than Atomic and Hydrocarbon Energy Minerals) Concession Rules, 2016 for the Iron Ore. Aggrieved by the Demand Notices, ESL filed an application for revision before the Ministry of Mines, Government of India ("**Revisional Authority**") under Section 30 of the Mines and Minerals (Development and Regulation) Act, 1957 to keep the Demand Notices in abeyance during the pendency of proceedings before the Revisional Authority. The Revisional Authority passed an order directing the state government to not take any coercive action during the pendency of the proceedings. The matter is currently pending.

(ii) The Jharkhand State Pollution Control Board ("**JSPCB**") issued a show cause notice ("**Show Cause Notice**") to ESL in relation to a renewal application ("**Application**") for consent to operate ("**CTO**") filed by ESL, and ESL responded to the same with clarifications. Subsequently, JSPCB wrote a letter to the Director of Ministry of Environment, Forest and Climate Change ("**MoEFCC**") seeking their clarification on the outcome of the Show Cause Notice, and further informing that in the absence of the MoEFCC's reply, JSPCB was not in a position to issue the CTO to ESL. However, since the CTO was not granted, ESL filed a writ petition before the High Court of Jharkhand ("**High Court**") praying for, *inter alia,* a direction to JSPCB to grant CTO to ESL. The High Court allowed ESL to operate under the supervisory regulatory control of JSPCB. Pursuant to the same, JSPCB carried out an inspection of the steel plant and furnished a report showing compliance. Thereafter, JSPCB passed an order denying grant of CTO to ESL, and the Application was disposed ("**Impugned Order**"). Subsequently, it was communicated to ESL *vide* a letter by the MoEFCC, that the matter had been examined by the MoEFCC and that they had decided to revoke ESL's environmental clearance ("**EC**"), with a further direction to ESL to apply for the same afresh after clearing all the issues ("**MoEFCC Letter**"). ESL filed a writ petition before the High Court against the Impugned Order alleging, *inter alia,* that the MoEFCC Letter is bad in law. The High Court stayed the Impugned Order, *inter alia,* for it being against the principles of natural justice ("**High Court Order**"). Subsequently, ESL applied for statutory clearance and after various deliberations, the Expert Appraisal Committee ("**EAC**") directed the JSPCB to take action against the project proponent under the Section 19 of the Environment (Protection) Act, 1986 and further directed that no CTO will be issued to ESL till the project has received EC. Aggrieved by the High Court Order, ESL filed a petition before the Supreme Court. The Supreme Court stayed the High Court Order and granted permission to ESL to operate until further orders. Subsequently, the MoEFCC rejected the grant of EC to ESL due to an interim stay imposed by the Madras High Court on the standard operating procedure for identification and handling of violation cases under the Environmental Impact Assessment, 2006 notification issued by MoEFCC ("**Madras HC Order**"). Aggrieved by the Madras HC Order, ESL filed a special leave petition and interlocutory application before the Supreme Court. The Supreme Court, *inter alia*, admitted the special leave petition and directed MoEFCC to process the EC application of ESL within a period of three months and in accordance with applicable law. The matter is currently pending.

INDEPENDENT STATUTORY AUDITORS

Our Company's Statutory Auditors, S.R. Batliboi & Co. LLP, Chartered Accountants are independent auditors with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by ICAI.

Our Statutory Auditors have audited the Audited Consolidated Financial Statements, included in this Preliminary Placement Document. The peer review certificate of our Statutory Auditors is valid as on the date of this Preliminary Placement Document.

GENERAL INFORMATION

- Our Company was originally incorporated as 'Sesa Goa Private Limited' on June 25, 1965, as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Goa, Daman and Diu ("**RoC, Goa**"). Subsequently, our Company was converted into a public limited company and consequently, a fresh certificate of incorporation was issued on October 10, 1996, by the RoC, Goa. The name of our Company was changed from 'Sesa Goa Limited' to 'Sesa Sterlite Limited' and subsequently, a fresh certificate of incorporation was issued on September 18, 2013, by the RoC, Goa. Thereafter, the name of our Company was changed from 'Sesa Sterlite Limited' to 'Vedanta Limited' and subsequently, a fresh certificate of incorporation was issued on April 21, 2015, by the RoC, Goa. Subsequently, pursuant to a change in our registered office, a certificate of registration of regional director order in relation to the change of the state of our registered office was issued by the RoC on February 19, 2017.

- Our Registered Office is located at 1st Floor, 'C' Wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai – 400 093, Maharashtra, India and our Corporate Office is located at Core 6, 3rd Floor, Scope Complex 7, Lodhi Road, New Delhi – 110 003, Delhi, India.

- The CIN of the Company is L13209MH1965PLC291394.

- The LEI of the Company is 335800XDKX9KB5EMCO07.

- The website of our Company is www.vedantalimited.com.

- The Equity Shares are listed on BSE and NSE.

- The Issue was authorised and approved by our Board pursuant to a resolution dated May 16, 2024 and by the Shareholders of our Company pursuant to a special resolution passed through postal ballot on June 21, 2024.

- Our Company has received in-principle approvals under Regulation 28(1) of the SEBI Listing Regulations to list the Equity Shares to be issued pursuant to the Issue, on BSE and NSE, each dated July 15, 2024.

- Copies of our Memorandum of Association and Articles of Association will be available for inspection between 9:30 am to 5:30 pm on any weekday (except Saturdays and public holidays) during the Issue Period at our Registered Office.

- Our Company has obtained all consents, approvals and authorisations required in connection with the Issue.

- In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed ICRA Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

- There has been no material change in the financial or trading position of our Company since March 31, 2024, the date of the Financial Information prepared in accordance with applicable accounting standards included in this Preliminary Placement Document, except as disclosed herein.

- Our Company confirms that it is in compliance with the minimum public shareholding requirements as required under the terms of the SEBI Listing Regulations, SCRA and SCRR.

- Except as disclosed in this Preliminary Placement Document, there are no litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "***Legal Proceedings***" on page 274.

- The Floor Price is ₹ 461.26 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations as certified by A S C B S R and Company LLP, Chartered Accountants. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of our Shareholders through special resolution passed through postal ballot on June 21, 2024, and Regulation 176(1) of the SEBI ICDR Regulations.

- Prerna Halwasiya is the Company Secretary and Compliance Officer of our Company. Her details are as follows:

  Prerna Halwasiya
  Address: Core 6, 3rd Floor, Scope Complex 7, Lodhi Road, New Delhi – 110 003, Delhi, India
  Tel: +91 11 4226 2300
  E-mail: comp.sect@vedanta.co.in

- Our Company and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including the websites of our Company and our Subsidiaries, would be doing it at his or her own risk.

FINANCIAL INFORMATION

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel : +91 22 6819 8000

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, joint ventures and joint operation comprising of the consolidated Balance sheet as at March 31 2024, 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 material 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, joint ventures and joint operation, 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, joint ventures and joint operation as at March 31, 2024, 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, joint ventures and joint operation 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.

Emphasis of Matter

We draw attention to Note 4(A) of the consolidated financial statements, with respect to accounting for an acquisition approved by the National Company Law Tribunal, Hyderabad Bench, overriding the applicable Ind-AS requirements. Further as stated in the aforesaid note, the comparative financial information for the year ended March 31, 2023 has also been restated to give effect to the terms of merger.

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. 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(M), 42(N) of the consolidated Ind AS financial statements)*	
The Group has undertaken transactions with related party, Vedanta Resources Limited ('VRL'), its intermediate holding company and its affiliates including loan, payment of brand and strategic management fee, agency commission and guarantees commission. 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 transactions by the board and/or audit committee. • Obtained and assessed management evaluation of the modification of the terms and its implications with regards to the regulatory requirements and Ind AS 109. . • Obtained and assessed the benchmarking report issued by the experts engaged by the management for the brand and strategic management fee.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td></td><td>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.
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.</td></tr>
<tr><td colspan="2">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)(G), 3(a)(H)(ii), 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)</td></tr>
<tr><td>As at March 31, 2024, 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

Recoverability of property plant and equipment, capital work in progress and exploration intangible assets under development 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, scrap value / Depreciated Replacement Cost, price, production forecasts and the discount rate that is applied.</td><td>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:
Assessment of implications of withdrawal of Holding Company's license to operate the copper plant at Tuticorin. Assessed management's position after unfavorable order of the Hon'ble Supreme Court against</td></tr>
</table>

BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Key audit matters	How our audit addressed the key audit matter
• The withdrawal of the Holding Company's licenses to operate the copper plant and unfavorable order of the Hon'ble Supreme Court of India, leading to an impairment charge of Rs. 746 crore. • 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. • Receipt of final partial arbitration award on DGH demand arbitration and accordingly recognized Rs. 4,761 crore in revenue from operations due to allowance of exploration cost recovery and its impact on IM tranche. Accordingly, impairment of Rs. 1,179 crore was reversed on PPE. However, the government has filed an appeal with the High Court against the arbitration award. • The fact that in the previous year, the Group obtained the mining license and have started the mining activity at Bomi mine in Liberia, leading to reversal of impairment in the previous year. However, the operations in the current year were not in line with the projected performance.. The key judgements and estimates are centered on the assessment of Scrap / Depreciated Replacement Cost for the Copper plant, cash flow forecasts, impact of litigation w.r.t. partial arbitration award, discount rate assumptions, price and production forecasts and related disclosures as given in note 6 (Property, plant and equipment) / 36 (Exceptional items) of the accompanying financial statements.	reopening of the plant and its consequential impairment on PPE, CWIP and other assets. o Evaluated the valuation methodology adopted by the management i.e. determination of fair value less cost of disposal through various scenarios in light of the facts and circumstances of the matter. o Assessed management's forecasting accuracy by comparing prior year forecasts to actual results and assessed the potential impact of any variances. o Corroborated the sales price assumptions used in the models against analyst consensus / geography of sales and assessed the reasonableness of costs. o Compared the production forecasts used in the impairment tests with management's approved reserves and resources estimates. o Evaluated the grounds of appeal filed with High Court for partial arbitration award received by Company. o Tested the weighted average cost of capital used to discount the impairment models. Tested the mathematical accuracy of the models. o Compared assumptions used by management in respect of price forecast and ore grade against the consensus report, reserve and resource report. o 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; o Assessed the competence, capability and objectivity of experts engaged by management; through understanding their relevant professional qualifications and experience. o 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.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2"><u>Recoverability of disputed trade receivables in Power segment</u> <u>(as described in note 3(c)(B)(iii) and Note 8 of the consolidated Ind AS financial statements)</u></td></tr>
<tr><td>As of March 31, 2024 the value of disputed receivables in the power segment aggregated to ₹ 2,293 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.</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.
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.</td></tr>
<tr><td colspan="2"><u>Claims and exposures relating to taxation and litigation</u> (as described in note 3(c)(B)(ii), 36, 37e, 40D and 41 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The Group is subject to a large number of tax and legal disputes, including developments in the DGH arbitration matter in the oil and gas segment, vendor arbitrations / termination of contract, 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 (including termination of contract) 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</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 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</td></tr>
</table>

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Key audit matters	How our audit addressed the key audit matter
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.	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. • Evaluated management assessment as per contractual terms, in respect of amount written back amounting to Rs. 794 crore in the statement of Profit and loss, relating to capital contractors due to its continuing failure in fulfilling contractual obligations impacting plant performance and towards loss of profit due to plant performance in the current and earlier years and adjusted Rs. 458 crore towards the cost of spares and ancillaries capitalised in PPE in earlier years • 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.
<u>Recoverability of Deferred Tax Assets</u> *(as described in note 3(c)(A)(ii) and 37 of the consolidated Ind AS financial statements)*	
Deferred tax assets ("DTA") as at March 31, 2024 includes an amount of Rs. 2,787 crore pertaining to ESL Steels Limited (ESL), one of the component of the Group. The analysis of the recoverability of such deferred tax assets has been identified as a key audit matter by the component auditor 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	Our audit procedures included the following:- • Obtained an understanding of the group's process for estimating the recoverability of the deferred tax assets. • Performed procedures as per SA 600 – Using the Work of Another Auditor. Engaged with the component auditor to evaluate the procedures performed by them with respect to the recoverability assessment of the DTA. We performed inquiry of the audit procedures performed by them to address the key audit matter. As reported to us by the

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Key audit matters	How our audit addressed the key audit matter
realizability of the deferred tax assets, in particular whether there will be taxable profits in future periods that support the recoverability of these assets. This requires assumptions regarding future profitability, which is inherently uncertain. Accordingly, the same is considered as a key audit matter.	subsidiary auditor, the following procedure have been performed by them: o Analysis of 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. o Assessed management's forecasting accuracy by comparing prior year forecasts to actual results and assessed the potential impact of any variances. o Tested the accuracy of the deductions availed under the Income Tax Act included in the tax computation. o Tested the computation of the amounts recognized as deferred tax assets. • 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

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

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, joint ventures and joint operation 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, joint ventures and joint operation are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companiesand 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, joint ventures and joint operation are responsible for assessing the ability of their respective companies 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, joint ventures and joint operation are also responsible for overseeing the financial reporting process of their respective companies.

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.

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

- 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, joint ventures and joint operation 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, joint ventures and joint operation 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, joint ventures and joint operation 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 March 31, 2024 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

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of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 26 subsidiaries, whose financial statements include total assets of Rs 41,040 Crore as at March 31, 2024, and total revenues of Rs 17,027 Crore, total net loss after tax of Rs 3,093 Crore, total comprehensive loss of Rs 3,089 Crore, and net cash outflows of Rs 72 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 Rs. Nil, total revenues of Rs Nil, total net profit of Rs. 2 crore, total comprehensive income of Rs 2 crore, and net cash inflows of Rs Nil for the year ended March 31, 2024, 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 Rs 2,141 Crore as at March 31, 2024, total revenues of Rs 239 Crore, total net loss after tax of Rs 486 Crore, total comprehensive loss of Rs. 481 Crore and net cash outflows of Rs 12 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 Rs Nil, total revenues of Rs Nil, total net profit of Rs. Nil, total comprehensive income of Rs Nil and net cash inflows of Rs Nil for the year ended March 31, 2024, 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 Rs 200 crore as at March 31, 2024, total revenues of Rs. 111 Crore, total net profit after tax of Rs. 28 Crore, total comprehensive income of Rs. 28 Crore

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

for the year ended March 31, 2024, and net cash inflows of Rs. Nil for the year ended March 31, 2024 in respect of unincorporated joint operation not operated by the Group. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint ventures, joint operation 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, joint ventures and joint operation, 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, joint ventures and joint operations, 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 except for the matters stated in the paragraph i(vi) below on reporting under Rule 11(g);

(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;

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 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 joint ventures and joint operation, none of the directors of the Group's companies, its associates, joint ventures and joint operations, incorporated in India, is disqualified as on March 31, 2024 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, joint ventures and joint operations, 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, joint ventures and joint operations incorporated in India, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company, its subsidiaries, associates, joint ventures and joint operations incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph i(vi) below on reporting under Rule 11(g).

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us [and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates, joint ventures and joint operations, 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, joint ventures and joint operations in its consolidated financial statements – Refer Note 3(c)(B)(ii), 36, 37e, 40D and 41 to the consolidated financial statements;

ii. The Group, its associates, joint ventures and joint operations did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024;

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, joint ventures and joint operations, incorporated in India during the year ended March 31, 2024.

iv. a) The respective managements of the Holding Company and its subsidiaries, associate, joint ventures and joint operations which are companies incorporated in India whose

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate, joint ventures and joint operations 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, associates, joint ventures and joint operations 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, joint ventures and joint operations ("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, associates, joint ventures and joint operations 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, associates, joint ventures and joint operations respectively that, to the best of its knowledge and belief, other than 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, associates, joint ventures and joint operations 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, associates, joint ventures and joint operations 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, associates, joint ventures and joint operations 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, joint venture and joint operation companies incorporated in India and until the date of the respective audit reports of such Holding Company, subsidiaries, associate joint ventures and joint operations is in accordance with section 123 of the Act.

vi) Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries, associates, joint ventures and joint operations, which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances discussed in note 46 to the financial statements, the Holding Company, subsidiaries, associates and joint ventures have used accounting software for

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MUMBAI
CHARTERED ACCOUNTANTS

maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries, associates and joint ventures did not come across any instance of audit trail feature being tampered in respect of other accounting software.

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

per Vikas Pansari
Partner
Membership Number: 093649

UDIN: 24093649BKGPPY9963

Place of Signature: Mumbai
Date: April 25, 2024

S.R. BATLIBOI & CO. LLP
Chartered Accountants

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	Vedanta Limited	L13209MH1965PLC291394	Holding Company	(i)(b), (ii)(a) (iii)(e), vii(a), (ix)(d)
2	Bharat Aluminium Company Limited	U74899DL1965PLC004518	Subsidiary	(ix)(d)
3	Sesa Resources Limited	U13209GA1965PLC000030	Subsidiary	(i)(c)
4	Malco Energy Limited	U31300TN2001PLC069645	Subsidiary	(ix)(d)
5	Hindustan Zinc Limited	L27204RJ1966PLC001208	Subsidiary	(iii)(e)

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

per Vikas Pansari
Partner
Membership Number: 093649

UDIN: 24093649BKGPPY9963

Place of Signature: Mumbai
Date: April 25, 2024

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF VEDANTA LIMTED

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

In conjunction with our audit of the consolidated Ind AS financial statements of Vedanta Limited(hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures and joint operation, 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 21 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls 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 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 with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls 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 with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Consolidated Ind AS Financial Statements

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CHARTERED ACCOUNTANTS

A company's internal financial control 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 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 With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls 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 with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls 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 with reference to these consolidated Ind AS financial statements and such internal financial controls with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2024, 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 with reference to these consolidated financial statements of the Holding Company, in so far as it relates to 12 subsidiary companies, 1 associate and 2 joint ventures which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associates and joint ventures incorporated in India.

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

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

per Vikas Pansari
Partner
Membership Number: 093649

UDIN: 24093649BKGPPY9963

Place of Signature: Mumbai
Date: April 24, 2025

VEDANTA LIMITED
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 MARCH 2024

Vedanta Limited

Consolidated Balance Sheet as at 31 March 2024 (₹ in Crore)

Particulars	Note	As at 31 March 2024	As at 31 March 2023*
ASSETS			
Non-current assets			
Property, Plant and Equipment	6	**96,715**	93,768
Capital work-in-progress	6	**20,331**	17,273
Intangible assets	6	**2,248**	1,976
Exploration intangible assets under development	6	**2,558**	2,256
Financial assets			
Investments	7A	**987**	514
Trade receivables	8	**2,409**	2,532
Loans	9	**5**	10
Derivatives	24	**3**	-
Others	10	**2,670**	3,784
Deferred tax assets (net)	37	**2,689**	7,074
Income tax assets (net)	37	**3,796**	2,077
Other non-current assets	11	**4,472**	3,606
Total non-current assets		**1,38,883**	1,34,870
Current assets			
Inventories	12	**13,001**	15,012
Financial assets			
Investments	7B	**10,882**	12,636
Trade receivables	8	**3,607**	4,014
Cash and cash equivalents	13	**2,812**	6,926
Other bank balances	14	**1,515**	2,328
Loans	9	**3,364**	3,760
Derivatives	24	**168**	214
Others	10	**12,757**	7,868
Income tax assets (net)		**48**	1,256
Other current assets	11	**3,770**	6,493
Total current assets		**51,924**	60,507
Total Assets		**1,90,807**	1,95,377
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	**372**	372
Other equity	16	**30,350**	39,051
Equity attributable to owners of Vedanta Limited		**30,722**	39,423
Non-controlling interests	17	**11,347**	10,004
Total Equity		**42,069**	49,427
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19A	**50,633**	43,476
Lease liabilities	23	**536**	144
Derivatives	24	**-**	20
Other financial liabilities	22	**493**	1,606
Provisions	25	**3,105**	3,426
Deferred tax liabilities (net)	37	**10,152**	5,922
Other non-current liabilities	26	**5,158**	4,309
Total non-current liabilities		**70,077**	58,903
Current liabilities			
Financial liabilities			
Borrowings	19B	**21,125**	22,706
Lease liabilities	23	**477**	302
Operational buyers' credit / suppliers' credit	21	**14,935**	13,701
Trade payables	20	**10,095**	11,043
Derivatives	24	**144**	193
Other financial liabilities	22	**17,569**	24,861
Other current liabilities	26	**11,477**	13,238
Provisions	25	**341**	381
Income tax liabilities (net)		**2,498**	622
Total current liabilities		**78,661**	87,047
Total Equity and Liabilities		**1,90,807**	1,95,377

* Restated, refer note 4(A).

See accompanying notes to the financial statements

As per our report of even date

For and on behalf of the Board of Directors

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

per Vikas Pansari
Partner
Membership No: 093649

Place: Mumbai
Date: 25 April 2024

Navin Agarwal
Executive Vice – Chairman and Whole-Time Director
DIN 00006303
Place: Mumbai

Arun Misra
Executive Director (Whole-Time Director)
DIN 01835605
Place: New Delhi

Ajay Goel
Chief Financial Officer
PAN AEAPG8383C
Place: New Delhi

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856
Place: New Delhi

Date: 25 April 2024

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Vedanta Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2024

(₹ in Crore, except otherwise stated)

Particulars	Note	Year ended 31 March 2024	Year ended 31 March 2023*
Revenue from operations	27	**1,41,793**	1,45,404
Other operating income	28	**1,934**	1,904
Other income	29	**2,550**	2,851
Total income		**1,46,277**	1,50,159
Expenses			
Cost of materials consumed		**44,115**	44,470
Purchases of stock-in-trade		**116**	57
Changes in inventories of finished goods, work-in-progress and stock in trade	30	**176**	(377)
Power and fuel charges		**23,547**	30,950
Employee benefits expense	31	**3,300**	3,098
Finance costs	34	**9,465**	6,225
Depreciation, depletion and amortisation expense	6	**10,723**	10,555
Other expenses	35	**37,275**	34,688
Total expenses		**1,28,717**	1,29,666
Profit before exceptional items and tax		**17,560**	20,493
Net exceptional gain/(loss)	36	**2,803**	(217)
Profit before tax		**20,363**	20,276
Tax expense:	37		
Other than exceptional items			
Net current tax expense		**5,906**	7,624
Net deferred tax expense/ (benefit)		**400**	(1,580)
Exceptional items			
Net deferred tax expense		**8,339**	1,269
Net current tax benefit		**(1,819)**	(1,543)
Net tax expense:		**12,826**	5,770
Profit after tax for the period before share in profit/ (loss) of jointly controlled entities and associates		**7,537**	14,506
Add: Share in profit/ (loss) of jointly controlled entities and associates		**2**	(3)
Profit for the period after share in profit/ (loss) of jointly controlled entities and associates (A)		**7,539**	14,503
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement loss on defined benefit plans		**(8)**	(11)
Tax benefit		**7**	11
Loss on FVOCI equity investment		**(17)**	(37)
		(18)	(37)
Items that will be reclassified to profit or loss			
Net (loss)/ gain on cash flow hedges recognised during the period		**(53)**	3,451
Tax benefit/ (expense)		**15**	(1,201)
Net loss on cash flow hedges recycled to profit or loss		**(51)**	(3,433)
Tax benefit		**13**	1,201
Net gain/ (loss) on FVOCI debt investment		**2**	(34)
Tax (expense)/ benefit		**(0)**	4
Exchange differences on translation		**(1,814)**	886
Tax benefit		**18**	84
		(1,870)	958
Total other comprehensive (loss)/ income (B)		**(1,888)**	921
Total comprehensive income for the period (A+B)		**5,651**	15,424

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

VEDANTA LIMITED *

Profit attributable to:			
Owners of Vedanta Limited		**4,239**	10,574
Non-controlling interests		**3,300**	3,929
Other comprehensive (loss)/ income attributable to:			
Owners of Vedanta Limited		**(1,879)**	987
Non-controlling interests		**(9)**	(66)
Total comprehensive income attributable to:			
Owners of Vedanta Limited		**2,360**	11,561
Non-controlling interests		**3,291**	3,863
Earnings per equity share (₹):			
- Basic	38	**11.42**	28.50
- Diluted	38	**11.33**	28.32

* Restated, refer note 4(A).

See accompanying notes to the financial statements

As per our report of even date

For and on behalf of the Board of Directors

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

per Vikas Pansari
Partner
Membership No: 093649

Place: Mumbai
Date: 25 April 2024

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

Arun Misra
Executive Director (Whole-Time Director)
DIN 01835605
Place: New Delhi

Ajay Goel
Chief Financial Officer
PAN AEAPG8383C
Place: New Delhi

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856
Place: New Delhi

Date: 25 April 2024

Vedanta Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2024

(₹ in Crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	20,363	20,276
Adjustments for:		
Depreciation, depletion and amortisation	10,744	10,597
Impairment charge/(reversal) on property, plant and equipment/ Capital work-in-progress (CWIP)/ Other assets written off (net) (Refer note 36)	(185)	(771)
Other exceptional items (Refer note 36)	(2,618)	-
Provision for doubtful advances/ expected credit loss/ bad debts written off	261	426
Exploration costs written off	786	327
Liabilities written back	(135)	(256)
Other non-cash items	-	(66)
Net gain on sale of long term investments (Refer note 4(D))	(178)	-
Fair value gain on financial assets held at fair value through profit or loss	(128)	(74)
Loss on sale/ discard of property, plant and equipment (net)	114	9
Foreign exchange loss (net)	263	492
Unwinding of discount on decommissioning liability	135	96
Transfer of CSR assets (Refer note 6)	-	117
Share based payment expense	70	77
Interest and dividend income	(1,727)	(2,283)
Interest expense	9,330	6,129
Deferred government grant	(308)	(273)
Changes in working capital		
Decrease in trade and other receivables	180	1,662
Decrease/ (Increase) in inventories	1,670	(728)
(Decrease)/ Increase in trade and other payables	(298)	3,665
Cash generated from operations	**38,339**	**39,422**
Income taxes paid (net)	(2,685)	(6,357)
Net cash generated from operating activities	**35,654**	**33,065**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment (including intangibles, CWIP, capital advances and creditors)	(16,752)	(13,787)
Proceeds from sale of property, plant and equipment	195	133
Loans repaid by related parties (Refer note 42)	267	2,408
Deposits made	(2,361)	(4,203)
Proceeds from redemption of deposits	1,768	9,238
Short term investments made	(53,764)	(1,11,039)
Proceeds from sale of short term investments	55,851	1,15,244
Interest received	1,678	1,674
Dividends received	40	18
Payment made to site restoration fund	(204)	(129)
Proceeds from sale of investment in subisidiary (Refer note 4(D))	84	-
Proceeds from sale of long term investments	8	-
Purchase of long term investments	(496)	(250)
Net cash used in investing activities	**(13,686)**	**(693)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short-term borrowings (net)	(148)	(951)
Proceeds from current borrowings	10,770	23,846
Repayment of current borrowings	(18,770)	(18,319)
Proceeds from long-term borrowings	25,478	18,624
Repayment of long-term borrowings	(12,515)	(10,464)
Interest paid	(9,825)	(5,530)
Payment for acquiring non-controlling interest	-	(17)
Payment of dividends to equity holders of the Company, net of taxes	(18,572)	(29,959)
Payment of dividends to non-controlling interests	(1,928)	(11,190)
Payment of lease liabilities	(382)	(182)
Purchase of treasury shares for stock options	(200)	-
Net cash used in financing activities	**(26,092)**	**(34,142)**
Effect of exchange rate changes on cash and cash equivalents	10	25
Net decrease in cash and cash equivalents	**(4,114)**	**(1,745)**
Cash and cash equivalents at the beginning of the year	6,926	8,671
Cash and cash equivalents at end of the year (Refer note 13)	**2,812**	**6,926**

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

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

VEDANTA LIMITED

See accompanying notes to the financial statements
As per our report of even date

For and on behalf of the Board of Directors

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

per Vikas Pansari
Partner
Membership No: 093649

Place: Mumbai
Date: 25 April 2024

Navin Agarwal
Executive Vice –
Chairman and
Whole-Time Director
DIN 00006303
Place: Mumbai

Arun Misra
Executive Director
(Whole-Time Director)
DIN 01835605
Place: New Delhi

Ajay Goel
Chief Financial Officer
PAN AEAPG8383C
Place: New Delhi

Prerna Halwasiya
Company Secretary and
Compliance Officer
ICSI Membership No.
A20856
Place: New Delhi

Date: 25 April 2024

Vedanta Limited

Consolidated Statement of Changes in Equity for the year ended 31 March 2024

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 2024, 31 March 2023 and 31 March 2022*	372	372

*There are no prior period errors for the years ended 31 March 2023 and 31 March 2022.

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	Attributable to owners of the Company	Non-controlling interests	Total
Balance as at 01 April 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	(58)	-	-	-	-	-	-	(58)	41	(17)
Dividend, net of taxes (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**
Profit for the year	-	-	4,239	-	-	-	-	4,239	3,300	7,539
Other comprehensive income for the year (net of tax impact)	-	-	(5)	-	(1,790)	(16)	(68)	(1,879)	(9)	(1,888)
Total comprehensive income for the year	**-**	**-**	**4,234**	**-**	**(1,790)**	**(16)**	**(68)**	**2,360**	**3,291**	**5,651**
Recognition of share based payment	-	-	-	92	-	-	-	92	-	92
Purchase of treasury shares	-	-	-	(200)	-	-	-	(200)	-	(200)
Exercise of stock option	-	-	(32)	52	-	-	-	20	-	20
Recognition of put option liability/derecognition of non controlling interest	(14)	-	-	-	-	-	-	(14)	(20)	(34)
Dividend (Refer note 39)	-	-	(10,959)	-	-	-	-	(10,959)	(1,928)	(12,887)
Balance as at 31 March 2024	**18,559**	**19,009**	**(29,512)**	**19,248**	**3,061**	**35**	**(50)**	**30,350**	**11,347**	**41,697**

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

VEDANTA LIMITED *

Note:

Other reserves comprise:

(₹ in Crore)

Particulars	Capital 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 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**
Recognition of share based payment	-	-	-	92	-	-	-	92
Purchase of treasury shares	-	-	-	-	-	(200)	-	(200)
Exercise of stock options	-	-	-	(47)	-	99	-	52
Balance as at 31 March 2024	**23**	**3,087**	**10**	**213**	**25**	**(205)**	**16,095**	**19,248**

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: 25 April 2024

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice – Chairman and Whole-Time Director
DIN 00006303
Place: Mumbai

Arun Misra
Executive Director
(Whole-Time Director)
DIN 01835605
Place: New Delhi

Ajay Goel
Chief Financial Officer
PAN AEAPG8383C
Place: New Delhi

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856
Place: New Delhi

Date: 25 April 2024

S.R. BATLIBOI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

VEDANTA LIMITED

Vedanta Limited

Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2024

1 Group overview

Vedanta Limited ("the Company") (CIN: L13209MH1965PLC291394) 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 61.95% (31 March 2023: 68.11%) of the Company's equity as at 31 March 2024.

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 year ended 31 March 2023, the Government of Goa had initiated auction of mines in which the Company had participated. The Company was declared as the principal bidder for the Bicholim mine and had received the Letter of Intent (LOI) from the Government of Goa. During the current year, the Company has received environment clearance from Ministry of Environment, Forest and Climate Change ("MoEFCC") and Consent to Operate ("CTO") from Goa State Pollution Board followed by commencement of operations in March 2024.

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 previous year, WCL had signed a Memorandum of Understanding with the Government of Liberia to re-start its mining operations in Liberia post which commercial production and shipments of saleable ore were commenced.
• 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.

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The Group's copper business in Tamil Nadu, India has received an order from the Tamil Nadu Pollution Control Board ("TNPCB") on 09 April 2018, rejecting the Company's application for renewal of consent to operate under the Air and Water Acts for the 400,000 TPA copper smelter plant in Tuticorin for want of further clarification and consequently the operations were suspended. The Company has filed an appeal with TNPCB Appellate authority against the said order. During the pendency of the appeal, TNPCB through its order dated 23 May 2018 ordered for disconnection of electricity supply and closure of copper smelter plant. Post such order, the state government on 28 May 2018 ordered the permanent closure of the plant. 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"). During the year ended 31 March 2024, the Hon'ble Supreme Court, after hearing the Parties to the proceedings has dismissed the SLP filed by the Company vide judgment dated 29 February 2024. On 01 April 2024, the Company preferred a review petition before the Hon'ble Supreme Court. (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 216,000 TPA copper refinery plant and a copper rod mill with an installed capacity of 258,000 TPA. The plant continues to operate as usual, catering to the domestic market.

In addition, the Group owns and operates a precious metal refinery and copper rod plant in Fujairah, UAE through its subsidiary Fujairah Gold FZC and the Mt. Lyell copper mine in Tasmania, Australia through its subsidiary, CMT. 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. In November 2023, the Group has divested its 100% equity ownership in CMT at consideration agreed as per above arrangement [Refer note 4(D)].

- 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, smelter and captive power plants at Jharsuguda and coal mines at Jamkhani, all situated in the State of Odisha in Eastern India. BALCO's partially integrated aluminium operations comprise two bauxite mines, two coal mines, 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, and its wholly owned subsidiaries, Talwandi Sabo Power Limited ("TSPL") and Meenakshi Energy Limited ("Meenakshi"), 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 and a 1200 MW (two units of 600 MW each) thermal coal-based power plant, in the State of Chhattisgarh in Eastern India. Talwandi Sabo Power Limited ("TSPL") power operations include 1,980 MW (three units of 660 MW each) thermal coal- based commercial power facilities. Meenakshi power operations include 1,000 MW coal-based power plant (two units of 150 MW each and two units of 350 MW each), located at Nellore, Andhra Pradesh. 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.

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• 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 and also deals in mining of iron ore and its supply.

The Group's other business also include Vizag General Cargo Berth Private Limited ("VGCB"). 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. VGCB commenced operations in the fourth quarter of fiscal 2013. The Group's other business also include AvanStrate Inc. ("ASI"), Vedanta Semiconductors Private Limited ("VSPL"), Vedanta Displays Limited ("VDL"), 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. The Company has acquired Vedanta Semiconductors Private Limited and Vedanta Displays Limited during the current year for manufacturing semiconductor and display glass panels, respectively. 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 mines 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 218,000 TPA.

2 Basis of preparation and basis of measurement of financial statements

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, presentation requirement of Division II of schedule III 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, set out below and were consistently applied to all periods presented unless otherwise stated.

The Group's has identified 12 months as its operating cycle for the classification of assets and liabilities into current and non-current.
These consolidated financial statements are approved for issue by the Board of Directors on 25 April 2024. 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".

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. The Group has availed long term debt (refer note 19A and 19B). In the unlikely event, Vedanta Resources Limited (together with its subsidiaries) ceases to hold more than 50.1% stake in the Company and its certain subsidiaries, ₹ 49,456 Crore of the Group's outstanding long-term debt would become repayable on demand. Management basis assessment of free cash flows, its ability to refinance existing debt and other strategic initiatives, considers the same as remote.

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3(a) Material 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.

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. 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.

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.

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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

Investments in associates are accounted for using the equity method (see (iv) below).

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)(G) below.

(B) Business combination

Business combinations are accounted for under the acquisition method. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under 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, 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.

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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 in the periods in which the costs are incurred and the services are received except costs to issue debt or equity securities which shall be recognised in accordance with Ind AS 32 and Ind AS 109.

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.

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

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(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 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 recognised when the services are rendered at the amount that Group expects to be entitled to for the services provided.

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.

- **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.

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(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.

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

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

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

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

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

For oil and gas assets, a "successful efforts" based accounting policy is followed. Costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the consolidated statement of profit and loss.

All costs incurred after the technical feasibility and commercial viability of producing hydrocarbons has been demonstrated are capitalised within property, plant and equipment - development/producing assets on a field-by-field basis. Subsequent expenditure is capitalised only where it either enhances the economic benefits of the development/producing asset or replaces part of the existing development/producing asset. Any remaining costs associated with the part replaced are expensed.

Net proceeds from any disposal of development/producing assets are credited against the previously capitalised cost. A gain or loss on disposal of a development/producing asset is recognised in the consolidated statement of profit and loss to the extent that the net proceeds exceed or are less than the appropriate portion of the net capitalised costs of the asset.

iii) Other property, plant and equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

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 or disposal. Gains and losses on disposal of an item of property, plant and equipment is included in the statement of profit and loss when the asset is derecognised. Major inspection and overhaul expenditure is capitalized, if the recognition criteria are met.

iv) Assets under construction

Assets under construction are 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 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. The Group considers climate-related matters, including physical and transition risks in its assessment of expected useful lives and estimated residual values. If expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

(E) Intangible assets

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

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

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 recognised in the consolidated statement of profit and loss when the asset is derecognised.

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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) Impairment of non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units.

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.

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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.

If any such indication exists 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.

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 Group assesses whether climate risks, including physical risks and transition risks could have a significant impact. If so, these risks are included in the cash-flow forecasts in assessing value in use amounts.

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

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

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

Exploration and evaluation intangible assets:

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

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

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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.

(H) Financial instruments

(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**

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method.

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

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 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)**

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.

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.

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.

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(ii) Impairment of financial assets

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.

a) Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets. The Group does not reduce impairment allowance from the gross carrying amount.

b) Debt instruments measured at FVOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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

(iv) Financial liabilities – Recognition 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 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.

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Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in 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.

(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. When a new financial liability is recognised in place of an existing one, the difference in the respective carrying amounts is recognised in the statement of profit and loss.

(vi) 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.

(I) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to 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.

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

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(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.

(J) Leases

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

The Group as a lessee 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.

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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.

(K) Inventories

Inventories and work-in-progress are valued 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.

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.

(L) 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.

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.

(M) Taxation

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

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

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

- tax payable on the future remittance of the past earnings of subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future;

- deferred income tax is not recognised on:
  (a) initial recognition as well as on the impairment of goodwill which is not deductible for tax purposes; or
  (b) initial recognition of an asset or liability in a transaction that:
  (i) is not a business combination;
  (ii) at the time of the transaction, affects neither the accounting profit nor taxable profit (tax loss)and
  (iii) at the time of the transaction, does not give rise to equal taxable and deductible temporary differences; and

- deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax is provided on temporary differences arising on acquisitions that are categorised as Business Combinations. Deferred tax is recognised at acquisition as part of the assessment of the fair value of assets and liabilities acquired. Subsequently deferred tax is charged or credited in the consolidated statement of profit and loss/other comprehensive income as the underlying temporary difference is reversed.

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

(N) Retirement benefit schemes

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

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

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.

(O) Share-based payments

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

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

(P) Provisions, contingent liabilities and contingent assets

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 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.

(Q) Restoration, rehabilitation and environmental costs

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of a mine or oil fields. Such costs, discounted to net present value, are provided for and a corresponding amount is capitalised at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to the consolidated 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 impact of climate-related matters, such as changes in environmental regulations and other relevant legislation, is considered by the Group in estimating the restoration, rehabilitation and environmental costs. 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.

(R) Accounting for foreign currency transactions and translations

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. For all principal operating subsidiaries, the functional currency is normally the local currency of the country in which it operates with the exception of oil and gas business operations which have a US dollar functional currency as that is the currency of the primary economic environment in which it operates. 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.

(S) Earnings per share

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

(T) 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.

(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. 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.

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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.

(V) 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.

(W) 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.

(X) 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.

3(b) Application of new and amended standards

(A) The Group has adopted, with effect from 01 April 2023, 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 1 Presentation of financial statements: The amendment requires disclosure of material accounting policies rather than significant accounting policies.
2. Amendment to Ind AS 12 Income Taxes: The amendment clarifies application of initial recognition exemption to transactions such as leases and decommissioning obligations.
3. Amendment to Ind AS 8 Accounting Policies, Change in Accounting Estimates and Errors: The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors.

(B) Standards notified but not yet effective

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

3(c) Significant accounting estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these consolidated financial statements and the reported amounts of revenues and expenses for the years presented. These 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 and unabsorbed depreciation that are available for offset against future taxable profit. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the unused tax losses or tax credits can be utilized. This involves an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets. This requires assumptions regarding future profitability, which is inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets and consequential impact in the consolidated statement of profit and loss..

During the year ended 31 March 2024, based on financial projections and requirements of Ind AS 12, ESL derecognized deferred tax assets on business losses amounting to ₹ 309 Crore (31 March 2023: ₹ 277 Crore). Post said derecognition, deferred tax assets balance on carry forward unabsorbed depreciation as at 31 March 2024 is ₹ 2,787 Crore, which based on management's estimate is probable to realise.

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 had 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 had 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 which were not 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 had 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 had 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 had approached the Supreme Court and challenged the said High Court order by way of a Special Leave Petition ("SLP").

The Hon'ble Supreme Court, after hearing the parties to the proceedings had dismissed the SLP filed by the Company vide judgment dated 29 February 2024. On 01 April 2024, The Company preferred a review petition before the Hon'ble Supreme Court.

Expansion Project:

Separately, the Company had 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 had delisted the Expansion Project since the matter was 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 had approached Madras High Court by way of writ petition challenging the cancellation of lease deeds by SIPCOT pursuant to which an interim stay had been granted. The Company had also appealed this action before the TNPCB Appellate Authority. The matter has been adjourned until further notice.

As per the Company's assessment, it is in compliance with the applicable regulations and hence preferred a review petition before the Hon'ble Supreme Court. Considering prolonged time of plant closure and uncertainties around opening of plant due to rejection of SLP by Hon'ble Supreme Court, the Company has carried out an impairment assessment, on Tuticorin plant assets having carrying value of ₹ 1,681 Crore (including PPE, CWIP and inventory) using Depreciated Replacement Cost / Scrap Value method for PPE and CWIP, and Net recoverable method for inventory. Accordingly, impairment on assets of ₹ 746 Crore (including PPE of ₹ 553 Crore, CWIP of ₹ 130 Crore and loss on inventory of ₹ 63 Crore) has been recorded during the year ended 31 March 2024.

Property, plant and equipment of ₹ 432 Crore (31 March 2023: ₹ 1,033 Crore) and inventories of ₹ 217 Crore (31 March 2023: ₹ 269 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.

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(iv) 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 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 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.

On 05 June 2023, MoEFCC revoked the FC Stage-I against which ESL has written a letter for reconsideration. Against the revocation, the State Govt of Jharkhand has also submitted its request letter to MoEFCC to reconsider its decision and grant some more time. Referring to the State's letter, MoEFCC has issued a letter dated 18 August 2023 to the Principal Secretary (Forest), Jharkhand to submit the compliance status report, which was submitted on 17 November 2023 with positive remarks. Next date of hearing is yet to be scheduled. 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).

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(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.

Estimates/	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, and 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) recoverable amounts of existing assets and (c) review of estimates of useful lives of property, plant and equipment.

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, fuel switch, electrification of vehicles and mining fleet and energy efficiency opportunities. During the current year, work has progressed towards the construction of renewable power delivery agreements in accordance with the Board approved plan (Refer note 40(A)(c)(iii)). 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 Group has also taken certain measures towards water management such as commissioning of sewage treatment plants, rainwater harvesting, and reducing fresh water consumption. Collectively these measures have led to an increase of our water positivity to 0.7 (FY23: 0.63). 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.

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(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 Acquisitions, Restructuring and Disposal of Subsidiary

(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 approval by the National Company Law Tribunal ("NCLT"). ACPL is building a 1,200 MW (600 MW X 2) coal-based power plant located at Jhanjgir Champa district, Chhattisgarh.

The Company filed a resolution application with the NCLT in July 2022 and further amended the application in November 2022 praying for merger of ACPL with the Company. The Company also sought various reliefs from certain legal and regulatory provisions as part of these applications. Pending receipt of NCLT approval, the Group had recorded the above transaction as an acquisition of property, plant and equipment at the purchase consideration paid during the year ended 31 March 2023.

The NCLT approved the Company's resolution application with an appointed date of 21 July 2022 ("appointed date"), in its July 2023 order ("NCLT Order"), In accordance with applicable Ind AS, the Company has restated its financial results as at and for the year ended 31 March 2023 to record this merger.

The Scheme of merger as approved by the NCLT interalia prescribes the following accounting treatment in the standalone financials of the Company: the difference between the fair value at the appointed date and the carrying value of the assets recorded pursuant to the amalgamation at their book value arrived at without considering any impairment/ write-off, would be written off by debit to the Statement of Profit and Loss of the Company and credited to the carrying value of the assets. This would be a permanent write-off of the carrying value of the assets and not a provision for diminution in the value of the assets. The charge on account of write-off of the assets, as mentioned above, as recorded by the Company will be transferred from its Retained Earnings to its Capital Reserve and accordingly, the Capital Reserve will stand diminished by the said amount.

Pursuant to the NCLT Order, the Company has merged ACPL by carrying forward the book values of ACPL's assets of ₹ 8,698 Crore (as appearing in ACPL's financial statements as at 31 March 2022, which were audited by ACPL's auditors) at the appointed date without considering any impairment, applying Appendix C of Ind AS 103 - Business Combinations, instead of recognising the assets at purchase consideration in accordance with Ind AS 16. The difference between the values of assets acquired and the consideration paid was credited to Other Equity (Capital Reserve). The Company has written off the consequent loss of ₹ 8,133 Crore in the Statement of Profit and Loss for the year ended 31 March 2023, representing the difference between the book value of assets and consideration paid. The assets written off of ₹ 8,133 Crore, excluding tax consequences thereof, has been transferred from 'Retained Earnings' to 'Capital Reserve', in accordance with the Scheme. The above is in accordance with the NCLT Order, overriding the applicable Ind AS requirements.

Consequent to the implementation of the merger, the carrying values of deferred tax assets (MAT credit) in the consolidated balance sheet as at 31 March 2023 was lower by ₹ 1,421 Crore with a corresponding reduction in income tax liabilities by ₹ 979 Crore and an increase in income tax assets by ₹ 442 Crore, on account of the lower MAT charge. These restated balances of 31 March 2023 have been carried to FY 2023-24.

(B) Meenakshi Energy Limited

Meenakshi Energy Limited ("Meenakshi") is a 1,000 MW coal-based power plant located at Nellore, Andhra Pradesh. NCLT vide its order dated 10 August 2023 has granted its approval for the Resolution Plan as submitted by the Company for acquisition of Meenakshi under Corporate Insolvency Resolution Process in accordance with the provisions of Insolvency and Bankruptcy Code (IBC), 2016 for a total consideration of ₹ 1,440 Crore.

Pursuant to the approval of Resolution Plan, the Company has made a payment of upfront consideration of ₹ 312 Crore and and infused ₹ 1 Crore through equity for the implementation of approved Resolution Plan. On 16 October 2023, zero coupon, secured, unlisted non-convertible debentures ("NCDs") of aggregate face value of ₹ 1,128 Crore have been issued by Meenakshi to its financial creditors, redeemable in 5 equal annual instalments starting from 16 October 2025. Consequent to satisfaction of all conditions precedent of the Resolution Plan, the Company has acquired control of Meenakshi on 27 December 2023. The above acquisition meets the criterion of asset acquisition under Ind AS 103 - Business Combinations. Accordingly, fair value of the total consideration amounting to ₹ 1,080 crore has been allocated to the identified assets and liabilities acquired on the basis of their relative fair values.

(C) Scheme of Arrangement for demerger

The Board of Directors, in its meeting held on 29 September 2023, have approved a Scheme of Arrangement ("the Scheme") for demerger of various businesses of the Company. The Scheme entails demerger of the Company's Aluminium (represented by the Aluminium segment), Merchant Power (represented by the Power segment), Oil & Gas (represented by the Oil and Gas segment), Base Metals (represented by the Copper and Zinc International segment) and Iron Ore (represented by Iron Ore segment and Steel business) Undertakings, into 6 separate companies with a mirrored shareholding and consequent listings at BSE Limited and National Stock Exchange of India Limited ('the Stock Exchanges'). The Company has filed the Scheme with the Stock Exchanges. Upon receipt of necessary approvals from the Stock Exchanges, the Scheme will be filed with the NCLT. Pending regulatory and other approvals, no adjustments have been recorded in the financial statements of the Group for the year ended 31 March 2024.

(D) Disposal of subsidiary

During the year ended 31 March 2024, Monte Cello BV ("MCBV"), a wholly owned subsidiary of the Company, sold 100% of its equity ownership in its wholly owned subsidiary, Copper Mines of Tasmania ("CMT") which was previously engaged in copper mining operations in Australia. Consequently, upfront cash consideration of ₹ 84 Crore (US$ 10 million) received by the Group and de-recognition of net liabilities of ₹ 94 Crore (US$ 11 million) pertaining to CMT, has resulted in a total gain of ₹ 178 Crore which has been included in other income in consolidated financial statements for the year ended 31 March 2024. Further, as part of the transaction, the acquirer shall pay the Group additional consideration in future upto US$ 310 million by way of fee/ royalties, on achieving certain pre-agreed milestones.

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Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2024

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, semiconductor, display, 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 2024 and 31 March 2023 respectively.

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For the year ended 31 March 2024

(₹ in Crore)

Particulars	Business Segments									
	Zinc India	Zinc International	Oil & Gas	Aluminium	Copper	Iron Ore	Power	Others	Eliminations	Total
Revenue										
External revenue (Refer note 36(a))	27,889	3,555	17,837	48,317	19,726	8,956	6,153	9,360	-	1,41,793
Inter segment revenue	36	1	-	54	4	113	-	720	(928)	-
Segment revenue	**27,925**	**3,556**	**17,837**	**48,371**	**19,730**	**9,069**	**6,153**	**10,080**	**(928)**	**1,41,793**
Results										
Segment results (EBITDA) [a]	**13,562**	**693**	**9,777**	**9,657**	**(69)**	**1,676**	**971**	**188**	**-**	**36,455**
Less: Depreciation, depletion and amortisation	3,486	456	2,388	2,638	251	195	652	657	-	10,723
Add: Other expenses, net of income [b,c]	183	-	(785)	95	10	8	11	1	-	(477)
Add: Other unallocable income, net of expenses										1,770
Less: Finance costs										9,465
Add: Net exceptional gain										2,803
Net profit before tax										**20,363**
Other information										
Segment assets	**22,594**	**7,957**	**28,028**	**68,400**	**3,439**	**5,716**	**15,209**	**10,736**		**1,62,079**
Financial assets investments										11,869
Deferred tax assets										2,689
Income tax assets										3,844
Cash and bank balances (including restricted cash and bank balances)										5,152
Others										5,174
Total assets										**1,90,807**
Segment liabilities	**7,353**	**2,099**	**14,671**	**25,322**	**5,398**	**3,486**	**837**	**3,805**		**62,971**
Deferred tax liabilities										10,152
Borrowing										71,758
Income tax liabilities (net of payments)										2,498
Others										1,359
Total liabilities										**1,48,738**
Capital expenditure [d]	3,530	2,139	3,217	7,773	104	621	1,364	1,355	-	20,118
Net (impairment)/ reversal relating to assets	-	(117)	1,179	(131)	(746)	-	-	-	-	185

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 ₹ 15 Crore which is not allocable to any segment.

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Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2024

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	52,619	17,491	6,046	6,724	9,157	-	1,45,404
Inter segment revenue	-	-	-	43	-	457	-	88	(588)	-
Segment revenue	**33,120**	**5,209**	**15,038**	**52,662**	**17,491**	**6,503**	**6,724**	**9,245**	**(588)**	**1,45,404**
Results										
Segment results (EBITDA) [a]	**17,474**	**1,934**	**7,782**	**5,775**	**(4)**	**988**	**913**	**379**	**-**	**35,241**
Less: Depreciation, depletion and amortisation	3,290	487	2,577	2,528	194	146	651	682	-	10,555
Add: Other income, net of expenses [b,c]	161	-	(327)	90	2	8	13	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**	**65,528**	**5,104**	**5,375**	**15,205**	**10,977**	**-**	**1,56,368**
Financial assets investments										13,150
Deferred tax assets*										7,074
Income tax assets*										3,333
Cash and bank balances (including restricted cash and bank balances)										9,948
Others										5,504
Total assets										**1,95,377**
Segment liabilities	**6,399**	**1,076**	**14,985**	**26,706**	**5,249**	**2,597**	**2,069**	**3,694**	**-**	**62,775**
Deferred tax liabilities										5,922
Borrowing										66,182
Income tax liabilities (net of payments)*										622
Others										10,449
Total liabilities										**1,45,950**
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	-	(746)	644	-	109	-	771

* Restated, refer note 4(A).

\# Pursuant to conversion of one of the 300 MW Captive Power Plant ("CPP") unit to Independent Power Plant ("IPP") with effect from 01 April 2023, and considering the usability of units interchangeably as IPP or CPP based on the annual declaration to Chief Electricity Inspector and the annual consumption criteria as per the Electricity Act, 2003 and the Electricity Rules, 2005, the Chief Operating Decision Maker ("CODM") has decided to review the operating results of aluminium and power segments together in a combined manner for one of its subsidiaries, Bharat Aluminium Company Limited ("BALCO"). Consequently, with effect from 01 April 2023, these have been reported as a single Operating Segment, i.e., "Aluminium Segment". Corresponding segment information for the year ended 31 March 2023 i.e., Segment revenue of ₹ 477 Crore (including inter-segment revenue of ₹ 218 Crore), Segment results of ₹ (62) Crore, Depreciation, depletion and amortisation of ₹ 38 Crore and Other income, net of expenses of ₹ 3 Crore for the year ended 31 March 2023 and Segment assets of ₹ 1,290 Crore and Segment liabilities of ₹ 270 Crore as at 31 March 2023 have been restated in accordance with Ind AS 108 "Operating Segments".

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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Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2024

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 2024	Year ended 31 March 2023
Revenue by geographical segment		
India	**91,142**	87,099
Europe	**8,485**	18,360
China	**5,306**	5,296
The United states of America	**2,342**	3,839
Mexico	**1,562**	4,619
Others	**32,956**	26,191
Total	**1,41,793**	1,45,404

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 2024	As at 31 March 2023*
Carrying amount of non-current assets		
India	**1,20,302**	1,12,079
South Africa	**6,802**	5,316
Namibia	**661**	888
Taiwan	**1,161**	1,041
Other	**1,194**	1,632
Total	**1,30,120**	1,20,956

* Restated, refer note 4(A).

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 2024 and 31 March 2023.

D) Disaggregation of Revenue

Below table summarises the disaggregated revenue from contracts with customers

(₹ in Crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Zinc metal	**21,483**	29,002
Lead metal	**4,889**	4,821
Silver metals and bars	**5,503**	4,577
Oil	**14,873**	12,448
Gas	**2,885**	2,807
Aluminium products	**46,943**	52,356
Copper products	**19,328**	17,070
Iron ore	**5,400**	2,328
Metallurgical coke	**232**	463
Pig iron	**4,089**	4,059
Power	**4,574**	5,288
Steel products	**6,438**	6,272
Ferro alloys	**806**	768
Others	**5,070**	3,725
Revenue from contracts with customers*	**1,42,513**	1,45,984
Revenue from contingent rents	**1,423**	1,543
Losses on provisionally priced contracts under Ind AS 109	**(2,143)**	(2,123)
Total revenue	**1,41,793**	1,45,404

*includes revenues from sale of services aggregating to ₹ 321 Crore (31 March 2023: ₹ 326 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 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	83	96	1,791	576	-	9	19	86	232	2,892	11,950	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	**2,285**	**15,932**	**1,21,013**	**22,225**	**1,04,356**	**467**	**396**	**1,165**	**1,399**	**2,69,238**	**50,201**	**9,797**	**3,29,236**
Additions	129	198	1,794	386	-	8	15	53	774	3,357	14,412	1,195	18,964
CWIP written off (Refer note 36(b))	-	-	-	-	-	-	-	-	-	-	(131)	-	(131)
Transfers/ Reclassifications (i)	2	296	6,692	1,939	1,859	4	4	11	38	10,845	(10,829)	(162)	(146)
Disposals/ Adjustments	(13)	(21)	(2,018)	(548)	(269)	(10)	(15)	(26)	(15)	(2,935)	(3)	(52)	(2,990)
Exploration cost written off (Refer note 35)	-	-	-	-	-	-	-	-	-	-	-	(786)	(786)
Exchange differences	5	(55)	19	(219)	1,552	(7)	(3)	(5)	(11)	1,276	331	137	1,744
As at 31 March 2024	**2,408**	**16,350**	**1,27,500**	**23,783**	**1,07,498**	**462**	**397**	**1,198**	**2,185**	**2,81,781**	**53,981**	**10,129**	**3,45,891**
Accumulated depreciation, depletion, amortisation and impairment													
As at 01 April 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(i))	-	-	(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**
Charge for the year	8	528	6,156	2,139	1,294	34	37	106	195	10,497	-	-	10,497
Disposals/ Adjustments	(7)	(5)	(1,287)	(455)	-	(8)	(10)	(34)	(8)	(1,814)	45	-	(1,769)
Impairment charge/(reversal) for the year (Refer note 36)	18	165	33	-	(789)	1	1	-	27	(544)	233	(45)	(356)
Transfers/ Reclassifications (i)	-	(24)	23	-	33	-	-	-	-	32	-	(32)	-
Exchange differences	4	(25)	100	(91)	1,453	(4)	(2)	(5)	(5)	1,425	444	107	1,976
As at 31 March 2024	**386**	**8,696**	**57,155**	**15,555**	**1,01,086**	**367**	**200**	**1,118**	**503**	**1,85,066**	**33,650**	**7,571**	**2,26,287**
Net Book Value/Carrying Amount													
As at 01 April 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	1,922	7,875	68,883	8,263	5,261	123	222	114	1,105	93,768	17,273	2,256	1,13,297
As at 31 March 2024	**2,022**	**7,654**	**70,345**	**8,228**	**6,412**	**95**	**197**	**80**	**1,682**	**96,715**	**20,331**	**2,558**	**1,19,604**

(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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Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2024

Right of Use (ROU) Assets

Particulars	ROU Land	ROU Building	ROU Plant and Equipment	Total
Gross Block				
As at 01 April 2022	1,035	65	76	1,176
Additions	187	1	44	232
Disposals/ Adjustments	(10)	-	-	(10)
Exchange differences	-	3	(2)	1
As at 31 March 2023	**1,212**	**69**	**118**	**1,399**
Additions	255	3	516	774
Transfers/ Reclassification	1	-	37	38
Disposals/ Adjustments	(13)	-	(2)	(15)
Exchange differences	(10)	-	(1)	(11)
As at 31 March 2024	**1,445**	**72**	**668**	**2,185**
Accumulated depreciation & impairment				
As at 01 April 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**
Charge for the year	42	16	137	195
Disposals/ Adjustments	(5)	(1)	(2)	(8)
Impairment charge for the year (note 36)	27	-	-	27
Exchange differences	(3)	(1)	(1)	(5)
As at 31 March 2024	**255**	**69**	**179**	**503**
Net Book Value				
As at 01 April 2022	884	24	52	960
As at 31 March 2023	1,018	14	73	1,105
As at 31 March 2024	**1,190**	**3**	**489**	**1,682**

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(₹ in Crore)

6 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 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**
Additions	11	260	112	-	-	383
Transfers/Reclassification	15	-	125	6	-	146
Disposals/ Adjustments	(9)	-	-	(1)	-	(10)
Exchange differences	-	-	-	-	(22)	(22)
As at 31 March 2024	**237**	**260**	**2,201**	**695**	**198**	**3,591**
Accumulated amortisation and impairment						
As at 01 April 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**
Charge for the year	23	36	141	26	21	247
Disposals/ Adjustments	(9)	-	1	-	-	(8)
Exchange differences	-	-	-	-	(14)	(14)
As at 31 March 2024	**196**	**36**	**721**	**271**	**119**	**1,343**
Net Book Value/Carrying Amount						
As at 01 April 2022	38	113	730	465	130	1,476
As at 31 March 2023	38	-	1,385	445	108	1,976
As at 31 March 2024	**41**	**224**	**1,480**	**424**	**79**	**2,248**

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6 Capital Work in Progress (CWIP) ageing schedule

(₹ in Crore)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Projects in progress	Projects temporarily suspended	Projects in progress	Projects temporarily suspended
Less than 1 year	11,527	-	8,513	7
1-2 years	4,008	-	1,878	2
2-3 years	628	-	534	5
More than 3 years	3,645	523	5,690	644
Total	**19,808**	**523**	16,615	658

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 2024				As at 31 March 2023			
	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	4,729	-	-	-	6,666	21	-	-
Oil & Gas development CWIP projects	1,474	-	-	-	330	135	-	-
Others*	2,822	-	-	-	2,576	-	-	-
Projects temporarily suspended**	11	-	-	371	11	-	-	371

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

** Excludes ageing for existing Copper smelter plant and Copper 4 LTPA Expansion project which were on halt since April 2018. On 29 February 2024, the Hon'ble Supreme Court dismissed the Special Leave Petition filed by the Group. Basis detailed impairment analysis carried out by the management, CWIP balance has been impaired during the year ended 31 March 2024. Post impairment, the carrying amount of CWIP as at 31 March 2024 is ₹ 38 Crore (31 March 2023: 237 Crore) for existing Copper smelter plant and ₹ 104 Crore (31 March 2023: ₹ 35 Crore) for Copper 4 LTPA Expansion project. Refer Note 3(c)(A)(iii).

Exploration intangible assets under development ageing schedule

(₹ in Crore)

Intangible assets under development	As at 31 March 2024	As at 31 March 2023
	Projects in progress	Projects in progress
Less than 1 year	484	729
1-2 years	510	577
2-3 years	557	536
More than 3 years	1,007	414
Total	**2,558**	2,256

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6 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 2024	Gross block as at 31 March 2023	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	**3,622**	3,524	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.
	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.

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

b) During the year ended 31 March 2024, interest capitalised was ₹ 960 Crore (31 March 2023: ₹ 483 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 ₹ 11,568 Crore (31 March 2023: ₹ 10,534 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-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 ₹ 1 Crore (31 March 2023: ₹ 11 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	**For the year ended 31 March 2024**	For the year ended 31 March 2023
Depreciation/Depletion/Amortisation expense on:		
Property, Plant and Equipment	10,497	10,356
Intangible assets	247	241
As per Property, Plant and Equipment and Intangibles schedule	**10,744**	10,597
Less: Cost allocated to joint ventures and other adjustments	(21)	(42)
As per Consolidated Statement of Profit and Loss	**10,723**	10,555

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 2024 and 31 March 2023.

j) As at 31 March 2024, TSPL's assets consisting of land (including ROU land), building and plant and machinery having net carrying value of ₹ 391 Crore (31 March 2023: ₹ 399 Crore), ₹ 138 Crore (31 March 2023: ₹ 153 Crore) and ₹ 7,327 Crore (31 March 2023: ₹ 8,228 Crore) respectively have been given on operating lease (refer note 3(c)(B)(i)).

k) Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), during the previous year, HZL had transferred its CSR assets, having carrying value of ₹ 117 Crore, after obtaining regulatory approvals, to a company registered under Section 8 of the Companies Act, 2013. The carrying value of these assets was included as CSR expense in the financial statements owing to such transfer.

l) (i) During the year ended 31 March 2023, the Group had 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 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) was 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 had adjusted the claims received in the favour of the Group against the liability towards ONGC and the net payable as of 31 March 2023 amounted to ₹ 279 Crore (US$ 34 million).

m) Freehold land includes gross block of ₹ 176 Crore (31 March 2023: ₹ 175 crores), accumulated depreciation ₹ 160 Crore (31 March 2023: ₹ 154 crores), which is available for use during the lifetime of the Production Sharing Contract of the respective Oil and Gas blocks.

n) The Group holds approximately 52% stake in AvanStrate Inc, Japan ("ASI") which has wholly owned subsidiaries in Korea and Taiwan. Majority of the balance stake in ASI is held by Hoya Corporation, Japan ("Hoya"). There are certain operational matters at ASI and the Group is currently in dialogue with Hoya for a commercial settlement against their Put option and shareholder loan. In the meanwhile, the Group has applied principles of Ind AS 36- Impairment of Assets for testing impairment for its investment in ASI and has used the fair values of net assets for the purpose of determining that there is no material impact to the net carrying value of property, plant and equipment and intangibles amounting to ₹ 1,146 Crore.

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Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2024

7 Financial assets - Investments

A) Non-current Investments

(₹ in Crore)

	Particulars	As at 31 March 2024	As at 31 March 2023
(I)	**Investments at fair value through other comprehensive income**		
	Investment in Equity Shares - quoted		
	Sterlite Technologies Limited- 47,64,295 shares of ₹ 2 each (31 March 2023: 47,64,295 shares of ₹ 2 each)	**53**	70
	Investment in Equity Shares - unquoted		
	Sterlite Power Transmission Limited - 19,05,718 equity shares of ₹ 2 each (31 March 2023: 19,05,718 equity shares of ₹ 2 each)	**11**	11
	Investment in Equity Shares - unquoted		
	Serentica Renewables India 4 Private Limited- 5,60,00,000 Equity shares of class B of ₹ 10 each (31 March 2023: Nil) (Refer Note 40(A)(c)(iii))*	**56**	-
	Serentica Renewables India 5 Private Limited- 3,30,00,000 Equity shares of class B of ₹ 10 each (31 March 2023: Nil) (Refer Note 40(A)(c)(iii))*	**33**	-
	Investment in Bonds - quoted	**169**	153
(II)	**Investments at fair value through profit and loss**		
	Investment in Bonds - quoted		
	Infrastructure Leasing & Financial Services Limited	**22**	30
	Investment in Optionally Convertible Redeemable Preference Shares ("OCRPS") - unquoted		
	Serentica Renewables India 1 Private Limited- 7,50,00,000 shares of ₹ 10 each (31 March 2023: 7,50,00,000 shares of ₹ 10 each) (Refer Note 40(A)(c)(iii))	**75**	75
	Serentica Renewables India 3 Private Limited- 13,99,80,000 shares of ₹ 10 each (31 March 2023: 6,90,00,000 shares of ₹ 10 each) (Refer Note 40(A)(c)(iii))	**140**	69
	Serentica Renewables India 4 Private Limited- 22,40,00,000 shares of ₹ 10 each (31 March 2023: 10,50,00,000 shares of ₹ 10 each) (Refer Note 40(A)(c)(iii))	**224**	105
	Serentica Renewables India 5 Private Limited- 9,82,50,000 shares of ₹ 10 each (31 March 2023: Nil) (Refer Note 40(A)(c)(iii))	**98**	-
	Serentica Renewables India 7 Private Limited- 4,03,20,000 shares of ₹ 10 each (31 March 2023: Nil) (Refer Note 40(A)(c)(iii))	**40**	-
	Serentica Renewables India 8 Private Limited- 3,30,00,000 shares of ₹ 10 each (31 March 2023: Nil) (Refer Note 40(A)(c)(iii))	**33**	-
	Serentica Renewables India 9 Private Limited- 3,00,00,000 shares of ₹ 10 each (31 March 2023: Nil) (Refer Note 40(A)(c)(iii))	**30**	-
(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 2023: 14,23,000 equity shares of ₹ 10 each)	**1**	1
	RoshSkor Township (Proprietary) Limited - 50 equity shares of NAD 1 each (31 March 2023: 50 equity shares of NAD 1 each)	**2**	0
	Madanpur South Coal Company Limited - 1,14,421 equity shares of ₹ 10 each (31 March 2023: 1,14,421 equity shares of ₹ 10 each)	**2**	2
	Goa Maritime Private Limited - 5,000 equity shares of ₹ 10 each (31 March 2023: 5,000 equity shares of ₹ 10 each)	**0**	0
	Rosh Pinah Health Care (Proprietary) Limited- 69 equity shares of NAD 1 each (31 March 2023: 69 equity shares of NAD 1 each)	**0**	0
	Less: Impairment in the value of investment	**(2)**	(2)
(IV)	**Others**	**0**	0
	Total	**987**	514
	Aggregate amount of quoted investments, and market value thereof	**244**	253
	Aggregate amount of unquoted investments	**745**	263
	Aggregate amount of impairment in the value of investments	**(2)**	(2)
	Total	**987**	514

* OCRPS worth of ₹ 56 Crore and ₹ 33 Crore are converted into equity shares with differential voting rights of Serentica Renewables India 4 Private Limited ("SRI4PL") and Serentica Renewables India 5 Private Limited ("SRI5PL"), respectively as per terms of the Power Delivery Agreement ("PDA"). Accordingly, these shares have been reclassified from Investments at fair value through profit and loss to Investments at fair value through other comprehensive income. The Group has pledged all of its investments in SRI4PL for financing the project as per the terms of the PDA.

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B) Current Investments

(₹ in Crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Investments carried at fair value through other comprehensive income (fully paid)		
Investment in Bonds - quoted**	**4,427**	4,239
Investments carried at fair value through profit and loss (fully paid)		
Investment in mutual funds - unquoted	**2,659**	4,563
Investment in bonds - quoted	**3,796**	3,834
Total	**10,882**	12,636

** Includes investments amounting to ₹ 2,033 Crore (31 March 2023: ₹ 1,812 Crore) 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)

a) Particulars	As at 31 March 2024	As at 31 March 2023
Aggregate amount of quoted investments, and market value thereof	**8,223**	8,073
Aggregate amount of unquoted investments	**2,659**	4,563
Total	**10,882**	12,636

8 Financial assets - Trade receivables

(₹ in Crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Non-current	Current	Total	Non-current	Current	Total
Secured, Undisputed						
Not due	-	**356**	**356**	-	319	319
Less than 6 months	-	**276**	**276**	-	292	292
6 months -1 year	-	**4**	**4**	-	6	6
1-2 Years	-	**2**	**2**	-	-	-
2-3 years	-	-	-	-	-	-
More than 3 years	-	-	-	-	3	3
sub-total	-	**638**	**638**	-	620	620
Unsecured, disputed						
Unbilled dues	-	-	-	34	-	34
Not due	**27**	-	**27**	26	-	26
Less than 6 months	**229**	**3**	**232**	189	14	203
6 months -1 year	**126**	-	**126**	241	-	241
1-2 Years	**321**	-	**321**	441	-	441
2-3 years	**392**	**1**	**393**	389	-	389
More than 3 years	**2,393**	**9**	**2,402**	2,585	7	2,592
sub-total	**3,488**	**13**	**3,501**	3,905	21	3,926
Unsecured, Undisputed						
Unbilled dues	-	**96**	**96**	-	98	98
Not due	-	**1,654**	**1,654**	-	2,242	2,242
Less than 6 months	-	**1,201**	**1,201**	-	1,007	1,007
6 months -1 year	-	**6**	**6**	-	17	17
1-2 Years	-	**14**	**14**	-	23	23
2-3 years	-	**2**	**2**	-	4	4
More than 3 years	-	**(1)**	**(1)**	-	5	5
sub-total	-	**2,972**	**2,972**	-	3,396	3,396
Less: Provision for expected credit loss	**(1,079)**	**(16)**	**(1,095)**	(1,373)	(23)	(1,396)
Total	**2,409**	**3,607**	**6,016**	2,532	4,014	6,546

a) The credit period given to customers is up to 180 days (31 March 2023: 180 days). Also refer note 24 (C)(d)

b) Trade receivables does not include any receivables from directors and officers of the company. For amount due and terms and conditions of related party receivables, refer note 42.

c) In a matter pertaining to mega power project benefit 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 ₹ 1,620 Crore as at 31 March 2024 (31 March 2023: ₹ 1,476 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.

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d) Trade receivables includes ₹ 726 Crore (net of Provision for expected credit loss ("ECL") recognised on account of time value of money) as at 31 March 2024 (31 March 2023: ₹ 878 Crore, net of ECL) 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, ₹ 365 Crore, net of ECL (31 March 2023: ₹ 374 Crore, net of ECL) 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 (31 March 2023: ₹ 234 Crore, net of ECL) 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 2022 were ₹ 7,947 Crore (net of provision for expected credit loss).

9 Financial assets - Loans

(₹ in Crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Non-current	Current	Total	Non-current	Current	Total
Unsecured, considered good						
Loans to related parties (Refer note 42)	5	3,361	3,366	9	3,749	3,758
Loans and advances to employees	0	3	3	1	11	12
Unsecured, considered credit impaired						
Loans to related parties (Refer note 42)	-	88	88	-	87	87
Less: Provision for expected credit loss	-	(88)	(88)	-	(87)	(87)
Total	5	3,364	3,369	10	3,760	3,770

10 Financial assets - Others

(₹ in Crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Non-current	Current	Total	Non-current	Current	Total
Bank deposits [a, b, c]	811	-	811	688	-	688
Site Restoration asset [c]	1,426	-	1,426	1,228	-	1,228
Unsecured, considered good						
Receivables from related parties (Refer note 42)	-	10	10	-	18	18
Security deposits	415	57	472	345	57	402
Others						
Advance recoverable (oil and gas business)	-	7,791	7,791	-	7,622	7,622
Others [d]	18	4,899	4,917	1,523	171	1,694
Unsecured, considered credit impaired						
Security deposits	43	1	44	43	1	44
Balance with government authorities	-	3	3	-	3	3
Others [d]	352	697	1,049	584	241	825
Less: Provision for expected credit loss	(395)	(701)	(1,096)	(627)	(245)	(872)
Total	2,670	12,757	15,427	3,784	7,868	11,652

a) Bank deposits includes fixed deposit with maturity more than twelve months of ₹ 300 Crore (31 March 2023: ₹ 208 Crore) under lien with bank, ₹ 207 Crore (31 March 2023: ₹ 208 Crore) reserve created against principal payment on loans from banks, restricted funds of ₹ 202 Crore (31 March 2023: ₹ 146 Crore) held as interest reserve created against interest payment on loans from banks and margin money of ₹ 0 Crore (31 March 2023: ₹ 39 Crore).

b) Restricted funds of ₹ 9 Crore (31 March 2023: ₹ 7 Crore) held as lien with Others, ₹ 68 Crore (31 March 2023: ₹ 58 Crore) held as margin money against bank guarantees and ₹ 2 Crore (31 March 2023: ₹ 2 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. During the year, the Arbitration Tribunal has issued Final Partial Award which allowed for recovery of exploration costs (refer note 36(a)). Accordingly Group has recognized additional ₹ 480 Crore (US$ 58 million). At year end, an amount of ₹ 2,229 Crore (US$ 267 million) (31 March 2023: ₹ 1,718 Crore (US$ 209 million)) is receivable from its joint operation partner on account of this. The Group is actively engaging with Joint operation partner and the same will be recovered through revenue in due course.

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11 Other assets

(₹ in Crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Non-current	**Current**	**Total**	Non-current	Current	Total
Unsecured, considered good						
Capital advances	**2,519**	**-**	**2,519**	1,747	-	1,747
Advances other than capital advances						
Advances for supplies to related party (Refer note 42)	**81**	**239**	**320**	25	1,663	1,688
Advances for supplies	**60**	**1,554**	**1,614**	40	2,128	2,168
Others						
Balance with government authorities [a]	**923**	**1,288**	**2,211**	809	1,525	2,334
Others [b]	**889**	**689**	**1,578**	985	1,177	2,162
Unsecured, considered doubtful						
Capital advances	**178**	**-**	**178**	188	-	188
Advance for supplies	**-**	**78**	**78**	-	76	76
Balance with government authorities	**4**	**107**	**111**	3	109	112
Claims and other receivables						
Others [b]	**758**	**6**	**764**	1,068	4	1,072
Less: Provision for doubtful advances	**(940)**	**(191)**	**(1,131)**	(1,259)	(189)	(1,448)
Total	**4,472**	**3,770**	**8,242**	3,606	6,493	10,099

a) Includes ₹ 66 Crore (31 March 2023: ₹ 66 Crore), being Company's share of gross amount of ₹ 97 Crore (31 March 2023: ₹ 97 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 2024**	As at 31 March 2023
Raw materials	**2,312**	2,864
Goods-in transit	**1,615**	2,239
Work-in-progress	**4,666**	5,081
Goods-in transit	**-**	-
Finished good	**954**	1,028
Goods-in transit	**9**	-
Fuel stock	**1,253**	1,598
Goods-in transit	**214**	241
Stores and spares	**1,914**	1,915
Goods-in transit	**64**	46
Total	**13,001**	15,012

a) Inventory held at net realisable value of ₹ 1,830 Crore as at 31 March 2024 (31 March 2023: ₹ 2,051 Crore).

b) A write down of inventories amounting to ₹ 167 Crore (31 March 2023: ₹ 113 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)(K).

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13 Cash and cash equivalents

(₹ in Crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks [a]	**2,682**	6,078
Bank deposits with original maturity of less than 3 months (including interest accrued thereon) [b]	**129**	848
Cash on hand	**1**	0
Total	**2,812**	6,926

a) Including foreign inward remittances aggregating ₹ 15 Crore (US$ 2 million) (31 March 2023: ₹ 325 Crore (US$ 40 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 2024	As at 31 March 2023
Bank deposits with original maturity of more than 3 months but less than 12 months (including interest accrued thereon) [a,b,c]	**1,265**	859
Bank deposits with original maturity of more than 12 months (including interest accrued thereon) [c,d]	**90**	0
Earmarked unpaid dividend accounts [e,f]	**158**	1,467
Earmarked escrow account [g]	**2**	2
Total	**1,515**	2,328

a) The above bank deposits includes ₹ 49 Crore (31 March 2023: ₹ 97 Crore) on lien with banks, margin money of ₹ 82 Crore (31 March 2023: ₹ 41 Crore).

b) ₹ 42 Crore (31 March 2023: ₹ 42 Crore) held as collateral in respect of closure costs, ₹ 23 Crore (31 March 2023: ₹ 22 Crore) held as lien with Others and ₹ 258 Crore (31 March 2023: ₹ 63 Crore) held as margin money against bank guarantees.

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

d) Includes ₹ 38 Crore (31 March 2023: ₹ 0 Crore) margin money with banks and fixed deposit under lien with others of ₹ 0 Crore (31 March 2023: ₹ 0 Crore).

e) Includes ₹ 158 Crore (31 March 2023: ₹ 1,322 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

	Particulars	As at 31 March 2024		As at 31 March 2023	
		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 2,98,632 (31 March 2023: 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 78,66,397 (31 March 2023: 40,05,075) equity shares held by Vedanta Limited ESOS Trust (Refer note 16).

C) Shares held by ultimate holding company and its subsidiaries*

	As at 31 March 2024		As at 31 March 2023	
Particulars	**No. of Shares held (in Crore)**	**% of holding**	No. of Shares held (in Crore)	% of holding
Twin Star Holdings Limited	**156.48**	**42.10**	172.48	46.40
Finsider International Company Limited	**9.79**	**2.63**	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	**0.15**	**0.04**	0.50	0.13
Total	**230.25**	**61.95**	253.16	68.11

* 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 Vedanta Incorporated (erstwhile, Volcan Investments Limited), the ultimate holding company.

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

	As at 31 March 2024		As at 31 March 2023	
	No. of Shares held (in Crore)	**% of holding**	No. of Shares held (in Crore)	% of holding
Twin Star Holdings Limited	**156.48**	**42.10**	172.48	46.40
Vedanta Holdings Mauritius II Limited	**49.28**	**13.26**	49.28	13.26
Life Insurance Corporation of India	**32.79**	**8.82**	33.54	9.02

* 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

	As at 31 March 2024			As at 31 March 2023	
Particulars	**No. of Shares held (in Crore)**	**% of holding**	**% Change during the year**	No. of Shares held (in Crore)	% of holding
Twin Star Holdings Limited	**156.48**	**42.10**	**(4.30)**	172.48	46.40
Finsider International Company Limited	**9.79**	**2.63**	**(1.77)**	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	**0.15**	**0.04**	**(0.09)**	0.50	0.13
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	**230.26**	**61.95**	**(6.16)**	253.17	68.11

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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 1,99,366 equity shares (31 March 2023: 2,00,038 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) **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.

c) **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.

d) **Securities premium:** The amount received in excess of nominal value of the equity shares is recognised in securities premium. This reserve is utilised in accordance with the specific provisions of the Act.

e) **Foreign currency translation reserve:** 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.

f) **Equity settled share based payment reserve:** Share-based payments reserve represents amount of fair value, as on the date of grant, of unvested options and vested options not exercised till date, that have been recognised as expense in the statement of profit and loss till date.

g) Legal reserve is created at Fujairah Gold FZC in accordance with free zone regulations.

h) Treasury share represents 78,66,397 (31 March 2023: 40,05,075) 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.

i) **Hedging reserve:** Hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into for cash flow hedges, which is recognised in OCI and later reclassified to statement of profit and loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

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 2024, 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 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.

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 2024			
	HZL	BALCO	Others	Total
Non-current assets	21,714	15,763	17,230	54,707
Current assets	12,628	2,221	2,974	17,823
Non-current liabilities	8,020	4,131	4,572	16,723
Current liabilities	10,840	3,980	8,049	22,869
Equity attributable to owners of the Group	10,052	5,035	6,890	21,977
Non-controlling interests [a]	5,430	4,838	1,079	11,347

(a) ₹ 386 Crore loss attributable to NCI of ASI transferred to put option liability. Refer note 22.

(₹ 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.

(₹ in Crore)

Particulars	For the year ended 31 March 2024			
	HZL	BALCO	Others	Total
Total Income	30,009	13,563	13,917	57,489
Profit/ (loss) after tax for the year	7,726	1,309	(940)	8,095
Profit/ (loss) attributable to the equity shareholders of the Company	5,016	667	(888)	4,795
Profit/ (loss) attributable to the non-controlling interests	2,710	642	(52)	3,300
Other comprehensive loss during the year	(3)	(12)	(86)	(101)
Other comprehensive loss attributable to the equity shareholders of the Company	(2)	(6)	(84)	(92)
Other comprehensive loss attributable to non-controlling interests	(1)	(6)	(2)	(9)
Total comprehensive income/ (loss) during the year	7,723	1,297	(1,026)	7,994
Total comprehensive income/ (loss) attributable to the equity shareholders of the Company	5,014	661	(972)	4,703
Total comprehensive income/ (loss) attributable to non-controlling interests	2,709	636	(54)	3,291
Dividends paid to non-controlling interests	1,928	-	-	1,928
Net cash inflow from operating activities	13,346	1,603	2,902	17,851
Net cash outflow from investing activities	(3,408)	(2,262)	(2,096)	(7,766)
Net cash outflow/ (inflow) from financing activities	(9,944)	632	(947)	(10,259)
Net cash outflow	(6)	(27)	(141)	(174)

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(₹ 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 after tax for the year	10,479	(64)	941	11,356
Profit attributable to the equity shareholders of the Company	6,803	(33)	657	7,427
Profit attributable to the non-controlling interests	3,676	(31)	284	3,929
Other comprehensive (loss)/ income during the year	40	33	(381)	(308)
Other comprehensive (loss)/ income attributable to the equity shareholders of the Company	27	17	(286)	(242)
Other comprehensive (loss)/ income attributable to non-controlling interests	13	16	(95)	(66)
Total comprehensive income during the year	10,519	(31)	560	11,048
Total comprehensive income attributable to the equity shareholders of the Company	6,830	(16)	371	7,185
Total comprehensive income 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)

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, bank and other current and non-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 2024	As at 31 March 2023
Cash and cash equivalents (Refer note 13)	2,812	6,926
Other bank balances [a] (including interest accrued)(Refer note 14)	1,030	732
Non-current Bank deposits [a] (Refer note 10)	531	475
Long term investments (Refer note 7A)	169	153
Short term investments (Refer note 7B)	10,882	12,636
Total cash (a)	**15,424**	20,922
Non-current borrowings (Note 19A)	50,633	43,476
Current borrowings (Note 19B)	21,125	22,706
Total borrowings (b)	**71,758**	66,182
Net debt (c=(b-a))	**56,334**	45,260
Total equity (d)	42,069	49,427
Total capital (e = equity + net debt)	**98,403**	94,687
Gearing ratio (times) (c/e)	0.57	0.48

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 ₹ 765 Crore (31 March 2023: ₹ 1,809 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 2024	As at 31 March 2023
At amortised cost		
Secured		
Non convertible debentures	**13,402**	7,138
Term loans from banks		
-Rupee term loans	**34,165**	34,398
-Foreign currency term loans	**1,917**	2,662
-External commercial borrowings	**2,917**	3,261
Term loans from others	**7,433**	-
Others	**440**	494
Unsecured		
Non convertible debentures	-	2,911
Deferred sales tax liability	**12**	28
Non convertible bonds	**31**	31
Term loans from banks		
-Rupee term loans	**7,168**	2,795
-Foreign currency term loans	-	4
Redeemable preference shares	**2**	2
Term loans from others	**7**	-
Non-current Borrowings	**67,494**	53,724
Less: Current maturities of long term borrowings [a]	**(16,861)**	(10,248)
Total non-current Borrowings (Net) (A)	**50,633**	43,476
Current Borrowings (Refer note 19B) (B)	**21,125**	22,706
Total Borrowings (A+B)	**71,758**	66,182

B) Current borrowings

(₹ in Crore)

Particulars	As at 31 March 2024	As at 31 March 2023
At amortised cost		
Secured		
Non Convertible Debentures	**1,600**	-
Working capital loan	**489**	208
Packing credit in foreign currencies from banks	-	300
Term loans from banks	**1,856**	1,857
Amounts due on factoring	**29**	22
Bank Overdraft	**9**	-
Current maturities of long term borrowings [a]	**13,925**	6,247
Unsecured		
Rupee term loans from banks	**58**	3,002
Loans repayable on demand from banks	**21**	2,255
Commercial paper	-	4,714
Working capital loan	**202**	100
Current maturities of long term borrowings [a]	**2,936**	4,001
Total	**21,125**	22,706

a) **Current maturities of long term borrowings consists of:**

(₹ in Crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Secured		
Non convertible debentures	**3,367**	51
Term loans from banks		
-Rupee term loans	**9,099**	5,287
-Foreign currency term loans	**157**	27
External commercial borrowings	**859**	385
Others	**443**	497
Unsecured		
Non convertible debentures	**-**	2,911
Term loans from banks	**2,923**	1,070
Deferred sales tax liability	**11**	18
Redeemable preference shares	**2**	2
Grand total	**16,861**	10,248

b) **Details of Non-convertible debentures issued by Group have been provided below (Carrying value)**

(₹ in Crore)

Particulars	As at 31 March 2024	As at 31 March 2023
8.74% due June 2032	**4,089**	4,089
9.20% due February 2030	**2,000**	2,000
0.00% due October 2025 (Refer note 4B)	**776**	-
12.00% due June 2025	**3,170**	-
12.00% due March 2025	**2,368**	-
7.68% due December 2024	**999**	998
11.85% due May 2024	**1,600**	-
3m T-bill rate + 240 bp due March 2024*	**-**	800
0.00% NCDs due March 2024	**-**	51
5.35% due September 2023	**-**	2,111
Total	**15,002**	10,049

* The 3-month Treasury bill rate as at 31 March 2023 was 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 2024	As at 31 March 2023
Secured non-current borrowings	**46,349**	41,706
Secured current borrowings	**17,908**	8,634
Total	**64,257**	50,340

(₹ in Crore)

Facility Category	Security details	As at 31 March 2024	As at 31 March 2023
Working capital loans*	First pari pasu charge on current assets of FACOR	29	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	434	110
	First ranking pari passu charge by deed of Hypothecation on March 28, 2023 in favour of Vistra ITCL (India) Limited, security trustees	64	-
	Other secured working capital loans	-	399
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) 2400 MW Power plant (1800 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.	1,094	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	1,823	2,037

Vedanta Limited
Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2024

Facility Category	Security details	As at 31 March 2024	As at 31 March 2023
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 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	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
	Secured by :- i. first ranking pari passu charge, by way of hypothecation, over the movable fixed assets of the Company to be more particularly set out in the deed of hypothecation; ii. first ranking exclusive charge, by way of hypothecation, over certain charged receivables and designated cash account to be more particularly set out in the deed of hypothecation; and iii. a pledge over shares constituting 100 per cent of the share capital of Sesa Iron and Steel Limited; and iv. any other security as may be agreed between the Company and the Trustee.	3,170	-

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Facility Category	Security details	As at 31 March 2024	As at 31 March 2023
Non convertible debentures	Secured by i) 1.6 MTPA aluminium smelter plant along with 1,215 MW (9*135 MW) captive power plant in Jharsuguda, Odisha; ii) 6 MTPA Alumina refinery along with 90 MW co-generation captive power plant (operating capacity) in Lanjigarh, Odisha; iii) 2,400 MW power plant (1,800 MW CPP and 600 MW IPP) located at Jharsuguda, Odisha; iv) Copper plant assets at Silvasa including 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; v) 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); OALP blocks; vi) all assets, business and undertaking of every kind (tangible movable assets constituting fixed assets) of the Company related to exploration, mining, processing, and manufacturing of iron ore and its derivatives in Karnataka and Goa. These assets include pig iron plants, metallurgical coke plants, and power plants in Goa; vii) a pledge over shares constituting 100 per cent of the share capital of Sesa Iron and Steel Limited.	2,368	-
	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.	999	998
	Secured by first pari-passu charge on all existing fixed assets of the Meenakshi Energy Limited as on the last available audited accounts of the Closing Date, as more particularly set out in, and pursuant to the terms of, the Security Documents (hereinafter referred to as the "Security", with each asset (which shall also include each of the Sale Deeds that may be executed by the Issuer in relation to the relevant Agreement to Sell Assets and the Patta Land). The Security specified above, shall be created as a first ranking security ranking pari passu amongst: (i) the Debenture Holders, to secure the due repayment of the Outstanding Amounts; and (ii) the Persons who have provided/shall provide any Additional Financial Indebtedness, to secure such Additional Financial Indebtedness.	776	-
	Secured by i) Pledge of shares of Sesa Resources Limited held by the Company; ii) Corporate Guarantee from the Company backed by asset security (movable fixed asset of the Company and certain intangible assets); and iii) Movable fixed assets of Sesa Resources Limited.	1,600	-
	Other secured Non Covertible Debentures	-	52

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Facility Category	Security details	As at 31 March 2024	As at 31 March 2023
Term loans from banks (Includes rupee term loans and foreign currency term loans)	Secured by first pari passu charge on fixed assets of TSPL and second pari passu charge on current assets of TSPL, both present and future	5,616	6,168
	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.	1,433	1,605
	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.	310	359
	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 1.6MTPA aluminium smelter plant with 1,215 MW captive power plant at Jharsuguda, Odisha	2,765	3,394
	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.	4,924	5,873
	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.	468	780

Facility Category	Security details	As at 31 March 2024	As at 31 March 2023
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]	6,387	7,221
	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	1,835	2,662
	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.	942	1,137
	Secured by first pari passu charge on all present and future movable fixed assetsincluding 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	2,050	831
	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.	1,842	2,273
	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	374	473

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Facility Category	Security details	As at 31 March 2024	As at 31 March 2023
Term loans from banks (Includes rupee term loans and foreign currency term loans)	A first pari passu charge by way of mortgage/ hypothecation over the specified movable fixed assets of the Company. Security shall comprise 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.	985	1,191
	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 comprising of - i. 6 MTPA alumina refinery along with 90 MW co-generation captive power plant (operating capacity) in Lanjigarh, Odisha. ii. 1.6 MTPA aluminium smelter plant along with 1215 MW (9*135 MW) captive power plant in Jharsuguda, Odisha. iii. 2400 MW Power Plant (1800 MW CPP and 600 MW IPP) located at Jharsuguda, Odisha. iv. Oil & Gas division comprising of RJ-ON-90/1 Oil & Gas Block (Rajasthan), Cambay Oil Fields, Ravva Oil & Gas Fields (under PKGM-1 block) and OALP blocks.	848	-
	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	728	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 (captive power plant) at Jharsuguda and (ii) 1 MTPA Alumina refinery along with CPP of 90 MW (captive power plant) at Lanjigarh, Odisha	470	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	814	927

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Facility Category	Security details	As at 31 March 2024	As at 31 March 2023
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	423	683
	Secured by tax free perpetual bonds**	1,504	1,505
	Secondary charge by way of hypothecation on all present and future movable assets of the Company comprising - (i) Aluminium business of the Company at its Jharsuguda Plant and Lanjigarh Plant; (ii) 2400 MW power plant of the Company at Jharsuguda; (iii) Copper Plant of the Company at Silvasa; (iv) Iron ore business of the Company in the state of Goa; and (v) Oil & Gas business of the Company in the states of Rajasthan, Gujarat, Andhra Pradesh and OALP blocks. Pledge of shares of HZL held by the Company with a minimum coverage of 2.29X of the outstanding loan value.	1,091	-
	Exclusive charge by way of hypothecation on all present and future movable assets of the Company comprising of - (i)400 KTPA Copper Smelter Plant along with 246 KTPA Refinery and Ancillary Plants including 96 KTPA Copper Rod Plant, 1,300 KTPA Sulphuric Acid plant and 230 KTPA Phosphoric Acid Plant at Tuticorin; (ii)160 MW Thermal Power Plant (TPP) at Tuticorin Pledge of shares of HZL held by Company with a minimum coverage of 2.2X of the outstanding loan value.	1,494	-
	Secured by first pari pasu charge on all bank accounts, insurance policies and trade receivables of Black Mountain Mining (Pty) Ltd by way of a deed of hypothecation	435	-
	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)	200	250
	Other secured term loans from banks	-	352

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Facility Category	Security details	As at 31 March 2024	As at 31 March 2023
Term Loan from others	Secured by: i) Exclusive pledge on 3.3% of Hindustan Zinc Limited ("HZL") shares; ii) 100% share pledge of THL Zinc Ventures Limited, THL Zinc Limited, THL Zinc Holding BV and THL Zinc Namibia Holdings (Pty) Limited; iii) 100% share pledge of Zinc holding in Black Mountain Mining (Pty) Ltd.	7,433	-
Others	Secured by Fixed asset (platinum) of AvanStrate Inc	440	493
Total		**64,257**	50,340

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

** Repurchase liability as on 31 March 2024 are secured by current investments amounting to ₹ 2,033 Crore and are repayable in 365 days (31 March 2023: 102 to 109 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. Also, refer note 2.
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.

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e) Term of repayment of total borrowings outstanding as at 31 March 2024 are provided below -

(₹ in Crore)

Borrowings	Weighted average of interest as at 31 March 2024	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Foreign currency term loan	11.58%	11,206	2,013	8,456	824	-	Repayable in 6 monthly, 16 quarterly, 1 half yearly, 6 annual installments and 1 bullet payment
Rupee term loan	10.19%	41,391	12,126	18,476	7,100	3,805	Repayable in 288 monthly, 437 quarterly installments, 2 half yearly installments, 16 annual installments and 3 bulet payments
External commercial borrowings	8.16%	2,917	867	1,717	350	-	Repayable in 30 half yearly installments
Non convertible debentures	11.14%	15,002	6,700	2,183	276	6,206	Repayable in 5 annual installments and 6 bullet payments
Working capital loan *	9.26%	721	721	-	-	-	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	8.28%	29	29	-	-	-	Repayable within one month
Deferred sales tax liability	NA	12	11	1	-	-	Repayable in 31 monthly payments
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	0.30%**	31	4	10	8	10	Repayable in 10 annual installments
Others	5.12%	447	441	7	-	-	Repayable in 1 year as per lender's demand
Total		**71,758**	**22,914**	**30,850**	**8,558**	**10,021**	

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 ₹ 21 Crore
** Increasing interest rate to 0.50% till maturity

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f) 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, 712 quarterly, 2 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 payment
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 one 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

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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 2022	7,434	45,675	53,109
Net cash inflow/ (outflow)	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**
Opening balance at 01 April 2023	12,458	53,724	66,182
Net cash inflow/ (outflow)	(8,148)	12,963	4,815
Other non-cash changes	(47)	815	768
Foreign exchange currency translation differences	1	(8)	(7)
As at 31 March 2024	**4,264**	**67,494**	**71,758**

*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 6.10% (31 March 2023: 6.77%) 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 2024, the outstanding loan amount under the facility is ₹ 6,400 Crore (31 March 2023: ₹ 7,240 Crore).

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20 Financial liabilities -Trade payables

(₹ in Crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Undisputed dues		
Unbilled dues	**2,304**	2,319
Not due	**3,132**	3,380
Less than 1 year	**4,069**	4,690
1-2 years	**170**	144
2-3 years	**88**	108
More than 3 years	**110**	94
Sub-total	**9,873**	10,735
Disputed dues		
Less than 1 year	**50**	106
1-2 Years	**26**	28
2-3 years	**25**	21
More than 3 years	**121**	153
Sub-total	**222**	308
Total	**10,095**	11,043

a) Trade payables are majorly non-interest bearing and are normally settled upto 180 days (31 March 2023: 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 4.85% - 8.43% (31 March 2023: 0.69% - 7.80%) per annum and in rupee from domestic banks at interest rate ranging from 6.25% - 10.00% (31 March 2023: 4.34% - 8.80%) 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.

22 Financial liabilities - Others

(₹ in Crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Non-current	**Current**	**Total**	Non-current	Current	Total
Liabilities for capital expenditure	**162**	**10,189**	**10,351**	1,241	10,076	11,317
Security deposits from vendors and others	**-**	**328**	**328**	-	307	307
Interest accrued but not due	**-**	**835**	**835**	-	691	691
Put option liability with non-controlling interest [a]	**-**	**264**	**264**	41	219	260
Unpaid/unclaimed dividend	**-**	**158**	**158**	-	145	145
Profit petroleum payable	**-**	**3,401**	**3,401**	-	2,869	2,869
Dues to related parties (Refer note 42)	**-**	**131**	**131**	-	279	279
Dividend payable	**-**	**(1)**	**(1)**	-	8,223	8,223
Other liabilities [b]	**331**	**2,264**	**2,595**	324	2,052	2,376
Total	**493**	**17,569**	**18,062**	1,606	24,861	26,467

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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 ₹ 484 Crore (31 March 2023: ₹ 487 Crore) of which ₹ 295 Crore (31 March 2023: ₹ 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 : (₹ in Crore)

Particulars	**Amount**
At 01 April 2022	474
Additions during the year	143
Interest on lease liabilities	14
Payments made [a]	(182)
FCTR and other adjustments	(3)
As at 31 March 2023	**446**
Additions during the year	945
Interest on lease liabilities	50
Payments made [a]	(382)
FCTR and other adjustments	(46)
As at 31 March 2024	**1,013**

a) Includes payment of interest on lease liabilities of ₹ 50 Crore (31 March 2023: ₹ 14 Crore)

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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 2024

(₹ 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*	7,117	4,749	-	-	11,866	11,866
Trade receivables	196	-	-	5,820	6,016	6,016
Loans	-	-	-	3,369	3,369	3,369
Other financial assets	-	-	-	15,427	15,427	15,427
Derivatives	67	-	104	-	171	171
Cash and cash equivalents	-	-	-	2,812	2,812	2,812
Other bank balances	-	-	-	1,515	1,515	1,515
Total	**7,380**	**4,749**	**104**	**28,943**	**41,176**	**41,176**

(₹ 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	-	-	71,758	-	71,758	72,024
Trade payables	555	-	9,540	-	10,095	10,095
Operational buyers' credit / suppliers' credit	-	-	14,935	-	14,935	14,935
Derivatives	61	83	-	-	144	144
Other financial liabilities**	-	-	18,811	264	19,075	19,075
Total	**616**	**83**	**1,15,044**	**264**	**1,16,007**	**1,16,273**

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
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**

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(₹ 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**

* Investments exclude equity investment in associates and joint ventures which are accounted as per the equity method of accounting.

** Includes lease liability of ₹ 1,013 Crore (31 March 2023: ₹ 446 Crore)

*** Represents net put option liability with non-controlling interests accounted for at fair value.

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 2024 and 31 March 2023 measured at fair value:

As at 31 March 2024

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
Investments	2,659	3,796	662
Derivative financial assets	-	67	-
Trade receivables	-	196	-
At fair value through other comprehensive income			
Investments	53	4,596	100
Derivatives designated as hedging instruments			
Derivative financial assets	-	104	-
Total	**2,712**	**8,759**	**762**

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
Derivative financial liabilities	-	61	-
Trade payables	-	555	-
Derivatives designated as hedging instruments			
Derivative financial liabilities	-	83	-
Other financial liabilities - Net put option liability with non-controlling interests accounted for at fair value.	-	-	264
Total	**-**	**699**	**264**

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 payable	-	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**

Reconciliation of Level 3 fair value measurement

(₹ in Crore)

At 01 April 2022	**41**
Investments made during the year	249
As at 31 March 2023	**290**
Investments made during the year	480
Investments redeemed during the year	(8)
As at 31 March 2024	**762**

The below table summarises the fair value of loans and borrowings which are carried at amortised cost as at 31 March 2024 and 31 March 2023

As at 31 March 2024

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
Loans*	-	3,369	-
Total	**-**	**3,369**	**-**

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
Borrowings	-	72,024	-
Total	**-**	**72,024**	**-**

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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**	**-**

*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 quoted prices in an active market in case of listed securities and by 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 investments, inputs for which are not based on observable market data (unobservable inputs), are valued on the basis of net assets value method.
  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, other financial assets, current borrowings, trade payables, operational buyers' credit and other current financial liabilities: Fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.

- Non-current fixed-rate and variable-rate borrowings: Fair value has been determined using discounted cash flow model 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 2024 and 31 March 2023 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.

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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

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.

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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 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.

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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 2024, the value of net financial liabilities linked to commodities (excluding derivatives) accounted for on provisional prices was ₹ 359 Crore (31 March 2023: ₹ 603 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 2024.

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 2024	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	(590)	(59)	-

(₹ 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)	-

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 ₹ 101 Crore loss (31 March 2023: ₹ 134 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.

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During FY 2024, CRISIL Ratings has downgraded its rating on the long-term bank facilities and debt instruments of the Company from 'CRISIL AA' to 'CRISIL AA-' while the rating on short-term facilities and commercial paper has been reaffirmed at 'CRISIL A1+'. The ratings have also been placed on Watch with Developing Implications.

During FY 2024, India Ratings has downgraded the Company's rating on the long-term instruments from 'IND AA' to 'IND A+' and on short-term facilities and commercial paper from 'IND A1+' to 'IND A1'. The ratings have also been placed on Watch with Developing Implications.

The ratings downgrade is driven by higher than expected leverage and increase in borrowing costs. However, they expect reduced refinancing risk for VRL to support Vedanta's financial flexibility, with improved access and cost of borrowing from the banks and capital markets. The Rating Watch is due to the demerger announcement of the company as clarity on allocation of assets and liabilities and it's probable impact on liquidity of the company is awaited by the rating agencies.

Anticipated future cash flows, together with undrawn fund based committed facilities of ₹ 6,723 Crore, and cash, bank and other non-current and current investments of ₹ 15,424 Crore as at 31 March 2024, are expected to be sufficient to meet the liquidity requirement of the Group in the near future.

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

As at 31 March 2024 (₹ in Crore)

Payments due by year	**<1 year**	**1-3 years**	**3-5 years**	**>5 years**	**Total**
Borrowings*	33,732	32,267	15,602	22,995	1,04,597
Derivative financial liabilities	144	-	-	-	144
Lease liabilities	477	400	93	43	1,013
Trade Payables, Operational Buyers' Credit and Other financial liabilities**	42,033	493	-	-	42,526
	76,386	**33,160**	**15,695**	**23,038**	**1,48,280**

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 and Other financial liabilities**	49,153	300	1,241	-	50,694
	75,695	**24,442**	**19,528**	**14,191**	**1,33,856**

** 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 2024 (₹ in Crore)

Funding facility	Total Facility	Drawn	Undrawn
Fund/non-fund based	97,629	82,932	14,697

As at 31 March 2023 (₹ in Crore)

Funding facility	Total Facility	Drawn	Undrawn
Fund/non-fund based	95,678	80,760	14,918

(b) Foreign exchange risk

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

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from the fluctuations primarily in the US dollar, Australian dollar, Namibian dollar, AED, ZAR, GBP, JPY, INR and Euro against the functional currencies of Vedanta Limited and its subsidiaries.

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

The Group's presentation currency is the Indian Rupee (INR). The majority of the assets are located in India and the Indian Rupee is the functional currency for the Indian operating subsidiaries except for Oil and Gas business operations which have a US dollar functional currency. Natural hedges available in the business are identified at each entity level and hedges are placed only for the net exposure. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted for project expenditures to avoid budget overruns, where cost of the project is calculated taking into account the hedge cost. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed.

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

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

(₹ in Crore)

Currency	**As at 31 March 2024**		As at 31 March 2023	
	Financial Asset	**Financial liabilities**	Financial Asset	Financial liabilities
INR	23,390	79,501	33,082	84,810
USD	16,618	32,238	10,515	30,012
Others	1,168	4,268	988	3,230
Total	**41,176**	**1,16,007**	44,585	1,18,052

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 2024

(₹ in Crore)

	Effect of 10% strengthening of functional currency on pre-tax profit	Effect of 10% strengthening of functional currency on equity
USD	1,190	-
INR	(19)	-

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)	-

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.

(c) Interest rate risk

At 31 March 2024, the Group's net debt of ₹ 56,334 Crore (31 March 2023: ₹ 45,260 Crore) comprises debt of ₹ 71,758 Crore (31 March 2023: ₹ 66,182 Crore) offset by cash, bank and current investments of ₹ 15,424 Crore (31 March 2023: ₹ 20,922 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.

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The exposure of the Group's financial assets as at 31 March 2024 to interest rate risk is as follows:

(₹ in Crore)

	Total	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial Assets	**41,176**	2,695	16,051	22,430

The exposure of the Group's financial liabilities as at 31 March 2024 to interest rate risk is as follows:

(₹ in Crore)

	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Financial Liabilities	**1,16,007**	50,182	36,985	28,840

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

(₹ in Crore)

	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)

	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Financial Liabilities	**1,18,052**	48,140	31,894	38,018

Considering the net debt position as at 31 March 2024 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 2024	Effect on pre-tax profit/(loss) during the year ended 31 March 2023
0.50%	(237)	(217)
1.00%	(475)	(435)
2.00%	(950)	(869)

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 ₹ 41,176 Crore (31 March 2023: ₹ 44,585 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, 9 and 10 on allowance for impairment of trade receivables, loans and other financial assets.

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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 2024 and 31 March 2023:

(₹ in Crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Neither impaired nor past due	12,381	13,793
Past due but not impaired	-	
- Less than 1 month	1,242	1,116
- Between 1–3 months	464	235
- Between 3–12 months	3,337	327
- Greater than 12 months	5,151	4,581
Total	**22,575**	20,052

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)

Particulars	Trade receivables	Financial assets - Others	Financial assets - Loans
As at 01 April 2022	1,080	1,048	78
Allowance made during the year	356	0	0
Reversals/ write-off during the year	(40)	(225)	-
Exchange differences	0	49	9
As at 31 March 2023	**1,396**	**872**	**87**
Allowance made during the year	280	217	0
Reversals/ write-off during the year	(581)	(1)	-
Exchange differences	0	8	1
As at 31 March 2024	**1,095**	**1,096**	**88**

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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 2024 and 31 March 2023.

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 2024 and 31 March 2023. Fair value changes on such forward contracts are recognized in other comprehensive income.

The majority of cash flow hedges taken out by the Group during the year comprise non-derivative hedging instruments for hedging the foreign exchange rate of highly probable forecast transactions and commodity price contracts for hedging the commodity price risk of highly probable forecast transactions.

The cash flows related to above are expected to occur during the year ending 31 March 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.

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Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2024

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 2024		As at 31 March 2023	
	Assets	**Liabilities**	Assets	Liabilities
Current				
Cash flow hedge*				
- Commodity contracts	-	22	38	33
Fair Value hedge				
- Commodity contracts	96	48	85	71
- Forward foreign currency contracts	5	13	4	18
Non - qualifying hedges/economic hedge				
- Commodity contracts	58	3	52	-
- Forward foreign currency contracts	9	58	35	71
Sub-total (A)	**168**	**144**	214	193
Non-current				
Fair Value hedge				
- Forward foreign currency contracts	3	-	-	20
Sub-total (B)	**3**	**-**	-	20
Total (A+B)	**171**	**144**	214	213

* 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 2024			As at 31 March 2023		
	Non-current	**Current**	**Total**	Non-current	Current	Total
Provision for employee benefits [a] (Refer note 33)						
- Retirement benefit	**231**	**52**	**283**	218	63	281
- Others	**12**	**183**	**195**	14	174	188
Provision for restoration, rehabilitation and environmental costs [b]	**2,862**	**20**	**2,882**	3,194	30	3,224
Other provisions [b]	**-**	**86**	**86**	-	114	114
Total	**3,105**	**341**	**3,446**	3,426	381	3,807

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 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**
Additions	7	5
Amounts utilised	(14)	(33)
Unwinding of discount (Refer note 34)	135	-
Revision in estimates	(333)	-
Disposals	(151)	-
Exchange differences	14	-
As at 31 March 2024	**2,882**	**86**

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.

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These amounts are calculated by considering discount rates within the range of 1% to 15% and are payable upon mine closure These costs are expected to be spread out over a period of one to forty-seven years. The lower end of the discount rate is seen at ASI, Oil and Gas business, and Zinc International operations in Ireland, while the higher end is observed at ESL Steels and Zinc International operations in African countries.

d) **Other provisions**

Other provisions include provision for disputed cases and claims.

26 Other liabilities

(₹ in Crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Non-current	**Current**	**Total**	Non-current	Current	Total
Amount payable to owned post-employment benefit trust	**-**	**25**	**25**	-	32	32
Other statutory liabilities [a]	**-**	**2,846**	**2,846**	-	3,805	3,805
Deferred government grants [b]	**4,208**	**288**	**4,496**	4,309	282	4,591
Advance from customer [c]	**950**	**8,076**	**9,026**	-	8,931	8,931
Advance from related party	**-**	**3**	**3**	-	3	3
Other liabilities	**-**	**239**	**239**	-	185	185
Total	**5,158**	**11,477**	**16,635**	4,309	13,238	17,547

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 2022 was ₹ 4,531 Crore. During the current year, the Group has recognised revenue of ₹ 8,954 Crore (31 March 2023: ₹ 4,380 Crore) out of opening balances. All other changes are either due to receipt of fresh advances or exchange differences.

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27 Revenue from operations

(₹ in Crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products (Refer note 36(a))	**1,40,049**	1,43,535
Sale of services	**321**	326
Revenue from contingent rents	**1,423**	1,543
Total	**1,41,793**	1,45,404

a) Revenue from sale of products and from sale of services for the year ended 31 March 2024 includes revenue from contracts with customers of ₹ 1,42,513 Crore (31 March 2023: ₹ 1,45,984 Crore) and a net loss on mark-to-market of ₹ 2,143 Crore (31 March 2023: ₹ 2,123 Crore) on account of gains/ losses relating to sales that were provisionally priced as at 31 March 2023 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 2024.

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.

28 Other operating income

(₹ in Crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Export incentives	**379**	483
Scrap sales	**911**	781
Miscellaneous income	**644**	640
Total	**1,934**	1,904

29 Other income (₹ in Crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Net gain on investment measured at FVTPL	**128**	74
Interest income from investments measured at FVTPL	**303**	504
Interest income from investments measured at FVOCI	**369**	281
Interest income from financial assets at amortised cost		
- Bank deposits	**208**	379
- Loans (Refer note 42)	**452**	560
- Others	**301**	372
Interest on income tax refund	**53**	166
Dividend income from		
- financial assets at FVTPL	**40**	21
- financial assets at FVOCI	**1**	-
Deferred government grant income	**308**	273
Gain on loss of control on subsidiary (Refer note 4(D))	**178**	-
Miscellaneous income	**209**	221
Total	**2,550**	2,851

30 Changes in inventories of finished goods and work-in-progress*

(₹ in Crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening Stock:		
Finished Goods	**1,028**	829
Work in Progress	**5,081**	5,040
Total	**6,109**	5,869
Add: Foreign exchange translation	**(19)**	15
(Less): Capitalisation and other adjustments	**(237)**	(152)
(Less): Impairment of inventory	**(48)**	-
Less: Closing Stock		
Finished Goods	**963**	1,028
Work in Progress	**4,666**	5,081
Total	**5,629**	6,109
Changes in inventory	**176**	(377)

* Inventories include goods-in-transit

31 Employee benefits expense [a] (₹ in Crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries and wages	**3,172**	2,988
Share based payments	**70**	77
Contributions to provident and other funds	**265**	268
Staff welfare expenses	**348**	334
Less: Cost allocated/directly booked in joint ventures	**(555)**	(569)
Total	**3,300**	3,098

(a) net of capitalisation of ₹ 62 Crore (31 March 2023: ₹ 158 Crore).

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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 ESOS schemes are administered through VESOS trust and have underlying Vedanta Limited equity shares.

Options granted during the year ended 31 March 2024 and year ended 31 March 2023 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.

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The details of share options for the year ended 31 March 2024 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding 01 April 2023	Options granted during the year	Options forfeited/ lapsed during the year	Options exercised during the year	Options outstanding 31 March 2024	Options exercisable 31 March 2024
2018-19	01 November 2021 - 30 April 2022	41,450	-	-	1,094	40,356	40,356 *
2019-20	29 November 2022 - 28 May 2023	11,52,087	-	70,526	10,81,561	-	-
2020-21	06 November 2023 - 05 May 2024	83,25,751	-	41,53,161	26,54,818	15,17,772	15,17,772
2020-21	Cash settled	6,17,641	-	2,90,080	-	3,27,561	-
2021-22	01 November 2024 - 30 April 2025	95,21,390	-	12,96,014	-	82,25,376	-
2021-22	Cash settled	7,07,700	-	96,000	-	6,11,700	-
2022-23	01 November 2025 - 30 April 2026	1,35,26,444	-	18,59,760	-	1,16,66,684	-
2022-23	Cash settled	10,16,571	-	3,02,791	-	7,13,780	-
2023-24	04 November 2026 - 04 May 2027	-	1,81,38,912	9,61,371	-	1,71,77,541	-
2023-24	Cash Settled	-	35,07,647	1,61,810	-	33,45,837	-
		3,49,09,034	**2,16,46,559**	**91,91,513**	**37,37,473**	**4,36,26,607**	**15,58,128**

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

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Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2024

The details of share options for the year ended 31 March 2023 is presented below:

Financi alYear 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 Anril 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**

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.

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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.

The assumptions used in the calculations of the charge in respect of the ESOS options granted during the years ended 31 March 2024 and 31 March 2023 are set out below:

Particulars	**Year ended 31 March 2024**	Year ended 31 March 2023
	ESOS 2023	ESOS 2022
Number of Options	Cash settled - 35,07,647 equity settled - 18,138,912	Cash settled - 1,035,172 equity settled - 14,437,268
Exercise Price	₹ 1	₹ 1
Share Price at the date of grant	₹ 232.75	₹ 286.90
Contractual Life	3 years	3 years
Expected Volatility	41.16%	50.95%
Expected option life	3 years	3 years
Expected dividends	14.94%	7.11%
Risk free interest rate	7.18%	7.07%
Expected annual forfeitures	10% p.a	10% p.a
Fair value per option granted (Non-market performance based)	₹ 121.98	₹ 182.46

Weighted average share price at the date of exercise of stock options was ₹ 210.15 (31 March 2023: ₹ 303.80)

The weighted average remaining contractual life for the share options outstanding was 1.87 years (31 March 2023: 1.76 years).

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The Group recognized total expenses of ₹ 92 Crore (31 March 2023: ₹ 85 Crore) related to equity settled share-based payment transactions for the year ended 31 March 2024. The total expense recognised on account of cash settled share based plan during the year ended 31 March 2024 is ₹ 10 Crore (31 March 2023: ₹ 1 Crore) and the carrying value of cash settled share based compensation liability as at 31 March 2024 is ₹ 15 Crore (31 March 2023: ₹ 11 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 which was completed in the year 2022-23. There was no new grant during the year.

Details of employees stock option plans is presented below

CIESOP Plan	Year ended 31 March 2024		Year ended 31 March 2023	
	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
Granted during the year	-	-	Nil	NA
Expired during the year	-	-	Nil	NA
Exercised during the year	-	-	2,66,914	286.85
Forfeited / cancelled during the year	-	-	7,70,727	286.85
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

Weighted average share price at the date of exercise of stock options and exercise price for stock options during the year ended 31 March 2023 was ₹ 411.80 and ₹ 286.85 respectively.

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 2024 is ₹ (9) Crore (31 March 2023: ₹ (5) Crore) and the carrying value of cash settled share based compensation liability as at 31 March 2024 is ₹ 33 Crore (31 March 2023: ₹ 44 Crore).

Out of the total expense of ₹ 93 Crore (31 March 2023: ₹ 80 Crore) pertaining to equity settled and cash settled options for the year ended 31 March 2024 the Group has capitalised ₹ 3 Crore (31 March 2023: ₹ 3 Crore).

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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 ₹ 152 Crore and ₹ 146 Crore for the year ended 31 March 2024 and 31 March 2023 respectively to the following defined contribution plans.

(₹ in Crore)

Particulars	**Year ended 31 March 2024**	Year ended 31 March 2023
Employer's contribution to recognised provident fund and family pension fund	118	118
Employer's contribution to superannuation	25	21
Employer's contribution to National Pension Scheme	9	7
	152	146

Indian pension plans

Central recognised provident fund

In accordance with the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, employees are entitled to receive benefits under the Provident Fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for 2024 and 2023) 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.

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.

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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% (2023: 10.00%) of an employee's gross remuneration where the employee is covered by an industrial agreement and 13.00% (2023: 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.

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 15% for pension fund and 12.5% for provident fund.

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 2024 and 31 March 2023. 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 ₹ 62 Crore for the year ended 31 March 2024 and ₹ 78 Crore for the year ended 31 March 2023 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 2024**	Year ended 31 March 2023
Fair value of plan assets of trusts	2,696	2,626
Present value of defined benefit obligation	(2,652)	(2,618)
Net liability arising from defined benefit obligation	**NIL**	NIL

Percentage allocation of plan assets of the trust	**Year ended 31 March 2024**	Year ended 31 March 2023
Assets by category		
Government Securities	21.09%	45.15%
Debentures / bonds	69.67%	38.32%
Equity	8.70%	16.53%
Money Market Instruments	0.00%	0.00%
Fixed deposits	0.54%	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 is recognised in full for the benefit obligation. The obligation relating to post-retirement medical benefits as at 31 March 2024 was ₹ 92 Crore (31 March 2023: ₹ 101 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 2024 of ₹ 2 Crore (31 March 2023: ₹ 1 Crore) has been recognised in consolidated statement of profit and loss. The remeasurement (gains)/ losses and net interest on the obligation of post-retirement medical benefits of ₹ (13) Crore (31 March 2023: ₹ 1 Crore) and ₹ 9 Crore (31 March 2023: ₹ 9 Crore) for the year ended 31 March 2024 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:

Particulars	**Year ended 31 March 2024**	Year ended 31 March 2023
Discount rate	7.10%	7.39%
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 2024**	Year ended 31 March 2023
Fair value of plan assets	459	443
Present value of defined benefit obligations	(650)	(623)
Net liability arising from defined benefit obligation	(191)	(180)

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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 2024	Year ended 31 March 2023
Current service cost	49	43
Net interest cost	14	12
Components of defined benefit costs recognised in consolidated statement of profit and loss	**63**	55

Amounts recognised in other comprehensive income in respect of Other post-employment benefit plan are as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Re-measurement of the net defined benefit obligation:-		
Actuarial losses arising from changes in financial assumptions	9	1
Actuarial losses arising from experience adjustments	6	9
Actuarial losses/ (gains) arising from changes in demographic assumptions	4	(3)
Actuarial losses on plan assets (excluding amounts included in net interest cost)	2	3
Components of defined benefit costs recognised in Other comprehensive income	**21**	10

The movement of the present value of the Other post-employment benefit plan obligation is as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening balance	623	599
Current service cost	49	43
Benefits paid	(86)	(71)
Interest cost	45	42
Actuarial losses arising from changes in assumptions	19	10
Closing balance	**650**	623

The movement in the fair value of Other post-employment benefit plan assets is as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening balance	440	441
Contributions received	67	28
Benefits paid	(77)	(54)
Re-measurement loss arising from return on plan assets	(2)	(3)
Interest income	31	31
Closing balance	459	443

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

The actual return on plan assets was ₹ 29 Crore (31 March 2023: ₹ 28 Crore).

The weighted average duration of the defined benefit obligation is 12.45 years (31 March 2023: 11.58 years).

The Group expects to contribute ₹ 34 Crore to the funded defined benefit plans during the year ending 31 March 2025.

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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 2024	Year ended 31 March 2023
Discount rate		
Increase by 0.50%	(28)	(24)
Decrease by 0.50%	30	26
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	26	23
Decrease by 0.50%	(25)	(22)

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.

Maturity analysis of defined benefit obligation

Particulars	**Year ended 31 March 2024**	Year ended 31 March 2023
Less than 1 year	63	73
1-2 years	58	68
2-5 years	145	153
More than 5 years	384	329
	650	623

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.

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34 Finance cost

(₹ in Crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense on financial liabilities at amortised cost [b]	**9,235**	6,212
Other finance costs	**1,033**	380
Net interest on defined benefit arrangement	**23**	21
Unwinding of discount on provisions	**135**	96
Less: Capitalisation of finance cost/borrowing cost	**(960)**	(483)
Less: Cost allocated/directly booked in joint ventures	**(1)**	(1)
Total	**9,465**	6,225

a) Interest rate of 8.65% (31 March 2023: 6.75%) was used to determine the amount of general borrowing costs eligible for capitalization in respect of qualifying asset for the year ended 31 March 2024.

b) Interest expense on income taxes is ₹ 192 Crore (31 March 2023: ₹77 Crore).

c) Interest expense on lease liabilities for the year ended is ₹ 50 Crore (31 March 2023: ₹ 14 Crore)

35 Other expenses

(₹ in Crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Cess on crude oil	**3,688**	3,238
Royalty	**6,249**	5,860
Consumption of stores and spare parts	**3,631**	3,769
Share of expenses in producing oil and gas blocks	**3,486**	3,593
Repairs to plant and equipment	**3,636**	3,332
Repairs to building	**226**	277
Repairs others	**194**	213
Carriage	**2,285**	2,827
Mine expenses	**3,601**	3,163
Net loss on foreign currency transactions and translations	**263**	554
Other selling expenses	**3**	29
Insurance	**278**	292
Loss on sale/disposal of fixed asset (net)	**114**	9
Rent*	**55**	61
Rates and taxes	**222**	39
Exploration costs written off	**786**	327
Provision for doubtful advances/ expected credit loss/ bad debts written off [a]	**261**	426
Miscellaneous expenses [b,c]	**8,629**	7,097
Less: Cost allocated/directly booked in joint ventures	**(332)**	(418)
Total	**37,275**	34,688

*Rent represents expense on short term/ low value leases.

[a] Includes bad debts written off of ₹ 913 Crore against the provision for expected credit loss.

[b] Includes contributions to political parties of ₹ 98 Crore (31 March 2023: ₹ 155 Crore).

[c] Includes Management and Brand fees expense (net) of ₹ 2,865 Crore (31 March 2023: ₹ 2,082 Crore). Refer note 42.

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36 Exceptional items

(₹ in Crore)

Particulars	Year ended 31 March 2024			Year ended 31 March 2023		
	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						
- Reversal of previously recorded impairment [a]	**1,179**	**(413)**	**766**	-	-	-
- Copper (refer note 3(c)(A)(iii))	**(746)**	**188**	**(558)**	-	-	-
- Aluminium [b]	**(131)**	**33**	**(98)**	-	-	-
- Zinc International	**(117)**	**-**	**(117)**	-	-	-
- Iron Ore						
- Reversal of previously recorded impairment of assets in Liberia on commencement of mining operations [c]	**-**	**-**	**-**	644	-	644
- Others	**-**	**-**	**-**	109	(38)	71
- Unallocated						
- Foreign currency translation reserve recycled to profit or loss on redemption of optionally convertible redeemable preference shares [d]	**1,825**	**-**	**1,825**	-	-	-
Capital creditors written back in Power segment [e]	**793**	**(200)**	**593**	-	-	-
SAED on Oil and Gas sector [f]	**-**	**-**	**-**	(970)	312	(658)
Total	**2,803**	**(392)**	**2,411**	(217)	274	57

a) The Government of India ("GoI"), acting through the Directorate General of Hydrocarbons ("DGH"), had raised demand 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) and applicable interest thereon representing share of Vedanta Limited and its subsidiary.

The Group had disputed the aforesaid demand and invoked arbitration as per the provisions of the Production Sharing Contract. The Group had received the Final Partial Award dated 22 August 2023 from the Arbitration Tribunal ('the Tribunal') as amended by order dated 15 November 2023 and 08 December 2023 ("the Award"), dismissing the Government's contention of additional Profit Petroleum in relation to allocation of common development costs across Development Areas and certain other matters in accordance with terms of the Production Sharing Contract for Rajasthan Block, while disallowing some matters. Further, the Tribunal had decided that the Group was allowed to claim cost recovery of exploration cost for the purpose of computation of Profit Oil.

Pursuant to the Award, the Group has recognized a benefit of ₹ 4,761 Crore (US$ 578 million) in revenue from operations and reversed previously recognized impairment on PPE of ₹ 1,179 Crore (US$ 143 million) during the year ended 31 March 2024.

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Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2024

GoI has sought an additional award or interpretation/ clarification on certain matters decided by the Tribunal under the Indian Arbitration and Conciliation Act, 1996 ("the Act") ("GoI Application"). The Tribunal vide its order dated 15 November 2023 and 08 December 2023 has dismissed GoI's interpretation and additional award applications in favour of the Group. The Group has adjusted the liability during the current year of ₹ 1,940 Crore (US$ 233 million) against the aforesaid benefits recognized as per the Award.

GoI has filed interim relief application on 03 February 2024 stating that the Group has unilaterally enforced the award although the quantification of the same is pending.

The Group is of the view that it is bound to implement the award. Further, the application by GoI does not meet the strict criteria for grant of interim injunction. The matter was heard on 26 March 2024 and order of the Tribunal is awaited.

GoI also has filed an appeal on 07 March 2024 against the Award in Delhi High Court and the matter was heard on 14 March 2024. No stay was granted and petition was not admitted. Next date of hearing is 01 May 2024. The Group is of the view that there is no merit in the challenge filed by GoI, as the Court cannot re-appreciate the evidence in Section 34 appeal as the interpretation by the Tribunal is plausible.

b) Represents certain items of CWIP, which have been written off during the year ended 31 March 2024 as they are no longer expected to be used.

c) During the year ended 31 March 2023, WCL had 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 had 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 was 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 years had been reversed, to an extent of ₹ 644 Crore pertaining only to the assets of the Bomi Mine.

d) The Company recorded reversal of previously recognized impairment on investments in OCRPS of ₹ 860 Crore and ₹ 3,187 Crore in THL Zinc Holding BV ("THLZBV") and THL Zinc Ventures Limited ("THLZVL"), wholly owned subsidiaries of the Company during the year ended 31 March 2024 and 31 March 2023, respectively in the statement of profit and loss. Further, the above investment in OCRPS of THLBV and THLZVL was redeemed during the current year, pursuant to which ₹ 1,825 Crore being the proportionate share of FCTR in the subsidiaries has been recycled to the consolidated statement of profit and Loss.

e) During the year, the Group has terminated its contract with one of its capital contractor due to its continuing failure in fulfilling contractual obligations impacting plant performance since inception and written back creditors amounting to ₹ 1,252 Crore pertaining to the contract, as amount is no longer payable. The management has assessed that the amount written back comprises ₹ 793 Crore toward loss of profit due to plant performance in the current and earlier years and therefore recognised the same as exceptional gain in the statement of profit and loss and adjusted the balance amount towards the cost of spares and ancillaries capitalised in PPE in earlier years.

f) 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 was effective from 01 July 2022. The consequential net impact of the said duty had on the results was presented as an exceptional item for the year ended 31 March 2023. SAED is continuing as levy like other duty of excise, that forms part of ordinary business of production of crude oil and hence, consequential impact of the said duty has been presented as an ordinary item during the year ended 31 March 2024.

37 Tax

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

(₹ in Crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023*
Current tax:		
Current tax on profit for the year	5,877	7,739
Expense/(Benefit) in respect of current tax for earlier years	29	(115)
Benefit in respect of exceptional items (Refer note 36)	(33)	(1,543)
Effect of change in Tax Regime**	(1,786)	-
Total Current Tax (a)	**4,087**	6,081
Deferred tax:		
Reversal/ (Benefit) of temporary differences	436	(1,503)
Benefit in respect of deferred tax for earlier years	(36)	(77)
Reversal in respect of exceptional items (Refer note 36)	425	1,269
Effect of change in Tax Regime**	7,914	-
Deferred Tax (b)	**8,739**	(311)
Total income tax expense for the year (a+b)	**12,826**	5,770
Profit before tax	20,363	20,276
Effective income tax rate (%)	**63%**	28%

Tax expense/ (benefit)

(₹ in Crore)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023*
Tax effect on exceptional items	392	(274)
Effect of change in Tax Regime**	6,128	-
Tax expense- others	6,306	6,044
Net tax expense	**12,826**	5,770

(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 2024	Year ended 31 March 2023*
Profit before tax	**20,363**	20,276
Indian statutory income tax rate	25.17%	34.94%
Tax at statutory income tax rate	**5,125**	7,085
Non-taxable income	84	(94)
Tax holidays and similar exemptions	0	(534)
Effect of tax rate differences of subsidiaries operating at other tax rates	936	97
Unrecognised tax assets (net) [a]	445	63
Change in deferred tax balances due to change in tax law	11	(288)
Capital gains/ Other income subject to lower tax rate	(24)	(522)
Credit in respect of earlier years	(7)	(192)
Impact of change in tax regime**	6,128	-
Other permanent differences	128	155
Total	**12,826**	5,770

[a] Includes Deferred Tax Assets written-off in ESL Steel Limited. Refer note 3(c)(A)(ii).

** Pursuant to the introduction of Section 115BAA of the Income-tax Act, 1961 ("New Tax Regime"), the Company has an option to pay corporate income tax at a lower rate of 22% plus applicable surcharge and cess as against the currently applicable rate of 30% plus surcharge and cess. Under the New Tax Regime, provisions of Section 115 JB-Minimum Alternate Tax (MAT) are no longer applicable.

In the quarter ended 30 September 2023, the Company has elected to adopt New Tax Regime from FY 2022-23 onwards due to expected corporate actions and other considerations and the first tax return under the New Tax Regime was filed for FY 2022-23 on 30 November 2023. Upon adoption of New Tax Regime for FY 2022-23, the current tax charge is lower by ₹ 1,786 Crore (mainly on account of section 80M benefit not available under MAT) and deferred tax charge is higher by ₹ 151 Crore. Further, the MAT credit balance of ₹ 7,763 Crore, for periods up to 31 March 2023, has been expensed. Consequently, the net impact of the above amounting to ₹ 6,128 Crore is accounted for as exceptional tax expense in the current year ended 31 March 2024.

Accordingly, current year tax expense is not comparable with the reported tax expense for the year ended 31 March 2023.

(c) Deferred tax assets/liabilities

The Group has accrued significant amounts of deferred tax. The majority of the deferred tax liability represents accelerated tax relief for the depreciation of property, plant and equipment, depreciation of mining reserves and the fair value uplifts created on acquisitions net of deferred tax assets representing unabsorbed depreciation and carried forward losses.

Significant components of deferred tax (assets) and liabilities recognized in the Consolidated Balance Sheet are as follows :

For the year ended 31 March 2024

(₹ in Crore)

Significant components of Deferred tax (assets) and liabilities	Opening balance as at 01 April 2023*	Charged / (credited) to statement of profit or loss	Charged/ (credited) to other comprehensive income #	Charged / (credited) to equity	Exchange difference and other adjustments	Closing balance as at 31 March 2024
Property, Plant and Equipment	12,415	(311)	-	-	9	12,113
Voluntary retirement scheme	(25)	7	-	-	-	(18)
Employee benefits	(356)	(8)	(7)	-	1	(370)
Fair valuation of derivative asset/liability	(75)	26	(15)	-	-	(64)
Fair valuation of other asset/liability	760	266	-	-	(102)	924
MAT credit entitlement	(7,960)	7,957	-	-	3	-
Unabsorbed depreciation and business losses	(4,888)	533	-	-	3	(4,352)
Other temporary differences	(1,023)	269	(14)	-	(2)	(770)
Total	**(1,152)**	**8,739**	**(36)**	**-**	**(88)**	**7,463**

Out of total tax benefit on items of OCI in Statement of Profit and Loss, deferred tax benefit is shown in above table. Balance tax benefit is of current tax nature on foreign currency translation difference.

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 and other adjustments	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)	(1,164)	(50)	-	-	(7,960)
Unabsorbed depreciation and tax losses	(4,490)	(398)	-	-	-	(4,888)
Other temporary differences	(1,035)	106	(32)	-	(62)	(1,023)
Total	**(650)**	**(311)**	**(99)**	**7**	**(99)**	**(1,152)**

*Restated, refer note 4(A)

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:

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(₹ in Crore)

	Year ended 31 March 2024	Year ended 31 March 2023*
Deferred tax assets	(2,689)	(7,074)
Deferred tax liabilities	10,152	5,922
Net Deferred tax assets	**7,463**	(1,152)

*Restated, refer note 4(A)

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 ₹ 9,106 Crore and ₹ 7,335 Crore as at 31 March 2024 and 31 March 2023 respectively.

As at 31 March 2024 (₹ 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	318	3,472	2,810	-	**6,600**
Unabsorbed depreciation	-	-	-	2,506	**2,506**
Unutilised R&D credit	-	-	-	-	**-**
Total	**318**	**3,472**	**2,810**	**2,506**	**9,106**

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**

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 ₹ 24,222 Crore and ₹ 24,130 Crore as at 31 March 2024 and 31 March 2023 respectively.

(d) Non- current tax assets

Non- current tax assets of ₹ 3,796 Crore (31 March 2023: ₹ 2,077 Crore) mainly represents income tax receivable from Indian tax authorities by Vedanta Limited relating to the refund arising due to change in Tax Regime and 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 80IC of the Income-tax Act, 1961. For AY 2009-10 to 2012-13, 2017-18 & 2018-19, Hon'ble Income Tax Appellate Tribunal (ITAT) has allowed these claims. For AY 2013-14 to 2016-17, the cases are pending before Hon'ble ITAT. Against the Tribunal order, the department had filed an appeal in Hon'ble Rajasthan High Court in FY 2017-18 (for AY 2009-10 to AY 2012-13) and in FY 2023-24 (for AY 2017-18 and AY 2018-19) which are 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 favor of the Group. The amount involved in this dispute as of 31 March 2024 is ₹ 12,447 Crore (31 March 2023: ₹ 12,447 Crore) plus applicable interest upto the date of settlement of the dispute.

Vedanta Limited

Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2024

38 Earnings per equity share (EPS)

(₹ in Crore, except otherwise stated)

Particulars		Year ended 31 March 2024	Year ended 31 March 2023
Profit after tax attributable to equity share holders for Basic and Diluted EPS	A	**4,239**	10,574
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	**371.79**	370.97
Effect of dilution :			
Potential ordinary shares relating to share option awards		**2.86**	2.41
Adjusted weighted average number of shares of the Company in issue	C	**374.64**	373.39
Basic earnings per equity share (₹)	A / B	**11.42**	28.50
Diluted earnings per equity share (₹)	A / C	**11.33**	28.32
Nominal Value per Share (in ₹)		**1.00**	1.00

39 Distributions made and proposed

(₹ in Crore, except otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Amounts recognised as distributions to equity share holders:		
Interim dividends: ₹ 29.50/- per share (31 March 2023: ₹ 101.50/- per share)	10,959	37,658
Refund of dividend distribution tax	-	(86)
	10,959	37,572

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.

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

(₹ in Crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Oil & Gas sector		
Cairn India	**1,079**	1,412
Aluminium sector		
Lanjigarh Refinery (Phase II)	**1,557**	2,439
Jharsuguda 1.25 MTPA smelter	**545**	1,266
BALCO smelter expansion 0.57 MTPA to 1 MTPA	**5,186**	6,700
Zinc sector		
Zinc India (mines expansion and smelter)	**2,010**	1,750
Gamsberg mining and milling project (Phase II)	**1,635**	1,950
Copper sector		
Tuticorin Smelter 400 KTPA*	**-**	3,066
Others	**6,652**	5,793
Total	**18,664**	24,376

* On 29 February 2024, Hon'ble Supreme Court dismissed the Special Leave Petition filed by the Company, pursuant to which the Company has decided to terminate the contracts which were under suspension. Refer Note 3(c)(A)(iii)

b) Committed work programme (Other than capital commitment):

(₹ in Crore)

Particulars	As at 31 March 2024	As at 31 March 2023
Oil & Gas sector		
Cairn India (OALP - New Oil and Gas blocks)	**5,073**	5,184

c) 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. Against the final order passed by the OERC, the Company has preferred an appeal before Appellate Tribunal for Electricity on 03 May 2023.

(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 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, Serentica Renewables India 8 Private Limited and Serentica Renewables India 9 Private Limited), which are associates of Vedanta Incorporated, 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 1,826 MW (31 March 2023: 1,626 MW). During the current year, the Group has invested ₹ 480 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 twenty six percent stake in its equity. As at 31 March 2024, total outstanding commitments related to PDA with Serentica Group Companies are ₹ 1,227 Crore (31 March 2023: ₹ 1,598 Crore).

B) Guarantees

The aggregate amount of indemnities and other guarantees on which the Group does not expect any material losses, was ₹ 9,348 Crore (31 March 2023: ₹ 8,470 Crore).

a) Guarantees and bonds advanced to the customs authorities in India of ₹ 1,717 Crore relating to the export and payment of import duties on purchases of raw material and capital goods (31 March 2023: ₹ 1,339 Crore).

b) Guarantees issued for Group's share of minimum work programme commitments of ₹ 3,071 Crore (31 March 2023: ₹ 2,742 Crore).

c) Guarantees of ₹ 158 Crore issued under bid bond (31 March 2023: ₹ 80 Crore).

d) Bank guarantees of ₹ 115 Crore (31 March 2023: ₹ 115 Crore) has been provided by the Group on behalf of Vedanta Incorporated to Income tax department, India as a collateral in respect of certain tax disputes. Other guarantees worth ₹ 4,287 Crore (31 March 2023: ₹ 4,194 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 ₹ 2,689 Crore (31 March 2023: ₹ 1,381 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 ₹ 581 Crore (31 March 2023: ₹ 322 Crore) reduced in proportion to actual exports, plus applicable interest.

The Group has given bonds of ₹ 1,030 Crore (31 March 2023: ₹ 809 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 2023: ₹ 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 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 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 ₹ 533 Crore (US$ 64 million) plus interest. (31 March 2023: ₹ 526 Crore (US$ 64 million) plus interest).

c) Proceedings related to the imposition of entry tax

Vedanta Limited and other Group company, i.e., BALCO 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.

The total claims against Vedanta Limited and its subsidiaries (net of provisions made) are ₹ 800 Crore (31 March 2023: ₹ 823 Crore) including interest and penalty till the date of order. Further interest and penalty if any, would be additional.

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 ₹ 1,179 Crore (31 March 2023: ₹ 1,091 Crore). As at 31 March 2024, an amount of ₹ 1,214 Crore relating to principal has been considered as a contingent liability (31 March 2023: ₹ 1,126 Crore).

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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 ₹ 460 Crore (31 March 2023: ₹ 639 Crore), net of ₹ 942 Crore (31 March 2023: ₹ 570 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 2024, no confirmation has been received on this matter and therefore an amount of ₹ 1,051 Crore (31 March 2023: ₹ 916 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 dispatch 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 dispatch 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 dispatch 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 Revisionary 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 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(31 March 2023: ₹ 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 ₹ 1,354 Crore (31 March 2023: ₹ 1,455 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 ₹ 4,683 Crore (31 March 2023: ₹ 4,907 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.

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VEDANTA LIMITED

41 Other Matters

a) The Group purchases bauxite under long term linkage arrangement ("LTL") 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 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 High Court issued an order that the current arrangement of bauxite price @ ₹ 1,000/MT will 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.

An interim application was filed on 11 May 2023 in Odisha High Court seeking directions for OMC to continue the supplies for FY 2023-24 and extend the LTL agreement. Hon'ble High Court vide order dated 15 May 2023, passed an order that unless the fresh agreement is not executed interim arrangement cannot be granted. Accordingly, as per the direction of High court, LTL was executed with OMC on 16 May 2023 for supply of 2.4 MnT bauxite annually at ₹ 1,000 MT. On 26 September 2023, OMC conducted the 10^{th} National E-auction tender for sale of 300 KT bauxite at floor price of ₹ 2,429/MT after considering the pricing as per Rule 45. The said auction failed since no participation was observed in the bidding.

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 and the recovery of ₹ 311 Crore vide its order dated 15 June 2022 and 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 High Court of Madras and the 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 High Court of Bombay and Madras have been challenged by Commissioner of Income Tax, Goa and Ministry of Corporate Affairs through a SLP before the honourable Supreme Court and also by a creditor and a shareholder of the Group. The said petitions are currently pending for hearing.

S.R. Batliboi & Co. LLP MUMBAI Chartered Accountants

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 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 listed 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 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 GoI's policy of divestment, the Group in March 2001 acquired 51% equity interest in BALCO from the GoI. 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 GoI 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 GoI 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 High Court at Delhi and sought for setting aside the arbitration award to the extent that it holds these clauses ineffective and inoperative. The GoI 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 GoI 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 GoI'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 GoI 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 GoI, 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.

42 Related party Disclosures

List of related parties and relationships

A) Entities controlling the Company (Holding Companies)

Vedanta Incorporated (formerly known as Volcan Investments Limited) *

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

Sterlite Convergence Limited

STL Digital Limited

Sterlite Grid 16 Limited

Twin Star Technologies Limited

Vedanta Resources Investments Limited

C) Associate of ultimate controlling party (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 5 Private Limited**

Serentica Renewables India 6 Private Limited**

Serentica Renewables India 7 Private Limited**

Serentica Renewables India 8 Private Limited**

Serentica Renewables India 9 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 Metals LLC

Janhit Electoral Trust

Minova Runaya Private Limited

Radha Madhav Investments Private Limited

Runaya Refining LLP

Runaya Green Tech Limited

Runaya Private Limited

Sesa Community Development Foundation

Vedanta Foundation

Vedanta Limited ESOS Trust

Vedanta Medical Research Foundation

Voorspoed Trust

* The name of ultimate holding Company "Volcan Investments Limited" has been changed to 'Vedanta Incorporated' effective 13 October 2023.

\# These entities are subsidiary companies of VRL and VRL through its certain subsidiaries holds 61.95% in the Company.

** During the year ended 31 March 2023, due to change in shareholding of the intermediate holding company of Serentica group companies, the relationship of Vedanta group with these companies was changed from fellow subsidiaries to associates of Vedanta Inc.

Ultimate Controlling party

Vedanta Limited is a majority-owned and controlled subsidiary of Vedanta Resources Limited ('VRL'). Vedanta Incorporated ("Vedanta Inc") and its wholly owned subsidiary together hold 100 % of the share capital and 100 % of the voting rights of VRL. Vedanta Inc is 100 % beneficially owned and controlled by the Anil Agarwal Discretionary Trust ('Trust'). Vedanta Inc, Volcan Investments Cyprus Limited and other intermediate holding companies except VRL do not produce Group financial statements.

Vedanta Limited

Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2024

G) A summary of significant related party transactions for the year ended 31 March 2024 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	1,710	-	104	1,814
(ii)	Other income				
a)	Interest and guarantee commission	562	-	2	564
b)	Outsourcing service fees	5	-	-	5
c)	Dividend income	1	-	-	1
d)	Miscellaneous income	-	-	1	1
	Expenditure and other transactions:				
(i)	Purchase of goods/ services [M]	124	3	391	518
(ii)	Management and brand fees (net*) [J]	2,865	-	-	2,865
(iii)	Reimbursement for other expenses (net of recovery)	2	-	(4)	(2)
(iv)	Corporate social responsibility expenditure/ Donation	-	-	147	147
(v)	Contribution to post retirement employee benefit trust/fund	-	-	100	100
(vi)	Remuneration to relatives of key management personnel	-	-	28	28
(vii)	Purchase/(sale) of fixed assets	0	-	(43)	(43)
(viii)	Commission/sitting fees				
	-To Non executive directors	-	-	6	6
	-To key management personnel	-	-	0	0
	-To relatives of key management personnel	-	-	1	1
(ix)	Dividend paid				
	-To holding companies	7,289	-	-	7,289
	-To key management personnel and their relatives	-	-	1	1
	-To Non executive directors and their relatives	-	-	0	0
(x)	Interest and guarantee commission expense [N]	144	-	-	144

Vedanta Limited

Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2024

(₹ in Crore)

	Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates /Joint ventures	Others	Total
	Other Transactions during the year:				
(i)	Loans given during the year	0	-	-	0
(ii)	Loans repaid during the year [I]	(267)	-	-	(267)
(iii)	Investment purchased during the year (refer note 40)	-	-	480	480
(iv)	Loan taken during the year	7	-	-	7
	Balances as at period end:				
(i)	Trade receivables	14	10	30	54
(ii)	Loan given [L,K]	3,361	5	-	3,366
(iii)	Loan taken	7	-	-	7
(iv)	Other receivables and advances (including brand fee prepaid#) [J,N]	262	9	59	330
(v)	Trade payables	16	-	45	61
(vi)	Other payables	102	-	57	159
(vii)	Bank guarantee given [I]	115	-	-	115
(viii)	Sitting fee, remuneration, commission and consultancy fees payable to KMP and their relatives	-	-	1	1

Remuneration of key management personnel

(₹ in Crore)

Particulars	For the year ended 31 March 2024
Short-term employee benefits	43
Post employment benefits **	1
Share based payments	2
	46

* Net of discount earned on brand fees of ₹ 146 Crore during the current year ended 31 March 2024.

\# Net of refund received of ₹ 1,030 Crore against prepaid brand fee during the current year ended 31 March 2024.

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

Vedanta Limited

Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2024

H) 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 [M]	13	4	283	300
(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	-	-	2	2
	-To relatives of key management personnel	-	-	0	0
(x)	Interest and guarantee commission expense [N]	177	-	-	177

Vedanta Limited

Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2024

(₹ in Crore)

	Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates /Joint ventures	Others	Total
	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/ (redeemed) during the year	-	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

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.

I) Bank guarantee given by Vedanta Limited on behalf of Vedanta Inc in favour of Income Tax department, India as collateral in respect of certain tax disputes of Vedanta Inc.

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%-3% of turnover of the Company and certain subsidiaries. The Group has recorded an expense of ₹ 2,326 Crore (net of discount) (31 March 2023: 1,718 Crore) for the year ended 31 March 2024. The Group generally pays such fee in advance, at the beginning of the year based on estimated annual turnover.

Furthermore, during the year ended 31 March 2023, 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 agreed a net sub-licensing fee of 1.70% of HZL's annual consolidated turnover with VRL, resulting in an expense of ₹ 477 Crore (31 March 2023: ₹ 270 Crore) for the year ended 31 March 2024.

During the current year ended 31 March 2024, VRL has assigned the Agreement to its wholly owned subsidiary Vedanta Resources Investments Limited ("VRIL"), whereby the Group will fulfil its future obligations under the Agreement via VRIL.

K) During the current year ended 31 March 2024, 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 2024 is ₹ 5 Crore (31 March 2023: ₹ 5 Crore). The loan is unsecured in nature and carries an interest rate of 12.80% 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 as at 31 March 2024 is ₹ 83 Crore (US $10 million) (31 March 2023: ₹ 82 Crore (US $10 million)).

These loans including accrued interest thereon have been fully provided for in the books of accounts.

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 current year ended 31 March 2024, based on the request from the Borrower, the loan has been extended to 31 December 2024 at the prevailing arms-length interest rate with interest payable half-yearly. As the change in the net present value of the loan is within the 10% threshold prescribed by Ind AS 109 Financial Instruments and the other terms of the loan largely remain unchanged, the modification has been considered to be not substantial in nature. Consequently, the net impact due to the modification and expected credit loss, aggregating to approx. ₹ 38 Crore (approx. US$ 5 million) has been recognized as finance cost in the consolidated statement of profit and loss. Further, the borrower has prepaid the loan principal amounting to ₹ 267 Crore in the current year.

As of 31 March 2024, loans having contractual value of ₹ 3,473 Crore (US$ 417 million) (31 March 2023: 3,689 Crore (US$ 449 million)) were outstanding from the VRL group at an interest rate of 17%.

M) During the year ended 31 March 2023, the Group executed an agency contract with VRL. Pursuant to which, the Group procured calcined alumina amounting to ₹ 1,054 Crore (31 March 2023: ₹ 735 Crore) on which an agency commission of ₹ 5 Crore (31 March 2023: ₹ 4 Crore) is 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, out of which 5 blocks were relinquished during the previous year

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 ₹ 144 Crore ($ 17 million) (31 March 2023: ₹ 177 Crore ($ 23 million)) for the year ended 31 March 2024 and ₹ 57 Crore ($ 7 million) (31 March 2023: ₹ 75 Crore ($ 9 million)) is outstanding as a pre-payment as at 31 March 2024.

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. Further, the additional regulatory information required by clause xiv of part Y of Schedule III to the Act, for a subsidiary, is as follows: Sesa Resources Limited ("SRL"), a wholly owned subsidiary of the Group, has borrowed ₹ 1,600 Crore in March 2024 from a third party lender and has lent the funds to Vedanta Limited (ultimate beneficiary), who has fully used these funds for its operations in the ordinary course of business. SRL has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Act for the above transaction and the transaction is not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

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 2024	As at 31 March 2023
1	Copper Mines of Tasmania Pty Limited ("CMT")	Copper Mining	Australia	Monte Cello BV	-	100.00
2	Thalanga Copper Mines Pty Limited ("TCM")	Copper Mining	Australia	Monte Cello BV	100.00	100.00
3	Bharat Aluminium Company Limited ("BALCO")	Aluminium mining and smelting	India	Vedanta Limited	51.00	51.00
4	Desai Cement Company Private Limited	Cement	India	Sesa Mining Corporation Limited	100.00	100.00
5	ESL Steel Limited	Manufacturing of Steel & DI Pipe	India	Vedanta Limited	95.49	95.49
6	Ferro Alloy Corporation Limited ("FACOR")	Manufacturing of Ferro Alloys and Mining and generation of power	India	Vedanta Limited	99.99	99.99
7	Goa Sea Port Private Limited	Infrastructure	India	Sterlite Ports Limited	-	100.00
8	Hindustan Zinc Alloys Private Limited	Manufacturing of metals and its alloys	India	Hindustan Zinc Limited	100.00	100.00
9	Hindustan Zinc Fertilizers Private Limited	Manufacturing of phosphatic fertilisers	India	Hindustan Zinc Limited	100.00	100.00
10	Hindmetal Exploration Services Private Limited	Exploration of metals	India	Hindustan Zinc Limited	100.00	-
11	Hindustan Zinc Limited ("HZL")	Exploring, extracting, processing of minerals and manufacturing of metals	India	Vedanta Limited	64.92	64.92
12	MALCO Energy Limited ("MEL")	Power Generation	India	Vedanta Limited	100.00	100.00
13	Maritime Ventures Private Limited	Infrastructure	India	Sterlite Ports Limited	-	100.00
14	Meenakshi Energy Limited	Power Generation	India	Vedanta Limited	100.00	-
15	Paradip Multi Cargo Berth Private Limited	Infrastructure	India	Sesa Resources Limited	-	100.00
16	Sesa Iron and Steel Limited	Manufacturing of Steel	India	Vedanta Limited	100.00	-
17	Sesa Mining Corporation Limited	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	Infrastructure	India	Sesa Resources Limited	-	100.00
20	Talwandi Sabo Power Limited ("TSPL")	Power Generation	India	Vedanta Limited	100.00	100.00
21	Vedanta Aluminium Metal Limited	Aluminium Business	India	Vedanta Limited	100.00	-
22	Vedanta Base Metals Limited	Metal business	India	Vedanta Limited	100.00	-
23	Vedanta Displays Limited	LCD Panel	India	Vedanta Limited	100.00	-
24	Vedanta Iron and Steel Limited	Iron and Steel Business	India	Vedanta Limited	100.00	-
25	Vedanta Semiconductors Private Limited	Electronics	India	Vedanta Limited	100.00	-
26	Zinc India Foundation	CSR Activities	India	Hindustan Zinc Limited	100.00	100.00
27	Vedanta Zinc Football & Sports Foundation	Sports Foundation	India	Hindustan Zinc Limited	100.00	100.00
28	Vizag General Cargo Berth Private Limited	Infrastructure	India	Vedanta Limited	100.00	100.00
29	AvanStrate Inc. ("ASI")	Manufacturing of LCD Glass Substrate	Japan	Cairn India Holdings Limited	51.63	51.63
30	Cairn India Holdings Limited	Investment company	Jersey	Vedanta Limited	100.00	100.00

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 2024	As at 31 March 2023
31	AvanStrate Korea Inc	Manufacturing of LCD Glass Substrate	Korea	ASI	100.00	100.00
32	Western Cluster Limited	Iron ore mining	Liberia	Bloom Fountain Limited	100.00	100.00
33	Bloom Fountain Limited	Operating (Iron ore) and Investment Company	Mauritius	Vedanta Limited	100.00	100.00
34	THL Zinc Ltd	Investment Company	Mauritius	THL Zinc Ventures Limited	100.00	100.00
35	THL Zinc Ventures Ltd	Investment Company	Mauritius	Vedanta Limited	100.00	100.00
36	Amica Guesthouse (Proprietary) Limited	Accommodation and catering services	Namibia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
37	Namzinc (Proprietary) Limited	Owns and operates a zinc refinery	Namibia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
38	Skorpion Mining Company (Proprietary) Limited ('NZ')	Exploration, development, treatment, production and sale of zinc ore	Namibia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
39	Skorpion Zinc (Proprietary) Limited ("SZPL")	Operating (zinc) and investing company	Namibia	THL Zinc Namibia Holdings (Proprietary) Ltd	100.00	100.00
40	THL Zinc Namibia Holdings (Proprietary) Limited ("VNHL")	Mining and Exploration and Investment company	Namibia	THL Zinc Ltd	100.00	100.00
41	Killoran Lisheen Mining Limited	Development of a zinc/lead mine	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
42	Lisheen Milling Limited	Manufacturing	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
43	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
44	Vedanta Lisheen Mining Limited	Zinc and lead mining	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
45	Cairn Energy Hydrocarbons Limited	Oil and gas exploration, development and production	Scotland	Cairn India Holdings Limited	100.00	100.00
46	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
47	Vedanta Copper International VCI Company Limited	Manufacturing of copper rod	Saudi Arabia	Malco Energy Limited	100.00	
48	Cairn Lanka Private Limited	Oil and gas exploration, development and production	Sri Lanka	Cairn Energy Hydrocarbons Limited		100.00
49	AvanStrate Taiwan Inc	Manufacturing of LCD Glass Substrate	Taiwan	ASI	100.00	100.00
50	Monte Cello BV ("MCBV")	Holding company	The Netherlands	Vedanta Limited	100.00	100.00
51	THL Zinc Holding BV	Investment company	The Netherlands	Vedanta Limited	100.00	100.00
52	Vedanta Lisheen Holdings Limited	Investment company	The Netherlands	THL Zinc Holding BV	100.00	100.00
53	Fujairah Gold FZC	Manufacturing of Copper Rod and Refining of Precious Metals (Gold & Silver)	United Arab Emirates	Malco Energy Limited	100.00	100.00

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

(a) Copper Mines of Tasmania (CMT), wholly owned subsidiary of Vedanta Limited through intermediate holding company Monte Cello B.V. (MCBV) was sold on 17 November 2023 (Refer note 4(D)).

(b) The Mumbai NCLT and Chennai NCLT had passed orders dated 06 June 2022 and 22 March 2023 respectively to sanction 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'). MCA statutory filing has completed on 18 January 2024 which is the effective date of merger (Appointed date 01 October 2020).

(c) Hindmetal Exploration Services Private Limited incorporated on 26 February 2024 as a 100% subsidiary of Hindustan Zinc Limited, in which no transactions have taken place during the year

(d) Meenakshi Energy Limited has been acquired on 27 December 2023 under the liquidation proceedings of the Insolvency and Bankruptcy Code, 2016 as a 100% subsidiary of Vedanta Limited (Refer note 4(B))

(e) Sesa Iron and Steel Limited incorporated on 06 September 2023 as a 100% subsidiary of Vedanta Limited.

(f) Vedanta Aluminium Metal Limited incorporated on 06 October 2023 as a 100% subsidiary of Vedanta Limited

(g) Vedanta Base Metals Limited incorporated on 09 October 2023 as a 100% subsidiary of Vedanta Limited.

(h) Vedanta Displays Limited and Vedanta Semiconductors Private Limited has been acquired on 27 July 2023 from Twin star Technologies Ltd via share purchase agreement.

(i) Vedanta Iron and Steel Limited incorporated on 10 October 2023 as a 100% subsidiary of Vedanta Limited.

(j) Activity of the company ceased in February 2016

(k) Principal place of business in India

(l) Vedanta Copper International VCI Company Limited incorporated on 14 November 2023 as a 100% subsidiary of Malco Energy Limited, in which no transactions have taken place during the year

(m) Cairn Lanka Private Limited is under process of liquidation

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		(%) Participating Interest	
Operating Blocks	**Area**	**As at 31 March 2024**	As at 31 March 2023
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 2024 and 31 March 2023 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 2024	As at 31 March 2023
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

MUMBAI

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		Gross proved and probable reserves and resources		Net working interest proved and probable reserves and resources	
		(mmboe)		(mmboe)		(mmboe)	
		As at 31 March 2024	As at 31 March 2023	**As at 31 March 2024**	As at 31 March 2023	**As at 31 March 2024**	As at 31 March 2023
Rajasthan Block	India	5,210	4,806	1,107	933	775	653
Ravva PKGM-1	India	704	704	14	18	3	4
CB-OS/2 Fields	India	298	298	31	22	12	9
KG-ONN-2003/1	India	260	260	31	32	15	16
KG-OSN-2009/3	India	-	32	-	4	-	4
DSF	India	218	30	112	86	112	86
OALP	India	361	531	81	60	81	60
Total		**7,051**	6,661	**1,376**	1,155	**998**	832

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 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
Revisions/ Additions during the year	(3)	(2)	5	28
Production during the year	(24)	(34)	(24)	(34)
Reserves as of 31 March 2024***	140	116	102	99

* 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)

*** Includes probable oil reserves of 45.89 mmstb (of which 25.92 mmstb is developed) and probable gas reserves of 29.15 bscf (of which 27.34 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

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

VEDANTA LIMITED

45 Subsequent events

Subsequent to the year end, the Regional Controller of Mines, Bengaluru issued an order ("the Order") for temporary suspension of mining operations for iron ore mines at Chitradurga, Karnataka, citing non-compliances with the approved mining plan. The Group believes that there is no material impact expected from this Order, since the Group has sufficient mining and evacuation capacity. The Group is confident of demonstrating compliance with the approved mining plan and obtaining revocation of the said Order, as envisaged in the Order.

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

46 The Holding Company, subsidiaries, associates and joint ventures which are companies incorporated in India and whose financial statements have been audited under the Act have complied with the requirements of audit trail except for the following:
In 12 subsidiaries, Nil associates and Nil joint ventures, audit trail feature is not enabled in the SAP application for direct changes to data in certain database tables which is restricted to certain IDs with system administrator user access in order to optimise system performance. However, these system administrator rights have been disabled subsequent to the year end. Further, no instance of audit trail feature being tampered with was noted in respect of software.

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Vedanta Limited

Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2024

47 Financial information pursuant to Schedule III of the Companies Act, 2013

S. No	Name of the entity	Net Assets (Total assets less total liabilities) As at 31 March 2024		Share in profit and loss Year ended 31 March 2024		Share in other comprehensive income (OCI) Year ended 31 March 2024		Share in total comprehensive income (TCI) Year ended 31 March 2024	
		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	213.32%	65,536	156.24%	6,623	(0.59%)	11	281.10%	6,634
	Indian Subsidiaries								
1	Hindustan Zinc Limited	49.58%	15,233	183.70%	7,787	0.16%	(3)	329.83%	7,784
2	Bharat Aluminium Company Limited	29.69%	9,121	32.67%	1,385	0.64%	(12)	58.18%	1,373
3	MALCO Energy Limited	(0.31%)	(94)	(2.76%)	(117)	(0.21%)	4	(4.79%)	(113)
4	Talwandi Sabo Power Limited	11.79%	3,623	14.20%	602	0.00%	-	25.51%	602
5	Sesa Resources Limited	1.48%	454	0.61%	26	0.05%	(1)	1.06%	25
6	Sesa Mining Corporation Limited [1]	0.37%	114	2.34%	99	0.05%	(1)	4.15%	98
7	Sterlite Ports Limited [1]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
8	Vizag General Cargo Berth Private Limited	(0.03%)	(10)	(0.71%)	(30)	0.00%	-	(1.27%)	(30)
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	0.17%	51	0.00%	-	0.00%	-	0.00%	-
13	ESL Steel Limited	14.97%	4,599	(22.84%)	(968)	0.05%	(1)	(41.06%)	(969)
14	Ferro Alloy Corporation Limited (FACOR)	3.52%	1,080	0.50%	21	0.05%	(1)	0.85%	20
15	Desai Cement Company Private Limited	(0.03%)	(8)	0.05%	2	0.00%	-	0.08%	2
16	Hindustan Zinc Alloys Private Limited	(0.03%)	(10)	(0.19%)	(8)	0.00%	-	(0.34%)	(8)
17	Vedanta Zinc Football & Sports Foundation	(0.00%)	(1)	0.00%	0	0.00%	-	0.00%	0
18	Hindustan Zinc Fertilizers Private Limited	0.00%	0	0.00%	-	0.00%	-	0.00%	0
19	Zinc India Foundation	(0.01%)	(2)	0.05%	2	0.00%	-	0.08%	2
20	Hindmetal Exploration Services Private Limited [b]	0.00%	0	0.00%	0	0.00%	-	0.00%	0
21	Meenakshi Energy Limited [a]	(0.17%)	(53)	(1.25%)	(53)	0.00%	-	(2.25%)	(53)
22	Sesa Iron and Steel Limited [b]	0.00%	0	0.00%	0	0.00%	-	0.00%	0
23	Vedanta Aluminium Metal Limited [b]	0.00%	0	0.00%	0	0.00%	-	0.00%	0
24	Vedanta Base Metals Limited [b]	0.00%	0	0.00%	0	0.00%	-	0.00%	0
25	Vedanta Displays Limited [a]	0.01%	2	(0.57%)	(24)	0.00%	-	(1.02%)	(24)
26	Vedanta Iron and Steel Limited [b]	0.00%	0	0.00%	0	0.00%	-	0.00%	0
27	Vedanta Semiconductors Private Limited [a]	(0.01%)	(3)	(1.23%)	(52)	0.00%	-	(2.20%)	(52)
	Foreign Subsidiaries								
1	Copper Mines of Tasmania Pty Limited [c]	0.00%	-	13.07%	554	(0.37%)	7	23.77%	561
2	Thalanga copper mines Pty Limited	0.03%	9	(0.90%)	(38)	0.00%	-	(1.61%)	(38)
3	Monte Cello BV	0.18%	56	(3.89%)	(165)	0.00%	-	(6.99%)	(165)
4	Bloom Fountain Limited	(34.59%)	(10,628)	(6.30%)	(267)	0.00%	-	(11.31%)	(267)
5	Western Cluster Limited	(1.03%)	(315)	0.12%	5	0.00%	-	0.21%	5
6	Fujairah Gold FZC	(2.59%)	(797)	(1.77%)	(75)	0.00%	-	(3.18%)	(75)
7	THL Zinc Ventures Ltd	(2.76%)	(849)	(21.63%)	(917)	0.00%	-	(38.86%)	(917)
8	THL Zinc Ltd	(12.09%)	(3,713)	(7.50%)	(318)	0.00%	-	(13.47%)	(318)
9	THL Zinc Holding BV	(8.68%)	(2,666)	0.07%	3	0.00%	-	0.13%	3

Vedanta Limited

Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2024

Financial information pursuant to Schedule III of the Companies Act, 2013

S. No	Name of the entity	Net Assets (Total assets less total liabilities) As at 31 March 2024 As % of consolidated net assets	Amount (₹ in Crore)	Share in profit and loss Year ended 31 March 2024 As % of consolidated profit	Amount (₹ in Crore)	Share in other comprehensive income (OCI) Year ended 31 March 2024 As % of consolidated OCI	Amount (₹ in Crore)	Share in total comprehensive income (TCI) Year ended 31 March 2024 As % of consolidated TCI	Amount (₹ in Crore)
10	THL Zinc Namibia Holdings (Proprietary) Limited	2.92%	898	(3.99%)	(169)	0.00%	-	(7.16%)	(169)
11	Skorpion Zinc (Proprietary) Limited	0.00%	0	0.00%	0	0.00%	-	0.00%	0
12	Skorpion Mining Company (Proprietary) Limited	(4.53%)	(1,392)	(0.35%)	(15)	0.00%	-	(0.64%)	(15)
13	Namzinc (Proprietary) Limited	1.33%	410	(3.75%)	(159)	0.00%	-	(6.74%)	(159)
14	Amica Guesthouse (Proprietary) Limited	0.01%	2	0.00%	0	0.00%	-	0.00%	0
15	Black Mountain Mining Proprietary Limited	11.85%	3,642	1.79%	76	(0.16%)	3	3.35%	79
16	Vedanta Lisheen Holdings Limited	0.09%	28	0.00%	0	0.00%	-	0.00%	0
17	Vedanta Lisheen Mining Limited	0.26%	80	(0.02%)	(1)	0.00%	-	(0.04%)	(1)
18	Killoran Lisheen Mining Limited	0.08%	25	(0.02%)	(1)	0.00%	-	(0.04%)	(1)
19	Lisheen Milling Limited	0.33%	101	(0.02%)	(1)	0.00%	-	(0.04%)	(1)
20	Lisheen Mine Partnership	0.00%	-	(0.02%)	(1)	0.00%	-	(0.04%)	(1)
21	Cairn India Holdings Limited	25.44%	7,817	40.58%	1,720	0.00%	-	72.88%	1,720
22	Cairn Energy Hydrocarbons Limited	12.90%	3,963	49.33%	2,091	0.00%	-	88.60%	2,091
23	Cairn Lanka (Private) Limited [d]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
24	AvanStrate Inc	0.01%	2	0.00%	0	0.00%	-	0.00%	0
25	AvanStrate Korea Inc	(0.01%)	(2)	0.00%	0	0.00%	-	0.00%	0
26	AvanStrate Taiwan Inc	(0.01%)	(2)	0.00%	0	0.00%	-	0.00%	0
27	Vedanta Copper International VCI Company Limited [b]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	Non-controlling interests in all subsidiaries	(36.93%)	(11,347)	(77.85%)	(3,300)	(0.48%)	9	(139.45%)	(3,291)
	Associates & Joint ventures (per Equity method)								
	Indian								
1	Gaurav Overseas Private Limited	0.00%	0	(0.05%)	(2)	0.00%	-	(0.08%)	(2)
2	Madanpur South Coal Company Limited	0.00%	1	0.00%	-	0.00%	-	0.00%	
3	Goa Maritime Private Limited	0.00%	0	0.00%	0	0.00%	-	0.00%	0
	Foreign								
1	RoshSkor Township (Pty) Ltd	0.00%	1	(0.02%)	(1)	0.00%	-	(0.04%)	(1)
2	Rosh Pinah Health Care (Proprietary) Limited	0.01%	4	(0.02%)	(1)	0.00%	-	(0.04%)	(1)
3	Gergarub Exploration and Mining (Pty) Limited	0.00%	0	0.00%	0	0.00%	-	0.00%	0
	Consolidation Adjustments/ Eliminations [e]	(176.54%)	(54,238)	(237.65%)	(10,074)	100.80%	(1,894)	(507.12%)	(11,968)
	Total	**100.00%**	**30,722**	**100.00%**	**4,239**	**100.00%**	**(1,879)**	**100.00%**	**2,360**

[a]Acquired during the year [b]Incorporated during the year [c]Sold during the year [d]Under liquidation during the year
[e]Consolidation adjustments/eliminations include intercompany eliminations, consolidation adjustments and GAAP differences.

1. The Mumbai NCLT and Chennai NCLT had passed orders dated 06 June 2022 and 22 March 2023 respectively to sanction 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'). MCA statutory filing has completed on 18 January 2024 which is the effective date of merger.

Exchange Rates as at March 31, 2024: 1 AUD= ₹ 54.3163, 1 USD = ₹ 83.3416, 1 AED = ₹ 22.6913, 1 NAD = ₹ 4.4152, 1 ZAR = ₹ 4.4152, 1 JPY = ₹ 0.5507

Average Exchange Rates for the year ended March 31, 2024: 1 AUD= ₹ 54.4681, 1 USD = ₹ 82.7845, 1 AED = ₹ 22.5356, 1 NAD = ₹ 4.4194, 1 ZAR = ₹ 4.4194, 1 JPY = ₹ 0.5735

Financial information pursuant to Schedule III of the Companies Act, 2013

S. No	Name of the entity	Net Assets (Total assets less total liabilities) As at 31 March 2023		Share in profit and loss Year ended 31 March 2023		Share in other comprehensive income (OCI) Year ended 31 March 2023		Share in total comprehensive income (TCI) 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*	177.18%	69,848	201.05%	21,259	42.45%	419	187.51%	21,678
	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)	(2.34%)	(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%	-	0.27%	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%	-	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
19	Vedanta Zinc Football & Sports Foundation	0.00%	-	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
20	Hindustan Zinc Fertilizers Private Limited[c]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
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)
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 Ltd	(10.33%)	(4,072)	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
8	THL Zinc Ltd	(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

Vedanta Limited

Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2024

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)
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)
	Non-controlling interests in all subsidiaries	(25.38%)	(10,004)	(37.16%)	(3,929)	6.69%	66	(33.41%)	(3,863)
	Associates & Joint ventures (per Equity method)								
	Indian								
1	Gaurav Overseas Private Limited	0.00%	1	0.00%		(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%	-	0.00%		0.00%	-	0.00%	
	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%		0.00%		0.00%	-	0.00%	-
3	RoshSkor Township (Pty) Ltd	0.00%	2	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
	Consolidation Adjustments/ Eliminations[g] *	(111.95%)	(44,139)	(187.19%)	(19,793)	42.47%	419	(167.58%)	(19,374)
	Total	**100.00%**	**39,423**	**100.00%**	**10,574**	**100.00%**	**987**	**100.00%**	**11,561**

*Restated, refer note 4(A)

[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 downsubsidiaries 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 March 31, 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 March 31, 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

48 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 does not have any 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).

As per our report of even date

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

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

per Vikas Pansari
Partner
Membership No: 093649

Place: Mumbai
Date: 25 April 2024

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice – Chairman and Whole-Time Director
DIN 00006303
Place: Mumbai

Arun Misra
Executive Director
(Whole-Time Director)
DIN 01835605
Place: New Delhi

VEDANTA LIMITED

Ajay Goel
Chief Financial Officer
PAN AEAPG8383C
Place: New Delhi

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No. A20856
Place: New Delhi

Date: 25 April 2024

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/ Final Dividend	% of shareholding
1	Bharat Aluminium Company Limited	April to March	INR - INDIAN RUPEE	221	8,900	16,854	7,733	148	13,141	1,862	477	1,385	-	51
2	Copper Mines of Tasmania Pty Limited [3]	April to November	AUD - Australian Dollar	-	-	-	-	-	-	-	-	-	-	-
3	Thalanga Copper Mines Pty Limited	April to March	AUD - Australian Dollar	3	6	45	36	-	-	(38)	-	(38)	-	100
4	Monte Cello BV	April to March	USD - United States Dollar	0	56	305	249	-	-	(164)	1	(165)	-	100
5	Hindustan Zinc Limited	April to March	INR - INDIAN RUPEE	845	14,388	33,904	18,671	10,452	28,084	10,343	2,556	7,787	-	65
6	MALCO Energy Limited	April to March	INR - INDIAN RUPEE	5	(99)	802	896	37	616	(117)	-	(117)	-	100
7	Fujairah Gold FZC	April to March	AED - Emirati Dirham	7,622	(8,419)	8,444	9,241	-	4,903	(75)	-	(75)	-	100
8	Talwandi Sabo Power Limited	April to March	INR - INDIAN RUPEE	3,207	416	10,300	6,677	-	5,267	756	154	602	-	100
9	THL Zinc Ventures Ltd	April to March	USD - United States Dollar	74	(923)	7,289	8,138	-	-	(917)	-	(917)	-	100
10	THL Zinc Ltd	April to March	USD - United States Dollar	75	(3,788)	3,840	7,553	-	-	(318)	-	(318)	-	100
11	THL Zinc Holding BV	April to March	USD - United States Dollar	43	(2,709)	339	3,005	68	-	3	0	3	-	100
12	THL Zinc Namibia Holdings (Proprietary) Ltd	April to March	NAD - Namibian Dollar	7	891	1,199	301	2	9	(169)	-	(169)	-	100
13	Skorpion Zinc (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	0	0	0	-	-	0	-	0	-	100
14	Skorpion Mining Company (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	(1,392)	1,417	2,809	-	0	(15)	-	(15)	-	100
15	Namzinc (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	410	1,967	1,557	-	3	(159)	-	(159)	-	100
16	Amica Guesthouse (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	2	3	1	-	3	0	0	0	-	100
17	Black Mountain Mining (Proprietary) Limited	April to March	ZAR - South African Rand	0	3,642	7,202	3,560	-	3,554	225	149	76	-	74
18	Vedanta Lisheen Holdings Limited	April to March	USD - United States Dollar	0	28	29	1	-	-	0	0	0	-	100
19	Vedanta Lisheen Mining Limited	April to March	USD - United States Dollar	0	80	80	0	-	-	0	0	0	-	100
20	Killoran Lisheen Mining Limited	April to March	USD - United States Dollar	0	25	25	0	-	-	0	0	0	-	100
21	Lisheen Milling Limited	April to March	USD - United States Dollar	0	101	214	113	-	4	0	1	(1)	-	100
22	Lisheen Mine Partnership	April to March	USD - United States Dollar	-	-	63	63	-	-	(1)	-	(1)	-	100
23	Sterlite Ports Limited [5]	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	100
24	Vizag General Cargo Berth Private Limited	April to March	INR - INDIAN RUPEE	48	(58)	522	532	-	165	(27)	3	(30)	-	100
25	Cairn India Holdings Limited	April to March	USD - United States Dollar	3,988	3,829	9,936	2,119	20	-	1,750	30	1,720	-	100
26	Cairn Energy Hydrocarbons Limited	April to March	USD - United States Dollar	2,889	1,074	9,737	5,774	1,171	8,294	3,737	1,646	2,091	-	100
27	Cairn Lanka (Private) Limited [4]	April to March	USD - United States Dollar	-	-	-	-	-	-	-	-	-	-	100
28	Paradip Multi Cargo Berth Private Limited [5]	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	100
29	Bloom Fountain Limited	April to March	USD - United States Dollar	18,343	(28,971)	868	11,496	-	-	(267)	-	(267)	-	100
30	Western Cluster Limited	April to March	USD - United States Dollar	-	(315)	1,267	1,582	-	266	5	-	5	-	100
31	Sesa Resources Limited	April to March	INR - INDIAN RUPEE	1	453	2,088	1,634	0	23	26	-	26	-	100
32	Sesa Mining Corporation Limited [5]	April to March	INR - INDIAN RUPEE	22	92	535	421	-	189	108	9	99	-	100
33	Maritime Ventures Private Limited [5]	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	100
34	Goa Sea Port Private Limited [5]	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	100
35	Vedanta Limited ESOS Trust	April to March	INR - INDIAN RUPEE	0	51	205	154	0	-	0	0	0	-	100
36	AvanStrate Inc	April to March	JPY - Japanese Yen	0	2	3	1	-	0	0	-	0	-	52
37	AvanStrate Korea Inc	April to March	JPY - Japanese Yen	1	(3)	0	2	-	0	0	-	0	-	52
38	AvanStrate Taiwan Inc	April to March	JPY - Japanese Yen	0	(2)	3	5	-	-	0	0	0	-	52
39	Ferro Alloy Corporation Limited (FACOR)	April to March	INR - INDIAN RUPEE	34	1,046	1,531	451	13	816	29	8	21	-	100
40	ESL Steel Limited	April to March	INR - INDIAN RUPEE	1,849	2,750	10,808	6,209	20	8,300	(649)	319	(968)	-	95
41	Desai Cement Company Private Limited	April to March	INR - INDIAN RUPEE	2	(10)	13	21	-	9	2	-	2	-	100
42	Hindustan Zinc Alloys Private Limited	April to March	INR - INDIAN RUPEE	0	(10)	214	224	-	15	(10)	(2)	(8)	-	100
43	Vedanta Zinc Football & Sports Foundation	April to March	INR - INDIAN RUPEE	0	(1)	0	1	-	8	0	-	0	-	100
44	Hindustan Zinc Fertilizers Private Limited	April to March	INR - INDIAN RUPEE	0	(0)	336	336	-	-	0	-	0	-	100
45	Zinc India Foundation	April to March	INR - INDIAN RUPEE	0	(2)	0	2	-	15	2	-	2	-	100
46	Hindmetal Exploration Services Private Limited [2]	February to March	INR - INDIAN RUPEE	0	(0)	336	336	-	-	0	-	0	-	100
47	Meenakshi Energy Limited [1]	December to March	INR - INDIAN RUPEE	1	(54)	1,136	1,189	-	-	(53)	-	(53)	-	100
48	Sesa Iron and Steel Limited [2]	September to March	INR - INDIAN RUPEE	0	(0)	0	0	-	-	0	-	0	-	100
49	Vedanta Aluminium Metal Limited [2]	October to March	INR - INDIAN RUPEE	0	(0)	0	0	-	-	0	-	0	-	100
50	Vedanta Base Metals Limited [2]	October to March	INR - INDIAN RUPEE	0	(0)	0	0	-	-	0	-	0	-	100
51	Vedanta Displays Limited [1]	July to March	INR - INDIAN RUPEE	26	(24)	7	5	-	-	(24)	-	(24)	-	100
52	Vedanta Iron and Steel Limited [2]	October to March	INR - INDIAN RUPEE	0	(0)	0	0	-	-	0	-	0	-	100
53	Vedanta Semiconductors Private Limited [1]	July to March	INR - INDIAN RUPEE	49	(52)	13	16	-	-	(52)	-	(52)	-	100
54	Vedanta Copper International VCI Company Limited [2]	November to March	SAR - SAUDI RIYAL	0	-	0	-	-	-	-	-	-	-	100

a. Exchange Rates as at March 31, 2024: 1 AUD= ₹ 54.3163, 1 USD = ₹ 83.3416, 1 AED = ₹ 22.6913, 1 NAD = ₹ 4.4152, 1 ZAR = ₹ 4.4152, 1 JPY = ₹ 0.5507

b. Average Exchange Rates for the year ended March 31, 2024: 1 AUD= ₹ 54.4681, 1 USD = ₹ 82.7845, 1 AED = ₹ 22.5356, 1 NAD = ₹ 4.4194, 1 ZAR = ₹ 4.4194, 1 JPY = ₹ 0.5735

[1] Acquired during the year

[2] Incorporated during the year

[3] Sold during the year

[4] Under liquidation during the year

[5] The Mumbai NCLT and Chennai NCLT had passed orders dated 06 June 2022 and 22 March 2023 respectively to sanction 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'). MCA statutory filing has completed on 18 January 2024 which is the effective date of merger.

VEDANTA LIMITED

Form AOC-I

Salient features of Associate companies and Joint Ventures pursuant to first proviso to sub section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014

S.No	Name of Associates/Joint Ventures	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 2023	31 March 2024	31 March 2024	31 March 2024	31 December 2022	30 December 2020
2	Shares of Associate/Joint Ventures held by the Company at the year end						
	- Number	50	14,23,000	1,14,421	5,000	69	51
	- Amount of investment (₹ in Crore)	1.85	1.42	1.96	0.01	0.00	0.00
	- % of holding	50.00%	50.00%	18.05%	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)	1.05	0.06	1.02	0.00	4.09	0.00
5	(Loss)/Profit for the year (₹ in Crore)	(0.57)	(0.87)	0.01	(0.00)	(1.44)	-

For and on behalf of the Board of Directors

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

Arun Misra
Executive Director (Whole-Time Director)
DIN 01835605
Place: New Delhi

Prerna Halwasiya
Company Secretary and Compliance Officer
ICSI Membership No.A20856
Place: New Delhi

Ajay Goel
Chief Financial Officer

PAN AEAPG8383C
Place: New Delhi

Date : 25 April 2024

S.R. BATLIBOI & CO. LLP
Chartered Accountants

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028, India
Tel : +91 22 6192 0000
Fax : +91 22 6192 1000

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 March 31 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 March 31, 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 March 31, 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

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

S.R. Batliboi & Co. LLP, a Limited Liability Partnership with LLP Identity No. AAB-4294
Regd. Office : 22, Camac Street, Block 'C', 3rd Floor, Kolkata-700 016

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 March 31, 2023, the Group had significant amounts of property, plant and equipment, capital work in progress and exploration intangible assets under	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

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

Key audit matters	How our audit addressed the key audit matter
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 • 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	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: o 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. o 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. o Assessed management's forecasting accuracy by comparing prior year forecasts to actual results and assessed the potential impact of any variances. o Corroborated the sales price assumptions used in the models against analyst consensus and assessing the reasonableness of costs. o Compared the production forecasts used in the impairment tests with management's approved reserves and resources estimates, o 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. o Tested the weighted average cost of capital used to discount the impairment models. o Tested the integrity of the models together with their clerical accuracy. o Tested the classification of expenses incurred in respect of the Bomi mines in Liberia to evaluate whether these are eligible for reversal. o Tested arithmetical accuracy of bifurcation of expenses between the 3 mines in Western cluster. o Compared assumptions used by management in respect of price forecast and ore grade against

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Key audit matters	How our audit addressed the key audit matter
	the consensus report, reserve and resource report. o 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; o Assessed the competence, capability and objectivity of experts engaged by management; through understanding their relevant professional qualifications and experience. o 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.
<u>Recoverability of disputed trade receivables in Power segment</u> *(as described in note 3(c)(B)(iii) and Note 8 of the consolidated Ind AS financial statements)*	
As of March 31, 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.
<u>Claims and exposures relating to taxation and litigation</u> *(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,	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

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Key audit matters	How our audit addressed the key audit matter
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.	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.
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 March 31, 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	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.

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Key audit matters	How our audit addressed the key audit matter
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.	• 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

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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

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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 March 31, 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 Rs 31,100 Crore as at March 31, 2023, and total revenues of Rs 13,463 Crore, total net profit after tax of Rs 1,480 Crore, total comprehensive income of Rs 1,493 Crore, and net cash outflows of Rs 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 Rs. Nil, total revenues of Rs Nil, total net loss of Rs. 3 crore, total comprehensive loss of Rs 3 crore, and net cash inflows of Rs Nil for the year ended March 31, 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 Rs 1,651 Crore as at March 31, 2023, total revenues of Rs 5,205 Crore, total net loss after tax of Rs 116 Crore, total comprehensive loss of Rs. 115 Crore and net cash inflows of Rs 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 Rs Nil, total revenues of Rs Nil, total net profit of Rs. Nil, total comprehensive income of Rs Nil and net cash inflows of Rs Nil for the year ended March 31, 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 Rs 149 crore as at March 31, 2023, total revenues of Rs. 100 Crore, total net profit after tax of

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Rs. 32 Crore, total comprehensive income of Rs. 32 Crore for the year ended March 31, 2023, and net cash inflows of Rs. 0 Crore for the year ended March 31, 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 March 31, 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 March 31, 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;

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(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 March 31, 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 March 31, 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 March 31, 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 March 31, 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

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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

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

UDIN: 23093649BGXPKR9106

Place of Signature: Mumbai
Date: May 12, 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: 23093649BGXPKR9106

Place of Signature: Mumbai
Date: May 12, 2023

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF VEDANTA LIMTED

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

In conjunction with our audit of the consolidated Ind AS financial statements of Vedanta Limited as of and for the year ended March 31, 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

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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 March 31, 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: 23093649BGXPKR9106
Place of Signature: Mumbai
Date: May 12, 2023

S.R. BATLIBOI & CO. LLP
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VEDANTA LIMITED
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 MARCH 2023

Vedanta Limited

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 and on behalf of the Board of Directors

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

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

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

per Vikas Pansari
Partner
Membership No: 093649

Place: Mumbai
Date: 12 May 2023

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

Place: Mumbai
Date: 12 May 2023

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

VEDANTA LIMITED

Vedanta Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2023

(₹ in Crore, except otherwise stated)

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

S.R. BATLIBOI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

VEDANTA LIMITED

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

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

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 Chief Executive Officer
DIN 07291685

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

Place: Mumbai
Date: 12 May 2023

VEDANTA LIMITED *

Vedanta Limited
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)**
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**

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

VEDANTA LIMITED *

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 Chief Executive Officer
DIN 07291685

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

Place: Mumbai
Date: 12 May 2023

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

VEDANTA LIMITED

Vedanta Limited

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**

(₹ in Crore)

Note:

Other reserves comprise:

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

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

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

Place: Mumbai
Date: 12 May 2023

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

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

VEDANTA LIMITED *

Vedanta Limited

Notes forming part of the consolidated 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.

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

VEDANTA LIMITED *

• 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 400,000 TPA copper smelter plant in Tuticorin for want of further clarification and consequently the operations were suspended. The Company has filed an appeal with TNPCB Appellate authority against the said order. During the pendency of the appeal, TNPCB through its order dated 23 May 2018 ordered for disconnection of electricity supply and closure of copper smelter plant. Post such order, the state government on 28 May 2018 ordered the permanent closure of the plant. We continue to engage with the Government of India and relevant authorities to enable the restart of operations at Copper India. [Refer note 3(c)(A)(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 216,000 TPA copper refinery plant and a copper rod mill with an installed capacity of 258,000 TPA. The plant continues to operate as usual, catering to the domestic market.

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

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

VEDANTA LIMITED

- 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 218,000 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, 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.

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

VEDANTA LIMITED

(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.

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

VEDANTA LIMITED *

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.

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(B) Business combination

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

Excess of fair value of purchase consideration and the acquisition date non-controlling interest over the acquisition date fair value of identifiable assets acquired and liabilities assumed is recognised as goodwill. Goodwill arising on acquisitions is reviewed for impairment annually. Where the fair values of the identifiable assets and liabilities exceed the purchase consideration, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be 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, 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.

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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 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.

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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 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.

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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.

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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 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

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Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit to be derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the consolidated statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

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

(E) Intangible assets

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

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

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

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

The 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.

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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 consolidated statement of profit and loss.

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

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

(G) Non-current assets held for sale

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

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

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(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;

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- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area;
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale; and
- reserve information prepared annually by external experts.

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

(I) Financial instruments

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

(i) Financial assets - recognition 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.

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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 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.

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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.

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:

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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 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.

(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.

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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).

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(K) Leases

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

(a) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.
Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(b) Group as a lessee

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

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment.
Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as described in 'D' above.

(ii) Lease liabilities

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

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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.

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.

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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 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.

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(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.

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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 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.

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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.

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.

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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.

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.

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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.

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.

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(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 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.

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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 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).

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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.

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The Forest Advisory Committee ("FAC") of the MoEFCC granted the Stage 1 clearance and the 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 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.

Estimates/	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.

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(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 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).

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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, 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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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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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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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(I))	-	-	(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.

Right of Use (ROU) Assets

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**

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(₹ in Crore)

6

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**

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

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

6 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.
	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.

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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-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	**For the year ended 31 March 2023**	**For the 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**

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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.

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)

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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**	-
(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

(₹ in Crore)

a) Particulars	As at 31 March 2023	As at 31 March 2022
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

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* 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)

a) **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

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.

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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 crores (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).

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.

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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.

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).

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]	**-**	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

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

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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).

C) Shares held by ultimate holding company and its subsidiaries*

	As at 31 March 2023		As at 31 March 2022	
Particulars	**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 *

	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

	As at 31 March 2023			As at 31 March 2022	
Particulars	**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**

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.

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.

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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.

(₹ 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)/ inflow	(1,533)	(128)	(166)	(1,827)

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(₹ 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
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

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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

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.

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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
Grand 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 February2030	**2,000**	2,000
7.68% due December2024	**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 December2022	**-**	749
8.75% due June2022	**-**	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

(₹ 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) 2400 MW Power plant (1800 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

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 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 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 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
	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

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

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 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

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
	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
	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

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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 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 2400 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) 2400 MW power plant (1800 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**	-

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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 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 OLAP 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**	-
	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) 2400 MW Power Plant (1800 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**	-

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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 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.

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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
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

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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

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)

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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.

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 : (₹ in Crore)

Particulars	Amount
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**

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

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
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**

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(₹ 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.

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**

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(₹ 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**

(₹ 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**	**-**

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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.

- 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.

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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

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.

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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 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.

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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)	-

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.

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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 and Other financial liabilities**	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 and Other financial liabilities**	38,544	1,098	-	-	39,642
	58,427	**19,397**	**13,112**	**11,683**	**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	Total Facility	Drawn	Undrawn
Fund/non-fund based	95,678	80,760	14,918

As at 31 March 2022 (₹ in Crore)

Funding facility	Total Facility	Drawn	Undrawn
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.

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The Group's presentation currency is the Indian Rupee (INR). The majority of the assets are located in India and the Indian Rupee is the functional currency for the Indian operating subsidiaries except for Oil and Gas business operations which have a US dollar functional currency. Natural hedges available in the business are identified at each entity level and hedges are placed only for the net exposure. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted for project expenditures to avoid budget overruns, where cost of the project is calculated taking into account the hedge cost. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed.

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

The carrying amount of the Group'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 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.

(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 ₹ 20,921 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.

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

(₹ in Crore)

	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)

	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Financial Liabilities	**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)

	Total	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial Assets	**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)

	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Financial Liabilities	**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.

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

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**

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)

Particulars	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**

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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.

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.

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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.

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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.

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.

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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.

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

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

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

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).

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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:

Particulars	Year ended 31 March 2023 ESOS 2022	Year ended 31 March 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

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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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).

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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.

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.

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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.

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**

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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 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:

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)

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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**

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.

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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)

	Increase/(Decrease) in defined benefit obligation	
Particulars	**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)

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.

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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)

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.

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

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)

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.

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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.

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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 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).

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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**

(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**

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(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.

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 :

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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 2021	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 2022
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 tax losses	(4,698)	208	-	-	-	(4,490)
Other temporary differences	(834)	(264)	74	-	(11)	(1,035)
Total	**(3,645)**	**2,946**	**27**	**(6)**	**28**	**(650)**

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)

	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)).

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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.

(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.

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

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**

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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.

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 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 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).

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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.

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.

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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 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.

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

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 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.

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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 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.

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.

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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

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 5 Private Limited*
Serentica Renewables India 6 Private Limited*
Serentica Renewables India 7 Private Limited*
Serentica Renewables India 9 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
Minova Runaya Private Limited
Runaya Refining LLP
Sesa Community Development Foundation
Vedanta Foundation
Vedanta Limited ESOS Trust
Vedanta Medical Research Foundation
Voorspoed Trust

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 [M]	13	4	283	300
(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

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(₹ in Crore)

	Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates /Joint ventures	Others	Total
	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

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.

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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)	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

(₹ in Crore)

	Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates /Joint ventures	Others	Total
	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
(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.

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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.

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
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

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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
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

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

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
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
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.

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b) **Joint operations**

The Group participates in several unincorporated joint operations which involve the joint control of assets used in oil and gas exploration and producing activities which are as follows:

Oil & Gas blocks/fields		(%) Participating Interest	
Operating Blocks	**Area**	**As at 31 March 2023**	**As at 31 March 2022**
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	% Ownership interest 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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Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2023

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) As at 31 March 2023		Share in profit and loss Year ended 31 March 2023		Share in other comprehensive income (OCI) Year ended 31 March 2023		Share in total comprehensive income (TCI) 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)
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%	

45 Financial information pursuant to Schedule III of the Companies Act, 2013

		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	
S. No	Name of the entity	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)
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)
	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

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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) As at 31 March 2022		Share in profit and loss Year ended 31 March 2022		Share in other comprehensive income (OCI) Year ended 31 March 2022		Share in total comprehensive income (TCI) 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)
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

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) As at 31 March 2022		Share in profit and loss Year ended 31 March 2022		Share in other comprehensive income (OCI) Year ended 31 March 2022		Share in total comprehensive income (TCI) 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)
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)
	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

Vedanta Limited

Notes forming part of the consolidated 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

S.R. BATLIBOI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

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 Chief Executive Officer
DIN 07291685

Place: Mumbai
Date: 12 May 2023

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

VEDANTA LIMITED

Vedanta Limited

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

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
38	Goa Sea Port Private Limited [6]	April to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	100
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 [2]	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 6th June 2022 and 22nd 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..

S.R. BATLIBOI & CO. LLP ★ CHARTERED ACCOUNTANTS MUMBAI

VEDANTA LIMITED ★

Form AOC-I

Salient features of Associate companies and Joint Ventures pursuant to first proviso to sub section (3) of section 129 read with rule 5 of 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 (₹ 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 (₹ Crore)	1.69	1.21	4.84	0.01	4.09	0.00
5	Profit/(Loss) for the year (₹ 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 Agarwala
Executive Vice Chairman and Whole-Time Director
DIN 00006303

Place: Mumbai
Date: 12 May 2023

S.R. BATLIBOI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

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

VEDANTA LIMITED

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

S.R. BATLIBOI & CO. LLP
Chartered Accountants

12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India
Tel: +91 22 6819 8000

INDEPENDENT AUDITOR'S REPORT

To the Members of Vedanta Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Vedanta Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures comprising of the consolidated Balance sheet as at March 31 2022, 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, associates, 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.

Emphasis of Matter

We draw attention to Note 3(c)(A)(iv) of the accompanying consolidated Ind AS financial statements, which describes the uncertainty arising out of the demands that have been raised on the Group, with respect to government's share of profit oil by the Director General of Hydrocarbons and one of the pre-conditions for the extension of the Production Sharing Contract (PSC) for the Rajasthan oil block is the settlement of these demands. While the Government has granted permission to the Group to continue operations in the block till May 14, 2022 or signing of the PSC addendum, whichever is earlier, the Group, based on external legal advice, believes it is in compliance with the necessary conditions to secure an extension of this PSC and that the demands are untenable and hence no provision is required in respect of these demands. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed

S.R. BATLIBOI & CO. LLP GURUGRAM

S.R. Batliboi & Co. LLP, a Limited Liability Partnership with LLP Identity No. AAB-4294
Regd. Office : 22, Camac Street, Block 'B', 3rd Floor, Kolkata-700 016

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.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Accounting and disclosure of transactions with the parent company and its affiliates (as described in note 42(I), 42(J), 42(K), 42(M) and 42(N) of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The Group has undertaken transactions with Vedanta Resources Limited ('VRL'), its parent company and its affiliates pertaining to novation of loans, payment of brand fee; 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 such transactions not getting disclosed in the financial statements.</td><td>Our procedures included the following:
Obtained and read the Group's policies, processes and procedures in respect of identification of such related parties, obtaining approval, recording and disclosure of related party transactions 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.
Obtained and assessed the reports issued by experts engaged by the management for estimation of fair value of the loans on novation.
Tested the methodology adopted by the Group for determination of subsequent credit losses/(reversals) on such loans.
Engaged valuation experts to assist us in performing the said procedures.
Assessed the competence and objectivity of the external experts
Held discussions and obtained representations from the management in relation to such transactions.
Examined the approvals of the board and/or audit committee for modification of these transactions.
Read the disclosures made in this regard in the financial statements and assessing whether relevant and material information have been disclosed.</td></tr>
<tr><td colspan="2">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), (vii), 3(c)(A)(v) and 36 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>As at March 31, 2022, the Group had significant amounts of property, plant and equipment,</td><td>Our audit procedures included the following:</td></tr>
</table>

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>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; and (b) Krishna Godavri block and the Rajasthan block within the oil & gas segment; as it had identified impairment / impairment reversal indicators.

Recoverability of property plant and equipment, capital work in progress, exploration intangible assets and investment 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 withdrawal of the Holding Company's licenses to operate the copper plant.
• The fact that the assessment of the recoverable amount of the Group's CGU involves significant judgements about the future cash flow forecasts, start date of the plant and the discount rate that is applied.
• The upward revision to brent oil assumptions up to 2030 due to increased demand.
• Changes in production forecasts due to adjustments in the future reserve estimates

The key judgements and estimates centered on the likely outcome of the litigations, cash flow forecasts and discount rate assumptions. Details of impairment reversal amounting to ₹ 2,697 crore recognised are given in note 36 of the accompanying financial statements</td><td>• 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 Company, 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; and (b) Krishna Godavri block and the Rajasthan block within the oil & gas segment where impairment indicators were identified, obtained and evaluated the valuation models used to determine the recoverable amount by assessing the key assumptions used by management, which included:
o Assessed management's forecasting accuracy by comparing prior year forecasts to actual results and assessed the potential impact of any variances.
o Corroborated the sales price assumptions used in the models against analyst consensus and assessing the reasonableness of costs.
o Assessed Company'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;
o Assessed the competence, capability and objectivity of Company's external reserve experts; through understanding their relevant professional qualifications and experience.
o Compared the production forecasts used in the impairment tests with management's approved reserves and resources estimates,
o Tested the weighted average cost of capital used to discount the impairment models.
o Tested the integrity of the models together with their clerical accuracy.
o Assessed the implications of withdrawal of Company's license to operate the copper plants. Inspected 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.
o Assessed the implications and likelihood of the possible outcome of the conditions precedent to the extension of the Rajasthan oil block and management's analysis of the same, including an assessment of how a market participant would react to the same.
o Engaged valuation experts to assist in performance of the above procedures.

• Assessed the competence and objectivity of the experts engaged by us.</td></tr>
</table>

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Key audit matters	How our audit addressed the key audit matter
	• Assessed the disclosures made by the Group in this regard.
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 March 31, 2022 the value of disputed receivables in the power segment aggregated to ₹ 3,018 crore. Due to disagreements over the quantification or timing of the 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), GRIDCO and Tamil Nadu Electricity Board. These receivables include long outstanding balances as well and are also subject to counter party credit risk and hence considered as a key audit matter	Our audit procedures included the following: • Examined the underlying power purchase agreements. • Examined the relevant state regulatory commission, appellate tribunal and court rulings. • Examined external legal opinions in respect of the merits of the case and assessed management's position through discussions with the management's in-house legal team to determine the basis of their conclusion. • Examined management's assessment of recoverability of receivables. • Obtained independent external lawyer confirmation from Legal Counsel of the Group who is contesting the cases. • Assessed the competence and objectivity of the Group's experts. • Assessed the disclosures made by the Group in this regard.
Claims and exposures relating to taxation and litigation *(as described in note 3(c)(A)(iv), 3(c)(B)(ii), 37(e), 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, 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 contingent liabilities and identified key controls in the process. For selected controls we have performed tests of controls. • Obtained the summary of Group's legal and tax cases and critically assessed management's position through discussions with the Legal Counsel, Head of Tax and operational management, on both the probability of success in significant cases, and the magnitude of any potential loss. • Examined external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the 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 or that differences in positions are adequately justified. • Assessed the relevant disclosures made within the financial statements to address whether they reflect the facts and circumstances of the respective tax and legal exposures and the requirements of relevant accounting standards. •

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<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2"><u>Recognition and measurement of Deferred Tax Assets including Minimum Alternate Tax (MAT)</u> (as described in note 3(c)(A)(ii) and 37 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>Deferred tax assets as at March 31, 2022 includes MAT credits of ₹ 6,746 crore which is available for utilization against future tax liabilities. Of the same, we focused our effort on MAT assets of ₹ 4,839 crore which belong to the Holding company out of which ₹ 208 crore is expected to be utilised in the fourteenth year, fifteen years being the maximum permissible time period to utilize the same.

Additionally, ESL Steel Limited, one of the constituents of the Group, has recognized deferred tax assets of ₹ 3,184 crore during the previous year.

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 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.
• 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.</td></tr>
</table>

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated 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 venturesin 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

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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 the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

As part of an audit in accordance with SAs, we exercise professional 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

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- 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 Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated 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 Ind AS financial statements for the financial year ended March 31, 2022 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 ₹ 23,861 crore as at March 31, 2022, and total revenues of ₹ 12,118 crore and net cash inflows of ₹ 38 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 net loss of Rs. Nil for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 1 associates and 1 joint ventures, 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 ventures and associates, 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 joint operations and associates, is based solely on the report(s) of such other auditors.

Certain of these subsidiaries and associates are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and associates 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 and associates 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 3 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 2,199 crore as at March 31, 2022, and total revenues of ₹ 468 crore and net cash inflows of ₹ 192 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 net loss of Rs. Nil for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 3 associates 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 include the Group's share of total assets of ₹ 99 crore as at March 31, 2022 in respect of an unincorporated joint venture not operated by the Group. The Ind AS financial statements and other financial information of the said unincorporated joint venture have not been audited and such unaudited financial statement and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, 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 associates, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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

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

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

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 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 March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

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(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 March 31, 2022 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;

(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 Ind AS financial statements – Refer Note *3(c)(A)(iv), 3(c)(B)(iii), 37(e), 40D and 41* to the consolidated Ind AS financial statements;

ii. The Group, its associates and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2022;

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 March 31, 2022.

iv. a) The respective managements of the Holding Company and its subsidiaries, associate and joint ventures 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, other than as disclosed in the notes 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 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, other than as disclosed in the notes to the consolidated Ind AS 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 those 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

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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 is in accordance with section 123 of the Act.

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

per Sudhir Soni
Partner
Membership Number: 41870

UDIN: 22041870AHZHDV1007

Place of Signature: Mumbai
Date: April 28, 2022

S.R. BATLIBOI & CO. LLP
Chartered Accountants

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

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

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:

There are no 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. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

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

Per Sudhir Soni
Partner
Membership No: 41870
UDIN: 22041870AHZHDV1007

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Place: Mumbai
Date: April 28, 2022

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF VEDANTA LIMTED

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

In conjunction with our audit of the consolidated Ind AS financial statements of Vedanta Limited as of and for the year ended March 31, 2022, 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 18 subsidiary companies, its 3 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

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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 March 31, 2022, 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, 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 Sudhir Soni
Partner
Membership Number: 41870
UDIN: 22041870AHZHDV1007

S.R. BATLIBOI & CO. LLP GURUGRAM

Place of Signature: Mumbai
Date: April 28, 2022

Vedanta Limited

Consolidated Balance Sheet as at 31 March 2022

(₹ in Crore)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, Plant and Equipment	6	**91,990**	89,429
Capital work-in-progress	6	**14,230**	13,880
Intangible assets	6	**1,476**	1,041
Exploration intangible assets under development	6	**1,649**	2,434
Financial assets			
Investments	7A	**151**	156
Trade receivables	8	**3,219**	3,158
Loans	9	**3,166**	5,057
Others	10	**2,855**	2,532
Deferred tax assets (net)	37	**5,085**	5,860
Income tax assets (net)	37	**2,762**	2,748
Other non-current assets	11	**3,442**	3,210
Total non-current assets		**130,025**	129,505
Current assets			
Inventories	12	**14,313**	9,923
Financial assets			
Investments	7B	**17,140**	16,504
Trade receivables	8	**4,946**	3,491
Cash and cash equivalents	13	**8,671**	4,854
Other bank balances	14	**6,921**	11,775
Loans	9	**2,304**	2,019
Derivatives	24	**258**	70
Others	10	**8,724**	4,245
Income tax assets (net)	37	**25**	7
Other current assets	11	**5,273**	3,318
Total current assets		**68,575**	56,206
Total Assets		**198,600**	185,711
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	**372**	372
Other equity	16	**65,011**	61,906
Equity attributable to owners of Vedanta Limited		**65,383**	62,278
Non-controlling interests	17	**17,321**	15,138
Total Equity		**82,704**	77,416
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19A	**36,205**	37,962
Lease liabilities	23	**150**	160
Derivatives	24	**6**	76
Other financial liabilities	22	**1,327**	1,285
Provisions	25	**3,386**	3,132
Deferred tax liabilities (net)	37	**4,435**	2,215
Other non-current liabilities	26	**4,674**	4,327
Total non-current liabilities		**50,183**	49,157
Current liabilities			
Financial liabilities			
Borrowings	19B	**16,904**	19,066
Lease liabilities	23	**324**	481
Operational buyers' credit / suppliers' credit	21	**10,993**	8,265
Trade payables	20	**10,538**	7,624
Derivatives	24	**531**	279
Other financial liabilities	22	**17,312**	12,971
Provisions	25	**417**	353
Income tax liabilities (net)	37	**917**	277
Other current liabilities	26	**7,777**	9,822
Total current liabilities		**65,713**	59,138
Total Equity and Liabilities		**198,600**	185,711

See accompanying notes to the financial statements

As per our report of even date

For and on behalf of the Board of Directors

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

per Sudhir Soni
Partner
Membership No: 41870

Place: Mumbai
Date: 28 April 2022

S. R. BATLIBOI & CO. LLP ★ GURUGRAM ★

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

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

Ajay Goel
Acting Group Chief Financial Officer
PAN AEAPG8383C

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

Place: New Delhi
Date: 28 April 2022

VEDANTA LIMITED New Delhi

Vedanta Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2022

(₹ in Crore, except otherwise stated)

Particulars	Note	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations	27	**131,192**	86,863
Other operating income	28	**1,540**	1,158
Other income	29	**2,600**	3,421
Total income		**135,332**	91,442
Expenses			
Cost of materials consumed		**37,172**	22,849
Purchases of stock-in-trade		**133**	41
Changes in inventories of finished goods, work-in-progress and stock in trade	30	**(2,049)**	792
Power and fuel charges		**21,164**	13,674
Employee benefits expense	31	**2,811**	2,861
Finance costs	34	**4,797**	5,210
Depreciation, depletion and amortisation expense		**8,895**	7,638
Other expenses	35	**28,677**	20,486
Total expenses		**101,600**	73,551
Profit before exceptional items and tax		**33,732**	17,891
Net exceptional loss	36	**(768)**	(678)
Profit before tax		**32,964**	17,213
Tax expense/ (benefit):	37		
Net current tax expense		**6,889**	2,066
Net deferred tax expense		**2,544**	268
Deferred tax on intra group profit distribution (including from accumulated profits)		**-**	869
Other deferred tax expense/ (benefit)		**2,544**	(601)
On exceptional items			
Net tax benefit on exceptional items	36	**(178)**	(154)
Net deferred tax expense/ (benefit)		**402**	(154)
Net current tax benefit		**(580)**	-
Net tax expense:		**9,255**	2,180
Profit after tax for the period before share in profit/ (loss) of jointly controlled entities and associates		**23,709**	15,033
Add: Share in profit/ (loss) of jointly controlled entities and associates		**1**	(1)
Profit for the period after share in profit/ (loss) of jointly controlled entities and associates (A)		**23,710**	15,032
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
Re-measurement loss on defined benefit plans		**(18)**	(1)
Tax credit/ (expense)		**1**	(11)
Gain on FVOCI equity investment		**15**	63
		(2)	51
Items that will be reclassified to profit or loss			
Net loss on cash flow hedges recognised during the period		**(271)**	(253)
Tax credit		**90**	87
Net gain on cash flow hedges recycled to profit or loss		**371**	188
Tax expense		**(131)**	(61)
Exchange differences on translation		**793**	252
Tax credit/ (expense)		**13**	(61)
		865	152
Total other comprehensive income (B)		**863**	203
Total comprehensive income for the period (A+B)		**24,573**	15,235

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VEDANTA LIMITED New Delhi

Profit attributable to:		
Owners of Vedanta Limited	**18,802**	11,602
Non-controlling interests	**4,908**	3,430
Other comprehensive income attributable to:		
Owners of Vedanta Limited	**823**	110
Non-controlling interests	**40**	93
Total comprehensive income attributable to:		
Owners of Vedanta Limited	**19,625**	11,712
Non-controlling interests	**4,948**	3,523
Earnings per equity share (₹):		
- Basic	**50.73**	31.32
- Diluted	**50.38**	31.13

See accompanying notes to the financial statements

As per our report of even date

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

per Sudhir Soni
Partner
Membership No: 41870

S.R. BATLIBOI & CO. LLP GURUGRAM

Place: Mumbai
Date: 28 April 2022

For and on behalf of the Board of

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

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

Ajay Goel
Acting Group Chief Financial Officer
PAN AEAPG8383C

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

Place: New Delhi
Date: 28 April 2022

VEDANTA LIMITED New Delhi

Vedanta Limited
Consolidated Statement of Cash Flows for the year ended 31 March 2022

(₹ in Crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	32,964	17,213
Adjustments for:		
Depreciation, depletion and amortisation	8,919	7,662
Capital work-in-progress written off/ impairment of assets (reversal)/charge	(2,621)	244
Provision for doubtful debts/ advance/ bad debts written off	244	308
Exploration costs written off	2,618	7
Liabilities written back	(65)	-
Other exceptional items	771	434
Fair value gain on financial assets held at fair value through profit or loss	(209)	(934)
Profit on sale/ discard of property, plant and equipment (net)	(128)	(75)
Foreign exchange loss/ (gain) (net)	235	(119)
Unwinding of discount on provisions	78	72
Share based payment expense	79	59
Interest and dividend income	(1,887)	(2,106)
Interest expense	4,712	5,123
Deferred government grant	(245)	(229)
Changes in assets and liabilities		
Increase in trade and other receivables	(8,199)	(3,215)
(Increase)/ decrease in inventories	(4,373)	1,409
Increase in trade and other payable	7,806	235
Cash generated from operations	**40,699**	**26,088**
Income taxes paid (net)	(5,736)	(2,108)
Net cash generated from operating activities	**34,963**	**23,980**
CASH FLOWS FROM INVESTING ACTIVITIES		
Consideration paid for business acquisition (net of cash and cash equivalents acquired)	-	(45)
Purchases of property, plant and equipment (including intangibles)	(10,630)	(6,886)
Proceeds from sale of property, plant and equipment	325	168
Loans repaid by related parties (Refer Note 42)	1,623	1,112
Loans given to related parties (Refer Note 42)	-	(7,660)
Short-term deposits made	(11,966)	(18,040)
Proceeds from redemption of short-term deposits	16,960	14,563
Short term investments made	(87,135)	(75,160)
Proceeds from sale of short term investments	86,848	83,330
Interest received	1,868	2,035
Dividends received	1	2
Payment made to site restoration fund	(147)	(169)
Net cash used in investing activities	**(2,253)**	**(6,750)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds/ (repayment) of short-term borrowings (net)	875	(9,593)
Proceeds from current borrowings	13,256	11,298
Repayment of current borrowings	(10,337)	(11,056)
Proceeds from long-term borrowings	20,916	16,707
Repayment of long-term borrowings	(28,758)	(9,577)
Interest paid	(5,274)	(5,348)
Payment of dividends to equity holders of the Company	(16,681)	(3,519)
Loan given to parent in excess of fair value	-	(536)
Payment of dividends to non-controlling interests	(2,668)	(5,603)
Payment of lease liabilities	(232)	(338)
Net cash used in financing activities	**(28,903)**	**(17,565)**
Effect of exchange rate changes on cash and cash equivalents	10	72
Net (decrease)/ increase in cash and cash equivalents	**3,817**	**(263)**
Cash and cash equivalents at the beginning of the year	4,854	5,117
Cash and cash equivalents at end of the year	**8,671**	**4,854**

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 and on behalf of the Board of Directors

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

per Sudhir Soni
Partner
Membership No: 41870

Place: Mumbai
Date: 28 April 2022

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

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

Ajay Goel
Acting Group Chief Financial Officer
PAN AEAPG8383C

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

Place: New Delhi
Date: 28 April 2022

S. R. BATLIBOI & CO. LLP GURUGRAM

VEDANTA LIMITED New Delhi

Vedanta Limited

Consolidated Statement of Changes in Equity for the year ended 31 March 2022

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 2022, 31 March 2021 and 31 March 2020*	372	372

*There are no prior period errors for the years ended 31 March 2021 and 31 March 2020.

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	Equity instruments through OCI	Effective portion of cash flow hedges	Total other equity	Non-controlling interests	Total
Balance as at 01 April 2020	**18,552**	**19,009**	**(6,491)**	**20,220**	**2,970**	**30**	**(27)**	**54,263**	**17,112**	**71,375**
Profit for the year	-	-	11,602	-	-	-	-	11,602	3,430	15,032
Other comprehensive income for the year (net of tax impact)	-	-	(7)	-	75	63	(21)	110	93	203
Total comprehensive income for the year	-	-	**11,595**	-	**75**	**63**	**(21)**	**11,712**	**3,523**	**15,235**
Recognition of share based payment	-	-	-	58	-	-	-	58	-	58
Stock options cancelled during the year	-	-	60	(92)	-	-	-	(32)	-	(32)
Exercise of stock option	-	-	(14)	14	-	-	-	0	-	0
Transfer from debenture redemption reserve (net)	-	-	528	(528)	-	-	-	-	-	-
Recognition of put option liability/derecognition of non controlling interest	(163)	-	-	-	-	-	-	(163)	137	(26)
Effect of fair valuation of inter-company loan*	-	-	(536)	-	-	-	-	(536)	-	(536)
Acquisition of FACOR (Refer note 4)	123	-	-	-	-	-	-	123	(31)	92
Dividend	-	-	(3,519)	-	-	-	-	(3,519)	(5,603)	(9,122)
Balance as at 31 March 2021	**18,512**	**19,009**	**1,623**	**19,672**	**3,045**	**93**	**(48)**	**61,906**	**15,138**	**77,044**
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 (net)	-	-	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**

* During the financial year ended 31 March 2021, an amount of ₹ 336 Crore (US$ 46 million) was originally recognized as a transaction with the shareholder and the same was increased by ₹ 581 Crore (US$ 79 million) upon revision in terms. Of the same, ₹ 381 Crore (US$ 52 million) was reversed on a subsequent modification during the said year. Refer note 42(J) for further details.

S. R. BATLIBOI & CO. LLP * GURUGRAM *

VEDANTA LIMITED New Delhi

(₹ in Crore)

Note:
Other reserves comprise:

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 2020	**23**	**1,112**	**3,087**	**10**	**249**	**25**	**(381)**	**16,095**	**20,220**
Recognition of share based payment	-	-	-	-	58	-	-	-	58
Stock options cancelled during the year	-	-	-	-	(92)	-	-	-	(92)
Exercise of stock options	-	-	-	-	(44)	-	58	-	14
Transfer to retained earnings	-	(528)	-	-	-	-	-	-	(528)
Balance as at 31 March 2021	**23**	**584**	**3,087**	**10**	**171**	**25**	**(323)**	**16,095**	**19,672**
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**

See accompanying notes to the financial statements

As per our report of even date

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

per Sudhir Soni
Partner
Membership No: 41870

Place: Mumbai
Date: 28 April 2022

For and on behalf of the Board of Directors

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

Ajay Goel
Acting Group Chief Financial
Officer
PAN AEAPG8383C

Place: New Delhi
Date: 28 April 2022

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

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

S.R. BATLIBOI & CO. LLP * GURUGRAM *

VEDANTA LIMITED New Delhi

Vedanta Limited

Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2022

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-400092, 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'). In July 2009, the Company completed its follow-on offering of an additional 131,906,011 ADSs, each representing four equity shares, which are listed on the NYSE.

The American Depositary Shares (ADS) of the Company have been delisted from NYSE effective close of trading on NYSE on 08 November 2021. This follows the filing done by the Company of Form 25 with Securities and Exchange Commission on 29 October 2021. As a consequence of the delisting becoming effective, termination of the Deposit Agreement under which the ADS were issued (the "Deposit Agreement") has also become effective close of trading on NYSE on 08 November 2021. The said action has no impact on the current listing status or trading of the Company's equity shares on BSE and NSE. Further, the Company will continue to be subject to reporting obligations under the U.S. Securities Exchange Act of 1934 until such time as it can terminate its registration under the said Exchange Act.

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 69.68% (31 March 2021: 55.1%) of the Company's equity as at 31 March 2022.

VRL, through its subsidiaries, acquired 54,17,31,161 equity shares of the Company during the current year, thereby increasing their shareholding in the Company from the current 55.1% to 69.68%.

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.

S. R. BATLIBOI & CO. LLP GURUGRAM

VEDANTA LIMITED New Delhi

- 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 Honorable Supreme Court of India order, mining operations in the state of Goa are currently suspended. The Group's iron ore business includes Western Cluster Limited ("WCL") in Liberia which has iron ore assets and is wholly owned by the Group. WCL's assets include development rights to Western Cluster and a network of iron ore deposits in West Africa. WCL's assets have been fully impaired.

- The Group's copper business is owned and operated by the Company, Copper Mines of Tasmania Pty Ltd ("CMT") and Fujairah Gold FZC and is principally one of custom smelting and includes captive power plants at Tuticorin in Southern India.

The Group's copper business in Tamil Nadu, India has received an order from the Tamil Nadu Pollution Control Board ("TNPCB") on 09 April 2018, rejecting the Company's application for renewal of consent to operate under the Air and Water Acts for the 400,000 TPA copper smelter plant in Tuticorin for want of further clarification and consequently the operations were suspended. The Company has filed an appeal with TNPCB Appellate authority against the said order. During the pendency of the appeal, TNPCB through its order dated 23 May 2018 ordered for disconnection of electricity supply and closure of copper smelter plant. Post such order, the state government on 28 May 2018 ordered the permanent closure of the plant. We continue to engage with the Government of India and relevant authorities to enable the restart of operations at Copper India. [Refer note 3(c)(A)(iii)].

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

In addition, the Group owns and operates the Mt. Lyell copper mine in Tasmania, Australia through its subsidiary, CMT and a precious metal refinery and copper rod plant in Fujairah, UAE through its subsidiary Fujairah Gold FZC. The operations of Mt Lyell copper mine were suspended in January 2014 following a mud slide incident and were put into care and maintenance since 09 July 2014 following a rock fall incident in June 2014. In November 2020, 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.

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• 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 business of producing ferro alloys and owns a ferro chrome plant with capacity of 72,000 TPA, two operational chrome mines and 100 MW of captive power plant through its subsidiary, FACOR Power Limited (FPL). DCCPL is involved in business of producing slag cements and owns three ball mills with capacity of 218,000 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) and Guidance Note on Accounting for Oil and Gas Producing Activities issued by the Institute of Chartered Accountants of India.
These consolidated financial statements have been prepared in accordance with the accounting policies, set out below and were consistently applied to all periods presented unless otherwise stated.

These financial statements are approved for issue by the Board of Directors on 28 April 2022.

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 (Refer note 2(C) below).

(B) Basis of measurement

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

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(C) Reclassifications

i) Consequent to amendments to the Schedule III to the Companies Act, 2013, current maturities of long-term borrowings (31 March 2021: ₹ 15,351 Crore) have been presented as part of the current borrowings and lease liabilities (31 March 2021: ₹ 641 Crore) have been presented on the face of balance sheet, which were previously included under 'other financial liabilities'.

ii) In the comparative year ended 31 March 2021, some of the operational buyer's/suppliers' credit which were previously included under trade and other payables amounting to ₹ 268 Crore have been reclassed to Operational buyer's credit/supplier's credit on the face of the balance sheet.

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.

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ii) Joint arrangements

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

The Group has both joint operations and joint ventures.

Joint operations

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

Details of joint operations are set out in Note 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).

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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, 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.

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Common control transactions

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind AS 103. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their carrying amounts recorded in the parent entity's consolidated financial statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

The components of equity of the acquired companies are added to the same components within Group equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves. The company's shares issued in consideration for the acquired companies are recognised at face value from the moment the acquired companies are included in these financial statements and the financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented. However, the prior year comparative information is only adjusted for periods during which entities were under common control.

(C) Revenue recognition

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

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

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

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

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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.

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

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

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

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

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

For oil and gas assets, a "successful efforts" based accounting policy is followed. Costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the consolidated statement of profit and loss.

All costs incurred after the technical feasibility and commercial viability of producing hydrocarbons has been demonstrated are capitalised within property, plant and equipment - development/producing assets on a field-by-field basis. Subsequent expenditure is capitalised only where it either enhances the economic benefits of the development/producing asset or replaces part of the existing development/producing asset. Any remaining costs associated with the part replaced are expensed.

Net proceeds from any disposal of development/producing assets are credited against the previously capitalised cost. A gain or loss on disposal of a development/producing asset is recognised in the consolidated statement of profit and loss to the extent that the net proceeds exceed or are less than the appropriate portion of the net capitalised costs of the asset.

iii) Other property, plant and equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

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

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If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

Gains and losses on disposal of an item of property, plant and equipment computed as the difference between the net disposal proceeds and the carrying amount of the asset is included in the consolidated statement of profit and loss when the asset is derecognised. Major inspection and overhaul expenditure is capitalized, if the recognition criteria are met.

iv) Assets under construction

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

v) Depreciation, depletion and amortisation expense

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

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- **Other assets**

Depreciation on other Property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives (determined by the management) as given below.

Management's assessment takes into account, inter alia, the nature of the assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement and maintenance support.

Estimated useful life of assets are as follows:

Asset	Useful life (in years)
Buildings (Residential; factory etc.)	3-60
Plant and equipment	15-40
Railway siding	15
Office equipment	3-6
Furniture and fixture	8-10
Vehicles	8-10

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit to be derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the consolidated statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

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

(E) Intangible assets

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

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

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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.

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

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

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

(G) Non-current assets held for sale

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

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

(H) Impairment of non-financial assets

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

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

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

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

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

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

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

Exploration and evaluation intangible assets:

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

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

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

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(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.

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

- **Debt instruments at amortised cost**

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

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

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in consolidated statement of profit and loss. The losses arising from impairment are recognised in consolidated statement of profit and loss.

- **Debt instruments at fair value through other comprehensive income (FVOCI)**

A 'debt instrument' is classified as at FVOCI if both of the following criteria are met:

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

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are 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.

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

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

In addition, the 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.

- **Equity instruments**

All equity investments in the scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

(ii) Financial Assets - derecognition

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

(iii) Impairment of financial assets

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

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

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

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

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

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

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

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

ECL impairment loss allowance (or reversal) during the year is 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.

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:

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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 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.

- **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.

(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.

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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.

(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).

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(K) Leases

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

(a) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.
Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(b) Group as a lessee

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

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment.
Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as described in 'D' above.

(ii) Lease liabilities

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

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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 costs and an attributable proportion of manufacturing overheads based on normal levels of activity and are moved out of inventory on a weighted average basis (except in copper business where FIFO basis is followed); and
- By-products and scrap are valued at net realisable value.

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

(M) Government grants

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

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the consolidated statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

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

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

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying 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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(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 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.

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(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.

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(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 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.

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(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.

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 March 31, 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 April 01, 2016, pertaining to the acquisition of a depreciable asset are charged to the consolidated statement of profit and loss.

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(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 subtsance of the payment.

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

(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.

All other liabilities are classified as non-current.

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

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(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.

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(Z) Exceptional items

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

3(b) Application of new and amended standards

(A) The Group has adopted, with effect from 01 April 2021, the following new and revised standards. Their adoption has not had any significant impact on the amounts reported in the consolidated financial statements.

1. Amendments to Ind AS 103 regarding the definition of identifiable assets acquired and liabilities assumed to qualify for recognition as part of applying the acquisition method;
2. Amendments to Ind AS 107, 109, 104 and 116 regarding Interest Rate Benchmark Reform - Phase 2;
3. Conceptual framework for financial reporting under Ind AS issued by the ICAI;
4. Amendments to Ind AS 116 regarding COVID-19 related rent concessions;
5. Amendments to Ind AS 105, 16 and 28 regarding definition of recoverable amount.

(B) Standards notified but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23 March 2022, effective from 01 April 2022, resulting in amendments such as Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37, Reference to the Conceptual Framework – Amendments to Ind AS 103, Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16, Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter, Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities, Ind AS 41 Agriculture – Taxation in fair value measurements. These amendments are not expected to have any impact on the Group. The Group has not early adopted any amendments that has been notified but is not yet effective.

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.

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(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 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 ₹ 6,746 Crore (FY 2020-21: ₹ 8,232 Crore), of which ₹ 208 Crore (FY 2020-21: ₹ 340 Crore) is expected to be utilised in the fourteenth year, fifteen years being 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.

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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. The Company has approached the Supreme Court and challenged the said High Court Order by way of a Special Leave Petition ("SLP") to Appeal and also filed an interim relief for care & maintenance of the plant or trial run for certain period.

The Matter was then listed on 02 December 2020 before Supreme Court. After having heard both the sides concluded that at this stage the interim relief in terms of trial run could not be allowed.The hearing on care & maintenance could not be listed at Supreme Court.Further, considering the voluminous nature of documents and pleadings, the matter shall be finally heard on merits.
As per the Company's assessment, it is in compliance with the applicable regulations and expects to get the necessary approvals in relation to the existing operations and hence the Company does not expect any material adjustments to these financial statements as a consequence of above actions.

The Company has carried out an impairment analysis for existing plant assets during the period ended 31 March 2022 considering the key variables and concluded that there exists no impairment. The Company has done an additional sensitivity analysis with commencement of operations of the existing plant w.e.f 01 April 2025 and noted that the recoverable amount of the assets would still be in excess of their carrying values.

The carrying value of the assets as at 31 March 2022 is ₹ 1,982 Crore (31 March 2021: ₹ 2,144 Crore).

Expansion Project:

Separately, the Company has filed a fresh application for renewal of the Environmental Clearance for the proposed Copper Smelter Plant 2 ("Expansion Project") dated 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 High Court of Madras in a Public Interest Litigation held vide its order dated 23 May 2018 that the application for renewal of the Environmental Clearance for the Expansion Project shall be processed after a mandatory public hearing and in the interim, ordered the Company to cease construction and all other activities on site for the proposed Expansion Project with immediate effect. The 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.

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The Company has approached Madras High Court by way of writ petition challenging the cancellation of lease deeds by SIPCOT pursuant to which an interim stay has been granted. The Company has also filed Appeals before the TNPCB Appellate Authority challenging withdrawal of CTE by the TNPCB, the matter is pending for adjudication. Considering the delay in existing plant matter and accordingly delay in getting the required approval for Expansion Project, management considered to make provision for impairment for Expansion Project basis fair value less cost of disposal. The net carrying value of ₹ 41 Crore as at 31 March 2022 (31 March 2021: ₹ 97 Crore) approximates its recoverable value.

Property, plant and equipment of ₹ 1,213 Crore and inventories of ₹ 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, since operations are suspended and access to the plant restricted, any difference between book and physical quantities is unlikely to be material.

(iv) PSC Extension

Rajasthan Block

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

Nevertheless, GOI, in their submissions to the Delhi High Court, has not objected to Vedanta obtaining a 10-year extension of Rajasthan PSC. The legal dispute only relates to additional 10% profit petroleum ("PP") rather than Vedanta's right to obtain 10-year extension. In the interim, without prejudice to the Company's rights, the Company has commenced paying the additional 10% profit petroleum claimed from 15 May 2020 to the Government. The Company has also filed an SLP in Supreme Court against above Delhi HC order and revised date for SLP listing is awaited.

In parallel, the Company is in discussion with the Ministry of Petroleum and Natural Gas (MoPNG) on execution of the PSC addendum. On the other issue related to DGH audit exceptions, discussions are ongoing to agree on the position that this issue will be dealt with as per ongoing arbitration with GOI as per PSC mechanism.

One of the conditions for extension of PSC relates to notification of certain audit exceptions raised for FY 2016-17 as per PSC provisions and provides for payment of amounts, if such audit exceptions result into any creation of liability. The Company had also clarified that the same should be de-linked as a condition for the extension which had been granted vide letter dated 26 October 2018.

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The Directorate General of Hydrocarbons ("DGH") in May 2018 raised a demand on the Company and its subsidiary for the period up to 31 March 2017 for Government's additional share of Profit oil based on its computation of disallowance of costs incurred in excess of the initially approved Field Development Plan ("FDP") of the pipeline project for ₹ 1,524 Crore (US$ 202 million) and retrospective re-allocation of certain common costs between Development Areas ("DAs") of RJ block aggregating to ₹ 2,752 Crore (US$ 364 million). The DGH vide its letter dated 12 May 2020, reiterated its demand only with respect to the retrospective re-allocation of certain common costs between DAs of the RJ block of ₹ 2,752 Crore (US$ 364 million towards contractor share for the period up to 31 March 2017. This amount was subsequently revised to ₹ 3,465 Crore (US$ 458 million) till March 2018 vide DGH letter dated 24 December 2020.

In September 2021, DGH communicated the approval by Empowered Committee of Secretaries for the revised pipeline project cost over the initial approved FDP.

The Company believes that it has sufficient as well as reasonable basis pursuant to the PSC provisions and related approvals, supported by legal advice, for having claimed such costs and for allocating common costs between different DAs. In the Company's opinion, these computations of the aforesaid demand/ audit exceptions are not appropriate, and the accounting adjustments sought for issues pertaining to Year 2007 and onwards are based on assumptions that are not in consonance with the approvals already in place. The Company's view is also supported by independent legal opinion and the Company has been following the process set out in PSC to resolve these aforesaid matters. The Company has also invoked the PSC process for resolution of disputed exceptions and has issued notice for arbitration and an arbitration tribunal ("Tribunal") stands constituted. Further, on 23 September 2020, the GOI had filed an application for interim relief before Delhi High Court seeking payment of all disputed dues. The matter was heard on 25 September 2020 wherein the Bench has not passed any ex parte orders. The matter is now listed for hearing on 29 August 2022.

Also, on Vedanta's application under section 17 of the Arbitration and Conciliation Act, 1996, the Tribunal in December 2020 ordered that GOI should not take any action to enforce any of the amounts at issue in this arbitration against the Claimants during the arbitral period. The GOI has challenged the said order before the Delhi High Court under the said Act. This matter is also scheduled for hearing on 25 May 2022.

The Company has also filed application under Section 151 of Code of Civil Procedure (CPC) read with Section 9 of the Arbitration Act 1996 requesting the Court to direct GOI to extend the PSC for 10 years without insisting upon a payment of disputed dues under audit exceptions which have been already referred to arbitration. On 12 April 2022, basis the application, the Court has issued notice under this application.

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

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Simultaneously, the Company is also pursuing with the GOI for executing the RJ PSC addendum at the earliest. In view of extenuating circumstances surrounding COVID-19 and pending signing of the PSC addendum for extension after complying with all stipulated conditions, the GOI has been granting interim permission to the Company to continue Petroleum operations in the RJ block. The latest permission is valid upto 14 May 2022 or signing of the PSC addendum, whichever is earlier.

(v) 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 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 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 has been provided against final order relating to wildlife conservation plan received during the current year.

(vi) 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).

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(vii) 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.

Estimates/	Basis
Future production	proved and probable reserves, production facilities, resource estimates and expansion projects
Commodity prices	management's best estimate benchmarked with external sources of information, to ensure they are within the range of available analyst forecast
Discount to price	management's best estimate based on historical prevailing discount and updated sales contracts
Extension of PSC	granted till 2030 on the expected commercial terms (Refer note 3(c)(A)(iv)
Discount rates	cost of capital risk-adjusted for the risk specific to the asset/ CGU

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

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

(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.

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Significant judgement is required in segregating the capacity charges due from the State grid, between fixed and contingent payments. The Group has determined that since the capacity charges under the PPA are based on the number of units of electricity made available by its Subsidiary which would be subject to variation on account of various factors like availability of coal and water for the plant, there are no fixed minimum payments under the PPA, which requires it to be accounted for on a straight line basis. The contingent rents recognised are disclosed in Note 27.

(ii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Group. A provision is recognised when the Group has a present obligation as a result of past events and it is probable that the Group will be required to settle that obligation.

Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

When considering the classification of legal or tax cases as probable, possible or remote, there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific applicable law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to make informed decision. Although there can be no assurance regarding the final outcome of the legal proceedings, the Group does not expect them to have a materially adverse impact on the Group's financial position or profitability. These are set out in note 40.

(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).

(iv) Exceptional items

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

The determination as to which items should be disclosed separately requires a degree of judgement. The details of exceptional items are set out in note 36.

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4 Business Combination

Ferro Alloys Corporation Limited - Business Combination

During the previous year ended 31 March 2021, the Company acquired control over Ferro Alloys Corporation Limited ("FACOR") under Corporate insolvency resolution process in terms of the Insolvency and Bankruptcy Code, 2016 of India. Based on completion of the closing conditions, the Company concluded the acquisition date as 21 September 2020. The Company holds 100% in FACOR, while FACOR holds 90% equity in its subsidiary, Facor Power Limited (FPL).

FACOR is in the business of producing Ferro Alloys and owns a Ferro Chrome plant with capacity of 72,000 TPA, two operational Chrome mines and 100 MW of Captive Power Plant through FPL. The acquisition complements the Group's existing steel business as the vertical integration of ferro manufacturing capabilities has the potential to generate significant efficiencies. FACOR has been included in "Others" for segment reporting purposes. The Company had finalised acquisition accounting during the year ended 31 March 2021.

If FACOR had been acquired at the beginning of the comparative period, revenue and profit before taxation of the Group for the year ended 31 March 2021 would have been ₹ 87,087 Crore and ₹ 17,229 Crore respectively.

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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 2022 and 31 March 2021 respectively.

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VEDANTA LIMITED New Delhi

Vedanta Limited
Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2022

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	-	131,192
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)	131,192
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 (expense)/ income [b]	139	-	-	80	2	8	15	1	-	245
Less: Unallocated expenses										235
Less: Finance costs										4,797
Add : Other income (excluding exchange difference and those included in segment results)										2,095
Add: 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	17,195	9,197	-	150,822
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										198,600
Segment liabilities	6,229	1,159	16,138	20,231	5,028	2,601	1,976	2,694	-	56,056
Deferred tax liabilities										4,435
Borrowing										53,109
Income tax liabilities (net of payments)										917
Others										1,379
Total liabilities										115,896
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) Amortisation of duty benefits relating to assets recognised as government grant.
c) 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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Vedanta Limited
Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2022

For the year ended 31 March 2021

(₹ in Crore)

Particulars	Business Segments									
	Zinc India	**Zinc International**	**Oil & Gas**	**Aluminium**	**Copper**	**Iron Ore**	**Power**	**Others**	**Eliminations**	**Total**
Revenue										
External Revenue	21,932	2,729	7,531	28,575	10,888	4,487	5,375	5,346	-	86,863
Inter segment revenue	-	-	-	69	2	41	-	31	(143)	-
Segment revenue	**21,932**	**2,729**	**7,531**	**28,644**	**10,890**	**4,528**	**5,375**	**5,377**	**(143)**	**86,863**
Results										
Segment results (EBITDA) [a]	**11,620**	**811**	**3,206**	**7,751**	**(177)**	**1,804**	**1,407**	**919**	**-**	**27,341**
Depreciation, depletion and amortisation	2,592	320	1,223	1,928	218	96	693	568	-	7,638
Add: Other income/ (expense) [b]	125	-	-	75	3	8	17	1	-	229
Add: Unallocated income										129
Less: Finance costs										5,210
Add : Other income (excluding exchange difference and those included in segment results)										3,040
Add: Net exceptional loss										(678)
Net profit before tax										17,213
Other information										
Segment assets	**21,302**	**6,065**	**18,915**	**54,764**	**6,273**	**2,722**	**17,565**	**7,876**	**-**	**135,482**
Financial Assets investments										16,660
Deferred tax Assets										5,860
Income tax Assets										2,755
Cash and bank balances (including restricted cash and bank balances)										16,744
Others										8,210
Total assets										185,711
Segment liabilities	**5,929**	**1,067**	**11,178**	**18,565**	**4,388**	**1,319**	**2,123**	**2,140**	**-**	**46,709**
Deferred tax liabilities										2,215
Borrowing										57,028
Income tax liabilities (net of payments)										277
Others										2,066
Total liabilities										108,295
Capital expenditure [c]	**2,333**	**390**	**1,523**	**1,782**	**58**	**112**	**57**	**598**	**-**	**6,855**
Net impairment/ (reversal) or write off/ (write back) relating to assets	**-**	**-**	**-**	**(181)**	**-**	**-**		**(63)**	**-**	**(244)**

a) EBITDA is a non-GAAP measure
b) Amortisation of duty benefits relating to assets recognised as government grant and cost of exploration wells written off in Oil & Gas segment
c) Total of capital expenditure includes capital expenditure of ₹ 2 Crore which is not allocable to any segment. It also includes ₹ 354 Crore acquired through business combination

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 2022	Year ended 31 March 2021
Revenue by geographical segment		
India	**73,619**	53,621
Europe	**15,847**	3,181
China	**9,667**	5,221
The United states of America	**3,487**	1,163
Turkey	**5,181**	415
Mexico	**2,311**	932
Malaysia	**548**	7,109
Others	**20,532**	15,221
Total	**131,192**	86,863

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 2022	As at 31 March 2021
Carrying amount of non-current assets		
India	**107,915**	105,615
South Africa	**5,105**	4,449
Namibia	**990**	887
Taiwan	**893**	1,002
Other	**646**	789
Total	**115,549**	112,742

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 2022. Revenue from one customer amounted to ₹ 10,477 Crore for the year ended 31 March 2021 arising from sales made in the Aluminium, Zinc and Copper segment. No other customer contributed to more than 10% of revenues.

D) Disaggregation of Revenue

Below table summarises the disaggregated revenue from contracts with customers

(₹ in Crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Oil	**10,275**	6,480
Gas	**1,712**	684
Zinc metal	**24,709**	16,634
Lead metal	**4,240**	3,880
Silver metals and bars	**4,215**	4,395
Iron ore	**2,354**	2,173
Metallurgical coke	**406**	257
Pig iron	**4,123**	2,425
Copper products	**14,281**	10,205
Aluminium products	**51,253**	28,394
Power	**3,886**	3,651
Steel products	**5,698**	3,966
Ferro alloys	**830**	274
Others	**3,119**	2,126
Revenue from contracts with customers*	**131,101**	**85,544**
Revenue from contingent rents	**1,381**	1,515
Loss on provisionally priced contracts under Ind AS 109	**(1,290)**	(196)
Total revenue	**131,192**	**86,863**

*includes revenues from sale of services aggregating to ₹ 301 Crore (For the year ended 31 March 2021: ₹ 224 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 2020	2,278	14,624	103,780	14,269	90,818	410	394	974	1,420	228,967	49,068	9,009	287,044
Additions	7	153	1,780	1,301	-	40	27	95	107	3,510	2,270	723	6,503
Acquisition through business combination (Refer Note 4)	132	-	-	-	-	-	-	-	-	132	2	-	134
Transfers/ Reclassifications*	(252)	105	3,882	457	1,009	21	(32)	10	253	5,453	(5,465)	8	(4)
Disposals/ Adjustments	(20)	(13)	(543)	(5)	(7)	(10)	(21)	(8)	(3)	(630)	-	-	(630)
Exploration cost written off (Refer note 35)	-	-	-	-	-	-	-	-	-	-	-	(7)	(7)
Exchange differences	(7)	31	234	747	(1,852)	(5)	8	7	(17)	(854)	(645)	(185)	(1,684)
As at 31 March 2021	**2,138**	**14,900**	**109,133**	**16,769**	**89,968**	**456**	**376**	**1,078**	**1,760**	**236,578**	**45,230**	**9,548**	**291,356**
Additions	91	114	1,438	638	132	21	35	77	115	2,661	7,032	977	10,670
Transfers/ Reclassifications*	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 36)	-	-	-	-	-	-	-	-	-	-	-	(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**	**115,997**	**19,687**	**93,589**	**499**	**402**	**1,164**	**1,176**	**249,913**	**45,237**	**8,018**	**303,168**
Accumulated depreciation, depletion, amortisation and impairment													
As at 01 April 2020	353	6,242	36,887	8,085	88,041	330	108	766	133	140,945	32,231	7,261	180,437
Charge for the year	6	535	4,395	1,516	772	32	38	122	194	7,610	-	-	7,610
Disposals/ Adjustments	(9)	(13)	(418)	-	(7)	(9)	(17)	(5)	(1)	(479)	-	-	(479)
Capital work-in-progress written off/ Impairment charge for the year (Refer note 36)	-	-	-	-	-	-	-	-	-	-	244	-	244
Transfers/ Reclassification*	-	-	35	-	490	-	(7)	-	-	518	(518)	-	-
Exchange differences	(5)	(6)	25	335	(1,796)	(5)	5	5	(3)	(1,445)	(607)	(147)	(2,199)
As at 31 March 2021	**345**	**6,758**	**40,924**	**9,936**	**87,500**	**348**	**127**	**888**	**323**	**147,149**	**31,350**	**7,114**	**185,613**
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)
Capital work-in-progress written off/ Impairment charge/ (reversal) for the year (Refer note 36)	-	-	-	-	(1,744)	-	-	-	-	(1,744)	24	(953)	(2,673)
Transfers/ Reclassification*	-	-	1,098	-	261	-	-	-	(162)	1,197	(1,197)	-	-
Exchange differences	9	71	499	103	2,726	2	-	18	1	3,429	895	208	4,532
As at 31 March 2022	**335**	**7,306**	**46,912**	**11,977**	**89,621**	**365**	**154**	**1,037**	**216**	**157,923**	**31,007**	**6,369**	**195,299**
Net Book Value/Carrying Amount													
As at 01 April 2020	1,925	8,382	66,893	6,184	2,777	80	286	208	1,287	88,022	16,837	1,748	106,607
As at 31 March 2021	1,793	8,142	68,209	6,833	2,468	108	249	190	1,437	89,429	13,880	2,434	105,743
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**	**107,869**

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

Right of Use (ROU) Assets

Particulars	ROU Land	ROU Building	ROU Plant and Equipment	Total
Gross Block				
As at 01 April 2020	622	64	734	1,420
Additions	91	-	16	107
Transfers/ Reclassification	253	-	-	253
Disposals/ Adjustments	-	(2)	(1)	(3)
Exchange differences	(4)	(1)	(12)	(17)
As at 31 March 2021	**962**	**61**	**737**	**1,760**
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**
Accumulated depreciation & impairment				
As at 01 April 2020	74	16	43	133
Charge for the year	48	14	132	194
Disposals/ Adjustments	-	(1)	-	(1)
Exchange differences	(2)	-	(1)	(3)
As at 31 March 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**
Net Book Value				
As at 01 April 2020	548	48	691	1,287
As at 31 March 2021	842	32	563	1,437
As at 31 March 2022	**884**	**24**	**53**	**960**

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(₹ in Crore)

6

Particulars	Software License	Right to use*	Mining Rights	Port concession rights (refer note i)	Brand & Technological know-how	Total
Intangible assets						
Gross Block						
As at 01 April 2020	379	112	381	683	247	1,802
Additions	9	32	-	1	-	42
Acquisition through business combination (Refer note 4)	-	-	220	-	-	220
Transfers from Property, Plant and Equipment	4	-	-	-	-	4
Disposals/ Adjustments	(6)	-	-	-	-	(6)
Exchange differences	(2)	-	-	-	(11)	(13)
As at 31 March 2021	**384**	**144**	**601**	**684**	**236**	**2,049**
Additions	16	-	539	1	-	556
Transfers from Property, Plant and Equipment	11	-	-	-	-	11
Exchange differences	7	-	-	-	(15)	(8)
As at 31 March 2022	**418**	**144**	**1,140**	**685**	**221**	**2,608**
Accumulated amortisation and impairment						
As at 01 April 2020	349	19	328	170	54	920
Charge for the year	16	6	32	25	23	102
Disposals/ Adjustments	(6)	-	-	-	-	(6)
Exchange differences	(4)	-	-	-	(4)	(8)
As at 31 March 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**
Net Book Value/Carrying Amount						
As at 01 April 2020	30	93	53	513	193	882
As at 31 March 2021	29	119	241	489	163	1,041
As at 31 March 2022	**38**	**113**	**730**	**465**	**130**	**1,476**

*Corporate Social Responsibility asset held for transfer to Section 8 Company to be set up.

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6 Capital Work in Progress (CWIP) ageing schedule

(₹ in Crore)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Projects in progress	Projects temporarily suspended	Projects in progress	Projects temporarily suspended
Less than 1 year	4,252	3	2,307	23
1-2 years	953	5	2,430	541
2-3 years	1,938	33	2,454	158
More than 3 years	6,426	620	4,799	1,168
Total	**13,569**	**661**	11,990	1,890

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 2022				As at 31 March 2021			
	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 [1]	4,146	863	-	-	-	4,363	-	-
Oil & Gas development CWIP projects	1,930	572	-	-	1,262	392	-	-
Others*	1,437	545	-	-	2,418	749	-	-
Projects temporarily suspended**	11	-	-	371	111	884	220	371

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

** Excludes ageing 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)).

1) Lanjigarh 2-6 MTPA Expansion project commenced in the year 2008 and then had been temporarily suspended in 2010 due to regulatory restrictions. The 2-5 MTPA Expansion project has been re-commenced during the year ended 31 March 2021.

Exploration intangible assets under development ageing schedule

(₹ in Crore)

Intangible assets under development	As at 31 March 2022	As at 31 March 2021
	Projects in progress	Projects in progress
Less than 1 year	624	760
1-2 years	534	346
2-3 years	352	25
More than 3 years	139	1,303
Total	**1,649**	2,434

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6 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 2022	Gross block as at 31 March 2021	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	3,061	2,863	Oil & Natural Gas Corporation Limited (ONGC) & 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	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.

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

b) During the year ended 31 March 2022, interest capitalised was ₹ 313 Crore (31 March 2021: ₹ 316 Crore).

c) Certain property, plant and equipment are pledged as collateral 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 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 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 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 ₹ 10,665 Crore (31 March 2021: ₹ 11,327 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-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 ₹ 22 Crore (31 March 2021: ₹ 56 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	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Depreciation/Depletion/Amortisation expense on:		
Property, Plant and Equipment	8,801	7,610
Intangible assets	122	102
As per Property, Plant and Equipment and Intangibles schedule	**8,923**	**7,712**
Less: Depreciation capitalised	(4)	(50)
Less: Cost allocated to joint ventures	(24)	(24)
As per Consolidated Statement of Profit and Loss	**8,895**	**7,638**

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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. Intangible asset port concession rights represents consideration for construction services. No Revenue from construction contract of service concession arrangments on exchanging construction services for the port concession rights was recognised for the years ended 31 March 2022 and 31 March 2021.

j) As at 31 March 2022, TSPL's assets consisting of land (including ROU land), building and plant and machinery having net carrying value of ₹ 391 Crore (31 March 2021: ₹ 394 Crore), ₹ 169 Crore (31 March 2021: ₹ 183 Crore) and ₹ 8,640 Crore (31 March 2021: ₹ 9,026 Crore) respectively have been given on operating lease (refer note 3(c)(B)(i)).

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Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2022

7 Financial assets - Investments

A) Non-current Investments

(₹ in Crore)

	Particulars	As at 31 March 2022	As at 31 March 2021
(I)	**Investments at fair value through other comprehensive income**		
	Investment in Equity Shares - quoted		
	Sterlite Technologies Limited- 47,64,295 shares of ₹ 2 each (including 60 shares held jointly with nominees)	**107**	92
	Investment in Equity Shares - unquoted		
	Sterlite Power Transmission Limited - 9,52,859 equity shares of ₹ 2 each (including 12 shares held jointly with nominees)	**11**	11
(II)	**Investments at fair value through profit and loss**		
	Investment in Bonds - quoted- Infrastructure Leasing & Financial Services Limited	**30**	51
(III)	**Investment in Equity Shares (fully paid)**		
	Associate Companies and Joint ventures – unquoted		
	Gaurav Overseas Private Limited - 3,23,000 equity shares of ₹ 10 each	**0**	0
	RoshSkor Township (Proprietary) Limited- 50 equity shares of NAD 1 each	**3**	2
	Rampia Coal Mines and Energy Private Limited - 2,72,29,539 equity shares of ₹ 1 each [b]	**-**	3
	Raykal Aluminium Company Private Limited - 12,250 equity shares of ₹10 each	**0**	0
	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)**	(5)
	Total	**151**	156

(₹ in Crore)

	Particulars	As at 31 March 2022	As at 31 March 2021
a)	Aggregate amount of quoted investments, and market value thereof	**137**	143
	Aggregate amount of unquoted investments	**16**	18
	Aggregate amount of impairment in the value of investments	**(2)**	(5)
	Total	**151**	156

b) Rampia Coal Mines and Energy Private Limited has been dissolved w.e.f. 19 April 2021.

B) Current Investments

(₹ in Crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Investments carried at fair value through profit and loss (fully paid)		
Investment in mutual funds - quoted	**1,196**	5,419
Investment in mutual funds - unquoted	**7,207**	6,318
Investment in bonds - quoted [b]	**8,587**	4,767
Investment in commercial paper - quoted	**150**	-
Investment in India Grid Trust - quoted	**0**	0
Total	**17,140**	16,504

a) Particulars	As at 31 March 2022	As at 31 March 2021
Aggregate amount of quoted investments, and market value thereof	**9,933**	10,186
Aggregate amount of unquoted investments	**7,207**	6,318
Total	**17,140**	16,504

b) Investment in related parties are sold during the previous year. Refer note 42(L).

8 Financial assets - Trade receivables

(₹ in Crore)

Particulars	As at 31 March 2022			As at March 31, 2021		
	Non-current	**Current**	**Total**	Non-current	Current	Total
Secured, Undisputed						
Not due	-	**186**	**186**	-	32	32
Less than 6 months	-	**57**	**57**	-	56	56
6 months -1 year	-	-	-	-	-	-
1-2 Years	-	-	-	-	2	2
2-3 years	-	-	-	-	-	-
More than 3 years	-	**3**	**3**	-	3	3
sub-total	-	**246**	**246**	-	93	93
Unsecured, disputed						
Unbilled dues	**43**	-	**43**	-	-	-
Not due	**28**	-	**28**	39	-	39
Less than 6 months	**246**	**19**	**265**	191	-	191
6 months -1 year	**126**	-	**126**	347	-	347
1-2 Years	**651**	**21**	**672**	349	1	350
2-3 years	**442**	**9**	**451**	510	2	512
More than 3 years	**2,515**	**14**	**2,529**	2,363	12	2,375
sub-total	**4,051**	**63**	**4,114**	3,799	15	3,814
Unsecured, Undisputed						
Not due	**1**	**2,233**	**2,234**	-	1,765	1,765
Less than 6 months	**1**	**2,361**	**2,362**	-	1,365	1,365
6 months -1 year	-	**19**	**19**	-	141	141
1-2 Years	-	**36**	**36**	-	94	94
2-3 years	-	**1**	**1**	-	36	36
More than 3 years	-	**15**	**15**	-	6	6
sub-total	**2**	**4,665**	**4,667**	-	3,407	3,407
Less: Provision for expected credit loss	**(834)**	**(28)**	**(862)**	(641)	(24)	(665)
Total	**3,219**	**4,946**	**8,165**	3,158	3,491	6,649

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 Honorable Supreme Court to seek relief, which is yet to be listed.

The outstanding trade receivables in relation to this dispute and other matters is ₹ 1,725 Crore as at 31 March 2022 (31 March 2021: ₹ 1,605 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 also include ₹ 1,293 Crore as at 31 March 2022 (31 March 2021: ₹ 1,323 Crore) withheld by GRIDCO Limited ('GRIDCO' or 'the customer') on account of certain disputes relating to computation of power tariffs pending adjudication by the Appellate Tribunal for Electricity (APTEL). Additionally, GRIDCO has raised claims of ₹ 514 Crore on the Company in respect of short supply of power, against which a provision of ₹ 218 Crore has been made in previous years. Various minutes of meetings were signed with the customer for computing the short supply claims, which were subject to approval of the Odisha State Electricity Regulatory Commission (OERC). Hearing on the subject matter (PPA Amendment Case) was completed in October 2019 and OERC had pronounced the order on 22 June 2020. In August 2020, the Company filed an appeal before APTEL against the said OERC order which was finally admitted for hearing on 22 March 2022. GRIDCO has also sought review of the said OERC order. The matter has been posted for order by OERC in due course. In the meanwhile, power supply to GRIDCO has resumed and GRIDCO has been making regular payments against monthly energy invoices.

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e) The total trade receivables as at 01 April 2020 were ₹ 5,808 Crore (net of provision for expected credit loss).

9 Financial assets - Loans

(₹ in Crore)

Particulars	As at 31 March 2022			As at 31 March 2021		
	Non-current	**Current**	**Total**	Non-current	Current	Total
Unsecured, considered good						
Loans to related parties (Refer note 42)	**3,164**	**2,298**	**5,462**	5,056	2,015	7,071
Loans and advances to employees	**2**	**6**	**8**	1	4	5
Unsecured, considered credit impaired						
Loans to related parties (Refer note 42)	**-**	**78**	**78**	-	78	78
Less: Provision for expected credit loss	**-**	**(78)**	**(78)**	-	(78)	(78)
Total	**3,166**	**2,304**	**5,470**	5,057	2,019	7,076

10 Financial assets - Others

(₹ in Crore)

Particulars	As at 31 March 2022			As at 31 March 2021		
	Non-current	**Current**	**Total**	Non-current	Current	Total
Bank deposits [a, b, c]	**207**	**-**	**207**	115	-	115
Site Restoration asset [c]	**1,023**	**-**	**1,023**	822	-	822
Unsecured, considered good						
Receivables from related parties (Refer note 42)	**-**	**151**	**151**	-	101	101
Security deposits	**187**	**54**	**241**	181	16	197
Others						
Advance recoverable (oil and gas business)	**-**	**8,176**	**8,176**	-	3,908	3,908
Others [d]	**1,438**	**343**	**1,781**	1,414	220	1,634
Unsecured, considered credit impaired						
Security deposits	**43**	**1**	**44**	42	1	43
Balance with government authorities	**-**	**3**	**3**	-	3	3
Receivables from related parties (Refer note 42)	**-**	**-**	**-**	-	20	20
Others	**565**	**436**	**1,001**	558	396	954
Less: Provision for expected credit loss	**(608)**	**(440)**	**(1,048)**	(600)	(420)	(1,020)
Total	**2,855**	**8,724**	**11,579**	2,532	4,245	6,777

a) Bank deposits includes fixed deposit with maturity more than twelve months of ₹ 0 Crore (31 March 2021: ₹ 30 Crore) under lien with bank, ₹ 20 Crore (31 March 2021: ₹ 21 Crore) reserve created against principal payment on loans from banks and margin money of ₹ 39 Crore (31 March 2021: ₹ 4 Crore).

b) Restricted funds of ₹ 5 Crore (31 March 2021: ₹ 5 Crore) held as lien with Others and ₹ 61 Crore (31 March 2021: Nil) held as margin money against bank guarantees

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, 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 ₹ 1,581 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 2022			As at 31 March 2021		
	Non-current	**Current**	**Total**	Non-current	Current	Total
Unsecured, considered good						
Capital advances	**1,702**	**-**	**1,702**	1,186	-	1,186
Advances other than capital advances						
Advances for supplies to related party (Refer note 42)	**61**	**84**	**145**	94	227	321
Advances for supplies	**-**	**2,706**	**2,706**	-	1,235	1,235
Others						
Balance with government authorities [a]	**761**	**1,084**	**1,845**	610	729	1,339
Others [b]	**918**	**1,399**	**2,317**	1,320	1,127	2,447
Unsecured, considered doubtful						
Capital advances	**185**	**-**	**185**	220	-	220
Advance for supplies	**-**	**74**	**74**	-	51	51
Balance with government authorities	**3**	**12**	**15**	3	5	8
Claims and other receivables						
Others [b]	**1,021**	**6**	**1,027**	799	5	804
Less: Provision for doubtful advances	**(1,209)**	**(92)**	**(1,301)**	(1,022)	(61)	(1,083)
Total	**3,442**	**5,273**	**8,715**	3,210	3,318	6,528

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a) Includes ₹ 58 Crore (31 March 2021: ₹ 58 Crore), being Company's share of gross amount of ₹ 86 crore (31 March 2021: ₹ 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, export incentive receivables and amounts receivable from KCM (Refer note 36(j)).

12 Inventories

(₹ in Crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials	**2,906**	2,070
Goods-in transit	**1,471**	1,303
Work-in-progress	**5,039**	3,012
Goods-in transit	**1**	1
Finished good	**783**	823
Goods-in transit	**46**	32
Fuel stock	**1,279**	798
Goods-in transit	**833**	190
Stores and spares	**1,909**	1,668
Goods-in transit	**46**	26
Total	**14,313**	9,923

a) Inventory held at net realisable value ₹ 2,707 Crore as at 31 March 2022 (31 March 2021: ₹ 2,399 Crore).

b) A write down of inventories amounting to ₹ 172 Crore (31 March 2021: ₹ 159 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).

13 Cash and cash equivalents

(₹ in Crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks	**5,408**	2,661
Bank deposits with original maturity of less than 3 months (including interest accrued thereon) [a]	**3,263**	2,193
Cash on hand	**0**	0
Total	**8,671**	4,854

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

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14 Other bank balances

(₹ in Crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Bank deposits with original maturity of more than 3 months but less than 12 months (including interest accrued thereon) [a,b]	**2,289**	11,212
Bank deposits with original maturity of more than 12 months (including interest accrued thereon)[c]	**4,164**	461
Earmarked unpaid dividend accounts [e]	**465**	100
Earmarked escrow account [f]	**3**	2
Total	**6,921**	11,775

a) The above bank deposits includes ₹ 441 Crore (31 March 2021: ₹ 492 Crore) on lien with banks, margin money of ₹ 40 Crore (31 March 2021: ₹ 272 Crore) and ₹ 81 Crore held as reserve created against principal payment on loan from banks.

b) Restricted funds of ₹ 156 Crore (31 March 2021: ₹ 460 Crore) held as interest reserve created against interest payment on loans from banks, ₹ 40 Crore (31 March 2021: ₹ 46 Crore) held as collateral in respect of closure costs, ₹ 7 Crore (31 March 2021: ₹ 21 Crore) held as lien with Others and ₹ 57 Crore (31 March 2021: Nil) held as margin money against bank guarantees.

c) Includes ₹ 4 Crore (31 March 2021: ₹ 1 Crore) margin money with banks and fixed deposit under lien with others of ₹ 15 Crore (31 March 2021: Nil).

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 dividends or unpaid dividend.

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

15 Share capital

Particulars	As at 31 March 2022		As at 31 March 2021	
	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 2021: 3,08,232) equity shares kept in abeyance. These shares are not part of listed equity capital and pending allotment as they are sub-judice.

b) Includes 86,93,406 (31 March 2021: 1,21,93,159) equity shares held by Vedanta Limited ESOS Trust (Refer Note 16).

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C) Shares held by ultimate holding company and its subsidiaries/associates *

Particulars	As at 31 March 2022		As at 31 March 2021	
	No. of Shares held (in Crore)	**% of holding**	No. of Shares held (in Crore)	% of holding
Twin Star Holdings Limited	**172.48**	**46.40**	137.94	37.11
Finsider International Company Limited	**16.35**	**4.40**	40.15	10.80
Westglobe Limited	-	-	4.43	1.19
Welter Trading Limited	**3.82**	**1.03**	3.82	1.03
Vedanta Holdings Mauritius II Limited	**49.28**	**13.25**	18.50	4.98
Vedanta Holdings Mauritius Limited	**10.73**	**2.89**	-	-
Vedanta Netherlands Investment BV	**6.35**	**1.71**	-	-
Total	**259.02**	**69.68**	204.85	55.11

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

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

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

(₹ in Crore)

Particulars	**As at 31 March 2022**	As at 31 March 2021
Equity shares issued pursuant to Scheme of Amalgamation (in FY 2017-18)	**75**	75
Preference shares issued pursuant to Scheme of Amalgamation (in FY 2017-18)*	**301**	301

* These were redeemed on 27 October 2018.

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

	As at 31 March 2022		As at 31 March 2021	
	No. of Shares held (in Crore)	**% of holding**	No. of Shares held (in Crore)	% of holding
Twin Star Holdings Limited	**172.48**	**46.40**	137.94	37.11
Finsider International Company Limited	**16.35**	**4.40**	40.15	10.80
Vedanta Holdings Mauritius II Limited	**49.28**	**13.25**	18.50	4.98
Life Insurance Corporation of India	**32.11**	**8.64**	24.40	6.56

* 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.

F) Disclosure of Shareholding of Promoters and Promoter Group

	As at 31 March 2022			As at 31 March 2021		
Particulars	**No. of Shares held (in Crore)**	**% of holding**	**% Change during the year**	No. of Shares held (in Crore)	% of holding	% Change during the year
Twin Star Holdings Limited	**172.48**	**46.40**	**9.29**	137.94	37.11	-
Finsider International Company Limited	**16.35**	**4.40**	**(6.40)**	40.15	10.80	-
Westglobe Limited	-	-	**(1.19)**	4.43	1.19	-
Welter Trading Limited	**3.82**	**1.03**	-	3.82	1.03	-
Vedanta Holdings Mauritius II Limited	**49.28**	**13.25**	**8.27**	18.50	4.98	4.98
Vedanta Holdings Mauritius Limited	**10.73**	**2.89**	**2.89**	-	-	-
Vedanta Netherlands Investment BV	**6.35**	**1.71**	**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	**259.02**	**69.68**	**14.57**	**204.85**	**55.11**	**4.98**

G) 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 1,99,387 equity shares (31 March 2021: 2,01,296 equity shares) of ₹ 1 each pending clearance from NSDL. The Company has filed an application in Hon'ble High Court of Mumbai to cancel these shares, the final decision on which is pending. Hon'ble High Court of Judicature at Mumbai, vide its interim order dated 06 September 2002 restrained any transaction with respect to subject shares.

16 Other equity (Refer consolidated statement of changes in equity)

a) **General reserve**: Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10.0% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable reserves for that year. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn.

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The Board of Directors of the Company, basis the recommendations of the Audit & Risk Management Committee and Committee of Independent Directors of the Company, at its meeting held on 29 October 2021 approved the Scheme of Arrangement ("Scheme") between the Company and its shareholders under Section 230 and other applicable provisions of the Companies Act, 2013 ("Act"). The Scheme inter alia provides for capital reorganization of the Company, whereby it is proposed to transfer amounts standing to the credit of the General Reserves to the Retained Earnings of the Company with effect from the Appointed Date. The Scheme is subject to receipt of regulatory approvals/ clearances from the Hon'ble National Company Law Tribunal, Mumbai Bench, Securities and Exchange Board of India (through BSE Limited and National Stock Exchange of India Limited), BSE Limited and National Stock Exchange of India Limited (collectively referred to as "Stock Exchanges") and such other approvals/ clearances as may be applicable.

Pursuant to the Scheme, the Company will possess greater flexibility to undertake capital related decisions and reflect a more efficient balance sheet.

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.

c) **Preference share redemption reserve:** The Companies Act, 2013 provides that companies that issue preference shares may redeem those shares from profits of the Company which otherwise would be available for dividends, or from proceeds of a new issue of shares made for the purpose of redemption of the preference shares. If there is a premium payable on redemption, the premium must be provided for, either by reducing the additional paid in capital (securities premium account) or net income, before the shares are redeemed. If profits are used to redeem preference shares, the value of the nominal amount of shares redeemed should be transferred from profits (retained earnings) to the preference share redemption reserve. This amount should then be utilised for the purpose of redemption of redeemable preference shares. This reserve can be used to issue fully paid-up bonus shares to the shareholders of the Company.

d) **Capital reserve:** The balance in capital reserve has mainly arisen pursuant to extinguishment of non-controlling interests of erstwhile Cairn India Limited, acquisition of ASI and FACOR group. 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 86,93,406 (31 March 2021: 1,21,93,159) equity shares (face value of ₹ 1 each) of the Company purchased by Vedanta Limited ESOP Trust pursuant to the Company's stock option scheme as detailed in note 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 2022 and 31 March 2021, NCIs hold an economic interest by virtue of their shareholding of 35.08%, 49.00%, 26.00%, 48.37%, 4.51% and 10% in Hindustan Zinc Limited (HZL), Bharat Aluminium Company Limited (BALCO), Black Mountain Mining (BMM), Avanstrate Inc. (ASI), ESL Steel Limited (ESL) and Facor Power Limited (FPL) respectively.

The principal place of business of HZL, BALCO, ESL and FPL is in India, that of BMM is in South Africa, that of Avanstrate Inc. is in Japan, South Korea and Taiwan.

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 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	As at 31 March 2021			
	HZL	BALCO	Others	Total
Non-current assets	21,596	12,376	13,983	47,955
Current assets	24,570	2,875	4,160	31,605
Non-current liabilities	5,590	3,854	8,501	17,945
Current liabilities	7,873	5,425	3,757	17,055
Equity attributable to owners of the Group	21,231	3,046	5,679	29,956
Non-controlling interests [a]	11,472	2,926	740	15,138

a) ₹ 534 Crore loss attributable to NCI of ASI transferred to put option liability. Refer note 22.

(₹ 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/ (loss) after tax for the year	9,593	2,651	752	12,996
Profit/ (loss) attributable to the equity shareholders of the Company	6,227	1,352	509	8,088
Profit/ (loss) attributable to the non-controlling interests	3,366	1,299	243	4,908
Other comprehensive income during the year	(56)	(17)	204	131
Other comprehensive income attributable to the equity shareholders of the Company	(36)	(9)	136	91
Other comprehensive income attributable to non-controlling interests	(20)	(8)	68	40
Total comprehensive income during the year	9,537	2,634	956	13,127
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/payable to non-controlling interests, including dividend tax	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

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(₹ in Crore)

Particulars	For the year ended 31 March 2021			
	HZL	BALCO	Others	Total
Total Income	24,452	9,868	8,287	42,607
Profit after tax for the year	7,918	1,108	3,378	12,404
Profit attributable to the equity shareholders of the Company	5,140	565	3,269	8,974
Profit attributable to the non-controlling interests	2,778	543	109	3,430
Other comprehensive income during the year	(4)	(46)	402	352
Other comprehensive income attributable to the equity shareholders of the Company	(2)	(23)	284	259
Other comprehensive income attributable to non-controlling interests	(2)	(23)	118	93
Total comprehensive income during the year	7,914	1,062	3,781	12,757
Total comprehensive income attributable to the equity shareholders of the Company	5,138	542	3,553	9,233
Total comprehensive income attributable to non-controlling interests	2,776	520	227	3,523
Dividends paid/payable to non-controlling interests, including dividend tax	5,603	-	-	5,603
Net cash inflow from operating activities	10,579	2,621	766	13,966
Net cash (outflow)/ inflow from investing activities	(2,446)	(1,030)	225	(3,251)
Net cash outflow from financing activities	(9,699)	(1,646)	(930)	(12,275)
Net cash (outflow)/ inflow	(1,566)	(55)	61	(1,560)

There were no changes in ownership interests in subsidiaries.

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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 2022	As at 31 March 2021
Cash and cash equivalents (Refer note 13)	8,671	4,854
Other bank balances [a] (including interest accrued)(Refer note 14)	6,178	11,146
Non-current Bank deposits [a] (Refer note 10)	141	110
Current investments (Refer note 7B)	17,140	16,504
Total cash (a)	**32,130**	**32,614**
Non-current borrowings (Note 19A)	36,205	37,962
Current borrowings (Note 19B)	16,904	19,066
Total borrowings (b)	**53,109**	**57,028**
Net debt (c=(b-a))	**20,979**	**24,414**
Total equity (d)	82,704	77,416
Total capital (e = equity + net debt)	**103,683**	**101,830**
Gearing ratio (times) (c/e)	0.20	0.24

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 ₹ 808 Crore (As at 31 March 2021:₹ 635 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 2022	As at 31 March 2021
At amortised cost		
Secured		
Non convertible debentures	**5,123**	13,076
Term loans from banks		
-Rupee term loans	**32,760**	29,393
-Foreign currency term loans	**2,588**	4,563
-External commercial borrowings	**1,233**	388
Others	**499**	584
Unsecured		
Non convertible debentures	**2,814**	3,516
Deferred sales tax liability	**54**	62
Non convertible bonds	**31**	156
Term loans from banks		
-Rupee term loans	**499**	1,501
-Foreign currency term loans	**72**	72
Redeemable preference shares	**2**	2
Non-current Borrowings	**45,675**	53,313
Less: Current maturities of long term borrowings [a]	**(9,470)**	(15,351)
Total non-current Borrowings (Net) (A)	**36,205**	37,962
Current Borrowings (Refer Note 19B) (B)	**16,904**	19,066
Total Borrowings (A+B)	**53,109**	57,028

B) Current borrowings

(₹ in Crore)

Particulars	As at 31 March 2022	As at 31 March 2021
At amortised cost		
Secured		
Working capital loan	**565**	349
Packing credit in foreign currencies from banks	**-**	350
Term loans from banks	**23**	-
Current maturities of long term borrowings [a]	**8,238**	14,635
Others	**12**	106
Unsecured		
Loans from banks	**700**	-
Loans repayable on demand from banks	**1,000**	298
Commercial paper	**4,986**	2,162
Working capital loan	**9**	318
Amounts due on factoring	**139**	27
Current maturities of long term borrowings [a]	**1,232**	716
Others	**-**	105
Total	**16,904**	19,066

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.

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a) Current maturities of long term borrowings consists of:

(₹ in Crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Secured		
Non convertible debentures	**2,074**	8,951
Term loans from banks		
-Rupee term loans	**4,321**	3,724
-Foreign currency term loans	**1,231**	1,097
External commercial borrowings	**113**	279
Others	**498**	584
Unsecured		
Non convertible debentures	**703**	702
Term loans from banks	**499**	-
Deferred sales tax liability	**29**	12
Redeemable preference shares	**2**	2
Grand total	**9,470**	15,351

b) **Details of Non-convertible debentures issued by Group have been provided below (Carrying value) -** (₹ in Crore)

Particulars	As at 31 March 2022	As at 31 March 2021
9.20% due February-2030	**2,000**	2,000
7.68% due December-2024	**997**	-
5.35% due September 2022 - ₹ 703 Crore and September 2023 - ₹ 2,111 Crore	**2,814**	3,516
8.75% due June-2022	**1,270**	1,269
9.20% due December-2022	**749**	749
0.00% due September 2022 - ₹ 56 Crore and September 2023 - ₹ 51 Crore	**107**	167
7.50% due March-2022	-	493
8.75% due September-2021	-	250
8.50% due April-2021	-	2,349
8.90% due December-2021	-	899
9.18% due July-2021	-	1,000
9.27% due July-2021	-	1,000
8.50% due June-2021	-	1,650
8.75% due April-2021	-	250
8.55% due April-2021	-	1,000
Total	**7,937**	16,592

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 2022	As at 31 March 2021
Secured long term borrowings	**33,965**	33,369
Secured short term borrowings	**8,838**	15,440
Total	**42,803**	48,809

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(₹ in Crore)

Facility Category	Security details	As at 31 March 2022	As at 31 March 2021
Working capital loans*	Secured by first pari passu charge on current assets of Vedanta Limited	-	650
	Secured by second pari passu charge on fixed assets of TSPL and first pari passu charge on current assets of the company, both present and future	**515**	49
	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	**50**	-
External Commercial Borrowings	The facility is secured by first pari passu charge on all movable property, plant and equipments related to power plants and aluminium smelters of BALCO located at Korba both present and future along with secured lenders	**76**	219
	A First Pari-passu charge by way of hypothecation on the specified movable fixed assets of the Company pertaining to its manufacturing facilities comprising of (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 1215 (9*135) MW CPP at Jharsuguda, Odisha	**1,119**	-
	The facility is secured by first pari passu charge on all movable property, plant and equipments related to power plant and aluminium smelter located at Korba both present and future along with secured lenders at BALCO	**38**	169
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 of 18.9 acres situated at Jharsuguda, Odisha	**2,000**	5,409
	Secured by way of charge against all existing assets of FACOR	**107**	167
	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 of 85 cents situated at Tuticorin District, Tamil Nadu	**2,019**	-
	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 Borrower 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 1215 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	**997**	-
	Other secured non-convertible debentures	-	7,500

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Facility Category	Security details	As at 31 March 2022	As at 31 March 2021
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	**6,498**	5,140
	First pari passu charge by way of hypothecation/ equitable mortgage on the movable/ immovable assets of the Aluminium Division of Vedanta Limited 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 1215 (9x135) MW CPP at Jharsuguda, Orissa, both present and future	**625**	1,883
	Secured by a pari passu charge by way of hypothecation of all the movable fixed assets of Vedanta Limited pertaining to its Aluminium Division project consisting of (i) alumina refinery having output of 1 MTPA (Refinery) along with co-generation captive power plant with an aggregate capacity of 90 MW at Lanjigarh, Orissa (Power Plant); and (ii) aluminium smelter having output of 1.6 MTPA along with a 1215 (9x135) MW CPP at Jharsuguda, Orissa (Smelter) (the Refinery, Power Plant and Smelter). Also, a first pari passu charge by way of equitable mortgage on the land pertaining to the mentioned project of aluminium division	**1,776**	2,194
	Secured by a pari passu charge by way of hypothecation on the movable fixed assets of the Lanjigarh Refinery Expansion Project including 210 MW Power Project. Lanjigarh Refinery Expansion Project shall specifically exclude the 1 MTPA alumina refinery of Vedanta Limited along with 90 MW power plant in Lanjigarh and all its related expansions	**402**	436
	Secured by a pari passu charge by way of hypothecation on the movable fixed assets of Vedanta Limited 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 1215 MW captive power plant at Jharsuguda, Odisha	**4,019**	1,913
	First pari passu charge by way of hypothecation/ equitable mortgage on the movable/ immovable assets of the Aluminium Division of Vedanta Limited 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 1215 (9x135) MW CPP at Jharsuguda, Orissa and additional charge on Lanjigarh Expansion project, both present and future	**999**	1,092

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Facility Category	Security details	As at 31 March 2022	As at 31 March 2021
Term loans from banks (Includes rupee term loans and foreign currency term loans)	Secured by a pari passu charge by way of hypothecation/ equitable mortgage of the movable/ immovable fixed assets of Vedanta Limited pertaining to its Aluminium Division comprising 1 MTPA alumina refinery plant with 90 MW captive power plant at Lanjigarh, Odisha and 1.6 MTPA aluminium smelter plant with 1215 MW captive power plant at Jharsuguda, Odisha	**6,918**	2,801
	Secured by (i) floating charge on borrower collection account and associated permitted investments and (ii) corporate guarantee from CEHL and floating charge on collection account and current assets of CEHL	**1,602**	2,810
	Pledge of 49% of shares and other securities and rights to any claims held by THL Zinc Limited in and against BMM	**45**	220
	The facility is secured by first pari passu charge on all movable property, plant and equipments related to power plants and aluminium smelters of BALCO located at Korba both present and future along with secured lenders	**76**	147
	Secured by first pari passu charge on all present and future movable fixed assets including but not limited to plant & machinery, spares, tools and accessories of BALCO (excluding of coal block assets) by way of a deed of hypothecation	**890**	2,500
	First pari-passu charge on the movable fixed and current assets (except for the Concession assets) of VGCB at Visakhapatnam, Andhra Pradesh	**375**	-
	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.	**2,705**	3,134
	Secured by a first pari passu charge on the identified fixed assets of the Vedanta Limited both present and future, pertaining to its Aluminium business (Jharsuguda Plant, Lanjigarh Plant), 2400 MW power plant assets at Jharsuguda, Copper Plant assets at Silvasa, Iron ore business in the states of Karnataka and Goa, dividends receivable from Hindustan Zinc Limited ("HZL") a subsidiary of the Vedanta Limited, and the debt service reserve account to be opened for the Facility along with the amount lying to the credit thereof [h]	**7,821**	8,538

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Facility Category	Security details	As at 31 March 2022	As at 31 March 2021
	Secured by first pari passu charge by way of hypothecation of whole of the movable fixed assets of (i) Alumina Refinery having output of 1.7 to 6 MTPA along with co-generation captive power plant with an aggregate capacity of 90MW at Lanjigarh, Odisha and (ii) Aluminium Smelter having output of 1.6 MTPA along with a 1,215 (9*135) MW CPP at Jharsuguda, Odisha	**620**	1,148
Others	Secured by way of hypothecation of stock of raw materials, work-in-progress, 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, both for fund based and non fund based facilities.	**12**	106
	Secured by Fixed asset (platinum) of AvanStrate	**499**	536
	Other secured borrowings	**-**	48
		42,803	**48,809**

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

d) The loan facilities are subject to certain financial and non- financial convenants. The primary convenants which must be complied with include interest service coverage ratio, current ratio, debt service coverage ratio, total outside liabilities to total net worth, fixed assets coverage ratio, ratio of total term liabilities to net worth 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.

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e) 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	17	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**	**10,163**	

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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f) Term of repayment of total borrowings outstanding as at 31 March 2021 are provided below -

(₹ in Crore)

Borrowings	Weighted average of interest as at 31 March 2021	Total carrying value	<1 year	1-3 years	3-5 years	>5 years	Remarks
Foreign currency term loan	3.85%	4,635	1,098	2,655	701	209	Repayable in 69 quarterly installments and 12 annual installments
Rupee term loan	9.00%	30,894	3,754	9,181	7,772	10,352	Repayable in 177 monthly repayments, 663 quarterly installments, 1 half yearly installments and 1 bullet payment
External commercial borrowings	4.34%	388	279	110	-	-	Repayable in 8 annual installments for three external commercial borrowings
Non convertible debentures	7.97%	16,592	9,675	4,978	-	2,000	Repayable in 12 bullet payments and 6 annual installments
Commercial paper	4.21%	2,161	2,161	-	-	-	Repayable in 1 bullet payment
Working capital loan *	6.06%	1,315	1,315	-	-	-	Export packing credit and working capital loan are repayable within one year from the date of drawal, cash credit can be repaid anytime as per the availability of business surplus during the validity of the facility
Amounts due on factoring	4.65%	27	27	-	-	-	Repayable within one month
Deferred sales tax liability	NA	62	13	46	12	-	Repayable in 67 monthly installments
Redeemable preference shares	NA	2	2	-	-	-	The redemption and dividend paid to the preference shares unclaimed if any, is payable on claim.
Non-convertible bonds	0.00%**	156	-	17	20	119	Repayable in 10 annual installments starting from FY 2023-24
Others	5.10%	796	796	-	-	-	Suppliers credit is repayable in seven bullet payments and one annual repayments; Loan repayable on demand and others payable in one annual payment
Total		**57,028**	**19,120**	**16,987**	**8,505**	**12,680**	

The above maturity is based on the total principal outstanding gross of issue expenses and discounting impact of deferred sales tax liability.
*Includes loans repayable on demand from banks for ₹ 298 Crore and packing credit in foreign currency from banks of ₹ 350 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 2020	13,076	46,111	59,187
Net cash inflow/ (outflow)	(9,351)	7,130	(2,221)
Debt on acquisition through business combination	8	-	8
Other non-cash changes	(7)	126	119
Foreign exchange currency translation differences	(11)	(54)	(65)
As at 31 March 2021	**3,715**	**53,313**	**57,028**
Opening balance at 01 April 2021	**3,715**	**53,313**	**57,028**
Net cash 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**

*including Current maturities of Long term borrowing

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

h) During the current year, the Company executed into a ₹ 8,000 Crore facility agreement with Union Bank of India Limited to take over 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 representing 5.77% of the paid up share capital of HZL along-with a non-disposal undertaking in respect of its shareholding in HZL to the extent of 50.1% of the paid up share capital of HZL. As at 31 March 2022, the principal amount participated for and outstanding under the facility is ₹ 7,840 Crore.

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

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20 Financial liabilities -Trade payables

(₹ in Crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Undisputed dues		
Unbilled dues	**2,042**	1,311
Not due	**3,441**	2,477
Less than 1 year	**4,531**	3,587
1-2 years	**107**	120
2-3 years	**91**	80
More than 3 years	**96**	45
Sub-total	**10,308**	7,620
Disputed dues		
Less than 1 year	**41**	3
1-2 Years	**36**	-
2-3 years	**22**	-
More than 3 years	**131**	1
Sub-total	**230**	4
Total	**10,538**	7,624

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 0.28% to 3.16% per annum and in rupee from domestic banks at interest rate ranging from 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.

22 Financial liabilities - Others

(₹ in Crore)

Particulars	**As at 31 March 2022**			As at 31 March 2021		
	Non-current	**Current**	**Total**	Non-current	Current	Total
Liabilities for capital expenditure	**962**	**10,998**	**11,960**	936	7,009	7,945
Security deposits from vendors and others	**-**	**237**	**237**	-	218	218
Interest accrued but not due	**-**	**381**	**381**	-	1,217	1,217
Put option liability with non-controlling interest [a]	**245**	**-**	**245**	263	-	263
Unpaid/unclaimed dividend	**-**	**122**	**122**	-	101	101
Profit petroleum payable	**-**	**2,180**	**2,180**	-	1,468	1,468
Dues to related parties (Refer note 42)	**-**	**166**	**166**	-	294	294
Other liabilities [b]	**120**	**3,227**	**3,347**	86	2,664	2,750
Total	**1,327**	**17,312**	**18,639**	1,285	12,971	14,256

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a) The non-controlling shareholders of ASI have an option to offload their shareholding to the Group. The option is exercisable at any time within the period of three years following the fifth anniversary of the date of shareholders' agreement (22 December 2017) at a price higher of ₹ 52 (US$ 0.757) per share and the fair market value of the share. Therefore, the liability is carried at higher of the two. Subsequent changes to the put option liability are treated as equity transaction and hence accounted for in equity.

b) Includes revenue received in excess of entitlement interest of ₹ 1,507 Crore (31 March 2021: ₹ 1,482 Crore) and reimbursement of expenses, interest accrued on other than borrowings, liabilities related to claim, liability for stock options etc.

23 Movement in lease liabilites is as follows : (₹ in Crore)

Particulars	Amount
At 01 April 2020	**660**
Additions during the year	360
Interest on lease liabilities	28
Payments made	(338)
Disposals/ adjustments	(69)
As at 31 March 2021	**641**
Additions during the year	115
Interest on lease liabilities	14
Payments made	(232)
Disposals/ adjustments	(64)
As at 31 March 2022	**474**

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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 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	-	-	7,644	8,165	8,165
Loans	-	-	-	5,470	5,470	5,864
Other financial assets	-	-	-	11,579	11,579	11,579
Derivatives	10	-	248	-	258	258
Cash and cash equivalents	-	-	-	8,671	8,671	8,671
Other bank balances	-	-	-	6,921	6,921	6,921
Total	**17,701**	**118**	**248**	**40,285**	**58,352**	**58,746**

(₹ 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	-	9,505	-	10,538	10,538
Operational buyers' credit / suppliers' credit	-	-	10,993	-	10,993	10,993
Derivatives	135	402	-	-	537	537
Other financial liabilities**	-	-	18,868	245	19,113	19,113
Total	**1,168**	**402**	**92,475**	**245**	**94,290**	**94,383**

As at 31 March 2021

(₹ 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*	16,555	103	-	-	16,658	16,658
Trade receivables	163	-	-	6,486	6,649	6,649
Loans	-	-	-	7,076	7,076	7,597
Other financial assets	-	-	-	6,777	6,777	6,777
Derivatives	13	-	57	-	70	70
Cash and cash equivalents	-	-	-	4,854	4,854	4,854
Other bank balances	-	-	-	11,775	11,775	11,775
Total	**16,731**	**103**	**57**	**36,968**	**53,859**	**54,380**

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(₹ 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	-	-	57,028	-	57,028	56,700
Trade payables	707	-	6,917	-	7,624	7,624
Operational buyers' credit / suppliers' credit	-	-	8,265	-	8,265	8,265
Derivatives	93	262	-	-	355	355
Other financial liabilities**	-	-	14,634	263	14,897	14,897
Total	**800**	**262**	**86,844**	**263**	**88,169**	**87,841**

* Investments exclude equity investment in associates and joint ventures which are accounted as per the equity method of accounting.

**includes lease liability of ₹ 474 Crore (31 March 2021: ₹ 641 Crore)

*** Represents net put option liability with non-controlling interests accounted for at fair value.

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 2022 and 31 March 2021 measured at fair value:

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 payables	-	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**

As at 31 March 2021

(₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
At fair value through profit or loss			
Investments	6,318	10,186	51
Derivative financial assets	-	13	-
Trade receivables	-	163	-
At fair value through other comprehensive income			
Investments	92	-	11
Derivatives designated as hedging instruments			
Derivative financial assets	-	57	-
Total	**6,410**	**10,419**	**62**

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
At fair value through profit or loss			
Derivative financial liabilities	-	93	-
Trade payable	-	707	-
Derivatives designated as hedging instruments			
Derivative financial liabilities	-	262	-
Other financial liabilities - Net put option liability with non-controlling interests accounted for at fair value.	-	-	263
Total	**-**	**1,062**	**263**

The below table summarises the fair value of loans and borrowings which are carried at amortised cost as at 31 March 2022 and 31 March 2021

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**	**-**

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As at 31 March 2021 (₹ in Crore)

Financial Assets	Level 1	Level 2	Level 3
Loans*	-	7,597	-
Total	**-**	**7,597**	**-**

(₹ in Crore)

Financial Liabilities	Level 1	Level 2	Level 3
Borrowings	-	56,700	-
Total	**-**	**56,700**	**-**

*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 and structured investments are valued by referring to market inputs including quotes, trades, poll, primary issuances for securities and /or underlying securities issued by the same or similar issuer for similar maturities and movement in benchmark security etc.
- Trade receivables, cash and cash equivalents, other bank balances, other financial assets, current borrowings, trade payables, operational buyers' credit and other current financial liabilities: Fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Non-current fixed-rate and variable-rate borrowings: Fair value has been determined by the Group based on parameters such as interest rates, specific country risk factors, and the risk characteristics of the financed project.
- Derivative financial assets/liabilities: The Group 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 2022 and 31 March 2021 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.

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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 Committee. The Audit and Risk Committee is aided by the other Committees of the Board including the Risk Management Committee, which meets regularly to review risks as well as the progress against the planned actions. Key business decisions are discussed at the periodic meetings of the Executive Committee. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Group's risk situation
- improve financial returns

Treasury management

Treasury management focuses on liability management, capital protection, liquidity maintenance and yield maximisation. The treasury policies are approved by the Committee of the Board. Daily treasury operations of the subsidiary companies are managed by their respective finance teams within the framework of the overall Group treasury policies. Long-term fund raising including strategic treasury initiatives are managed jointly by the business treasury team and the central team at corporate treasury while short-term funding for routine working capital requirements is delegated to subsidiary companies. A monthly reporting system exists to inform senior management of the Group's investments and debt position, exposure to currency, commodity and interest rate risk and their mitigants including the derivative position. The Group has a strong system of internal control which enables effective monitoring of adherence to Group's policies. The internal control measures are effectively supplemented by regular internal audits.

The Group uses derivative instruments to manage the exposure in foreign currency exchange rates, interest rates and commodity prices. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage the treasury and commodity risks. Both treasury and commodities derivative transactions are normally in the form of forward contracts, interest rate and currency swaps and these are in line with the Group's policies.

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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 " RC", improving operational efficiencies, minimising conversion cost, generating a premium over LME on sale of finished copper, sale of by-products and from achieving import parity on domestic sales. Hence, mismatches in quotational periods are managed to ensure that the gains or losses are minimised. The Group hedges this variability of LME prices through forward contracts and tries to make the LME price a pass-through cost between purchases of anodes / blisters and sales of finished products, both of which are linked to the LME price.
RCs are a major source of income for the Indian copper refining operations. Fluctuations in Rcs are influenced by factors including demand and supply conditions prevailing in the market for smelters output. The Group's copper business has a strategy of securing a majority of its anodes / blisters feed requirement under long-term contracts with smelters / traders.

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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 2022, the value of net financial liabilities linked to commodities (excluding derivatives) accounted for on provisional prices was ₹ 512 Crore (31 March 2021: ₹ 216 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 2022.

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

(₹ in Crore)

For the year ended 31 March 2022	Total Exposure	Effect on pre-tax profit/(loss) of a 10% increase in the LME	Effect on equity of a 10% increase in the LME
Copper	(830)	(83)	-

(₹ in Crore)

For the year ended 31 March 2021	Total Exposure	Effect on pre-tax profit/(loss) of a 10% increase in the LME	Effect on equity of a 10% increase in the LME
Copper	(1,002)	(100)	-

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.

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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 ₹ 130 Crore loss (31 March 2021: ₹ 87 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 Group requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Group generates sufficient cash flows from the current operations which together with the available cash and cash equivalents, short-term investments and structured investment net of deferred consideration payable for such investments provide liquidity both in the short-term as well as in the long-term. The Group has been rated by CRISIL Limited (CRISIL) and India Ratings and Research Private Limited (India Rating) for its capital market issuance in the form of CPs and NCDs and for its banking facilities in line with Basel II norms.

CRISIL after revising the outlook to 'Positive' from 'Stable' in October 2021, upgraded its rating on the long-term bank facilities and debt instruments of Vedanta Ltd to 'CRISIL AA' from 'CRISIL AA-' in February 2022. The outlook on ratings was also revised to 'Stable' from 'Positive'. The short-term rating on bank facilities and commercial paper has been reaffirmed at 'CRISIL A1+'. The upward rating action factors in stronger-than-expected operating profitability, driven by elevated commodity prices during fiscal 2022, volume growth across businesses, and sustained cost efficiency, especially in the Aluminium business. In December 2021, India ratings also revised the outlook to 'Positive' from 'Stable' while reaffirming the ratings on long-term bank facilities at " IND AA-".

Anticipated future cash flows, together with undrawn fund based committed facilities of ₹ 11,103 Crore, and cash, bank, structured investment (net of related liabilities) and current investments of ₹ 32,130 Crore as at 31 March 2022, 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 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	29	474
Trade Payables, Operational Buyers' Credit and Other financial liabilities**	38,762	1,098	-	-	39,860
	58,645	**19,397**	**13,112**	**11,683**	**102,836**

As at 31 March 2021 (₹ in Crore)

Payments due by year	<1 year	1-3 years	3-5 years	>5 years	Total
Borrowings*	23,571	22,088	11,673	15,503	72,835
Derivative financial liabilities	279	76	-	-	355
Lease liabilities	481	60	22	78	641
Trade Payables, Operational Buyers' Credit and Other financial liabilities**	27,862	1,114	-	-	28,976
	52,193	**23,338**	**11,695**	**15,581**	**102,807**

** 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 2022 (₹ in Crore)

Funding facility	Total Facility	Drawn	Undrawn
Fund/non-fund based	78,181	64,227	13,954

As at 31 March 2021 (₹ in Crore)

Funding facility	Total Facility	Drawn	Undrawn
Fund/non-fund based	72,752	56,232	16,520
Total	**66,793**	**51,780**	**15,013**

Collateral
The Group has pledged financial instruments with carrying amount of ₹ 27,191 Crore (31 March 2021: ₹ 21,990 Crore) and inventories with carrying amount of ₹ 11,448 Crore (31 March 2021: ₹ 7,654 Crore) as per the requirements specified in various financial facilities in place. The counterparties have an obligation to release the securities to the Group when financial facilities are surrendered.

(b) Foreign exchange risk

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

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Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from the fluctuations primarily in the US dollar, Australian dollar, Namibian dollar, AED, ZAR, GBP, JPY, INR and Euro against the functional currencies of Vedanta Limited and its subsidiaries.

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

The Group's presentation currency is the Indian Rupee (INR). The majority of the assets are located in India and the Indian Rupee is the functional currency for the Indian operating subsidiaries except for Oil and Gas business operations which have a US dollar functional currency. Natural hedges available in the business are identified at each entity level and hedges are placed only for the net exposure. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted for project expenditures to avoid budget overruns, where cost of the project is calculated taking into account the hedge cost. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed.

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

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

(₹ in Crore)

Currency	As at 31 March 2022		As at 31 March 2021	
	Financial Asset	**Financial liabilities**	**Financial Asset**	**Financial liabilities**
INR	39,170	64,901	40,236	63,672
USD	17,885	26,183	12,802	21,982
Others	1,297	3,206	821	2,515
Total	**58,352**	**94,290**	**53,859**	**88,169**

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.

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

For the year ended 31 March 2022

(₹ in Crore)

	Effect of 10% strengthening of functional currency on pre-tax profit/ (loss)	Effect of 10% strengthening of functional currency on equity
USD	884	-
INR	(452)	-

For the year ended 31 March 2021

(₹ in Crore)

	Effect of 10% strengthening of functional currency on pre-tax profit/ (loss)	Effect of 10% strengthening of functional currency on equity
USD	1,132	-
INR	(307)	-
EURO	26	-

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.

(c) Interest rate risk

At 31 March 2022, the Group's net debt of ₹ 20,979 Crore (31 March 2021: ₹ 24,414 Crore) comprises debt of ₹ 53,109 Crore (31 March 2021: ₹ 57,028 Crore) offset by cash, bank and current investments of ₹ 32,130 Crore (31 March 2021: ₹ 32,614 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.

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

(₹ in Crore)

	Total	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial Assets	**58,352**	9,113	24,576	24,663

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

(₹ in Crore)

	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Financial Liabilities	**94,290**	35,579	29,899	28,812

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

(₹ in Crore)

	Total	Floating rate financial assets	Fixed rate financial assets	Non-interest bearing financial assets
Financial Assets	**53,859**	11,332	27,060	15,467

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

(₹ in Crore)

	Total	Floating rate financial liabilities	Fixed rate financial liabilities	Non-interest bearing financial liabilities
Financial Liabilities	**88,169**	32,391	33,139	22,639

Considering the net debt position as at 31 March 2022 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 2022	Effect on pre-tax profit/(loss) during the year ended 31 March 2021
0.50%	(132)	(105)
1.00%	(265)	(211)
2.00%	(530)	(421)

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 as at 31 March 2022 and 31 March 2021 is ₹ 58,352 Crore and ₹ 53,859 Crore respectively.
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 Note 8 and 10 on allowance for impairment of trade receivables and other financial assets.

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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 2022 and 31 March 2021:

(₹ in Crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Neither impaired nor past due	15,828	13,433
Past due but not impaired		
- Less than 1 month	2,108	612
- Between 1–3 months	369	276
- Between 3–12 months	390	842
- Greater than 12 months	5,289	4,402
Total	**23,984**	**19,565**

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)

Particulars	Trade receivables	Financial assets - Others	Financial assets - Loans
As at 01 April 2020	**570**	**966**	**-**
Allowance made during the year	94	122	78
Reversals/ write-off during the year	1	(58)	0
Exploration cost written off	0	2	0
Exchange differences	(0)	(12)	0
As at 31 March 2021	**665**	**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	**862**	**1,048**	**78**

D Derivative financial instruments

The Group uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage the treasury and commodity risks. Both treasury and commodities derivative transactions are normally in the form of forward contracts and these are subject to the Group guidelines and policies.

The fair values of all derivatives are separately recorded in the consolidated balance sheet within current and non-current assets and liabilities. Derivatives that are designated as hedges are classified as current or non-current depending on the maturity of the derivative.

The use of derivatives can give rise to credit and market risk. The Group tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Cash flow hedges

The Group enters into forward exchange and commodity price contracts for hedging highly probable forecast transaction and account for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are 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 2022 and 31 March 2021.

The Group uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions. The Group hedged part of its foreign currency exposure on capital commitments during the year ended 31 March 2022. Fair value changes on such forward contracts are recognized in other comprehensive income.

The majority of cash flow hedges taken out by the Group during the year comprise non-derivative hedging instruments for hedging the foreign exchange rate of highly probable forecast transactions and commodity price contracts for hedging the commodity price risk of highly probable forecast transactions.

The cash flows related to above are expected to occur during the year ending 31 March 2023 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.

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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.

Net investment in foreign operations

The Group has partly hedged its foreign exchange risk in net investment in foreign operations in the previous year. Exchange differences arising from the translation of the net investment in foreign operations are recognised directly in equity. Gains and losses on those hedging instruments on forward exchange contracts designated as hedges of the net investments in foreign operations are recognised in equity to the extent that the hedging relationship is effective. These amounts are included in exchange differences on translation of foreign operations as stated in other comprehensive income. Gains and losses relating to hedge ineffectiveness are recognised immediately in the Consolidated Statement of Profit and Loss for the year. Gains and losses accumulated in the translation reserve are included in profit or loss when the foreign operation is disposed off.

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 2022**		**As at 31 March 2021**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Current				
Cash flow hedge*				
- Commodity contracts	232	207	3	55
- Interest rate swap	1	-	-	5
Fair Value hedge				
- Commodity contracts	11	65	41	9
- Forward foreign currency contracts	4	124	14	116
Non - qualifying hedges/economic hedge				
- Commodity contracts	2	10	1	3
- Forward foreign currency contracts	8	125	12	91
Sub-total (A)	**258**	**531**	**70**	**279**
Non-current				
Cash flow hedge*				
- Interest rate swap	-	-	-	5
Fair Value hedge				
- Forward foreign currency contracts	-	6	-	71
Non - qualifying hedges				
- Commodity contracts	-	-	-	-
Sub-total (B)	**-**	**6**	**-**	**76**
Total (A+B)	**258**	**537**	**70**	**356**

* 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 2022			As at 31 March 2021		
	Non-current	**Current**	**Total**	Non-current	Current	Total
Provision for employee benefits [a] (Refer note 33)						
- Retirement benefit	**158**	**100**	**258**	146	115	261
- Others	**10**	**177**	**187**	12	154	166
Provision for restoration, rehabilitation and environmental costs [b]	**3,218**	**28**	**3,246**	2,974	28	3,002
Other provisions [b]	**-**	**112**	**112**	-	56	56
Total	**3,386**	**417**	**3,803**	3,132	353	3,485

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 2020	2,677	56
Additions	270	-
Amounts utilised	(2)	-
Unused amounts reversed	(24)	-
Unwinding of discount (Refer note 34)	72	-
Revision in estimates	(12)	-
Exchange differences	21	-
As at 31 March 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

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.

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These amounts are calculated by considering discount rates within the range of 2% to 10%, and become payable on closure of mines and are expected to be incurred over a period of one to thirty years. The lower range of discount rate is at 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.

d) **Other provisions**

Other provisions include provision for disputed cases and claims.

26 Other liabilities

(₹ in Crore)

Particulars	As at 31 March 2022			As at 31 March 2021		
	Non-current	**Current**	**Total**	Non-current	Current	Total
Amount payable to owned post-employment benefit trust	-	**33**	**33**	-	32	32
Other statutory liabilities [a]	-	**3,157**	**3,157**	-	3,144	3,144
Deferred government grants [b]	**4,270**	**250**	**4,520**	4,327	229	4,556
Advance from customer [c]	**404**	**4,127**	**4,531**	-	6,233	6,233
Advance from related party	-	**2**	**2**	-	-	-
Other liabilities	-	**208**	**208**	-	184	184
Total	**4,674**	**7,777**	**12,451**	4,327	9,822	14,149

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 2020 was ₹ 8,055 Crore. During the current year, the Group has refunded Nil (FY 2020-21 ₹ 5 Crore) to the customers and recognised revenue of ₹ 6,221 Crore (FY 2020-21: ₹ 7,878 Crore) out of such opening balances. All other changes are either due to receipt of fresh advances or exchange differences.

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27 Revenue from operations

(₹ in Crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Sale of products	**129,510**	85,124
Sale of services	**301**	224
Revenue from contingent rents	**1,381**	1,515
Total	**131,192**	86,863

a) Revenue from sale of products and from sale of services for the year ended 31 March 2022 includes revenue from contracts with customers of ₹ 1,30,691 Crore (31 March 2021: ₹ 85,544 Crore) and a net loss on mark-to-market of ₹ 1,290 Crore (31 March 2021: ₹ 196 Crore) on account of gains/ losses relating to sales that were provisionally priced as at 31 March 2021 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 2022.

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 three months.

As per the terms of the contract with its customers, either all performance obligations are to be completed within one year from the date of such contracts or the Group has a right to receive consideration from its customers for all completed performance obligations. Accordingly, the Group has availed the practical expedient available under paragraph 121 of Ind AS 115 and dispensed with the additional disclosures with respect to performance obligations that remained unsatisfied (or partially unsatisfied) at the balance sheet date. Further, since the terms of the contracts directly identify the transaction price for each of the completed performance obligations, in all material respects, there are no elements of transaction price which have not been included in the revenue recognised in the financial statements.
Further, there is no material difference between the contract price and the revenue from contract with customers.

28 Other operating income

(₹ in Crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Export incentives	**488**	303
Scrap sales	**573**	527
Miscellaneous income	**479**	328
Total	**1,540**	1,158

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29 Other Income

(₹ in Crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Net gain on investment measured at FVTPL	**209**	934
Interest income from investments measured at FVTPL	**392**	478
Interest income from financial assets at amortised cost		
- Bank deposits	**537**	565
- Loans (Refer note 42)	**708**	629
- Others	**246**	351
Interest on income tax refund	**2**	80
Dividend income from		
- financial assets at FVTPL	**-**	1
- financial assets at FVOCI	**2**	2
Profit on sale of assets	**128**	75
Deferred government grant income	**245**	229
Miscellaneous income	**131**	77
Total	**2,600**	3,421

30 Changes in inventories of finished goods and work-in-progress*

(₹ in Crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening Stock:		
Finished Goods	**855**	1,270
Work in Progress	**3,013**	3,323
Total	**3,868**	4,593
Add: Foreign exchange translation	**14**	40
Add: Acquired as part of business combination	**-**	23
(Less)/Add: Capitalisation and other adjustments	**(51)**	4
(Less): Raw material sold during the year	**(11)**	-
Less: Closing Stock		
Finished Goods	**829**	855
Work in Progress	**5,040**	3,013
Total	**5,869**	3,868
Changes in inventory	**(2,049)**	792

* Inventories include goods-in-transit

31 Employee benefits expense [a]

(₹ in Crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages	**2,776**	2,895
Share based payments	**79**	60
Contributions to provident and other funds	**226**	208
Staff welfare expenses	**286**	228
Less: Cost allocated/directly booked in joint ventures	**(556)**	(530)
Total	**2,811**	2,861

(a) net of capitalisation of ₹ 115 Crore (31 March 2021: ₹ 127 Crore).

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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 2022 and year ended 31 March 2021 includes business performance based, sustained individual performance based, management discretion and fatality multiplier based stock options. Business performances will be measured using Volume, Cost, Net Sales Realisation, EBITDA, ECG & Carbon footprint or a combination of these for the respective business/ SBU entities.

The exercise price of the options is ₹ 1 per share and the performance period is three years, with no re-testing being allowed.

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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	376,940	-	23,457	353,483		-	-
2018-19	01 November 2021 - 30 April 2022	9,912,240	-	6,906,444	2,682,781		323,015	323,015
2018-19	Cash settled	728,856	-	489,731	239,125		-	-
2019-20	29 November 2022 - 28 May 2023	13,572,278	-	2,090,560	-		11,481,718	-
2019-20	Cash settled	877,451	-	197,050	-		680,401	-
2020-21	06 November 2023 - 05 May 2024	12,711,112	-	1,903,591	-		10,807,521	-
2020-21	Cash settled	1,020,889	-	295,966	-		724,923	-
2021-22	01 November 2024 - 30 April 2025	-	12,083,636	779,037	-		11,304,599	-
2021-22	Cash settled	-	864,537	22,770	-		841,767	-
							-	-
		39,199,766	**12,948,173**	**12,708,606**	**3,275,389**	**-**	**36,163,944**	**323,015**

The details of share options for the year ended 31 March 2021 is presented below:

Financial Year of Grant	Exercise Period	Options outstanding 01 April 2020	Options granted during the year	Options forfeited/ lapsed during the year	Options exercised during the year	Options outstanding 31 March 2021	Options exercisable 31 March 2021
2016-17	15 December 2019 - 14 June 2020	1,068,516	-	8,648	1,059,868	-	-
2017-18	01 September 2020 - 28 February 2021	7,027,925	-	5,514,169	1,136,816	376,940	376,940
2017-18	16 October 2020 - 15 April 2021	11,126	-	11,126	-	-	-
2018-19	01 November 2021 - 30 April 2022	11,420,046	-	1,507,806	-	9,912,240	-
2018-19	Cash settled	1,069,156	-	340,300	-	728,856	-
2019-20	29 November 2022 - 28 May 2023	15,881,330	-	2,309,052	-	13,572,278	-
2019-20	Cash settled	1,896,700	-	1,019,249		877,451	-
2020-21	06 November 2023 - 05 May 2024	-	12,711,112	-	-	12,711,112	-
2020-21	Cash settled	-	1,020,889	-	-	1,020,889	-
		38,374,799	**13,732,001**	**10,710,350**	**2,196,684**	**39,199,766**	**376,940**

The fair value of all options has been determined at the date of grant of the option allowing for the effect of any market-based performance conditions. This fair value, adjusted by the Group's estimate of the number of options that will eventually vest as a result of non-market conditions, is expensed over the vesting period.

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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 2022 and 31 March 2021 are set out below:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
	ESOS 2021	**ESOS 2020**
Number of Options	Cash settled - 8,64,537 equity settled - 1,20,83,636	Cash settled - 10,20,889 equity settled - 1,27,11,112
Exercise Price	₹ 1	₹ 1
Share Price at the date of grant	₹ 302.15	₹ 228.75
Contractual Life	3 years	2 years and 7 months
Expected Volatility	49.67%	49.28%
Expected option life	3 years	2 years and 7 months
Expected dividends	6.80%	6.80%
Risk free interest rate	5.02%	4.84%
Expected annual forfeitures	10% p.a	10% p.a.
Fair value per option granted (Non-market performance based)	₹ 193.97	₹ 150.73

Weighted average share price at the date of exercise of stock options was ₹ 339.32 (31 March 2021: ₹ 131.08)

The weighted average remaining contractual life for the share options outstanding was 1.62 years (31 March 2021: 2.03 years).

The Group recognized total expenses of ₹ 43 Crore (31 March 2021: ₹ 58 Crore) related to equity settled share-based payment transactions for the year ended 31 March 2022. The total expense recognised on account of cash settled share based plan during the year ended 31 March 2022 is ₹ 14 Crore (31 March 2021: ₹ 6 Crore) and the carrying value of cash settled share based compensation liability as at 31 March 2022 is ₹ 19 Crore (31 March 2021: ₹ 7 Crore).

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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 2022		Year ended 31 March 2021	
	Number of options	Weighted average exercise price in ₹	Number of options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	3,315,174	287.3	5,341,740	288.2
Granted during the year	Nil	NA	Nil	NA
Expired during the year	Nil	NA	1,082,229	291.3
Exercised during the year	483,085	286.85	Nil	NA
Forfeited / cancelled during the year	1,794,448	287.70	944,337	288.0
Outstanding at the end of the year	**1,037,641**	**286.85**	**3,315,174**	**287.3**
Exercisable at the end of the year	1,037,641	286.85	3,315,174	287.3

Weighted average share price at the date of exercise of stock options was ₹ 375.89 (31 March 2021: NA)

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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 2022 are:			
CIESOP Plan	286.85	0.31	286.85
The details of exercise price for stock options outstanding as at 31 March 2021 are:			
CIESOP Plan	286.85-287.75	0.80	287.3

The Group has awarded certain cash settled share based options indexed to Parents' shares (Vedanta Resources Limited shares) and shares of any of its subsidiaries. The total expense recognised on account of cash settled share based plan during the year ended 31 March 2022 is ₹ 24 Crore (31 March 2021: ₹ 22 Crore) and the carrying value of cash settled share based compensation liability as at 31 March 2022 is ₹ 112 Crore (31 March 2021: ₹ 86 Crore).

Out of the total expense of ₹ 81 Crore (31 March 2021 : ₹ 86 Crore) pertaining to equity settled and cash settled options for the year ended 31 March 2022 the Group has capitalised ₹ 2 Crore (31 March 2021 : ₹ 26 Crore) expense for the year ended 31 March 2022.

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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 ₹ 139 Crore and ₹ 119 Crore for the year ended 31 March 2022 and 31 March 2021 respectively to the following defined contribution plans.

(₹ in Crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Employer's contribution to recognised provident fund and family pension fund	111	98
Employer's contribution to superannuation	23	21
Employer's contribution to National Pension Scheme	5	0
	139	119

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 2022 and 2021) 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.

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.

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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% (2021 : 9.50%) of an employee's gross remuneration where the employee is covered by an industrial agreement and 13.00% (2021 : 12.50%) of the basic remuneration for all other employees. All employees have an option to make additional voluntary contributions. The Group has no further obligations under the scheme beyond its monthly contributions which are charged to the consolidated statement of profit and loss in the year they are incurred.

Skorpion Zinc Provident Fund, Namibia

The Skorpion Zinc Provident Fund is a defined contribution fund and is compulsory to all full time employees under the age of 60. The Group contribution to the fund is a fixed percentage of 9% per month of pensionable salary, whilst the employee contributes 7% with the option of making additional contributions, over and above the normal contribution, up to a maximum of 12%.

Normal retirement age is 60 years and benefit payable is the member's fund credit which is equal to all employer and employee contributions plus interest. The same applies when an employee resigns from Skorpion Zinc. The Fund provides disability cover which is equal to the member's fund credit and a death cover of two times annual salary in the event of death before retirement.

The Group has no additional liability beyond the contributions that it makes. Accordingly, this scheme has been accounted for on a defined contribution basis and contributions are charged directly to the consolidated statement of profit and loss in the year they are incurred.

Black Mountain (Pty) Limited, South Africa Pension and Provident Funds

Black Mountain Mining (Pty) Ltd has two retirement funds, both administered by Alexander Forbes, a registered financial service provider. The purpose of the funds is to provide retirement and death benefits to all eligible employees.

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 2022 and 31 March 2021. Having regard to the assets of the fund and the return on the investments, the Group does not expect any deficiency in the foreseeable future.

The Group contributed a total of ₹ 47 Crore for the year ended 31 March 2022 and ₹ 48 Crore for the year ended 31 March 2021 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 2022	Year ended 31 March 2021
Fair value of plan assets of trusts	2,532	2,421
Present value of defined benefit obligation	(2,510)	(2,375)
Net liability arising from defined benefit obligation	NIL	NIL

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Percentage allocation of plan assets of the trust	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Assets by category		
Government Securities	58.62%	63.19%
Debentures / bonds	35.54%	34.36%
Equity	4.64%	1.63%
Money Market Instruments	1.20%	0.83%
Fixed deposits	0.00%	0.00%

The remeasurement loss of Nil and ₹ 6 Crore have been charged to Other Comprehensive Income (OCI) during the year ended 31 March 2022 and 31 March 2021 respectively.

(b) **Post-Retirement Medical Benefits:**

The Group has a scheme of medical benefits for employees at BMM and BALCO subsequent to their retirement on completion of tenure including retirement on medical grounds and voluntary retirement on contributory basis. The scheme includes an employee's spouse as well. Based on an actuarial valuation conducted as at year-end, a provision is recognised in full for the benefit obligation. The obligation relating to post-retirement medical benefits as at 31 March 2022 was ₹ 100 Crore (31 March 2021: ₹ 86 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 2022 of ₹ 1 Crore (31 March 2021: ₹ 1 Crore) has been recognised in consolidated statement of profit and loss. The remeasurement (gains)/losses and net interest on the obligation of post-retirement medical benefits of ₹ 7 Crore loss (31 March 2021: ₹ 2 Crore gain) and ₹ 9 Crore (31 March 2021: ₹ 7 Crore) for the year ended 31 March 2022 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:

Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Discount rate	7.16%	6.90%
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 2022**	**Year ended 31 March 2021**
Fair value of plan assets	441	401
Present value of defined benefit obligations	(599)	(576)
Net liability arising from defined benefit obligation	(158)	(175)

Amounts recognised in the consolidated statement of profit and loss in respect of Other post-employment benefit plan are as follows:

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(₹ in Crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	39	40
Net interest cost	12	13
Components of defined benefit costs recognised in consolidated statement of profit and loss	**51**	**53**

Amounts recognised in other comprehensive income in respect of Other post-employment benefit plan are as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Re-measurement of the net defined benefit obligation:-		
Actuarial losses arising from changes in financial assumptions	17	1
Actuarial (gains)/ losses arising from experience adjustments	(5)	(10)
Actuarial gains arising from changes in demographic assumptions	(3)	-
Actuarial losses on plan assets (excluding amounts included in net interest cost)	2	6
Components of defined benefit costs recognised in Other comprehensive income	**11**	**(3)**

The movement of the present value of the Other post-employment benefit plan obligation is as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance	576	631
Acquired in business combination	-	18
Current service cost	39	40
Benefits paid	(64)	(148)
Interest cost	39	44
Actuarial losses / (gains) arising from changes in assumptions	9	(9)
Closing balance	**599**	**576**

The movement in the fair value of Other post-employment benefit plan assets is as follows:

(₹ in Crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening balance	401	442
Acquired in business combination	-	16
Contributions received	69	18
Benefits paid	(54)	(100)
Re-measurement gain/(loss) arising from return on plan assets	(2)	(6)
Interest income	27	31
Closing balance	441	401

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

The actual return on plan assets was ₹ 25 Crore for the year ended 31 March 2022 and ₹ 25 Crore for the year ended 31 March 2021.

The weighted average duration of the defined benefit obligation is 13.25 years and 14 years as at 31 March 2022 and 31 March 2021 respectively.

The Group expects to contribute ₹ 54 Crore to the funded defined benefit plans during the year ending March 31, 2023.

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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)

	Increase/(Decrease) in defined benefit obligation	
Particulars	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Discount rate		
Increase by 0.50%	(23)	(21)
Decrease by 0.50%	25	23
Expected rate of increase in compensation level of covered employees		
Increase by 0.50%	22	21
Decrease by 0.50%	(21)	(20)

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability 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.

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34 Finance cost

(₹ in Crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on financial liabilities at amortised cost	**4,712**	5,185
Other finance costs	**294**	238
Net interest on defined benefit arrangement	**21**	19
Unwinding of discount on provisions	**78**	72
Exchange difference regarded as an adjustment to borrowing cost	**7**	15
Less: Capitalisation of finance cost/borrowing cost	**(313)**	(316)
Less: Cost allocated/directly booked in joint ventures	**(2)**	(3)
Total	**4,797**	5,210

a) Interest rate of 7.87 % (31 March 2021: 6.91%) was used to determine the amount of general borrowing costs eligible for capitalization in respect of qualifying asset for the year ended 31 March 2021.

b) Interest expense on income taxes is ₹ 0 Crore (31 March 2021: ₹ 0 Crore).

c) Interest expense on lease liabilities for the year ended 31 March 2022: is ₹ 14 Crore (31 March 2021: ₹ 28 Crore)

35 Other expenses

(₹ in Crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Cess on crude oil	**3,036**	1,743
Royalty	**4,385**	3,090
Consumption of stores and spare parts	**3,304**	2,387
Share of expenses in producing oil and gas blocks	**2,770**	2,118
Repairs to plant and equipment	**2,896**	2,357
Repairs to building	**215**	161
Repairs others	**215**	161
Carriage	**2,927**	1,600
Mine expenses	**2,661**	2,064
Net loss on foreign currency transactions and translations	**156**	65
Other selling expenses	**17**	18
Insurance	**269**	219
Rent*	**38**	47
Rates and taxes	**78**	58
Exploration costs written off	**-**	7
Bad trade receivables and advances written off	**11**	12
Provision for doubtful advances/ expected credit loss	**233**	296
Miscellaneous expenses	**5,797**	4,358
Less: Cost allocated/directly booked in joint ventures	**(331)**	(275)
Total	**28,677**	20,486

*Rent represents expense on short term/ low value leases.

36 Exceptional items

(₹ in Crore)

Particulars	Year ended 31 March 2022			Year ended 31 March 2021		
	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**	-	-	-
- Aluminium [c, d]	**(125)**	**44**	**(81)**	(181)	63	(118)
- Others [e, f]	**(52)**	**17**	**(35)**	(63)	22	(41)
- Unallocated [g]	**(24)**	**8**	**(16)**	-	-	-
Provision for legal disputes (including change in law), force majeure and similar incidences in:						
- Aluminium [h, i]	**(288)**	**80**	**(208)**	95	(24)	71
- Copper [j]	**(217)**	**19**	**(198)**	(213)	18	(195)
- Zinc, Lead and Silver - India [k]	**(134)**	**47**	**(87)**	-	-	-
- Other segment [l]	**(7)**	**2**	**(5)**	(213)	75	(138)
Other exceptional items - Unallocated [m]	-	-	-	(103)	-	(103)
Total	**(768)**	**178**	**(590)**	(678)	154	(524)

a) During the year, the Group has continued with exploration and appraisal work program in its PSC block RJON-90/1 block and RSC blocks awarded under OALP (Open Acreage Licensing Policy). Based on the outcome of such exploration and appraisal activities, an amount of ₹ 2,618 Crore towards unsuccessful exploration cost has been charged off to the consolidated statement of profit and loss during the year, as these have proven to be either technically or commercially unviable.

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b) During the year ended 31 March 2022, the Group has 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 has been recorded against oil and gas producing facilities and ₹ 943 Crore impairment reversal has 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 is based on the cash flows expected to be generated by the projected oil and natural gas production profiles up to the expected dates of cessation of production sharing contract (PSC)/cessation of production from each producing field based on the current estimates of reserves and risked resources. Reserves assumptions for fair value less costs of disposal tests consider all reserves that a market participant would consider when valuing the asset, which are usually broader in scope than the reserves used in a value-in-use test. Discounted cash flow analysis used to calculate fair value less costs of disposal uses assumption for short-term oil price of US $ 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) 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 Hon. Supreme Court declared the mining project inoperable on environmental grounds. Later, in 2017, the mining license lapsed. Thereafter, the Company has sent several communications to the authorities requesting a refund of the amount paid. Although several positive deliberations happened, the Company is yet to receive the amount. Accordingly, the deposit has been fully provided for during the current year.

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

e) During the year ended 31 March 2021, ESL Steel Limited conducted a detailed physical verification and evaluation of project equipment and material being carried forward as capital work-in-progress at a carrying value of ₹ 835 Crore. An interim provision of ₹ 63 Crore was recognised for the year ended 31 March 2021, relating to certain items of capital work-in-progress, which are no longer expected to be used. The physical verification exercise is now complete and as a result, additional provision of ₹ 46 Crore has been recognized during the year ended 31 March 2022.

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., was 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 has 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.

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h) In December 2021, MoEF&CC has 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 has 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 has performed detailed evaluations for its obligations under this notification and has 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.

i) During the year ended 31 March 2021, the Company recomputed its Renewable Power Obligation (RPO) pursuant to Chhattisgarh State Electricity Regulatory Commission (CSERC) notification dated 13 July 2020 (published on 22 July 2020) which clarified that for Captive Power Plants commissioned before 01 April 2016, RPO should be pegged at the RPO obligation percentage rates (both for solar and non-solar) applicable for FY 2015-16. Consequent to the aforesaid notification, the Company's obligation towards RPO relating to the period upto 31 March 2020 was reversed to the extent of ₹ 95 Crore.

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. The Company has recognised provisions for expected credit losses of ₹ 217 Crore during the year (31 March 2021: ₹ 213 Crore). As of 31 March 2022, the Group carries provisions of ₹ 644 Crore (31 March 2021: ₹ 423 Crore). Consequently, receivables from KCM as at 31 March 2022 are Nil (31 March 2021: ₹ 221 Crore).

k) During the year ended 31 March 2022, HZL has 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).

m) Refer note 42(M)

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37 Tax

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

(₹ in Crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current tax:		
Current tax on profit for the year	6,892	2,067
Credit in respect of current tax for earlier years	(3)	(1)
Charge in respect of exceptional items (Refer note 36)	(580)	-
Total Current Tax (a)	**6,309**	**2,066**
Deferred tax:		
Reversal of temporary differences	2,627	(598)
Credit in respect of deferred tax for earlier years	(83)	(3)
Credit in respect of exceptional items (Refer note 36)	402	(154)
Deferred Tax (b)	**2,946**	**(755)**
Deferred Tax on distributable reserve of/ dividend from subsidiary (c)	-	869
Total Deferred Tax [(d)=(b+c)]	**2,946**	**114**
Total income tax expense/(benefit) for the year (a+d)	**9,255**	**2,180**
Profit/(Loss) before tax	32,964	17,213
Effective income tax rate (%)	**28%**	**13%**

Tax expense/(benefit)

(₹ in Crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Tax effect on exceptional items	(178)	(154)
Tax expense- others	9,433	2,334
Net tax expense/(benefit)	**9,255**	**2,180**

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

(₹ in Crore)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit/(Loss) before tax	**32,964**	**17,213**
Indian statutory income tax rate	34.944%	34.944%
Tax at statutory income tax rate	**11,519**	**6,015**
Non-taxable income	(137)	(123)
Tax holidays and similar exemptions	(1,953)	(771)
Effect of tax rate differences of subsidiaries operating at other tax rates	128	(326)
Deferred tax on distributable reserve of/ dividend from subsidiary#	-	869
Unrecognised tax assets (net)*	10	(3,193)
Change in deferred tax balances due to change in tax law	(114)	(335)
Capital gains/ Other income subject to lower tax rate	(344)	(176)
Credit in respect of earlier years	(86)	(4)
Other permanent differences	232	224
Total	**9,255**	**2,180**

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*In June 2018, the Company acquired a majority stake in ESL Steel Limited ("ESL"), which has since been focusing on operational turnaround. Based on management's estimate of future outlook, financial projections and requirements of Ind AS 12 – Income taxes, ESL recognized deferred tax assets of ₹ 3,184 Crore during the year ended 31 March 2021. During the FY 2021-22, ESL has derecognized deferred tax assets on losses expired in the current year amounting to ₹ 122 Crore.

#During the previous year, consequent to the declaration of dividend (including from accumulated profits) by the subsidiaries, the unabsorbed depreciation as per tax laws have been utilized by Vedanta Limited leading to a deferred tax charge of ₹ 869 Crore for the period ended 31 March 2021.

Certain businesses of the Group within India are eligible for specified tax incentives which are included in the table above as tax holidays and similar exemptions. Most of such tax exemptions are relevant for the companies operating in India. These are briefly described as under:

The location based exemption

In order to boost industrial and economic development in undeveloped regions, provided certain conditions are met, profits of newly established undertakings located in certain areas in India may benefit from tax holiday under section 80IC of the Income tax Act, 1961. Such tax holiday works to exempt 100% of the profits for the first five years from the commencement of the tax holiday, and 30% of profits for the subsequent five years. This deduction is available only for units established up to 31 March 2012. However, such undertaking would continue to be subject to the Minimum Alternative tax ('MAT').

In the FY 2021, an undertaking at Pantnagar, which is part of Hindustan Zinc Limited (Zinc India), was the only unit eligible for deduction at 30% of taxable profit.

The location based exemption: SEZ Operations

In order to boost industrial development and exports, provided certain conditions are met, profits of undertaking located in Special Economic Zone ('SEZ') may benefit from tax holiday. Such tax holiday works to exempt 100% of the profits for the first five years from the commencement of the tax holiday, 50% of profits for five years thereafter and 50% of the profits for further five years provided the amount allowable in respect of deduction is credited to Special Economic Zone Re-Investment Reserve account. However, such undertaking would continue to be subject to the Minimum Alternative tax ('MAT').

The Group has setup SEZ Operations in its aluminium division of Vedanta Limited (where such benefit has been drawn).

Sectoral Benefit - Power Plants and Port Operations

To encourage the establishment of infrastructure certain power plants and ports have been offered income tax exemptions of upto 100% of profits and gains for any ten consecutive years within the 15 year period following commencement of operations subject to certain conditions under section 80IA of the Income tax Act, 1961. The Group currently has total operational capacity of 8.25 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.

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 ₹ 1,953 Crore for the year ended 31 March 2022 (31 March 2021: ₹ 771 Crore).

(c) Deferred tax assets/liabilities

The Group has accrued significant amounts of deferred tax. The majority of the deferred tax liability represents accelerated tax relief for the depreciation of property, plant and equipment, the depreciation of mining reserves and the fair value uplifts created on acquisitions, net of losses carried forward by the Group and unused tax credits in the form of MAT credits carried forward in the Group. Significant components of Deferred tax (assets) and liabilities recognized in the consolidated balance sheet are as follows :

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Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2022

Significant components of deferred tax (assets) and liabilities recognized in the Consolidated Balance Sheet are as follows :

For the year ended 31 March 2022

Significant components of Deferred tax (assets) and liabilities	Opening balance as at 01 April 2021	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 2022
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)**

For the year ended 31 March 2021

(₹ in Crore)

Significant components of Deferred tax (assets) and liabilities	Opening balance as at 01 April 2020	Charged / (credited) to statement of profit or loss	Charged / (credited) to other comprehensive income	Charged / (credited) to equity	Deferred tax on Acquisition through business combination (Refer Note 4)	Exchange difference transferred to translation of foreign operation	Closing balance as at 31 March 2021
Property, Plant and Equipment	9,182	279	-	-	50	172	9,683
Voluntary retirement scheme	(29)	(25)	-	-	-	-	(54)
Employee benefits	(186)	(22)	11	32	-	(9)	(174)
Fair valuation of derivative asset/liability	(20)	9	(26)	-	-	-	(37)
Fair valuation of other asset/liability	970	(242)	1	-	-	(28)	701
MAT credit entitlement	(9,122)	862	25	-	-	3	(8,232)
Unabsorbed depreciation and tax losses	(5,482)	784	-	-	-	-	(4,698)
Taxes on distributable reserve of subsidiary	1,582	(1,582)	-	-	-	-	-
Other temporary differences	(899)	51	35	-	10	(31)	(834)
Total	**(4,004)**	**114**	**46**	**32**	**60**	**107**	**(3,645)**

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)

	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax assets	(5,085)	(5,860)
Deferred tax liabilities	4,435	2,215
Net Deferred tax (assets) / Liabilities	**(650)**	**(3,645)**

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)).

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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 ₹ 9,818 Crore and ₹ 10,153 Crore as at 31 March 2022 and 31 March 2021 respectively.

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**

As at 31 March 2021 (₹ 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	197	2,222	3,075	1,887	**7,381**
Unabsorbed depreciation	10	101	298	2,353	**2,762**
Unutilised R&D credit	-	-	-	10	**10**
Total	**207**	**2,323**	**3,373**	**4,250**	**10,153**

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 ₹ 34,825 crore and ₹ 32,240 Crore as at 31 March 2022 and 31 March 2021 respectively.

(d) Non- current tax assets

Non- current tax assets of ₹ 2,762 crore (31 March 2021: ₹ 2,748 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 2022 is ₹ 11,369 Crore (31 March 2021: ₹ 11,271 Crore) plus applicable interest upto the date of settlement of the dispute.

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38 Earnings per equity share (EPS)

(₹ in Crore, except otherwise stated)

Particulars		**Year ended 31 March 2022**	**Year ended 31 March 2021**
Profit after tax attributable to equity share holders for Basic and Diluted EPS	A	**18,802**	11,602
Computation of weighted average number of shares (in Crore)			
Weighted average number of ordinary shares outstanding during the year excluding shares acquired for ESOP for basic earnings per share	B	**370.65**	370.42
Effect of dilution :			
Potential ordinary shares relating to share option awards		**2.56**	2.33
Adjusted weighted average number of shares of the Company in issue	C	**373.21**	372.75
Basic earnings per equity share (₹)	A / B	**50.73**	31.32
Diluted earnings per equity share (₹)	A / C	**50.38**	31.13
Nominal Value per Share (in ₹)		**1.00**	**1.00**

39 Distributions made and proposed

(₹ in Crore, except otherwise stated)

Particulars	**Year ended 31 March 2022**	Year ended 31 March 2021
Amounts recognised as distributions to equity share holders:		
Interim dividend (31 March 2022 : ₹ 13.50/-, ₹ 18.50/- and ₹ 13/- per share, 31 March 2021 : ₹ 9.50/- per share)	16,681	3,519
	16,681	**3,519**

Subsequent to the balance sheet date, the Board of Directors of the Company in their meeting held on 28 April 2022 have approved first interim dividend of ₹ 31.50 per equity share, i.e., 3,150% on face value of ₹ 1/- per share for FY 2022-23 amounting to ₹ 11,710 Crore.

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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.

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

(₹ in Crore)

Particulars	As at 31 March 2022	As at 31 March 2021
Oil & Gas sector		
Cairn India	**2,169**	1,555
Aluminium sector		
Lanjigarh Refinery (Phase II)	**2,861**	1,188
Jharsuguda 1.25 MTPA smelter	**1,577**	463
BALCO smelter expansion 0.57 MTPA to 1 MTPA	**4,643**	-
Zinc sector		
Zinc India (mines expansion and smelter)	**507**	362
Gamsberg mining and milling project	**206**	94
Copper sector		
Tuticorin Smelter 400 KTPA*	**3,051**	2,995
Others	**3,843**	1,872
Total	**18,857**	8,529

**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 2022	As at 31 March 2021
Oil & Gas sector		
Cairn India (OALP - New Oil and Gas blocks)	**5,615**	5,625

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 Company to supply power to GRIDCO from 19 February 2022 onwards. Thereafter, Vedanta Ltd has resumed supplying power to GRIDCO as per their requisition of power.

(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.

B) Guarantees

The aggregate amount of indemnities and other guarantees on which the Group does not expect any material losses, was ₹ 6,564 Crore (31 March 2021: ₹ 6,281 Crore).

a) Guarantees and bonds advanced to the customs authorities in India of ₹ 492 Crore relating to the export and payment of import duties on purchases of raw material and capital goods (31 March 2021: ₹ 648 Crore).

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b) Guarantees issued for Group's share of minimum work programme commitments of ₹ 2,881 Crore (31 March 2021: ₹ 2,889 Crore).

c) Guarantees of ₹ 98 Crore issued under bid bond (31 March 2021: ₹ 79 Crore).

d) Bank guarantees of ₹ 115 Crore (31 March 2021: ₹ 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 ₹ 2,978 Crore (31 March 2021: ₹ 2,550 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 ₹ 950 Crore (31 March 2021: ₹ 2,165 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 ₹ 207 Crore (31 March 2021: ₹ 353 Crore) reduced in proportion to actual exports, plus applicable interest.

The Group has given bonds of ₹ 1,915 Crore (31 March 2021: ₹ 1,775 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 2021: ₹ 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 to pay a proportionate share of ONGC's exploration, development, production and contract costs in consideration for ONGC's payment of costs related to the construction and other activities it conducted in Ravva prior to the effective date of the Ravva PSC (the ONGC Carry). The question as to how the ONGC Carry is to be recovered and calculated, along with other issues, was submitted to an International Arbitration Tribunal in August 2002 which rendered a decision on the ONGC Carry in favour of the contractor parties (including Vedanta Limited (Cairn India Limited which subsequently merged with Vedanta Limited, accordingly now referred to as Vedanta Limited)) whereas four other issues were decided in favour of Government of India (GOI) in October 2004 (Partial Award).

The GOI then proceeded to challenge the ONGC Carry decision before the Malaysian courts, as Kuala Lumpur was the seat of the arbitration. The Federal Court of Malaysia upheld the Partial Award. As the Partial Award did not quantify the sums, therefore, contractor parties approached the same Arbitration Tribunal to pass a Final Award in the subject matter since it had retained the jurisdiction to do so. The Arbitral Tribunal was reconstituted and the Final Award was passed in October 2016 in 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 ₹ 484 Crore (US$ 64 million) plus interest. (31 March 2021: ₹ 469 Crore (US$ 64 million) plus interest).

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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 current 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 including interest and penalty against Vedanta Limited and its subsidiaries (net of provisions made) are ₹ 825 Crore (31 March 2021: ₹ 911 Crore). Consequential interest after the date of order amounts to ₹ 534 Crore (31 March 2021: ₹ 501 Crore).

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 ₹ 1,017 Crore (31 March 2021: ₹ 930 Crore). As at 31 March 2022, an amount of ₹ 1,052 Crore relating to principal has been considered as a contingent liability (31 March 2021: ₹ 965 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 ₹ 817 Crore (31 March 2021: ₹ 878 Crore), net of ₹ 226 Crore (31 March 2021: ₹ Nil) 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 2022, no confirmation has been received on this matter and therefore an amount of ₹ 731 Crore relating to interest is considered as a contingent liability.

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f) Miscellaneous disputes- Income tax

The Group is involved in various tax disputes amounting to ₹ 1,359 Crore (31 March 2021: ₹ 1,966 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.

g) 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 ₹ 4,655 Crore (31 March 2021: ₹ 4,782 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.

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Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2022

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 Hon'ble 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 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 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. 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 if 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 Company Limited ('Malco') and the Company (the "Scheme") had been sanctioned by the Honourable High Court of Madras and the Honourable High Court of Judicature of Bombay at Goa and was given effect to in the year ended 31 March 2014.

Subsequently, the above orders of the honourable High Court of Bombay and Madras have been challenged by Commissioner of Income Tax, Goa and Ministry of Corporate Affairs through a Special Leave Petition before the honourable Supreme Court and also by a creditor and a shareholder of the Company. The said petitions are currently pending for hearing.

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 2023 to December 2024. 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 28 August 2020 in favour of TSPL allowing the cost pass through.

PSPCL has filed an appeal against this order in Supreme Court. The matter was listed on 03 February 2022 wherein the Court issued notice and directed the respondents to file their respective counter affidavits in the matters. The matter is yet to be listed.

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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 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 Investigation 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 filed for withdrawal of 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.

g) The Group does not have any material transactions with companies struck off as per Companies Act 2013.

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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

Twin Star Technologies Limited

C) 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 ##

D) Associates and Joint Ventures (with whom transactions have taken place)

RoshSkor Township (Pty) Limited

Gaurav Overseas Private Limited

Goa Maritime Private Limited

E) Others (with whom transactions have taken place)

Enterprises over which key management personnel/their relatives have control or significant influence

Cairn Foundation

Fujairah Gold Ghana

Janhit Electoral Trust

Sesa Community Development Foundation

Vedanta Foundation

Vedanta Medical Research Foundation

Runaya Refining LLP

Minova Runaya Private Limited

Caitlyn India Private Limited

Fujairah Metals LLC

 # These entities are subsidiary companies of VRL and VRL through its subsidiaries holds 69.68% in Vedanta Limited.

Acquired during the previous year ended 31 March 2021.

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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F) The Group carries out transactions with its related parties, including its parent Vedanta Resources Limited, and the companies over which it has significant influence. A summary of significant related party transactions for the year ended 31 March 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 [J]	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)	Management fees and brand fees charged [K]	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 independent 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 [I]	147	-	-	147

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(₹ in Crore)

	Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates /Joint ventures	Others	Total
	Other Transactions during the year:				
(i)	Loans given / (repayment thereof) [J]	(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 [J]	5,457	5	-	5,462
(iii)	Other receivables and advances (including brand fee prepaid) [I,K]	294	10	2	306
(iv)	Trade payables	67	-	31	98
(v)	Other payables (including brand fee payable) [K]	168	-	38	206
(vi)	Financial guarantee given	-	-	0	0
(vii)	Bank guarantee given [H]	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.

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G) The Group carries out transactions with its related parties, including its parent Vedanta Resources Limited, and the companies over which it has significant influence. A summary of significant related party transactions for the year ended 31 March 2021 are noted below.

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	736	-	4	740
(ii)	Other income				
a)	Interest and guarantee commission [J]	670	-	-	670
b)	Outsourcing service fees	4	-	-	4
c)	Dividend income	2	-	-	2
	Expenditure and other transactions:				
(i)	Purchase of goods/ services	76	-	55	131
(ii)	Management fees and brand fees charged [K]	985	-	-	985
(iii)	Reimbursement for other expenses (net of recovery)	90	-	(0)	90
(iv)	Corporate social responsibility expenditure/ Donation	-	-	63	63
(v)	Contribution to post retirement employee benefit trust/fund	-	-	59	59
(vi)	Remuneration to relatives of key management personnel	-	-	13	13
(vii)	Commission/sitting fees				
	-To independent directors	-	-	3	3
	-To key management personnel	-	-	1	1
	-To relatives of key management personnel	-	-	0	0
(viii)	Dividend paid				
	-To holding companies	1,770	-	-	1,770
	-To key management personnel	-	-	0	0
	-To relatives of key management personnel	-	-	0	0
(ix)	Guarantee commission expense [I]	133	-	-	133

(₹ in Crore)

	Particulars	Entities controlling the Company/ Fellow subsidiaries	Associates /Joint ventures	Others	Total
	Other Transactions during the year:				
(i)	Loans given / (Net of repayment of ₹ 1,117 Crore) [J]	7,165	-	-	7,165
(ii)	Financial guarantees (taken)/given during the year	3,147	-	-	3,147
(iii)	Financial guarantees relinquished during the year	3,146	-	11	3,157
	Balances as at year end:				
(i)	Trade receivables	47	-	-	47
(ii)	Loan given [J]	7,066	5	-	7,071
(iii)	Other receivables and advances (including brand fee prepaid) [I,K]	927	1	2	930
(iv)	Trade payables	97	-	21	118
(v)	Other payables (including brand fee payable) [K]	208	-	87	295
(vi)	Financial guarantee given	1	-	5	6
(vii)	Bank guarantee given [H]	115	-	-	115
(viii)	Sitting fee, remuneration, commission and consultancy fees payable to KMP and their relatives	-	-	6	6

Remuneration of key management personnel

(₹ in Crore)

Particulars	For the year ended 31 March 2021
Short-term employee benefits	28
Post employment benefits *	1
Share based payments	0
	29

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

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H) 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.

I) Cairn PSC and OALP guarantee to Government

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

During the year ended 31 March 2021, the Board of Directors of the Company approved a consideration to be paid for this guarantee at an annual charge of 1.2% of net exploration and development spend, subject to a minimum annual fee of ₹ 37 Crore ($ 5 million), applicable from April 2020 onwards to be paid in ratio of participating interests held equally by the Company and its step-down subsidiary, Cairn Energy Hydrocarbons Ltd ("CEHL").

Similarly, VRL has also provided financial and performance guarantee to the Government of India for the Company's obligations under the Revenue Sharing Contract ('RSC') in respect of 51 Blocks awarded under the Open Acreage Licensing Policy ("OALP") by the Government of India. During the year ended 31 March 2021, the Board of Directors of the Company approved a consideration to be paid for this guarantee consisting of one-time charge of ₹ 183 Crore ($ 25 million), i.e., 2.5% of the total estimated cost of initial exploration phase of approx. ₹ 7,330 Crore ($ 1 billion) and an annual charge of 1% of spend, subject to a minimum fee of ₹ 73 Crore ($ 10 million) and maximum fee of ₹ 147 Crore ($ 20 million) per annum.

Accordingly, the Group has recorded a guarantee commission expense of ₹ 147 Crore ($ 20 million) (31 March 2021: ₹ 133 Crore ($ 18 million)) for the year ended 31 March 2022 and ₹ 126 Crore ($ 17 million) (31 March 2021: ₹ 161 Crore ($ 22 million) is outstanding as a pre-payment as at 31 March 2022.

J) 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"). Further, certain terms of the facilities were modified which resulted in substantial modification of the instruments. The guarantee was also extinguished.

Thereafter, in March 2021, since the credit default swap rates had stabilised, the Group revised the interest rate to 9.6% using a level 2 valuation approach by applying the prevailing US Dollar treasury rates and the Company specific credit default swaps. The Group also benchmarked the said rate to the coupon rate on bonds issued to non-related third parties by the VRL group during the same period. As per the accounting requirements of Ind AS 109 – 'Financial Instruments' with respect to modification of loans, the net excess of loan amount over the present value of the modified contractual cash flows discounted at the original effective interest rate aggregating to ₹ 536 Crore (US$ 73 million) is reflected in the statements of changes in equity and cash flow as a transaction with the shareholder.

During the year ended 31 March 2022, the VRL group repaid ₹ 1,623 Crore (US$ 217 million) of the aforesaid loans, along with interest thereon. Furthermore, during the period, the overseas subsidiaries of the Company, executed agreements with Twin Star Holdings Limited, "TSH", to novate ₹ 2,234 Crore (US$ 300 million) due for repayment in June 2022 to another subsidiary of VRL, which is guaranteed by VRL, at a higher interest rate of 10.1% mainly reflecting the impact of novation. This transaction did not have any material impact on the financial results for the current period.

As of 31 March 2022, loans having contractual value of ₹ 5,661 Crore (US$ 749 million) (31 March 2021: ₹ 7,081 Crore (US$ 966 million)) were outstanding from the VRL group.

K) In 2017, the Group had executed a three-year brand license agreement ("the Agreement") with Vedanta Resources Ltd ('VRL') for the use of brand 'Vedanta' which envisaged payment of brand fee to VRL at 0.75% of turnover of the Company. Later, certain subsidiaries of the Company executed similar agreements with VRL to pay brand fee ranging between 0.75% - 1.50% of their respective turnover. During the previous year ended 31 March 2021, the Agreement with the Company and some of its subsidiaries was renewed and certain additional services were also agreed to be provided by VRL. Based on updated benchmarking analysis conducted by independent experts, the brand and strategic service fee was re-negotiated at 2% of the turnover, while for the remaining subsidiaries the previous rates remain unchanged. Accordingly, the Group has recorded an expense of ₹ 1,553 Crore (31 March 2021: ₹ 939 Crore) for the year ended 31 March 2022. During the current year, the Agreement was renewed to extend for further period of fifteen years. The Group generally pays such fee in advance, at the beginning of the year based on estimated annual turnover.

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L) Cairn India Holdings Limited held bonds issued by Vedanta Resources Limited, the carrying value of which at 1 April 2020 was ₹ 228 Crore (US$31 million), with maturities ranging from June 2021 to May 2023 at coupon ranging from 7.13% to 8.25% p.a. During the previous year, investments in these bonds have been disposed off in the open market for a consideration of ₹ 215 Crore (US $29 million).

M) During the financial year ended 31 March 2019, as part of its cash management activities, CIHL purchased an economic interest in a structured investment for the equity shares of Anglo American Plc ("AA Plc"), a company listed on the London Stock Exchange, from Volcan for a total consideration of ₹ 3,812 Crore (GBP 428 million/USD 541 million) determined based on an independent third-party valuation. In July 2019, the transaction was unwound and the investments were redeemed for a total consideration of ₹ 4,485 Crore (GBP 519 million/USD 639 million), representing the actual price Volcan realised from selling the shares of AA Plc. CIHL was informed that the said realisation was net of applicable transaction costs of ₹ 93 Crore (GBP 10 million/USD 12 million), which in January 2021, CIHL agreed to bear. Accordingly, this amount has been recorded in the consolidated statement of profit and loss in the previous year as an exceptional item.

N) During the year ended 31 March 2021, the Group had renewed loan provided to Sterlite Iron and Steel Company Limited to finance project in earlier years. The loan balance as at 31 March 2022 was ₹ 5 Crore (31 March 2021: ₹ 5 Crore). The loan is unsecured in nature and carries an interest rate of 7.15% per annum. The loan was due in March 2022 and the agreement was renewed for a further period of 12 months.

In 2016, a subsidiary of the Company had executed an agreement with Twin Star Holding Limited, the intermediate parent of the Group, to provide an unsecured loan of ₹ 67 Crore (US $10 million) at an interest rate of 2.1% per annum. The loan balance of the loan as at 31 March 2022 and 31 March 2021 is ₹ 74 Crore and ₹ 73 Crore respectively. During the previous year, the Group has recognised a provision of ₹ 98 Crore (Including accrued interest of ₹ 20 Crore) against said loans.

O) During March 2022, the Company and its subsidiary BALCO have executed Power Delivery Agreement ('PDA') with Serentica Renewables India 3 Private Limited ("Serentica 3") and Serentica Renewables India 1 Private Limited ('Serentica 1') respectively, which are fellow subsidiaries created by Volcan Investments Limited for building renewable energy power projects ("the Projects") of approximately 180 MW and 200 MW respectively, on a group captive basis. Under the terms of the PDA, the Company and BALCO are expected to infuse equity of approximately ₹ 230 Crore and ₹ 250 Crore for twenty six percent stake in Serentica 3 and Serentica 1 respectively for procuring renewable power over twenty five years from date of commissioning of the Projects. No significant project-related activities have been carried out subsequent to signing of the PDA.

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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 %)	
					31 March 2022	31 March 2021
1	Cairn Energy India Pty Limited[1]	Exploration for and development and production of oil & gas	Australia	Cairn India Holdings Limited	-	-
2	Copper Mines of Tasmania Pty Limited ("CMT")	Copper Mining	Australia	Monte Cello BV	100.00	100.00
3	Thalanga Copper Mines Pty Limited ("TCM")	Copper Mining	Australia	Monte Cello BV	100.00	100.00
4	Bharat Aluminium Company Limited ("BALCO")	Aluminium mining and smelting	India	Vedanta Limited	51.00	51.00
5	Desai Cement Company Private Limited [a]	Cement	India	Sesa Mining Corporation Limited	100.00	-
6	ESL Steel Limited	Manufacturing of Steel & DI Pipe	India	Vedanta Limited	95.49	95.49
7	Facor Reality and Infrastructure Limited [b]	Real estate	India	FACOR	100.00	100.00
8	FACOR Power Ltd[3]	Power Generation	India	FACOR	90.00	90.00
9	Ferro Alloy Corporation Limited (FACOR) [3]	Manufacturing of Ferro Alloys and Mining	India	Vedanta Limited	100.00	100.00
10	Goa Sea Port Private Limited [4]	Infrastructure	India	Sterlite Ports Limited	100.00	100.00
11	Hindustan Zinc Alloys Private Limited [c]	Zinc Mining & Smelting	India	Hindustan Zinc Limite	64.92	-
12	Hindustan Zinc Limited ("HZL")	Zinc Mining & Smelting	India	Vedanta Limited	64.92	64.92
13	MALCO Energy Limited ("MEL")	Power Generation	India	Vedanta Limited	100.00	100.00
14	Maritime Ventures Private Limited [4]	Infrastructure	India	Sterlite Ports Limited	100.00	100.00
15	Paradip Multi Cargo Berth Private Limited [4]	Infrastructure	India	Vedanta Limited	100.00	100.00
16	Sesa Mining Corporation Limited [4]	Iron ore mining	India	Sesa Resources Limited	100.00	100.00
17	Sesa Resources Limited ("SRL")	Iron ore mining	India	Vedanta Limited	100.00	100.00
18	Sterlite Ports Limited [4]	Infrastructure	India	Vedanta Limited	100.00	100.00
19	Talwandi Sabo Power Limited ("TSPL")	Power Generation	India	Vedanta Limited	100.00	100.00
20	Vedanta Zinc Football & Sports Foundation [J]	Sports Foundation	India	Hindustan Zinc Limited	64.92	-
21	Vizag General Cargo Berth Private Limited	Infrastructure	India	Vedanta Limited	100.00	100.00
22	AvanStrate Inc. ('ASI')	Manufacturing of LCD Glass Substrate	Japan	Cairn India Holdings Limited	51.63	51.63
23	Cairn India Holdings Limited	Investment company	Jersey	Vedanta Limited	100.00	100.00
24	AvanStrate Korea Inc	Manufacturing of LCD Glass Substrate	Korea	Avanstrate (Japan) Inc.	100.00	100.00
25	Western Cluster Limited	Iron ore mining	Liberia	Bloom Fountain Limited	100.00	100.00
26	Bloom Fountain Limited	Operating (Iron ore) and Investment Company	Mauritius	Vedanta Limited	100.00	100.00
27	CIG Mauritius Holdings Private Limited [d]	Investment Company	Mauritius	Cairn Energy Hydrocarbons Ltd.	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 %)	
					31 March 2022	31 March 2021
28	CIG Mauritius Private Limited [d]	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	100.00
29	THL Zinc Ltd	Investment Company	Mauritius	THL Zinc Ventures Limited	100.00	100.00
30	THL Zinc Ventures Limited	Investment Company	Mauritius	Vedanta Limited	100.00	100.00
31	Amica Guesthouse (Proprietary) Limited	Accomodation and catering services	Nambia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
32	Namzinc (Proprietary) Limited	Owns and operates a zinc refinery	Nambia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
33	Skorpion Mining Company (Proprietary) Limited ('NZ')	Exploration, development,treatment, production and sale of zinc ore	Nambia	Skorpion Zinc (Proprietary) Limited	100.00	100.00
34	Skorpion Zinc (Proprietary) Limited ('SZPL')	Operating (zinc) and investing company	Nambia	THL Zinc Namibia Holdings (Proprietary) Ltd	100.00	100.00
35	THL Zinc Namibia Holdings (Proprietary) Limited ("VNHL")	Mining and Exploration and Investment company	Nambia	THLZ Zinc Ltd	100.00	100.00
36	Killoran Lisheen Finance Limited [e]	Investment company	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
37	Killoran Lisheen Mining Limited	Development of a zinc/lead mine	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
38	Lisheen Milling Limited	Manufacturing [h]	Republic of Ireland	Vedanta Lisheen Holdings Limited	100.00	100.00
39	Lisheen Mine Partnership	Development and operation of a zinc/lead mine	Republic of Ireland	50% each held by Killoran Lisheen Mining Limited & Vedanta Lisheen Mining Limited	100.00	100.00
40	Vedanta Exploration Ireland Limited [e]	Exploration activities	Republic of Ireland	Vedanta Lisheen Holdings 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 Discovery Limited [1]	Oil and gas exploration, development and production	Scotland	Cairn India Holdings Limited	-	-
43	Cairn Energy Gujarat Block 1 Limited	Oil and gas exploration, development and production	Scotland	Cairn India Holdings Limited	100.00	100.00
44	Cairn Energy Hydrocarbons Limited	Oil and gas exploration, development and production	Scotland [(f)]	Cairn India Holdings Limited	100.00	100.00
45	Cairn Exploration (No. 2) Limited [1]	Oil and gas exploration, development and production	Scotland	Cairn India Holdings Limited	-	-
46	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
47	Cairn South Africa Pty Limited [g]	Oil and gas exploration, development and production	South Africa	Cairn Energy Hydrocarbons Ltd.	-	100.00
48	Cairn Lanka Private Limited	Oil and gas exploration, development and production	Sri Lanka	CIG Mauritius Private Ltd.	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 %)	
					31 March 2022	31 March 2021
49	AvanStrate Taiwan Inc	Manufacturing of LCD Glass Substrate	Taiwan	Avanstrate (Japan) Inc.	100.00	100.00
50	Lakomasko BV	Investment company	The Netherlands	THL Zinc Holding BV	100.00	100.00
51	Monte Cello BV ("MCBV")	Holding company	The Netherlands	Vedanta Limited	100.00	100.00
52	THL Zinc Holding BV	Investment company	The Netherlands	Vedanta Limited	100.00	100.00
53	Vedanta Lisheen Holdings Limited	Investment company	The Netherlands	THL Zinc Holding BV	100.00	100.00
54	Fujairah Gold FZC	Manufacturing of Copper Rod and Refining of Precious Metals (Gold & Silver)	United Arab Emirates	Malco Energy Limited	100.00	100.00
55	Sterlite (USA) Inc. [i]	Investment company	United States of America	Vedanta Limited	-	100.00

[a] Acquired on 15 November 2021 [b] Passed a resolution for striking off on 08 March 2022 [c] Incorporated on 17 November 2021 [d] Under Liquidation [e] Dissolved on 09 June 2021 [f] Principal place of business is in India [g] Cairn South Africa Pty Limited has been deregistered w.e.f. 06 April 2021. [h] Activity of the company ceased in February 2016 [i] Liquidated on 20 December 2021 [j] Incorporated on 21 December 2021

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

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

3 The Group has filed an application at NCLT Cuttack on 16 September 2021 for the merger of Ferro Alloy Corporation Limited ("FACOR") and FACOR Power Limited.

4 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.

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b) **Joint operations**

The Group participates in several unincorporated joint operations which involve the joint control of assets used in oil and gas exploration and producing activities which are as follows:

Oil & Gas blocks/fields		(%) Participating Interest	
Operating Blocks	**Area**	**As at 31 March 2022**	**As at 31 March 2021**
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 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 2022	**As at 31 March 2021**
1	Gaurav Overseas Private Limited	India	50.00	50.00
2	Raykal Aluminium Company Private Limited	India	24.50	24.50
3	Rampia Coal Mines and Energy Private Limited[(a)]	India	-	17.39
4	Madanpur South Coal Company Limited	India	17.62	17.62
5	Goa Maritime Private Limited	India	50.00	50.00
6	Rosh Pinah Health Care (Proprietary) Limited	Namibia	69.00	69.00
7	Gergarub Exploration and Mining (Pty) Limited	Namibia	51.00	51.00
8	RoshSkor Township (Pty) Limited	Namibia	50.00	50.00

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

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VEDANTA LIMITED New Delhi

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 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Rajasthan MBA Fields	India	2,307	2,307	230	266	161	186
Rajasthan MBA EOR	India	-	-	386	388	270	271
Rajasthan Block Other Fields	India	3,603	3,603	390	470	273	329
Ravva Fields	India	704	704	23	27	5	6
CBOS/2 Fields	India	298	298	25	34	10	14
Other fields	India	826	352	98	44	82	26
Total		**7,738**	**7,264**	**1,152**	**1,229**	**801**	**832**

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 2020*	**304**	**301**	**164**	**143**
Additions / revision during the year	(11)	(14)	30	51
Production during the year	(32)	(28)	(32)	(28)
Reserves as of 31 March 2021**	**261**	**259**	**162**	**166**
Additions / revision 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**

* Includes probable oil reserves of 132.23 mmstb (of which 21.94 mmstb is developed) and probable gas reserves of 114.73 bscf (of which 42.64 bscf is developed)

** Includes probable oil reserves of 111.14 mmstb (of which 23.08 mmstb is developed) and probable gas reserves of 128.41 bscf (of which 52.06 bscf is developed)

*** 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)

mmboe = million barrels of oil equivalent
mmstb = million stock tank barrels
bscf = billion standard cubic feet
1 million metric tonnes = 7.4 mmstb
1 standard cubic meter =35.315 standard cubic feet
MBA = Mangala, Bhagyam & Aishwarya
EOR = Enhanced Oil Recovery

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45 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 Sudhir Soni
Partner
Membership No:41870

S.R. BATLIBOI & CO. LLP
GURUGRAM

Place: Mumbai
Date: 28 April 2022

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

Ajay Goel
Acting Group Chief Financial Officer
PAN AEAPG8383C

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

Place: New Delhi
Date: 28 April 2022

VEDANTA LIMITED
New Delhi

44 Financial information pursuant to Schedule III of the Companies Act, 2013

		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	
S. No	Name of the entity	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	0.50%	94	0.00%	-	0.48%	94
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)
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)

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Vedanta Limited
Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2022

44 **Financial information pursuant to Schedule III of the Companies Act, 2013**

S. No	Name of the entity	Net Assets (Total assets less total liabilities) As at 31 March 2022		Share in profit and loss Year ended 31 March 2022		Share in other comprehensive income (OCI) Year ended 31 March 2022		Share in total comprehensive income (TCI) 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)
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)
	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	Raykal Aluminium Company Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
3	Madanpur South Coal Company Limited	0.00%	1	0.00%	0	0.00%	-	0.00%	0
4	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)	(40.93%)	(7,696)	75.76%	624	(36.05%)	(7,075)
	Total	**100.00%**	**65,383**	**100.00%**	**18,802**	**100.00%**	**823**	**100.00%**	**19,625**

Passed a resolution for striking off [b] Acquired during the year [c] Incorporated during the year [d] Liquidated during the year [e] Under Liquidation
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

S. R. BATLIBOI & CO. LLP * GURUGRAM *

VEDANTA LIMITED New Delhi

44 Financial information pursuant to Schedule III of the Companies Act, 2013

S. No	Name of the entity	Net Assets (Total assets less total liabilities) As at 31 March 2021		Share in profit and loss Year ended 31 March 2021		Share in other comprehensive income (OCI) Year ended 31 March 2021		Share in total comprehensive income (TCI) Year ended 31 March 2021	
		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	123.30%	76,790	90.53%	10,503	(51.82%)	(57)	89.19%	10,446
	Indian Subsidiaries								
1	Hindustan Zinc Limited	51.89%	32,313	68.78%	7,980	(4.55%)	(5)	68.09%	7,975
2	Bharat Aluminium Company Limited	7.95%	4,952	9.05%	1,050	(41.77%)	(46)	8.57%	1,004
3	MALCO Energy Limited	0.44%	275	0.39%	45	0.05%	0	0.38%	45
4	Talwandi Sabo Power Limited	5.16%	3,213	(0.63%)	(73)	0.00%	-	(0.62%)	(73)
5	Sesa Resources Limited	0.04%	28	0.16%	18	0.00%	-	0.15%	18
6	Sesa Mining Corporation Limited	(0.26%)	(165)	0.59%	69	(3.10%)	(3)	0.56%	66
7	Sterlite Ports Limited	(0.01%)	(5)	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
8	Vizag General Cargo Berth Private Limited	0.02%	11	(0.08%)	(9)	0.11%	0	(0.08%)	(9)
9	Paradip Multi Cargo Berth Private Limited	(0.00%)	(2)	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
10	Maritime Ventures Private Limited	0.03%	20	0.10%	12	0.00%	-	0.10%	12
11	Goa Sea Port Private Limited	(0.00%)	(3)	(0.02%)	(2)	0.00%	-	(0.02%)	(2)
12	Vedanta Limited ESOS Trust	0.08%	47	0.00%	-	0.01%	0	0.00%	0
13	ESL Steel Limited	10.00%	6,225	23.55%	2,732	(0.48%)	(1)	23.32%	2,731
14	Ferro Alloy Corporation Limited (FACOR)[c]	0.61%	378	(6.80%)	(789)	2.73%	3	(6.71%)	(786)
15	Facor Realty and Infrastructure Limited [c]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
16	FACOR Power Ltd [c]	(1.05%)	(654)	(0.97%)	(113)	0.00%	-	(0.96%)	(113)
	Foreign Subsidiaries								
1	Copper Mines of Tasmania Pty Limited	(0.85%)	(531)	0.19%	22	0.00%	-	0.19%	22
2	Thalanga Copper Mines Pty Limited	(0.05%)	(30)	(0.08%)	(9)	0.00%	-	(0.08%)	(9)
3	Monte Cello BV	0.30%	188	0.03%	3	0.00%	-	0.03%	3
4	Bloom Fountain Limited	(12.49%)	(7,780)	(2.01%)	(233)	0.00%	-	(1.99%)	(233)
5	Western Cluster Limited	(1.43%)	(891)	(0.19%)	(22)	0.00%	-	(0.19%)	(22)
6	Sterlite (USA) Inc. [b]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
7	Fujairah Gold FZC	(0.57%)	(355)	(1.76%)	(204)	12.73%	14	(1.62%)	(190)
8	THL Zinc Ventures Limited	2.41%	1,501	0.00%	-	0.00%	-	0.00%	-
9	THL Zinc Limited	5.74%	3,572	(0.02%)	(2)	0.00%	-	(0.02%)	(2)
10	THL Zinc Holding BV	2.54%	1,581	0.05%	6	0.00%	-	0.05%	6
11	THL Zinc Namibia Holdings (Proprietary) Limited	0.99%	615	3.69%	428	0.00%	-	3.65%	428
12	Skorpion Zinc (Proprietary) Limited	0.01%	9	3.78%	439	0.00%	-	3.75%	439
13	Skorpion Mining Company (Proprietary) Limited	(2.43%)	(1,511)	(0.40%)	(46)	0.00%	-	(0.39%)	(46)
14	Namzinc (Proprietary) Limited	1.12%	699	(0.91%)	(106)	0.00%	-	(0.91%)	(106)
15	Amica Guesthouse (Proprietary) Limited	0.00%	2	0.01%	1	0.00%	-	0.01%	1
16	Black Mountain Mining Proprietary Limited	3.30%	2,058	4.86%	564	2.63%	3	4.84%	567
17	Vedanta Lisheen Holdings Limited	0.04%	24	0.00%	-	0.00%	-	0.00%	-
18	Vedanta Lisheen Mining Limited	0.11%	67	0.03%	3	0.00%	-	0.03%	3
19	Killoran Lisheen Mining Limited	0.02%	14	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
20	Killoran Lisheen Finance Limited[b]	0.00%	-	0.00%	-	0.00%	-	0.00%	

S.R. BATLIBOI & CO. LLP * GURUGRAM *

VEDANTA LIMITED New Delhi

44 Financial Information pursuant to Schedule III of the Companies Act, 2013

S. No	Name of the entity	Net Assets (Total assets less total liabilities) As at 31 March 2021		Share in profit and loss Year ended 31 March 2021		Share in other comprehensive income (OCI) Year ended 31 March 2021		Share in total comprehensive income (TCI) Year ended 31 March 2021	
		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)
21	Lisheen Milling Limited	0.13%	82	(0.56%)	(65)	0.00%	-	(0.55%)	(65)
22	Lisheen Mine Partnership	0.00%	-	(0.13%)	(15)	0.00%	-	(0.13%)	(15)
23	Lakomasko BV	(0.00%)	(0)	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
24	Vedanta Exploration Ireland Limited[b]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
25	Cairn India Holdings Limited	20.16%	12,557	7.64%	886	0.00%	-	7.56%	886
26	Cairn Energy Hydrocarbons Limited	7.13%	4,441	2.86%	332	0.00%	-	2.83%	332
27	Cairn Lanka (Private) Limited	(0.76%)	(476)	0.01%	1	0.00%	-	0.01%	1
28	Cairn South Africa (Pty) Limited	0.00%	-	0.01%	1	0.00%	-	0.01%	1
29	CIG Mauritius Holding Private Limited[b]	0.00%	0	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
30	CIG Mauritius Private Limited[b]	0.00%	0	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
31	Cairn Energy Discovery Limited[d]	0.00%	0	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
32	Cairn Exploration (No. 2) Limited[d]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
33	Cairn Energy Gujarat Block 1 Limited	0.00%	2	0.00%	0	0.00%	-	0.00%	0
34	Cairn Energy India Pty Limited[d]	0.00%	-	0.00%	-	0.00%	-	0.00%	-
35	AvanStrate Inc	(3.36%)	(2,095)	0.40%	46	0.00%	-	0.39%	46
36	AvanStrate Korea Inc	(3.11%)	(1,934)	(1.20%)	(139)	0.00%	-	(1.19%)	(139)
37	AvanStrate Taiwan Inc	4.57%	2,845	(0.88%)	(102)	0.00%	-	(0.87%)	(102)
	Non-controlling interests in all subsidiaries	(24.31%)	(15,138)	(29.56%)	(3,430)	(84.55%)	(93)	(30.08%)	(3,523)
	Associates and Joint Ventures (per Equity method)								
	Indian								
1	Gaurav Overseas Private Limited	0.00%	0	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
2	Raykal Aluminium Company Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
3	Rampia Coal Mines & Energy Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
4	Madanpur South Coal Company Limited	0.00%	1	0.00%	0	0.00%	-	0.00%	0
5	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%	3	(0.00%)	(0)	0.00%	-	(0.00%)	(0)
	Consolidation Adjustments/ Eliminations [a]	(97.41%)	(60,666)	(70.48%)	(8,177)	268.01%	295	(67.30%)	(7,883)
	Total	**100.00%**	**62,278**	**100.00%**	**11,602**	**100.00%**	**110**	**100.00%**	**11,712**

[a] Consolidation adjustments/eliminations include intercompany eliminations, consolidation adjustments and GAAP differences.
[b]Under liquidation [c]Acquired during the year [d]liquidated during the year

Exchange Rates as at 31 March 2021: 1 AUD= ₹ 55.7611, 1 USD = ₹ 73.2973, 1 AED = ₹ 19.953, 1 NAD = ₹ 4.9432, 1 ZAR = ₹ 4.9432, 1 JPY = ₹ 0.662126
Average Exchange Rates for the year ended March 31, 2021: 1 AUD= ₹ 53.2235, 1 USD = ₹ 74.1056, 1 AED = ₹ 20.173, 1 NAD = ₹ 4.5269, 1 ZAR = ₹ 4.5269, 1 JPY = ₹ 0.699023

As per our report of even date

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

per Sudhir Soni
Partner
Membership No:41870

Place : Mumbai
Date : 28 April 2022

S.R. BATLIBOI & CO. LLP * GURUGRAM *

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

Ajay Goel
Acting Group Chief Financial Officer
PAN AEAPG8383C

Place : New Delhi
Date : 28 April 2022

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

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

VEDANTA LIMITED New Delhi

Vedanta Limited
Notes forming part of the consolidated financial statements as at and for the year ended 31 March 2022

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	7,451	14,063	6,390	305	13,717	3,556	820	2,736	-	51
2	Copper Mines of Tasmania Pty Limited	April to March	AUD - Australian Dollar	-	(605)	113	718	-	17	(64)	-	(64)	-	100
3	Thalanga Copper Mines Pty Limited	April to March	AUD - Australian Dollar	3	71	113	38	-	110	102	-	102	-	100
4	Monte Cello BV	April to March	USD - United States Dollar	0	196	219	22	-	-	3	0	3	-	100
5	Hindustan Zinc Limited	April to March	INR - INDIAN RUPEE	845	33,437	44,671	10,389	15,051	29,440	14,101	4,471	9,630	-	64.92
6	MALCO Energy Limited	April to March	INR - INDIAN RUPEE	5	285	576	285	10	214	15	-	15	-	100
7	Fujairah Gold FZC	April to March	AED - Emirati Dirham	6,912	(7,516)	525	1,129	-	4,056	(232)	-	(232)	-	100
8	Talwandi Sabo Power Limited	April to March	INR - INDIAN RUPEE	3,207	(115)	11,827	8,735	-	4,406	(162)	(40)	(122)	-	100
9	Sterlite (USA) Inc.[1]	April to March	USD - United States Dollar	-	-	-	-	-	-	-	-	-	-	100
10	THL Zinc Ventures Limited	April to March	USD - United States Dollar	76	(3,821)	1,550	5,295	-	-	(2)	-	(2)	-	100
11	THL Zinc Ltd	April to March	USD - United States Dollar	68	(3,151)	3,743	6,826	-	-	6	-	6	-	100
12	THL Zinc Holding BV	April to March	USD - United States Dollar	39	(2,510)	3,141	5,613	-	-	33	4	29	-	100
13	THL Zinc Namibia Holdings (Proprietary) Ltd	April to March	NAD - Namibian Dollar	8	638	653	8	-	-	(0)	-	(0)	-	100
14	Skorpion Zinc (Proprietary) Limited	April to March	NAD - Namibian Dollar	3	8	521	511	5	-	0	-	0	-	100
15	Skorpion Mining Company (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	(1,597)	1,665	3,262	-	-	(9)	-	(9)	-	100
16	Namzinc (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	719	2,481	1,762	-	-	(14)	-	(14)	-	100
17	Amica Guesthouse (Proprietary) Limited	April to March	NAD - Namibian Dollar	0	2	4	2	-	2	(0)	-	(0)	-	100
18	Black Mountain Mining (Proprietary) Limited	April to March	ZAR - South African Rand	0	2,951	5,896	2,945	-	4,450	1,048	273	775	-	74
19	Vedanta Lisheen Holdings Limited	April to March	USD - United States Dollar	-	165	201	36	-	-	6	3	3	-	100
20	Vedanta Lisheen Mining Limited	April to March	USD - United States Dollar	1,672	(1,593)	79	-	-	(1)	(1)	0	(1)	-	100
21	Killoran Lisheen Mining Limited	April to March	USD - United States Dollar	1,645	(1,622)	24	-	-	-	2	-	2	-	100
22	Killoran Lisheen Finance Limited[1]	April to March	USD - United States Dollar	-	-	-	-	-	-	-	-	-	-	100
23	Lisheen Milling Limited	April to March	USD - United States Dollar	0	77	123	47	-	-	(2)	1	(3)	-	100
24	Lisheen Mine Partnership	April to March	USD - United States Dollar	-	(21)	47	68	-	3	0	2	(2)	-	100
25	Sterlite Ports Limited[6]	April to March	INR - INDIAN RUPEE	0	(6)	0	6	-	-	(0)	-	(0)	-	100
26	Vizag General Cargo Berth Private Limited	April to March	INR - INDIAN RUPEE	47	(59)	520	531	27	163	(24)	(1)	(23)	-	100
27	Cairn India Holdings Limited	April to March	USD - United States Dollar	5,711	3,418	10,949	1,820	90	-	916	6	909	-	100
28	Cairn South Africa (Pty) Limited[1]	April to March	USD - United States Dollar	-	-	-	-	-	-	-	-	-	-	100
29	Cairn Energy Hydrocarbons Limited	April to March	USD - United States Dollar	1,079	1,750	10,554	7,726	1,298	5,808	1,317	609	709	-	100
30	Cairn Lanka (Private) Limited	April to March	USD - United States Dollar	1,288	(1,779)	(471)	20	-	-	5	-	5	-	100
31	CIG Mauritius Holding Private Limited[2]	April to March	USD - United States Dollar	-	-	-	-	-	-	-	-	-	-	100
32	CIG Mauritius Private Limited[2]	April to March	USD - United States Dollar	-	-	-	-	-	-	-	-	-	-	100
33	Cairn Energy Gujarat Block 1 Limited[2]	April to March	USD - United States Dollar	-	-	-	-	-	-	-	-	-	-	100
34	Paradip Multi Cargo Berth Private Limited[6]	April to March	INR - INDIAN RUPEE	0	(2)	4	6	-	-	(0)	-	(0)	-	100
35	Bloom Fountain Limited	April to March	USD - United States Dollar	16,923	(25,189)	0	8,265	-	-	(239)	-	(239)	-	100
36	Western Cluster Limited	April to March	USD - United States Dollar	-	(951)	2	953	-	-	(32)	-	(32)	-	100
37	Sesa Resources Limited	April to March	INR - INDIAN RUPEE	1	50	185	133	-	53	24	-	24	-	100
38	Sesa Mining Corporation Limited[6]	April to March	INR - INDIAN RUPEE	12	(122)	211	321	-	97	54	-	54	-	100
39	Vedanta Exploration Ireland Limited[1]	April to March	USD - United States Dollar	-	-	-	-	-	-	-	-	-	-	100
40	Maritime Ventures Private Limited[6]	April to March	INR - INDIAN RUPEE	0	35	53	17	2	75	22	7	15	-	100
41	Lakomasko BV	April to March	USD - United States Dollar	0	(1)	0	1	0	-	(0)	0	(0)	-	100

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VEDANTA LIMITED New Delhi ★

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
42	Goa Sea Port Private Limited [6]	April to March	INR - INDIAN RUPEE	0	(3)	-	3	-	-	-	-	-	-	100
43	Vedanta Limited ESOS Trust	April to March	INR - INDIAN RUPEE	0	51	230	179	0	-	0	-	0	-	100
44	AvanStrate Inc	April to March	JPY - Japanese Yen	6	(1,974)	2,875	4,843	-	-	(5)	-	(5)	-	51.63
45	AvanStrate Korea Inc	April to March	JPY - Japanese Yen	795	(2,733)	538	2,476	-	88	(135)	-	(135)	-	51.63
46	AvanStrate Taiwan Inc	April to March	JPY - Japanese Yen	325	2,277	3,262	660	-	377	(69)	-	(69)	-	51.63
47	Ferro Alloy Corporation Limited (FACOR) [7]	April to March	INR - INDIAN RUPEE	34	595	943	314	-	833	338	85	253	-	100
48	Facor Realty and Infrastructure Limited [3]	April to March	INR - INDIAN RUPEE	0	(0)	0	0	-	-	(0)	-	(0)	-	100
49	FACOR Power Ltd [7]	April to March	INR - INDIAN RUPEE	230	(945)	627	1,342	-	138	(50)	-	(50)	-	90
50	ESL Steel Limited	April to March	INR - INDIAN RUPEE	1,849	4,279	11,151	5,023	180	6,596	24	119	(95)	-	95.74
51	Desai Cement Company Private Limited [4]	November to March	INR - INDIAN RUPEE	2	12	29	16	-	-	(3)	(2)	(1)	-	100
52	Hindustan Zinc Alloys Private Limited [5]	November to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	64.92
53	Vedanta Zinc Football & Sports Foundation [5]	November to March	INR - INDIAN RUPEE	-	-	-	-	-	-	-	-	-	-	64.92

A. 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

B. 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

[1] Liquidated during the year.

[2] Under liquidation.

[3] Passed a resolution for striking off

[4] Acquired during the year.

[5] Incorporated during the year.

[6] 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 Priv

[7] 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") .

Form AOC-I

Salient features of Associate companies and Joint Ventures pursuant to first proviso to sub section (3) of section 129 read with rule 5 of 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	Raykal Aluminium Company Private Limited	Rosh Pinah Health Care (Proprietary) Limited	Gergarub Exploration and Mining (Pty) Limited
1	Latest audited Balance sheet date	30 June 2021	31 March 2022	. March 2022	31 March 2022	31 March 2016	31 December 2020	30 April 2021
2	Shares of Associate/Joint Ventures held by the Company at the year end							
	- Number	50	323,000	114,421	5,000	12,250	69	51
	- Amount of investment (₹ Crore)	0.00	0.32	1.96	0.01	0.00	0.00	0.00
	- % of holding	50.00%	50.00%	17.62%	50.00%	24.50%	69.00%	51.00%
3	Description of how there is significant influence	By way of ownership	By way of ownership	N.A.	N.A.	N.A.	Joint control of the entity	Joint control of the entity
4	Networth attributable to shareholding as per latest audited Balance sheet (₹ Crore)	2.42	0.34	1.41	(0.05)	-	1.05	0.00
5	Profit/(Loss) for the year (₹ Crore)	(0.52)	(0.01)	0.12	0.00	-	(0.09)	-

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 Chief Executive Officer
DIN 07291685

Ajay Goel
Acting Group Chief Financial Officer
PAN AEAPG8383C

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

Place: New Delhi
Date: 28 April 2022

S.R. BATLIBOI & CO. LLP * GURUGRAM *

VEDANTA LIMITED New Delhi

PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Managers, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below. These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to this Issue, will be included in the Placement Document to be sent to such proposed Allottees.

S. No.	Name of the proposed Allottees(1)	Percentage of the post-Issue issued and paid-up Equity Share capital held (%)^(2)
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]

^ *Based on beneficiary position as on [●], 2024.*

Note:
1. Subject to receipt of funds and allotment in the Issue. The above table has been intentionally left blank and shall be updated in the Placement Document.
2. The post-Issue shareholding (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID will be considered.

DECLARATION

The Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

____

Arun Misra
Executive Director

Date: July 15, 2024

Place: Udaipur

DECLARATION

We, the Board of the Company, certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules made thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

____

Arun Misra
Executive Director

Date: July 15, 2024

Place: Udaipur

I am authorized by the Committee of Directors, a committee of the Board of the Company, *vide* resolution dated July 15, 2024, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the Promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Arun Misra
Executive Director

Date: July 15, 2024

Place: Udaipur

VEDANTA LIMITED

Registered Office:
1st Floor, 'C' Wing, Unit 103
Corporate Avenue, Atul Projects
Chakala, Andheri (East)
Mumbai – 400 093
Maharashtra, India

Corporate Office:
Core 6, 3rd Floor
Scope Complex 7, Lodhi Road
New Delhi – 110 003, India

Tel: +91 22 6643 4500
Email: comp.sect@vedanta.co.in | **Website**: www.vedantalimited.com
CIN: L13209MH1965PLC291394

Contact Person:
Prerna Halwasiya
Designation: Company Secretary and Compliance Officer
Tel: +91 22 6643 4500; **E-mail**: comp.sect@vedanta.co.in
Address: 1st Floor, 'C' Wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai – 400 093, Maharashtra, India

BOOK RUNNING LEAD MANAGERS

Citigroup Global Markets India Private Limited
1202, 12th Floor, First International Financial Centre, G Block, Bandra Kurla Complex, Bandra (East)
Mumbai – 400 098, Maharashtra

JM Financial Limited
7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Maharashtra, India

Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)
801- 804, Wing A, Building No. 3, Inspire BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra, India

STATUTORY AUDITORS OF OUR COMPANY

S.R. Batliboi & Co. LLP, Chartered Accountants

6th & 7th Floor, Plot No. 67, Sector 44,
Gurugram, Haryana – 122 003, India.

LEGAL COUNSEL TO OUR COMPANY

As to Indian law

Cyril Amarchand Mangaldas
Peninsula Chambers, Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013, Maharashtra, India

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

As to Indian law

Khaitan & Co
10th and 13th Floor, Tower 1C, One World Centre, 841
Senapati Bapat Marg, Mumbai – 400 013
Maharashtra, India

As to United States federal securities law

Linklaters Singapore Pte. Ltd.
One George Street, #17-01
Singapore 049145

SAMPLE APPLICATION FORM

Indicative format of the Application Form

An indicative format of the Application Form is set forth below.

(Note: The format of the Application Form included herein below is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. Our Company, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

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VEDANTA LIMITED

Registered Office: 1st Floor, 'C' Wing, Unit 103, Corporate Avenue, Atul Projects, Chakala, Andheri (East), Mumbai – 400 093, Maharashtra, India;
Corporate Office: Core 6, 3rd Floor, Scope Complex 7, Lodhi Road, New Delhi – 110 003, India; **Telephone No.**: +91 22 6643 4500; **Email:** comp.sect@vedanta.co.in**;**
Website: www.vedantalimited.com; **Corporate Identity Number:** L13209MH1965PLC291394;
COMPANY LEI NUMBER: 335800XDKX9KB5EMCO07; **ISIN:** INE205A01025

APPLICATION FORM

Form No.:

Date:

Name of the Bidder: ____

QUALIFIED INSTITUTIONS PLACEMENT OF [●] EQUITY SHARES OF FACE VALUE ₹ 1 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO APPROXIMATELY ₹ [●] CRORES UNDERTAKEN IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY VEDANTA LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 461.26 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; and (c) hold a valid and existing registration under the applicable laws in India (as applicable), and (d) are eligible to invest in the Issue and submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Non-Debt Rules"), can submit this Application Form.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws in the United States and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales occur and (ii) within the United States to "qualified institutional buyers", as defined in Rule 144A under the U.S. Securities Act, in transactions exempt from the registration requirements of the U.S. Securities Act.

The Equity Shares of the Company have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold, and Bids may not be made by persons in any jurisdiction, except in compliance with the applicable laws of such jurisdictions. You should note and observe the solicitation and distribution restrictions contained in the sections titled "*Selling Restrictions*" in the accompanying preliminary placement document dated July 15, 2024 (the "PPD"). See "*Transfer Restrictions*" in the PPD for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE FPIs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE II OF THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019, AS AMENDED ("FEMA RULES"). FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please tick for applicable category)			
FI	Scheduled Commercial Bank and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds
NIF	National Investment Fund	**FPI**	Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Funds**
SI-NBFC	Systematically Important Non – Banking Financial	**OTH**	Others ________________

	Companies		(Please specify)
Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "Application Form" under Issue Procedure section of this Preliminary Placement Document. **Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.* *** Sponsor and Manager should be Indian owned and controlled.*			

To,
The Board of Directors
Vedanta Limited
1st Floor, 'C' Wing, Unit 103
Corporate Avenue, Atul Projects
Chakala, Andheri (East)
Mumbai – 400 093, Maharashtra

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Bid for the Allotment of the Equity Shares in the Issue, on the terms and price indicated below. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations or foreign exchange related laws. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the Promoters of the Company, directly or indirectly. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with Promoters or persons related to Promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company.

We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**SEBI Takeover Regulations**"). We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Application Amount and number of shares to be Allotted under each scheme.

We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We note that the Company is entitled, in consultation with Citigroup Global Markets India Private Limited, JM Financial Limited and Nuvama Wealth Management Limited (*formerly known as Edelweiss Securities Limited*) (the "**BRLMs**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the confirmation of allocation note ("**CAN**"), when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Issue Closing Date and such Application Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Book Running Lead Managers; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We further acknowledge and agree that (i) our names, addresses, nationalities, contact details, email IDs, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Managers; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of BSE Limited and the National Stock Exchange of India Limited (the "**Stock Exchanges**") and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the Reserve Bank of India ("**RBI**") and other applicable laws.

By signing and/or submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties, acknowledgements and agreements as provided in the sections titled *"Notice to Investors"*, *"Representations by Investors"*, *"Issue Procedure"*, *"Selling Restrictions"* and "*Transfer Restrictions*" of the PPD and (ii) the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Book Running Lead Managers, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section titled "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Book Running Lead Managers or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company, in consultation with the Book Running Lead Managers, and the submission of this Application Form and payment of the corresponding Application Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Managers; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Book Running Lead Managers. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office; and (10) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares.

We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent that we are either (i) located within the United States and are a "qualified institutional buyer" (as defined in Rule 144A under the U.S. Securities Act), or (ii) located outside the United States and purchasing Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where such offers and sales are made. We confirm that we hereby make all the applicable representations, warranties and agreements as set forth in the sections entitled "*Selling Restrictions*" and "*Transfer Restrictions*" in the PPD.**

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
MOBILE NO.			
EMAIL ID			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO.		
FOR MF	SEBI MF REGISTRATION NO		
FOR AIFs***	SEBI AIF REGISTRATION NO.		
FOR VCFs***	SEBI VCF REGISTRATION NO.		
FOR SI-NBFC	RBI REGISTRATION DETAILS		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS.		
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS.		

**Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the BRLMs.*
*** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

NO. OF EQUITY SHARES BID FOR		**PRICE PER EQUITY SHARE (RUPEES)**		**APPLICATION AMOUNT (RUPEES)**	
(In Figures)	(In Words)	(In Figures)	(In Words)	(In Figures)	(In Words)

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the Book Running Lead Managers will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

DEPOSITORY ACCOUNT DETAILS				
Depository Name (Please ✓)		National Securities Depository Limited		Central Depository Services (India) Limited
Depository Participant Name				
DP – ID	I	N		
Beneficiary Account Number				(16-digit beneficiary account. No. to be mentioned above)
The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purpose of refund, if any, only the bank details as mentioned below, from which the Application Amount has been remitted for the Equity Shares applied for in the Issue, will be considered.				

PAYMENT DETAILS | REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER

By 2.00 p.m. (IST), Friday, July 19, 2024

BANK ACCOUNT DETAILS FOR PAYMENT OF APPLICATION AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	Vedanta Limited QIP Escrow Account	**Account Type**	Escrow Account
Name of Bank	IndusInd Bank Limited	**Address of the Branch of the Bank**	Opera House Branch, IndusInd House, 425, Dadasaheb Bhadkamkar Marg, Mumbai - 400 004
Account No.	256000100137	**IFSC**	INDB0000001
LEI Number	335800XDKX9KB5EMCO07	**Email**	jaydeep.patil@indusind.com /priti.upadhyay@indusind.com

The Application Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "Vedanta Limited QIP Escrow Account". Payment of the entire Application Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the Book Running Lead Managers shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Mobile No.	____ Email: ____		

OTHER DETAILS	
PAN	
Date of Application	
Signature of Authorised Signatory (may be signed either physically of digitally)	

ENCLOSURES ATTACHED

- ☐ Copy of PAN Card or PAN allotment letter**
- ☐ FIRC
- ☐ Copy of the SEBI registration certificate as a Mutual Fund
- ☐ Copy of the SEBI registration certificate as an Eligible FPI
- ☐ Copy of the SEBI registration certificate as an AIF
- ☐ Copy of the SEBI registration certificate as a VCF
- ☐ Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
- ☐ Copy of the IRDAI registration certificate
- ☐ Intimation of being part of the same group
- ☐ Certified true copy of the power of attorney
- ☐ Other, please specify __________________

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*
***Please note that the Bidder should not mention the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961, as the application is liable to be rejected on this ground.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and the Placement Document.
Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Company in consultation with the BRLMs.
Note 3: The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in the PPD.

The Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.

(Note: The format of the Application Form included herein above is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format above.)

ANNEXURE A

LIFE OF MINES

Company Particulars		Reserves (Proved and Probable)	Reserves and Resources	Fiscal Year 2024 Production	Mine Life – Reserves –As of 1 April 2024	Mine Life – Reserves and Resources – As of 1 April 2024
		(mt)	*(mt)*(1)	*(mt)*	*(years)*(2)	*(years)* (2)
HZL	Rampura Agucha	44.4	69.2	4.9	9	14
HZL	Rajpura Dariba	47.1	87.7	1.3	35	65
HZL	Zawar Group	42.2	142.8	4.0	10	35
HZL	Kayad	1.3	6.8	0.6	2	12
HZL	Sindesar Khurd	40.1	109.0	5.7	7	19
HZL	Bamnia Kalan	—	40.9	—	—	—
Skorpion	Skorpion	0.8	5.4	0	1	3
Black Mountain Mining	Deeps	1.9	10.7	0.9	2.0	7.2
Black Mountain Mining	Swartberg	48.5	157.8	0.7	2.0	7.2
Black Mountain Mining	Gamsberg	88.9	267.3	2.4	11.0	33.4
Black Mountain Mining	Big Syncline Project	0	191.7	0	0	0
Skorpion.	Gergarub Project	0	13.5	0	0	0
Our Company	Iron Ore Karnataka	39.0	75.12	5.9	7	12.8
	WCL - Bomi	222.6	248.6	3.3	55.6	82.8

Note:

*(1) See "**Annexure B – Mineral Resources (Exclusive Reporting Basis)**" on page 772. The reporting methodology for Mineral Resources differs from that of Ore Reserves under international reporting codes as certain factors (termed "Modifying Factors", such as mining losses and dilution) are included in the reporting of Ore Reserves, whereas Mineral Resources are reported on an in-situ basis. For the purposes of proving and indication on the potential Life of Mine, Mineral Reserves and Mineral Resources (reported on an exclusive basis) have been summed herein. 'Reserves and Resources' are reported here as the sum of Mineral Reserves (Proven and Probable) and Mineral Resources (including Measured, Indicated and Inferred) exclusive of Mineral Reserves.*

*(2) Considerable caution should be exercised when considering life of mine estimates based on Mineral Resource plus Ore Reserves. Life of mine estimates which include Mineral Resources have been undertaken by our Company and have not been subject to review by the Independent Consultants named in this Offering Circular. See the section entitled "**Risk Factors – Risks Relating to Business – 46. There are uncertainties inherent in estimating our Ore Reserves and Mineral Resources and oil, condensate and sales-gas reserves, and if the actual amounts of such reserves and resources are less than estimated, our results of operations, cash flows and financial condition may be materially and adversely affected.**" on page 68 for more information. The life of mine estimates presented in this table take into account the Fiscal Year 2024 production for all mines. It should be noted that the Ore Reserves are derived from Life-of-mine plans which in certain instances assume expanded production which is significantly increased when compared to current (2024) production capacity. Furthermore, the contribution of Inferred Mineral Resources to the estimation of Mine Life may be significant, with Inferred Mineral Resources representing the following percentages of "Reserves and Resources" shown; Rampura Agucha – 11.2%, Rajpura Dariba – 43.4%, Zawar Group – 47.3%, Kayad – 25.1%, Sindesar Khurd – 8.1, Bamnia Kalan – 49.3%, Skorpion – 30.1%, Swartberg – 25.1%, Gamsberg – 43.3%, Big Syncline – 96.8%, Gergarub Project – 30.9%, and WCL – Bomi – 6.6%. Accordingly, the mine lives for such instances will be significantly shorter than the Life-of-Mine years reported above.*

ANNEXURE B

MINERAL RESOURCES (EXCLUSIVE REPORTING BASIS)

Zinc-Lead	Measured Quantity	Measured Grade Zinc	Measured Grade Lead	Indicated Quantity	Indicated Grade Zinc	Indicated Grade Lead	Inferred Quantity	Inferred Grade Zinc	Inferred Grade Lead
	(mt)	*(%)*	*(%)*	*(mt)*	*(%)*	*(%)*	*(mt)*	*(%)*	*(%)*
Rampura Agucha.........	10.0	14.8	2.2	7.1	10.2	3.3	7.7	0.2	5.2
Rajpura Dariba............	1.9	6.9	2.1	0.5	5.4	2.0	38.1	6.0	1.9
Zawar Group...............	25.1	3.5	1.9	7.9	3.2	1.9	67.6	3.8	2.2
Kayad..........................	0.4	14.3	2.0	3.3	7.6	1.0	1.7	5.7	0.3
Sindesar Khurd	38.7	3.8	2.0	21.3	3.5	1.5	8.9	3.2	1.5
Bamnia Kalan	—	—	—	20.7	3.3	1.1	20.2	3.5	1.4
Skorpion	0.3	10.2	0	3.0	12.4	0	1.3	9.5	0
Gergarub Project..........	0	0	0	9.3	9.1	2.4	4.1	8.0	2.2
Black Mountain									
Deeps	3.4	2.4	3.6	5.4	2.2	2.2	0	0	0
Swartberg.................	0	0	0	69.7	0.8	2.1	39.6	0.8	1.8
Gamsberg.................	7.3	7.7	0.5	55.5	7.3	0.6	115.8	7.4	0.5
Big Syncline Project .	0	0	0	6.1	3.0	1.1	185.6	2.4	1.0

Iron Ore	Measured Quantity	Measured Grade	Indicated Quantity	Indicated Grade	Inferred Quantity	Inferred Grade
	(mt)	*(% Fe)*	*(mt)*	*(% Fe)*	*(mt)*	*(% Fe)*
Iron Ore Karnataka						
Normal......................	7.85	53.4	0.31	51.5	—	—
Siliceous...................	24.93	38.2	3.06	38.6	—	—
WCL	1.01	35.3	8.58	36.0	16.37	30.7

See the section entitled "***Risk Factors – Risks Relating to Business – 46. There are uncertainties inherent in estimating our Ore Reserves and Mineral Resources and oil, condensate and sales-gas reserves, and if the actual amounts of such reserves and resources are less than estimated, our results of operations, cash flows and financial condition may be materially and adversely affected.***" on page 68 for more information.

ANNEXURE C

MINERAL RESOURCE AND ORE RESERVE REPORTING

The JORC Code (2012) require that for Reporting of Mineral Resources and Ore Reserves, the publication of additional supplemental information, specifically in respect of assumed modifying factors and economic assumptions as well as a detailed narrative in respect of certain elements as noted under the JORC Codes (2012) Table 1 declarations. Certain sections of this Offering Circular present historical production sections as well as technical descriptions of our Company's Mineral Assets and as such includes some of the supporting information incorporated into such declarations.
The detailed split for Proved and Probable Ore Reserves are included under the relevant business description sections for each of the Mineral Assets.

The Competent Persons' responsible for confirming that the Mineral Resources and Ore Reserves are reported in accordance with the terms and definitions of the reporting codes are:

For HZL, Black Mountain, Skorpion, where Mineral Resources and Ore Reserves are reported in accordance with the terms and definitions of the JORC Code (2012):

The Competent Person who has reviewed the Mineral Resources as reported by the company in the March 31, 2024 Statements is Mr. Mark Campodonic, FGS, AusIMM (CP) and MSc, who is an employee of SRK Consulting (UK) Limited. He is a Chartered Professional Member (No. 225925) of the Australian Institute of Mining and Metallurgy. Mr Mark Campodonic is a mining geologist with over 20 years' experience in the mining industry which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012).

The Competent Person who has reviewed the Ore Reserves as reported by the company in the March 31, 2024 Statements is Mr John Miles, C. Eng (UK) and MSc, who is an associate of SRK Consulting (UK) Limited. He is a Member of the Institute of Materials, Minerals and Mining. Mr John Miles is a mining engineer with 35 years' experience in the mining industry which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012).

For our Company where Mineral Resources and Ore Reserves for iron ore mines are reported in accordance with the terms and definitions of the JORC Code (2012):

The Competent Person who has reviewed the Mineral Resources as reported by the company in the March 31, 2024 Statements is Shameek Chattopadhyay, M.Sc, MAusIMM, who is an employee of SRK Mining Services (India) Private Limited. He is a mining geologist with over 20 years' experience in the mining industry which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012).

The Competent Person who has reviewed the Ore Reserves as reported by the company in the March 31, 2024 Statements is Somnath Gain B.E, MAusIMM, who is an employee of SRK Mining Services (India) Private Limited. He is a mining engineer with 20 years' experience in the mining industry which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code (2012).

ANNEXURE D

VEDANTA LIMITED

PRODUCTION RELEASES FOR THE FIRST QUARTER ENDED JUNE 30, 2024

Aluminium:

Particulars (In '000 tonnes, or as stated)	**1Q**			**4Q**	
	FY25	**FY24**	**% Change**	**FY24**	**% Change**
Alumina – Lanjigarh	539	395	36%	484	11%
Aluminium	**596**	**579**	**3%**	**598**	**-**
Jharsuguda	450	433	4%	452	-
BALCO	146	146	-	146	-

- Alumina production at Lanjigarh refinery at 539 kt, up 36% YoY driven by new capacity, and up 11% QoQ.
- The cast metal aluminum production at our smelters at 596 kt, up 3% YoY on account of better operational performance. The metal production was flat QoQ.

Zinc India:

Particulars (In '000 tonnes, or as stated)	**1Q**			**4Q**	
	FY25	**FY24**	**% Change**	**FY24**	**%Change**
Mined Metal	263	257	2%	299	(12%)
Saleable Metal	**262**	**260**	**1%**	**273**	**(4%)**
Refined Zinc*	211	209	1%	220	(4%)
Refined Lead	51	51	2%	53	(3%)
Silver (in tonnes)	167	179	(7%)	189	(12%)
Silver (in mn ounces)	5.4	5.8	(7%)	6.1	(12%)

**Includes 0.5 kt and 0.7kt of metal production from Hindustan Zinc Alloys Private Limited (100% subsidiary of HZL) in 1QFY25 & 4QFY24 respectively.*

- Mined metal production in the first quarter at 263 kt, up 2% YoY with improved mined metal grades. In line with mine preparation activities being carried out every year in first quarter, it was lower by 12% QoQ.
- Refined metal production at 262 kt, up 1% YoY and down 4% QoQ due to plant availability & pyro operations on lead mode for later part of 1QFY25. Refined zinc production at 211 kt, up 1% YoY and down 4% QoQ. Refined lead production at 51 kt, up 2% YoY and down 3% QoQ.
- Saleable silver production at 167 tonnes, down 7% YoY and 12% QoQ in line with lead metal production and WIP built up (in normal course) as Zinc India moved to pyro operations on lead mode from Jun 24. This WIP would be liquidated in a subsequent period.

Zinc International:

Particulars (In '000 tonnes, or as stated)	**1Q**			**4Q**	
	FY25	**FY24**	**% Change**	**FY24**	**% Change**
Mined Metal	**38**	**68**	**(45%)**	**33**	**13%**
Gamsberg	26	49	(46%)	21	23%
Black Mountain Mine (BMM)	11	19	(41%)	12	(4%)

- Gamsberg production at 26 kt, up 23% QoQ because of higher zinc grades and recoveries, partially offset by lower throughput, down 46% YoY due to lower tonnes milled and zinc grades.
- BMM production of 11 kt, down 4% QoQ because of lower ore treated offset by higher grades and recoveries and down 41% YoY due to lower throughput and feed grades.

Oil & Gas:

Particulars (In '000 boepd, or as stated)	1Q			4Q	
	FY25	FY24	% Change	FY24	% Change
Average daily gross operated production	**112.4**	**134.9**	**(17%)**	**117.8**	**(5%)**
Rajasthan	92.7	111.9	(17%)	97.8	(5%)
Ravva	11.3	11.7	(3%)	10.5	7%
Cambay	4.8	11.0	(57%)	7.0	(32%)
OALP	3.7	0.3	-	2.5	49%
Average daily working interest production	**73.7**	**86.0**	**(14%)**	**76.8**	**(4%)**
Rajasthan	64.9	78.3	(17%)	68.5	(5%)
Ravva	2.5	2.6	(3%)	2.4	7%
Cambay	1.9	4.4	(57%)	2.8	(32%)
KG-ONN 2003/1	0.6	0.4	58%	0.6	(4%)
OALP	3.7	0.3	-	2.5	49%
Total Oil & Gas (million boe)					
Oil & Gas – Gross	10.2	12.3	(17%)	10.7	(5%)
Oil & Gas – Working Interest	6.7	7.8	(14%)	7.0	(4%)

boepd: *barrels of oil equivalent per day*

- Average gross operated production at 112.4 kboepd.

- Rajasthan block's average gross production down 5% QoQ and 17% YoY at 92.7 kboepd. Gross production from Development Area-1 (DA-1), Development Area-2 (DA-2) and Development Area-3 (DA-3) averaged 80.4 kboepd, 12.2 kboepd and 0.1 kboepd; respectively. The natural decline in the MBA fields has been partially offset by infill wells brought online in Mangala and RDG fields.

- Gas production from Raageshwari Deep Gas (RDG) averaged 124.0 million standard cubic feet per day (mmscfd) (equivalent to 20.7 kboepd); Gas sales post captive consumption at 106.3 mmscfd (equivalent 17.7 kboepd).

- Ravva block's average gross production at 11.3 kboepd, up 7% QoQ supported by well intervention activities.

- Cambay block's average gross production at 4.8 kboepd down 32% QoQ and 57% YoY owing to natural field decline.

- Production from OALP blocks at 3.7 kboepd, supported by ramp up of volumes from Jaya discovery and gas sales offtake from Hazarigaon.

Iron ore:

Particulars (In dry metric tonnes, or as stated)	1Q			4Q	
	FY25	FY24	% Change	FY24	% Change
Sales (mn tonnes)	**1.0**	**1.1**	**(13%)**	**1.7**	**(42%)**
Goa	0.0	0.1	(98%)	-	-
Karnataka	1.0	1.0	(4%)	1.7	(43%)
Production of Saleable Ore (mn tonnes)	**1.3**	**1.2**	**5%**	**1.7**	**(27%)**
Goa	0.1	0.0	-	0.0	-
Karnataka	1.2	1.2	(4%)	1.7	(33%)
Production of Pig Iron ('000 tonnes)	**205**	**213**	**(4%)**	**198**	**4%**

- **Karnataka Iron Ore** - Saleable ore production at 1.2 million tonnes, down 4% YoY and 33% QoQ due to temporary suspension of mine production during the month of May'24.

- **Pig Iron production** down 4% YoY at 205 kt due to the shutdown of furnace during the end of 1QFY25 and up 4% QoQ, driven by improved process system.

Steel:

Particulars (In '000 tonnes, or as stated)	1Q			4Q	
	FY25	FY24	% Change	FY24	% Change
Finished Production	**356**	**324**	**10%**	**343**	**4%**
Pig Iron	59	63	(7%)	16	-
Billets Produced	254	218	17%	271	(6%)
Billets Consumed	*(252)*	*(214)*	*19%*	*(252)*	1%
TMT Bar	138	112	23%	140	(2%)
Wire Rod	108	96	13%	105	3%
Ductile Iron Pipes	49	49	2%	62	(20%)

- Total saleable production at 356 kt, up 10% YoY and 4% QoQ on account of improved operational efficiency.

FACOR:

Particulars (In '000 tonnes, or as stated)	1Q			4Q	
	FY25	FY24	% Change	FY24	% Change
Ore Production	80	76	5%	80	-
Ferro Chrome Production	28	10	-	27	4%

- Ore production at 80 kt, up 5% YoY and maintained QoQ driven by improved operational efficiencies.
- Ferro Chrome production at 28 kt, is 3 times higher YoY due to shutdown of plant in 1QFY24 and capacity enhancement, up 4% QoQ driven by improved productivity of Charge Chrome plant

Copper India:

Particulars (In '000 tonnes, or as stated)	1Q			4Q	
	FY25	FY24	% Change	FY24	% Change
Copper Cathodes	20	31	(35%)	31	(35%)

- Our Silvassa cathode and wire rod plant continues to operate, which enables us to cater to the domestic market. Cathode production at Silvassa at 20 kt, lower 35% YoY and QoQ.
- Tuticorin Smelting operations have remained halted since April 2018. On 29th February 2024, the Hon'ble Supreme Court dismissed the Special Leave Petitions filed by the Company. The Company preferred a review petition before the Hon'ble Supreme Court and has also moved an application for open Court hearing of the review petition.

Power:

Particulars	1Q			4Q	
(In million units)	FY25	FY24	% Change	FY24	% Change
Power Sales	**4,791**	**4,256**	**13%**	**3,981**	**20%**
TSPL	2,990	2,830	6%	2,187	37%
Jharsuguda	825	618	34%	931	(11%)
BALCO	868	687	26%	802	8%
HZL Wind Power	108	121	(11%)	61	78%
TSPL Availability	91%	90%	-	69%	-
TSPL PLF	75%	70%	-	54%	-

- Overall power sales up 13% YoY and 20% QoQ at 4,791 million units.
- At TSPL, the Power Purchase Agreement with the Punjab State Electricity Board compensates us based on the availability of the plant. TSPL power sales at 2,990 million units with 91% plant availability factor in 1QFY25.

- At Jharsuguda power sales at 825 million units, up 34% YoY and down 11% QoQ.
- At Balco, power sales at 868 million units, up 26% YoY and 8% QoQ.
- Wind power generation at 108 million units, up 78% QoQ and down 11% YoY, depending upon wind velocity and seasonality impact.