

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**To
The Board of Directors of
Vedanta Limited****Report on the audit of the Standalone Financial Results****Opinion**

We have audited the accompanying statement of quarterly and year to date standalone financial results of Vedanta Limited (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to:

a) Note 10 of the accompanying standalone financial results which describes the uncertainty arising out of the demands that have been raised on the Company, with respect to government's share of profit oil by the Director General of Hydrocarbons. Further, 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. The Company, believes it is in compliance with the necessary conditions to secure an extension of this PSC, and based on the legal advice believes that the demands are untenable and hence no provision is required in respect of these demands.

b) Note 11 of the accompanying standalone financial results which, describes the uncertainties related to Covid-19 and its consequential effects on the affairs of the Company.

Our opinion is not modified in respect of the above matters.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

We did not audit the financial results and other financial information, in respect of an unincorporated joint venture not operated by the Company, whose Ind AS financial results include total assets of Rs 154 crore as at March 31, 2020. The Ind AS financial results and other financial information of the said unincorporated joint venture not operated by the Company have not been audited and such unaudited financial results and other unaudited financial information have been furnished to us by the management and our report on the Ind AS financial statements of the Company, in so far as it relates to the amounts and disclosures included in respect of the said unincorporated joint venture, is based solely on such unaudited information furnished to us by the management. In our opinion and according to the information and explanations given to us by the Management, these financial results and other financial information of joint venture, is not material to the Company. Our opinion on the Statement is not modified in respect of this matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

SUDHIR
MURLIDHAR
SONI

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per Sudhir Soni

Partner

Membership No.: 41870

UDIN: 20041870AAAAAN9753

Place: Mumbai

Date: June 06, 2020

STATEMENT OF AUDITED STANDALONE RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

(₹ in Crore except as stated)

S.No.	Particulars	Quarter ended			Year ended	
		31.03.2020 (Audited) (Refer Note 2)	31.12.2019 (Unaudited)	31.03.2019 (Audited) (Refer Note 2)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Revenue from operations (Refer note 9)	8,343	8,953	9,099	35,417	38,098
2	Other operating income	113	132	157	441	546
3	Other income	184	158	193	2,870	6,152
	Total Income	8,640	9,243	9,449	38,728	44,796
4	Expenses					
a)	Cost of materials consumed	3,356	3,177	4,063	12,493	15,508
b)	Purchases of Stock-in-Trade	21	197	1	227	505
c)	Changes in inventories of finished goods, work-in-progress and stock - in- trade	(65)	(223)	(124)	1,430	307
d)	Power & fuel charges	1,564	1,630	2,223	7,728	9,179
e)	Employee benefits expense	121	207	227	765	862
f)	Finance costs	728	819	885	3,328	3,757
g)	Depreciation, depletion and amortization expense	820	802	766	3,264	3,243
h)	Other expenses	1,766	1,769	1,602	7,388	6,812
	Total expenses	8,311	8,378	9,643	36,623	40,173
5	Profit/(Loss) before exceptional items and tax	329	865	(194)	2,105	4,623
6	Net exceptional (loss)/gain (Refer note 4)	(12,697)	129	-	(12,568)	324
7	(Loss)/Profit before tax	(12,368)	994	(194)	(10,463)	4,947
8	Tax expense/(benefit) on other than exceptional items:					
a)	Net Current tax expense	4	-	3	4	5
b)	Net Deferred tax expense/(benefit) (Refer note 8)	1,116	44	(236)	(592)	(245)
	Tax (benefit)/expense on exceptional items :					
a)	Net Deferred tax (benefit)/expense (Refer note 4)	(3,202)	59	-	(3,143)	112
	Net tax (benefit)/expense	(2,082)	103	(233)	(3,731)	(128)
9	Net (Loss)/Profit after tax (a)	(10,286)	891	39	(6,732)	5,075
10	Net (Loss)/Profit after tax before exceptional items (net of tax)	(791)	821	39	2,693	4,863
11	Other Comprehensive Income					
i.	(a) Items that will not be reclassified to profit or loss	(19)	(22)	(40)	(85)	(49)
	(b) Tax (expense)/benefit on items that will not be reclassified to profit or loss	(2)	1	2	4	1
ii.	(a) Items that will be reclassified to profit or loss	111	74	(131)	423	415
	(b) Tax benefit on items that will be reclassified to profit or loss	43	18	16	42	50
	Total Other Comprehensive Income/(Loss) (b)	133	71	(153)	384	417
12	Total Comprehensive (Loss)/Income (a+b)	(10,153)	962	(114)	(6,348)	5,492
13	Paid-up equity share capital (Face value of ₹ 1 each)	372	372	372	372	372
14	Reserves excluding Revaluation Reserves as per balance sheet				69,523	77,508
15	Earnings/(Loss) per share (₹) (*not annualised)					
	- Basic & Diluted	(27.65) *	2.40 *	0.10 *	(18.10)	13.65

(₹ in Crore)

S. No.	Segment Information	Quarter ended			Year ended	
		31.03.2020 (Audited) (Refer Note 2)	31.12.2019 (Unaudited)	31.03.2019 (Audited) (Refer Note 2)	31.03.2020 (Audited)	31.03.2019 (Audited)
1	Segment Revenue					
a)	Oil & Gas (Refer note 9)	1,320	2,064	1,715	6,756	7,104
b)	Aluminium	4,417	4,863	4,302	19,022	21,000
c)	Copper	1,389	1,192	2,084	5,972	6,833
d)	Iron Ore	1,074	835	852	3,463	2,911
e)	Power	143	0	146	206	252
	Total	8,343	8,954	9,099	35,419	38,100
Less:	Inter Segment Revenue	-	1	-	2	2
	Revenue from operations	8,343	8,953	9,099	35,417	38,098
2	Segment Results [(Loss) / Profit before tax and interest]					
a)	Oil & Gas	146	1,073	626	2,406	2,588
b)	Aluminium	532	430	(66)	237	14
c)	Copper	(102)	(96)	(104)	(432)	(409)
d)	Iron Ore	327	234	214	830	523
e)	Power	(20)	(69)	(106)	(235)	(309)
	Total	883	1,572	564	2,806	2,407
Less:	Finance costs	728	819	885	3,328	3,757
Add:	Other unallocable income net off expenses	174	112	127	2,627	5,973
	Profit/(Loss) before exceptional items and tax	329	865	(194)	2,105	4,623
Add:	Net exceptional (loss)/gain (Refer note 4)	(12,697)	129	-	(12,568)	324
	(Loss)/Profit before tax	(12,368)	994	(194)	(10,463)	4,947
3	Segment assets					
a)	Oil & Gas (Refer note 4)	10,900	16,839	16,299	10,900	16,299
b)	Aluminium	42,792	42,710	45,101	42,792	45,101
c)	Copper	5,865	6,169	7,141	5,865	7,141
d)	Iron Ore	2,549	2,930	2,927	2,549	2,927
e)	Power	3,342	3,308	3,321	3,342	3,321
f)	Unallocated	74,002	74,230	76,078	74,002	76,078
	Total	1,39,450	1,46,186	1,50,867	1,39,450	1,50,867
4	Segment liabilities					
a)	Oil & Gas	8,501	6,383	6,961	8,501	6,961
b)	Aluminium	15,369	16,491	17,499	15,369	17,499
c)	Copper	4,155	2,745	3,743	4,155	3,743
d)	Iron Ore	1,098	1,052	1,235	1,098	1,235
e)	Power	156	136	162	156	162
f)	Unallocated	40,276	37,624	43,387	40,276	43,387
	Total	69,555	64,431	72,987	69,555	72,987

The main business segments are :

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

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

Balance Sheet			(₹ in Crore)	
Particulars		As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)	
A	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	37,087	40,972	
	(b) Capital work-in-progress	11,027	14,148	
	(c) Intangible assets	31	34	
	(d) Exploration intangible assets under development	1,059	1,583	
	(e) Financial assets			
	(i) Investments	60,787	64,204	
	(ii) Trade receivables	1,346	1,248	
	(iii) Loans	183	197	
	(iv) Derivatives	3	-	
	(v) Others	1,673	619	
	(f) Deferred tax assets (net)	3,464	3	
	(g) Income tax assets (net)	1,682	2,175	
	(h) Other non-current assets	2,272	3,027	
	Total non-current assets	1,20,614	1,28,210	
2	Current assets			
	(a) Inventories	5,689	7,657	
	(b) Financial assets			
	(i) Investments	2,118	4,378	
	(ii) Trade receivables	832	1,966	
	(iii) Cash and cash equivalents	1,846	3,209	
	(iv) Other bank balances	347	682	
	(v) Loans	1,596	118	
	(vi) Derivatives	548	46	
	(vii) Others	3,826	2,630	
	(c) Other current assets	2,034	1,971	
	Total current assets	18,836	22,657	
	Total assets	1,39,450	1,50,867	
B	EQUITY AND LIABILITIES			
1	Equity			
	Equity Share Capital	372	372	
	Other Equity	69,523	77,508	
	Total Equity	69,895	77,880	
2	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	21,629	20,521	
	(ii) Derivatives	9	-	
	(iii) Other financial liabilities	288	281	
	(b) Provisions	1,185	988	
	(c) Other non-current liabilities	2,539	2,468	
	Total Non-current liabilities	25,650	24,258	
3	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	10,819	17,180	
	(ii) Trade payables			
	(1) Total outstanding dues of micro, small and medium enterprises	182	59	
	(2) Total outstanding dues of creditors other than micro, small and medium enterprises	10,457	11,203	
	(iii) Derivatives	38	343	
	(iv) Other financial liabilities	14,861	11,483	
	(b) Provisions	95	140	
	(c) Income tax liabilities (net)	46	46	
	(d) Other current liabilities	7,407	8,275	
	Total current liabilities	43,905	48,729	
	Total Equity and Liabilities	1,39,450	1,50,867	

Statement of Cash Flows	(₹ in Crore)	
	Year ended	
Particulars	31.03.2020 (Audited)	31.03.2019 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/ Profit before tax	(10,463)	4,947
Adjustments for:		
Depreciation, depletion and amortisation	3,321	3,271
Impairment charge/(reversal)	12,335	(265)
Other exceptional items	233	(59)
Provision for doubtful debts/ advance/ bad debts written off	68	-
Exploration costs written off	1	48
Fair Value gain on financial assets held at fair value through profit or loss	(152)	(96)
Loss on sale of property, plant and equipment (net)	77	76
Foreign exchange loss (net)	123	71
Unwinding of discount on decommissioning liability	31	30
Share based payment expense	40	51
Interest and dividend income	(2,597)	(5,947)
Interest expense	3,297	3,727
Deferred government grant	(74)	(72)
Changes in assets and liabilities		
Increase in trade and other receivables	(857)	(1,697)
Decrease in inventories	2,088	490
(Decrease)/ increase in trade and other payable	(791)	2,819
Cash generated from operations	6,680	7,394
Income taxes refund (net)	518	305
Net cash generated from operating activities	7,198	7,699
CASH FLOWS FROM INVESTING ACTIVITIES		
Consideration paid for business acquisition (net of cash and cash equivalents acquired)	(33)	(1,770)
Purchases of property, plant and equipment (including intangibles)	(2,161)	(2,498)
Proceeds from sale of property, plant and equipment	35	60
Loans given to related parties	(2,870)	(380)
Loans repaid by related parties	1,403	30
Short-term deposits made	(913)	(1,068)
Proceeds from redemption of short-term deposits	547	840
Short term investments made	(34,231)	(25,321)
Proceeds from sale of short term investments	36,580	26,571
Interest received	404	370
Dividends received	2,142	7,147
Payments made to site restoration fund	(16)	(27)
Net cash from investing activities	887	3,954

Statement of Cash Flows	(₹ in Crore)	
	Year ended	
Particulars	31.03.2020 (Audited)	31.03.2019 (Audited)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of short term borrowings (net)	(7,663)	(1,833)
Proceeds from current borrowings	4,457	3,407
Repayment of current borrowings	(3,805)	(2,739)
Proceeds from long-term borrowings	7,636	10,270
Repayment of long-term borrowings	(4,681)	(7,658)
Interest paid	(3,790)	(4,042)
Payment of dividends to equity holders of the parent, including dividend distribution tax	(1,444)	(7,005)
Payment of lease liabilities	(159)	-
Net cash (used in) financing activities	(9,449)	(9,600)
Net (decrease)/ increase in cash and cash equivalents	(1,364)	2,053
Cash and cash equivalents at the beginning of the year	3,284	1,231
Cash and cash equivalents at the end of the year	1,920	3,284
Notes:		
1. The figures in bracket indicates 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		

Notes:-

- 1 The above results of Vedanta Limited ("the Company"), for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meeting held on June 06, 2020.
- 2 These results have been prepared on the basis of the audited financial statements for the year ended March 31, 2020 and the interim financial results for the quarter and nine months ended December 31, 2019, which are prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015. The figures of the last quarter are the balancing figures between audited figures for the full financial year and unaudited year to date figures up to the third quarter of the respective financial year.
- 3 The Board of Directors of the Company through resolution passed by circulation on February 27, 2020 have approved first interim dividend of ₹ 3.9 per equity share i.e. 390% on face value of Re. 1/- per share for the year ended March 31, 2020.
- 4 Exceptional items comprises of the following:

(₹ in Crore)

Particulars	Quarter ended			Year ended	
	31.03.2020 (Audited) (Refer Note 2)	31.12.2019 (Unaudited)	31.03.2019 (Audited) (Refer Note 2)	31.03.2020 (Audited)	31.03.2019 (Audited)
Impairment (charge)/reversal					
- relating to property, plant & equipment and exploration assets - Oil and gas segment *	(8,273)	-	-	(8,273)	261
- relating to property, plant & equipment and other assets - Copper segment (Refer note 5)	(669)	-	-	(669)	-
- relating to investment in subsidiary- Cairn India Holdings Limited *	(3,339)	-	-	(3,339)	52
- relating to investment in subsidiary- Sesa Resources Limited	(15)	(39)	-	(54)	(48)
Provision on receivables subject to litigation	(401)	-	-	(401)	-
Revision of Renewable Purchase Obligation (RPO) pursuant to the Odisha Electricity Regulatory Commission notification	-	168	-	168	-
Reversal pursuant to Supreme Court order	-	-	-	-	59
Net exceptional (loss)/gain	(12,697)	129	-	(12,568)	324
Tax benefit/(expense) on exceptional items	3,202	(59)	-	3,143	(112)
Net exceptional (loss)/gain (net of tax)	(9,495)	70	-	(9,425)	212

*The impairment was triggered majorly due to the significant fall in crude oil prices primarily consequent to the outbreak of COVID-19 (Refer Note 11).

- 5 The Company's application for renewal of Consent to Operate (CTO) for existing copper smelter was rejected by Tamil Nadu Pollution Control Board (TNPCB) in April 2018. Subsequently the Government of Tamil Nadu issued directions to close and seal the existing copper smelter plant permanently. Principal Bench of National Green Tribunal (NGT) ruled in favour of the Company but the same was set aside by the Supreme Court vide its judgment dated February 18, 2019 on the basis of maintainability alone. Vedanta Limited has filed a writ petition before Madras High Court challenging various orders passed against the Company. Continuous hearings were conducted from June 2019 to January 2020. Rejoinder and sur-rejoinder arguments on behalf of all the parties concluded on January 08, 2020. Writs reserved for judgement and Bench assured that it will endeavor to deliver judgement as early as possible.

Further, the High Court of Madras in a Public Interest Litigation held that the application for renewal of the Environmental Clearance (EC) for the Expansion Project shall be processed after a mandatory public hearing and in the interim ordered the Company to cease construction and all other activities on the site with immediate effect. However, in the meanwhile, SIPCOT cancelled the land allotted for the proposed Expansion Project, which was later stayed by the order of Madras High Court and TNPCB issued order directing the withdrawal of the Consent to Establish (CTE) which was valid till March 31, 2023. The Company has also filed Appeals before the TNPCB Appellate Authority challenging withdrawal of CTE by the TNPCB, the matter is pending for adjudication. During the quarter, the Company has assessed the recoverable value of its expansion project, including capital work in progress, and has recognised an impairment of ₹ 669 Crore.

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

6	<p>Effective April 01, 2019, the Company has adopted Ind AS 116 Leases under the modified retrospective approach without adjustment of comparatives. The Standard is applied to contracts that remain in force as at April 01, 2019. The application of the Standard did not have any significant impact on the retained earnings as at April 01, 2019 and financial results for the quarter and year ended March 31, 2020.</p>
7	<p>As at March 31, 2020, the Company has an outstanding receivable equivalent to ₹ 106 Crore (net of provision of ₹ 52 Crore) from Konkola Copper Mines Plc (KCM), predominantly regarding monies advanced against future purchase of copper cathode/anode.</p> <p>A provisional liquidator was appointed to manage KCM's affairs on 21 May 2019, after ZCCM Investments Holdings Plc (ZCCM-IH), an entity majorly owned by the Government of Zambia and a 20.6% shareholder in KCM, filed a winding up petition against KCM. KCM's majority shareholder, Vedanta Resources Holdings Limited (VRHL), and its parent company, Vedanta Resources Limited (VRL), are contesting the winding up petition in the Zambian courts. The appeal was listed for hearing on 25 March 2020 but has been adjourned due to COVID-19 pandemic. In the meantime, the winding up petition continues to be stayed, pending the decision on VRHL's application regarding arbitration.</p> <p>VRHL and VRL had also commenced arbitration proceedings against ZCCM-IH with seat in Johannesburg consistent with their position that arbitration is the agreed dispute resolution process. Hearing is expected in January 2021. Meanwhile, KCM has not been supplying goods to the Company and/or its subsidiaries, which it was supposed to as per the terms of the advance.</p> <p>The Company, based on its assessment considering the actions taken by VRL and VRHL, believes that there is a high probability of success and does not expect any material adjustment to the net carrying amount of the receivables.</p>
8	<p>Section 115BAA of the Income Tax Act, 1961 was introduced during the year. Based on the expected timing of exercising of the option under Section 115BAA, the Company had re-measured its deferred tax balances as at March 31, 2019 leading to a deferred tax credit of ₹ 1,561 Crore being recognised in the quarter ended September 30, 2019. Due to the changes introduced by the Finance Act, 2020 and the effect of COVID-19, the Company has revised its business forecasts and consequently is expecting the timing of exercise of the aforesaid option to be deferred, leading to a reversal of ₹ 727 Crore in the previously recorded credit getting recognised in the current quarter.</p>
9	<p>Government of India (GoI) vide Office Memorandum ("OM") No. O-19025/10/2005-ONG-DV dated 1st 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 October 24, 2019, GoI clarified that all approved Exploration costs incurred on Exploration activities, both successful and unsuccessful, are recoverable in the manner as prescribed in the OM and as per the provisions of PSC. Accordingly, in the previous quarter, the Company had recognized revenue of ₹ 638 Crore, for past exploration costs, through increased entitlement interest in the joint venture revenue as the Company believes that cost recovery mechanism prescribed under OM is not applicable to its Joint venture partner, view which is also supported by an independent legal opinion.</p>

10	<p>The management is of the opinion that the Company is eligible for automatic extension of Production Sharing Contract (PSC) for Rajasthan (RJ) block on same terms w.e.f 15 May 2020, a matter which is sub-judice. In parallel, Government of India (GoI), accorded its approval for extension of the PSC, under the Pre-NELP Extension policy as per notification dated 7 April 2017, for RJ block by a period of 10 years w.e.f. 15th May 2020 vide its letter dated 26th October 2018 subject to fulfillment of certain conditions.</p> <p>One of the conditions for extension relates to notification of certain audit exceptions raised for FY16-17 as per PSC provisions and provides for payment of amounts, if such audit exceptions result into any creation of liability. In connection with the said audit exceptions, US\$ 364 million (₹ 2,723 Crore), relating to the share of the Company and its subsidiary, has been raised by DGH on 12 May 2020. The Company has disputed the same together with all the other audit exceptions for the said year and for the subsequent year, notified till date, as in the Company's view the audit notings are not in accordance with the PSC and are entirely unsustainable and as per PSC provisions, having been disputed, the notings do not prevail and accordingly do not result in creation of any liability. The Company has reasonable grounds to defend itself which are supported by independent legal opinions. The Company has also invoked the PSC process for resolution of disputed exceptions and has issued notice for arbitration.</p> <p>Due to extenuating circumstances surrounding COVID-19 and pending signing of the PSC addendum for extension after complying with all stipulated conditions, GoI has permitted the Company to continue Petroleum operations in the RJ Block with effect from 15 May 2020 until extension is signed or for a period of three months therefrom, whichever is earlier.</p> <p>For reasons aforesaid, the Company is not expecting any material liability to devolve on account of the same or any disruptions in its petroleum operations.</p>
11	<p>The outbreak of novel Coronavirus (COVID-19) pandemic globally and in India and the consequent lockdown restrictions imposed by national governments is causing significant disturbance and slowdown of economic activity across the globe. The commodity prices including oil have seen significant volatility with downward price pressures due to major demand centers affected by lockdown.</p> <p>The Company is in the business of metals and mining, Oil & gas and generation of power which are considered as either essential goods and services or were generally allowed to continue to carry out the operations with adequate safety measures. The Company has taken proactive measures to comply with various regulations/guidelines issued by the Government and local bodies to ensure safety of its workforce and the society in general.</p> <p>The Company has considered possible effects of COVID-19 on the recoverability of its investments, property, plant and equipment (PPE), loans and receivables, etc in accordance with Ind AS. The Company has considered forecast consensus, industry reports, economic indicators and general business conditions to make an assessment of the implications of the Pandemic. The Company has also performed sensitivity analysis on the assumptions used basis the internal and external information/ indicators of future economic condition. Based on the assessment, the Company has recorded an impairment to the extent the carrying amount exceeds the recoverable amount and has disclosed the same as exceptional item in these financial results. The actual effects of COVID-19 could be different from what is presently assessed and would be known only in due course of time.</p>

12 Additional disclosures as per Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2015 :

a) Previous due date of Interest/Principal repayment, payment made on respective due date:

S.No.	Particulars	Previous Due Date (October 1, 2019 to March 31, 2020)	
		Principal Due Date	Interest Due Date
1	INE205A07089 bearing int @ 8.25%	October 28, 2019	October 28, 2019
2	INE205A07097 bearing int @ 7.95%#	November 22, 2019	November 22, 2019
3	INE205A07105 bearing int @ 7.50%	November 29, 2019	November 29, 2019

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

b) Next due date of Interest/Principal repayment along with amount due is as follows:

S.No.	Particulars	Next Due Date and Amount due (April 1, 2020 to September 30, 2020)			
		Principal Due Date	Amount Due (₹ Crore)	Interest Due Date	Amount Due (₹ Crore)
1	INE205A07139 bearing int @ 8.5%			April 5, 2020	200
2	INE205A07030 bearing int @ 9.45%	August 17, 2020	2,000	August 17, 2020	189
3	INE205A07048 bearing int @ 8.7%	April 20, 2020	600	April 20, 2020	207
4	INE205A07147 bearing int @ 8.5%			June 15, 2020	140
5	INE205A07188 bearing int @ 8.75%			June 30, 2020	46
6	INE205A07154 bearing int @ 9.18%			July 4, 2020	92

c) During the six months ended March 31, 2020, CRISIL Limited (Crisil) has reaffirmed its ratings on the debt instruments of the company at 'CRISIL AA/Stable/CRISIL A1+' and India Ratings and Research Private Limited (Ind-Ra) has revised Outlook to 'Negative' from 'Stable' while affirming its Long-Term Rating at 'IND AA' and Short-Term Rating at 'IND A1+'.

On April 3, 2020, Crisil has revised its rating outlook on the non-convertible debentures and long-term bank facilities to 'Negative' from 'Stable', while reaffirming the rating at 'CRISIL AA'. On May 22, 2020, Ind-Ra downgraded Long-Term Issuer Rating to 'IND AA-' from 'IND AA' and maintaining 'Negative' Outlook.

d) The Listed Non-Convertible debentures of the company aggregating ₹ 13,020 Crore as on March 31, 2020 are secured by way of first mortgage/charge on certain assets of the company, and the asset cover thereof exceeds 125% and 100% of the principal amount of ₹ 4,000 Crore and ₹ 9,020 Crore respectively, as required as per the terms of the Issue.

(₹ in Crore except otherwise stated)

Particulars	March 31, 2020	March 31, 2019
e) Net Worth (Equity + Reserves and surplus)	69,895	77,880
f) Debenture Redemption Reserve	1,060	1,240
g) Interest Service Coverage Ratio (No. of times)	2.68	3.24
h) Debt Service Coverage Ratio (No. of times)	1.11	1.03
i) Debt- Equity Ratio (No. of times)	0.56	0.54

Formulae for computation of ratios are as follows:

a)	Debt equity ratio	Debt / (paid up equity capital + reserves and surplus)
b)	Debt service coverage ratio	Earnings before interest, depreciation, tax and exceptional items/ (interest expense + principal payments of long term loans)
c)	Interest service coverage ratio	Earnings before interest, depreciation, tax and exceptional items / interest expense

13 During the year ended March 31, 2019, the Company redeemed 301 Crores, 7.5% redeemable non-cumulative preference shares having face value of ₹ 10 per share along with dividend at the rate of 7.5% p.a. from April 1, 2018 till October 27, 2018, as per their terms of issuance.

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

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

15 Previous period/year figures have been re-grouped/rearranged, wherever necessary.

By Order of the Board



Navin Agarwal

Executive Vice-Chairman



GR Arun Kumar

**Whole -Time Director and
Chief Financial Officer**

Place : Mumbai

Dated : June 06, 2020