NOTES
forming part of the consolidated financial statements as at and for the year ending March 31, 2016

1 Company Overview

Vedanta Limited [formerly known as Sesa Sterlite Limited] ("Vedanta" or "the Company") and its consolidated subsidiaries are principally engaged in the business of iron ore mining, non-ferrous metals (copper, aluminium and zinc), commercial power generation and oil & gas. Vedanta's equity shares are listed on National Stock Exchange and Bombay Stock Exchange in India and its American depository shares ("ADS") are listed on New York Stock Exchange in United States of America. Each ADS represents four equity shares. Vedanta is majority-owned and controlled subsidiary of Vedanta Resources Plc, the London listed diversified natural resource company.

The Company's oil and gas business is owned and operated by Cairn India Limited ("Cairn") in which Vedanta has 59.88% interest as at March 31, 2016.

The Company's zinc India business is owned and operated by Hindustan Zinc Limited ("HZL") in which it has a 64.92% interest as at March 31, 2016.

The Company's 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") and Black Mountain Mining (Proprietary) Limited ("BMM"), whose assets include the Black Mountain mine and the Gamsberg mine project which is in exploration stage, located in South Africa.

The Company's iron ore business is wholly owned by Vedanta, Sesa Resources Limited and sesa Mining Corporation Limited and consists of exploration, mining and processing of iron ore, pig iron and metallurgical coke and generation of power. Company's iron ore business also comprises Western Cluster Limited ("WCL") in Liberia which has iron ore assets and is wholly owned by the Company. WCL's assets include development rights to western cluster and a network of iron ore deposits in West Africa.

The Company's copper business is owned and operated by Vedanta, Copper Mines of Tasmania Pty Ltd ("CMT") and Fujairah Gold FZC and is principally one of custom smelting.

The Company's aluminium business is owned and operated by Vedanta and Bharat Aluminium Company Limited ("BALCO") in which it has a 51% interest as on March 31, 2016. Aluminium business consists of mining of bauxite, manufacture of alumina and various aluminium products and generation of power.

The Company's power business is owned and operated by Vedanta, Talwandi Sabo Power Limited ("TSPL"), 274 MW of wind power plants commissioned by HZL and 270 MW & 600 MW power plant at BALCO and 106.5 MW power plant at MALCO Energy Limited.

The Company's other activities include mechanization of coal handling facilities and upgradation of general cargo berth for handling coal at the outer harbor of Visakhapatnam Port on the east coast of India and is handled by Vizag General Cargo Berth Private Limited ("VGCB") and Paradip Multi Cargo Berth Private Limited ("PMCB"), in which the Company owns 99.99% and 74% interest respectively.

During the previous year, pursuant to the approval of the members of the Company and the receipt of fresh certificate of incorporation from the Ministry of Corporate Affairs dated April 21, 2015, name of the Company had been changed to Vedanta Limited from Sesa Sterlite Limited.

2 Principles of Consolidation

(a) (I) The consolidated financial statements relate to Vedanta Limited ("the Company"), its subsidiary companies, jointly controlled entities (together "the Group") and Group's share of profit/loss in its associate companies. The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the value of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions and resulting profits or losses (unless cost cannot be recovered) in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".

(ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances with certain exceptions mentioned in Note 4 below and are presented to the extent possible, in the same manner as the Company's separate financial statements.

(iii) The difference between the cost of investments in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve on Consolidation

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

as the case may be. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company. Goodwill arising on consolidation representing mining/oil reserves is amortized based on "Unit of Production Method" and is tested for impairment on an annual basis.

(iv) The carrying amount of the investment in associate at the date it becomes a subsidiary is regarded as the cost of the investment in the subsidiary.

(v) Minority Interest's share in consolidated net profit of consolidated financial statements for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

(vi) Minority Interest's share in net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

(vii) Investments in associate companies are accounted for using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for Investments in Associates in consolidated financial statements". Accordingly, the share of profit/loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to/deducted from the cost of investments. The carrying value is reduced for the distributions received from the associates.

(viii) The Company accounts for its share in the change in the net assets of the associate, post acquisition, after eliminating unrealised profits and losses resulting from the transaction between the Company and its associate to the extent of its share, through its statement of profit and loss to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance.

(ix) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is described as Goodwill or Capital Reserve as the case may be. Goodwill or Capital Reserve is included in the carrying amount of investment in associate.

(x) The share of assets, liabilities, income and expenses (after eliminating inter group balances and transactions) in jointly controlled entities is combined by using proportionate consolidation method in accordance with Accounting Standard (AS) 27 - " Financial Reporting of Interests in joint ventures".

(II) Financial Statements of Foreign Subsidiaries, being non integral operations, have been converted in Indian Rupees at following exchange rates:-

(i) Revenue and Expenses : At the average of the year

(ii) Assets and Liabilities : At the end of the year

The resultant translation exchange difference is transferred to "Foreign Currency Translation Reserve.

The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company i.e. March 31, 2016.

(b) Following subsidiary companies, associates and other entities have been considered in the preparation of Consolidated Financial Statements:

Subsidiaries

S. No	Name of the Company	Country of Incorporation	% Ownership interest held by the parent As at March 31, 2016	As at March 31, 2015
1	Copper Mines of Tasmania Pty Limited	Australia	**100**	100
2	Thalanga Copper Mines Pty Limited	Australia	**100**	100
3	Monte Cello B.V.	Netherlands	**100**	100
4	Bharat Aluminium Company Limited ("BALCO")	India	**51**	51
5	Talwandi Sabo Power Limited ("TSPL")	India	**100**	100

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

S. No	Name of the Company	Country of Incorporation	% Ownership interest held by the parent As at March 31, 2016	As at March 31, 2015
6	Sterlite (USA) Inc.	USA	100	100
7	Hindustan Zinc Limited ("HZL")	India	64.92	64.92
8	Fujairah Gold FZC	UAE	100	100
9	THL Zinc Ventures Limited	Mauritius	100	100
10	THL Zinc Limited	Mauritius	100	100
11	THL Zinc Holding B.V.	Netherlands	100	100
12	THL Zinc Namibia Holdings (Proprietary) Limited	Namibia	100	100
13	Skorpion Zinc (Proprietary) Limited	Namibia	100	100
14	Skorpion Mining Company (Proprietary) Limited	Namibia	100	100
15	Namzinc (Proprietary) Limited	Namibia	100	100
16	Amica Guesthouse (Proprietary) Limited	Namibia	100	100
17	Rosh Pinah Health Care (Proprietary) Limited	Namibia	69	69
18	Black Mountain Mining (Proprietary) Limited ("BMM")	South Africa	74	74
19	Vedanta Lisheen Holdings Limited	Ireland	100	100
20	Vedanta Lisheen Mining Limited	Ireland	100	100
21	Killoran Lisheen Mining Limited	Ireland	100	100
22	Lisheen Milling Limited	Ireland	100	100
23	Killoran Lisheen Finance Limited	Ireland	100	100
24	Sterlite Ports Limited	India	100	100
25	Sterlite Infraventures Limited	India	100	100
26	Vizag General Cargo Berth Private Limited ("VGCB")	India	99.99	99.99
27	Paradip Multi Cargo Berth Private Limited	India	74	74
28	Maritime Ventures Private Limited	India	100	100
29	Pecvest 17 Proprietary Limited	South Africa	100	100
30	Lakomasko B.V.	Netherlands	100	100
31	Vedanta Exploration Ireland Limited	Ireland	100	100
32	Malco Energy Limited	India	100	100
33	Sesa Resources Limited ("SRL")	India	100	100
34	Sesa Mining Corporation Limited ("SMCL")	India	100	100
35	Western Cluster Limited	Liberia	100	100
36	Twin Star Mauritius Holdings Limited ("TMHL")	Mauritius	100	100
37	Twin Star Energy Holdings Limited ("TEHL")	Mauritius	100	100
38	Bloom Fountain Limited	Mauritius	100	100
39	Cairn India Limited ("Cairn")	India	59.88	59.88
40	Cairn India Holdings Limited	Jersey	59.88	59.88
41	Cairn Energy Holdings Limited	United Kingdom	59.88	59.88
42	Cairn Energy Hydrocarbons Limited	United Kingdom	59.88	59.88
43	Cairn Exploration (No. 2) Limited	United Kingdom	59.88	59.88
44	Cairn Energy Gujarat Block 1 Limited	United Kingdom	59.88	59.88
45	Cairn Energy Discovery Limited	United Kingdom	59.88	59.88
46	Cairn Energy Australia Pty Limited	Australia	59.88	59.88
47	Cairn Energy India Pty Limited	Australia	59.88	59.88
48	CIG Mauritius Holdings Private Limited	Mauritius	59.88	59.88
49	CIG Mauritius Private Limited	Mauritius	59.88	59.88
50	Cairn Lanka (Private) Limited	Sri Lanka	59.88	59.88
51	Cairn South Africa (Proprietary) Limited	South Africa	59.88	59.88
52	Cairn Exploration (No. 6) Limited*	United Kingdom	-	59.88
53	Cairn Exploration (No. 7) Limited**	United Kingdom	59.88	59.88

* Dissolved during the year

**Dissolved subsequent to the year end

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

S. No	Name of the Company	Country of Incorporation	% Ownership interest As at March 31, 2016	As at March 31, 2015
Associates				
1	RoshSkor Township (Proprietary) Limited	Namibia	50.00	50.00
2	Gaurav Overseas Private Limited	India	50.00	50.00
3	Raykal Aluminium Company Private Limited	India	24.50	24.50
Other entities				
1	Lisheen Mine Partnership [50% each held by Killoran Lisheen Mining Limited & Vedanta Lisheen Mining Limited]	Ireland	100.00	100.00

The Company is having interest in following joint ventures (Refer note no. 34)

S. No	Jointly controlled entities	Country of Incorporation	% Ownership interest As at March 31, 2016	As at March 31, 2015
1	Rampia Coal Mines and Energy Private Limited	India	17.39	17.39
2	Madanpur South Coal Company Limited	India	18.05	18.05
3	Goa Maritime Private Limited	India	50.00	50.00

S. No	Joint Ventures in Australia	Country of Incorporation	% Ownership interest As at March 31, 2016	As at March 31, 2015
1	Highway	Australia	70.00	70.00
2	Reward	Australia	68.85	68.85
3	Mount Windsor Joint Venture	Australia	70.00	70.00
4	Reward Deeps & Conviction	Australia	70.00	70.00

S. No	Oil & Gas blocks/fields	Area	% Ownership interest As at March 31, 2016	As at March 31, 2015
1	Ravva block	Krishna Godavari	22.50	22.50
2	CB-OS/2 – Exploration	Cambay Offshore	60.00	60.00
3	CB-OS/2 - Development & production	Cambay Offshore	40.00	40.00
4	RJ-ON-90/1 – Exploration	Rajasthan Onshore	100.00	100.00
5	RJ-ON-90/1 – Development & production	Rajasthan Onshore	70.00	70.00
6	PR-OSN-2004/1	Palar Basin Offshore	35.00	35.00
7	KG-OSN-2009/3	Krishna Godavari Offshore	100.00	100.00
8	MB-DWN-2009/1***	Mumbai Deep Water	100.00	100.00
9	South Africa Block 1	Orange Basin South Africa Offshore	60.00	60.00
	Relinquished block SL 2007-01-001 (Relinquished on October 15th, 2015)	North West Sri Lanka Offshore	100.00	100.00
	Non operated block KG-ONN-2003/1 [Operatorship has been transferred to Oil and Natural Gas Corporation (ONGC) w.e.f July 7th, 2014]	Krishna Godavari Onshore	49.00	49.00

*** intended to be relinquished in the next year

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

3 Statement of Significant Accounting Policies:

(a) Basis of accounting and preparation

The consolidated financial statements of the Company and its subsidiaries have been prepared on an accrual basis under historical cost convention except for certain fixed assets carried at revalued amounts, and in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act 2013, as applicable. The accounting policies adopted in the presentation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy of certain fixed assets as described in note 14 [n(i)]

(b) Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates,the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

(c) Inventories

Inventories are stated at the lower of cost and net realisable value, less any provision for obsolescence. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost is determined on the following basis:

(i) purchased copper concentrate is recorded at cost on a First In First Out ("FIFO") basis; all other raw materials including stores and spares are valued on a weighted average basis;

(ii) finished products and work-in-progress 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 case of copper finished products and work-in-progress which is determined on FIFO basis;

(iii) Immaterial 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 to completion and disposal.

(d) Depreciation, depletion and amortisation expense

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value."

Depreciation on tangible fixed assets other than oil and gas assets, has been provided on straight line method (SLM) as per the useful lives prescribed in Schedule II to the Companies Act, 2013 except that:

(i) Mining leases are amortised in proportion to actual quantity of ore extracted there from."

(ii) Amounts paid as stamp duties and other statutory levies for renewal of owned mining leases are amortised over the operating period of lease.

(iii) Individual items of assets costing upto ₹ 5,000 are fully depreciated in the year of acquisition.

(iv) Additions on account of insurance spares, additions/extensions forming an integral part of existing plants and the revised carrying amount of the assets identified as impaired, are depreciated over residual life of the respective fixed assets.

(v) Leasehold lands and buildings are amortised over the period of lease. Leasehold improvements are amortised over the remaining period of primary lease (3 to 12 years) or expected useful economic lives, whichever is shorter.

(vi) Railway wagons procured under Wagon Investment Scheme (WIS) are depreciated at the rate of 10% per annum on straight line method basis.

In respect of Plant and equipment and certain assets, the life of the assets have been assessed based on management's assessment of independent technical evaluation/ advice, taking

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

into account, inter-alia, the nature of the assets, the estimated usage of the assets, the operating condition of the assets, past history of replacement and maintenance support.

For oil and gas assets, the expenditure on producing properties is depleted within each cost centre. Depletion is charged on a unit of production basis, based on proved reserves for acquisition costs and proved and developed reserves for successful exploratory wells, development wells, processing facilities, distribution assets, estimated future abandonment cost and all other related costs. Reserves for this purpose are considered on working interest basis which are reassessed atleast annually. Impact of changes to reserves are accounted for prospectively.

Intangible assets are amortised over their estimated useful life. Software is amortised on straight line method over the useful life of the asset or 5 years whichever is shorter. Amounts paid for securing mining rights are amortised over the period of the mining lease. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Goodwill on consolidation represents the underlying value of mining ore reserves/oil and gas reserves of the subsidiaries. Goodwill on consolidation has been amortised based on "Unit of Production Method".

(e) Revenue recognition

(i) Sale of goods :

Revenue is recognised when significant risks and rewards of ownership of the goods sold are transferred to the customer and the commodity has been delivered to the shipping agent/ customer and it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations comprises of sale of goods, services, scrap, export incentives and includes excise duty and are net of sales tax/ value added tax and rebates and discounts.

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

Revenue from the Company's share (net of Government's share of profit petroleum) of oil, gas and condensate production are recognized on a direct entitlement basis, when significant risks and rewards of ownership are transferred to the buyers. Government's share of profit petroleum is accounted for when the obligation (legal or constructive), in respect of the same arises.

(ii) Export incentives:

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

(iii) Income from services:

Revenue in respect of contracts for services is recognised when the services are rendered and related costs are incurred.

(iv) Tolling income:

Tolling income represents tolling revenue from the Company's businesses and Group's share of revenues from Pilotage and Oil Transfer Services from the respective joint ventures, which is recognised based on the rates agreed with the customers, as and when the services are rendered.

(v) As operator from the joint venture:

Revenue from Joint ventures is recognised for services rendered in the form of parent company overhead based on the provisions of respective production sharing contracts.

(vi) Other income:

- Interest income is recognised on a time proportion basis by reference to the principal outstanding and at the interest rate applicable.

- Dividend income is recognised when the right to receive dividend is established.

(f) Import of copper concentrate and sale of copper and slime

In accordance with the prevailing international market practice, purchase of copper concentrate and sale of copper and slime are accounted for on provisional invoice basis pending final invoice in terms of purchase contract / sales contract respectively. The cases where quotational period prices are not finalised as at the year end are restated at forward LME / LBMA rates as at the year

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

end and adjustments are made based on the metal contents as per laboratory assessments done by the Company pending final invoice.

(g) Tangible fixed assets

Fixed assets other than freehold land and plant and equipment of the Company, oil and gas assets are carried at historical cost (net of MODVAT / CENVAT / VAT) less accumulated depreciation / amortization and impairment losses, if any. Costs include non refundable taxes and duties, borrowing costs and other expenses incidental to the acquisition and installation upto the date the asset is ready for intended use.

The Company revalued all its 'freehold land' and 'plant and equipment' that existed on April 1, 2015. The revalued assets are carried at the revalued amounts less accumulated depreciation and impairment losses, if any. Increase in the net book value on such revaluation is credited to 'Revaluation reserve' except to the extent such increase is related to and not greater than a decrease arising from a revaluation / impairment that was previously recognised in the Statement of Profit and Loss, in which case such amount is credited to the Statement of Profit and Loss. Decrease in book value on revaluation is charged to the Statement of Profit and Loss except where such decrease relates to a previously recognised increase that was credited to the Revaluation reserve, in which case the decrease is charged to the Revaluation reserve to the extent the reserve has not been subsequently reversed / utilised.

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest till the commissioning of the project.

The Group has adopted paragraph 46/46A of AS 11- "The Effects of Changes in Foreign Exchange Rates" and accordingly the cost of acquisition is adjusted for exchange differences relating to long-term foreign currency monetary liabilities attributable to the acquisition of fixed assets and the adjusted cost of respective fixed assets are depreciated over the remaining useful life of such assets.

The Group's mining leases having ore reserves are not valued, however, amounts paid to government authorities towards renewal of owned mining leases are capitalised as a part of mining rights.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately under "Other current assets".

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Oil and gas assets

The Group follows the successful efforts method of accounting for oil and gas assets as set out by the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI) on "Accounting for Oil and Gas Producing Activities" (Revised 2013).

Expenditure incurred on the acquisition of a license interest is initially capitalised on a license by license basis. Costs are held, undepleted, within exploratory & development work-in-progress until the exploration phase relating to the license area is complete or commercial oil and gas reserves have been discovered.

Exploration expenditure incurred in the process of determining exploration targets which cannot be directly related to individual exploration wells is expensed in the period in which it is incurred.

Exploration/appraisal drilling costs are initially capitalised within exploratory and development work-in-progress on a well by well basis until the success or otherwise of the well has been established. The success or failure of each exploration/appraisal effort is judged on a well by well basis. Drilling costs are written off on completion of a well unless the results indicate that oil and gas reserves exist and there is a reasonable prospect that these reserves are commercial.

Where results of exploration drilling indicate the presence of oil and gas reserves which are ultimately not considered commercially viable, all related costs are written off to the Statement of Profit and Loss immediately. Following appraisal of successful exploration wells, when a well is ready for commencement of commercial production, the related exploratory and development work-in-progress are transferred into a single field cost centre within producing properties, after testing for impairment.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

Where costs are incurred after technical feasibility and commercial viability of producing oil and gas is demonstrated and it has been determined that the wells are ready for commencement of commercial production, they are capitalised within producing properties for each cost centre. Subsequent expenditure is capitalised when it enhances the economic benefits of the producing properties or replaces part of the existing producing properties. Any costs remaining associated with such part replaced are expensed off in the financial statements.

Net proceeds from any disposal of an exploration asset within exploratory and development work-in-progress are initially credited against the previously capitalised costs and any surplus proceeds are credited to the Statement of Profit and Loss. Net proceeds from any disposal of producing properties are credited against the previously capitalised cost and any gain or loss on disposal of producing properties is recognised in the Statement of Profit and Loss, to the extent that the net proceeds exceed or are less than the appropriate portion of the net capitalised costs of the asset.

Amounts which are not being paid by the joint venture partner in oil and gas blocks where the Group is the operator and have hence been funded by it are treated as exploration, development or production costs, as the case may be.

Expenditure during construction period

All costs attributable to the construction of project or incurred in relation to the project under construction, net of income, during the construction / pre-production period, are aggregated under expenditure during construction period to be allocated to individual identified assets on completion.

(h) Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses. The cost of intangible assets comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

(i) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto the date when such assets are ready for their intended use. Other borrowing costs are charged as expense in the year in which they are incurred. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during the extended periods when active development on the qualifying assets is interrupted.

(j) Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items outstanding at the balance sheet date are restated at year end rates. In case of monetary items which are hedged by derivative instruments, the valuation is done in accordance with accounting policy (n) on "Derivative instruments".

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss except that in respect of long term foreign currency monetary items relatable to acquisition of depreciable fixed assets, such difference is adjusted to the carrying cost of the depreciable fixed assets. In respect of other long term foreign currency monetary items, the same is transferred to "Foreign Currency Monetary Translation Difference Account" and amortised over the balance period of such long term foreign currency monetary items but not beyond March 31, 2020.

Non monetary foreign currency items are carried at cost.

(k) Employee Benefits

(i) Short-term

Short term employee benefits are recognised as an expense at the undiscounted amount in the Consolidated Statement of Profit and Loss for the year in which the related service is rendered. These include performance incentives and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

(ii) Long-term

(a) Provident fund and family pension:

The employees of the Company and some of its subsidiaries are entitled to receive

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

benefits in the form of provident fund and family pension, a defined benefit plan and a defined contribution plan, in which both employees and the Company / Subsidiaries make monthly/ annual contributions equal to specified percentage of employee's salary. The contributions, as specified under law are made to the provident fund set up as irrevocable trust by the Company and its subsidiaries or to respective Regional provident fund commissioner. The Company and some of its subsidiaries are liable for monthly/ annual contributions and shortfall, if any, in the fund assets based on the specified rates of return. Such contributions and shortfall, if any is recognised as expenses in the year incurred.

(b) Superannuation/ Annuity fund:
The Company and some of its subsidiaries provide for a superannuation/ annuity fund, a defined contribution plan, for certain categories of employees. The contributions are made annually at a pre-determined proportion of employee's salary to insurance companies which administer the fund. The Company and some of its subsidiaries recognise such contributions as expense over the period of services rendered.

(c) Gratuity:
The Company and some of its subsidiaries account for the net present value of its obligations for gratuity benefits, a defined benefit plan, based on an independent actuarial valuation carried out at each Balance Sheet date using the projected unit credit method. Annual contributions are made by the Company and its said subsidiaries to gratuity funds established as trusts or managed by insurance companies. Actuarial gains and losses are immediately recognised in the Consolidated Statement of Profit and Loss.

(d) Compensated absences:
Compensated absences accruing to employees and which can be carried to future periods but where there are restrictions on availment or encashment or where the availment or encashment is not expected to occur wholly in the next twelve months, the liability on account of the benefit is determined actuarially using the projected unit credit method.

(iii) The Company's subsidiary, Cairn India Limited, measures compensation cost relating to employee stock options using the fair value method in accordance with Securities and Exchange Board of India ('SEBI') (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based payments issued by the Institute of Chartered Accountants of India (ICAI). Compensation expense is amortised over the vesting period of the option on a straight line basis.

(l) Investments

(i) Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of investments.

(ii) Current investments are carried individually, at lower of cost and fair value.

Cost of investments include acquisition charges such as brokerage, fees and duties.

(m) Issue expenses

Expenses of debenture / bond / floating rate note issued are charged to Statement of Profit and Loss over the tenor of the instrument. Expenses related to equity and equity related instruments are adjusted against the securities premium account.

(n) Derivative instruments

The Group enters into forwards, options, swaps contract and other derivative financial instruments, in order to hedge its exposure to foreign exchange, interest rate and commodity price risks. The Group neither holds nor issues any derivative financial instruments for speculative purposes.

The premium and discount arising at inception of forward contracts is amortised as expense or income over the life of the contract.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Consolidated Statement of Profit and Loss. The hedged item is recorded at fair value. Gain or loss if any, is recorded in the Consolidated Statement of Profit and Loss and is offset by the gain or loss from the change in the fair value of the derivative.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and are determined to be an effective hedge are recorded

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

in hedging reserve account. Any cumulative gain or loss on the hedging instrument recognised in hedging reserve is retained in hedging reserve until the forecast transaction occurs. Amounts deferred to hedging reserve are recycled in the Consolidated Statement of Profit and Loss in the periods when the hedged item is recognised in the Consolidated Statement of Profit and Loss or when the portion of the gain or loss is determined to be an ineffective hedge.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial assets or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which cash flow hedge accounting is applied, the associated gains and losses that were recognized in hedging reserve are included in the initial cost or other carrying amount of the asset and liability.

Derivative financial instruments that do not qualify for hedge accounting and are outstanding at the balance sheet date are marked to market and gains or losses are recognised in the Consolidated Statement of Profit and Loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in hedging reserve is transferred to Consolidated Statement of Profit and Loss for the year.

For derivative instruments that are designated and qualify as a hedge of a net investment in a foreign operations, the gain or loss is reported in the Foreign Currency Translation Reserve as part of the exchange difference on translation of foreign operations to the extent it is effective. Any ineffective portions of net investment hedges are recognised in other income/expense in current earnings during the period of change. Under a hedge of a net investment, the cumulative gain or loss remains in the Foreign Currency Translation Reserve when the hedging instrument expires or is sold, terminated or exercised, or when the hedge no longer qualifies for hedge accounting or the Company revokes designation of the hedge relationship. The cumulative gain or loss is recognised in the Consolidated Statement of Profit and Loss as part of the profit / loss on disposal when the net investment in the foreign operation is disposed.

(o) Taxation

Tax expense comprises current and deferred tax. Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the provisions of applicable tax laws of the respective jurisdiction where the entities are located. Current tax is net of credit for entitlement for minimum Alternate Tax.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset, if there is convincing evidence that individual entities in the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the entities in the Group.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation, carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Consolidated Statement of Profit and Loss.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

(p) Impairment of assets

The carrying values of assets / cash generating units, at each balance sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Consolidated Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Net selling price is 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. Value in use is arrived at by discontinuing the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is treated as revaluation increase and credited directly to equity under the heading 'Revaluation Reserve' unless it reverses the impairment loss previously recognised as an expense in the statement of profit and loss.

(q) Provisions, contingent liabilities and contingent assets

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

(r) Segment reporting

The Group identifies primary segments based on the nature of risks and returns, the organization structure and the internal reporting system. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Board of Directors in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for consolidated segment reporting are in line with the accounting policies of the Group. Segment revenue, segment results, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relates to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / results / assets /liabilities".

(s) Cash flow statement

Cash flows are reported using indirect method as set out in Accounting Standard (AS) -3 "Cash Flow Statement", whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

Cash and cash equivalents

Cash comprises cash at bank and in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(t) Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss after tax (including the post tax effect of extraordinary items, if any) for the year attributable to equity shareholders by the weighted

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares

For the purpose of calculating diluted earnings per share, the net profit or loss after tax (including the post tax effect of extraordinary items, if any) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

(u) Leases

(i) Finance lease

Finance leases, which effectively transfer substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognised as an expense in the Consolidated Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

(ii) Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

(v) 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/oil fields. Such costs 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. 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 and new disturbance. The adjusted cost of the asset is depreciated prospectively over the lives of the assets/amortised over the proved and developed reserves to which they relate

Costs for the restoration of subsequent site damage, which is caused on an ongoing basis during production, are 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.

(w) Joint Ventures

The Group participates in several Joint Ventures involving joint control of assets for carrying out oil and gas exploration, development and producing activities. The Group accounts for its share of the assets and liabilities of Joint Ventures along with attributable income and expenses in such Joint Ventures, in which it holds a participating interest.

(x) Operating cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

4 In respect of following items accounting policies followed by the subsidiary companies are different than that of the Company:

Item	Particulars		As at March 31, 2016 (₹ in Crore)	Proportion to the Item
(a) Fixed Assets	(i)	For the purpose of depreciation, in case of Hindustan Zinc Limited ("HZL"), additions and disposals are reckoned on the first day and last day of quarter respectively.		
	- Additions		1,236.97	8.02%
	- Disposals		45.54	2.32%
	(ii)	The Subsidiary companies and the jointly controlled entities of the group continued to state all fixed assets at cost. During the year, the Company has revalued its freehold land and plant & equipment and such assets are stated at revalued amounts refer note no. 3(g) and 14(n(i)).	5,185.18	7.70%
(b) Inventory	Cairn (Consolidated) has determined cost of stores and spares as per FIFO method as against Weighted average method being followed by the Company.		940.56	48.99%
(c) Depreciation	(i)	Cairn (Consolidated) has provided depreciation on assets other than oil and gas assets based on useful lives assessed by the management as against that arrived at based on management assessment of independent technical evaluation of such lives in terms of Schedule II to the Companies Act 2013 being followed by the Company.	378.87	5.65%
	(ii)	HZL has charged depreciation on individual items of Plant & Machinery and vehicles costing upto ₹ 25,000/- as against the accounting policy followed by the company.	0.20	0.00%

5 Share Capital

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	Amount (₹ in Crore)	Number	Amount (₹ in Crore)
A. Authorised equity share capital				
Opening balance [equity shares of ₹ 1 each with voting rights]	51,270,100,000	5,127.01	51,260,000,000	5,126.00
Add: Pursuant to the Scheme of Amalgamation [Refer note no. 40(b)]	-	-	10,100,000	1.01
Closing balance	51,270,100,000	5,127.01	51,270,100,000	5,127.01
Authorised preference share capital				
Opening balance [preference shares of ₹ 10/- each]	35,000,000	35.00	-	-
Add: Pursuant to the Scheme of Amalgamation [preference shares of ₹ 10/- each] [Refer note no. 40(b)]	-	-	35,000,000	35.00
Closing balance	35,000,000	35.00	35,000,000	35.00
B. Issued, subscribed and paid up				
Equity shares of ₹ 1/- each with voting rights *	2,965,004,871	296.50	2,965,004,871	296.50

*includes 310,632 (Previous year 310,632) equity shares kept in abeyance. These shares are not part of listed equity capital.

C. Shares held by ultimate holding company and its subsidiaries/associates

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of holding	No. of Shares held	% of holding
Twin Star Holdings Limited	1,280,084,749	43.18	1,280,084,749	43.18
Twin Star Holdings Limited(2)	99,292,708	3.35	99,292,708	3.35
Finsider International Company Limited	401,496,480	13.54	401,496,480	13.54
Westglobe Limited	44,343,139	1.50	44,343,139	1.50
Welter Trading Limited	38,241,056	1.29	38,241,056	1.29
Total	1,863,458,132	62.86	1,863,458,132	62.86

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

(2) Represented by 24,823,177 American Depository Shares ("ADS").

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

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

	As at March 31, 2016	As at March 31, 2015
Equity shares issued pursuant to Schemes of Amalgamation (in FY 2013-14)	**2,095,903,448**	2,095,903,448

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

Particulars	**As at March 31, 2016**		As at March 31, 2015	
	No. of Shares held	**% of holding**	No. of Shares held	% of holding
Twin Star Holdings Limited	**1,280,084,749**	**43.18**	1,280,084,749	43.18
Twin Star Holdings Limited#	**99,292,708**	**3.35**	99,292,708	3.35
Finsider International Company Limited	**401,496,480**	**13.54**	401,496,480	13.54

24,823,177 ADS, held by CITI Bank N.A. New York as a depository.

F. Other disclosures

(1) 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.

(2) ADS shareholders do not have right to attend General meetings in person and also do not have right to vote. They are represented by depository, CITI Bank N.A. New York. As on March 31, 2016, 228,184,620 equity shares were held in the form of 57,046,155 ADS.

(3) In terms of Scheme of Arrangement as approved by the Hon'ble High Court of Judicature at Mumbai, vide its order dated April 19, 2002 the erstwhile Sterlite Industries (India) Limited (merged with the Company during 2013-14) during 2002-2003 reduced its paid up share capital by ₹ 10.03 Crore. There are 198,900 equity shares (Previous year 219,214 equity shares) of ₹ 1 each pending clearance from NSDL/CDSL. The Company has filed application in Hon'ble High Court of Mumbai to cancel these shares, the final decision on which is pending. Hon'ble High Court of Judicature at Mumbai, vide its interim order dated September 06, 2002 restrained any transaction with respect to subject shares.

6 Reserves and surplus

(₹ in Crore)

Particulars	**As at March 31, 2016**	As at March 31, 2015
Capital Reserve		
Balance at the beginning of the year	**131.76**	1.96
Add: Pursuant to the Scheme of Amalgamation [Refer note no. 40(b)]	**-**	129.80
Balance as at the end of the year	**131.76**	131.76
Capital Reserve on Consolidation		
Balance as at the beginning and at the end of the year	**9.87**	9.87
Preference Share Redemption Reserve		
Balance as at the beginning and at the end of the year	**76.88**	76.88
Capital Redemption Reserve		
Balance as at the beginning of the year	**23.50**	4.79
Add: Transferred from General Reserve	**-**	18.71
Balance as at the end of the year	**23.50**	23.50
Securities Premium Account		
Balance as at the beginning and at the end of the year	**19,964.95**	19,964.95

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

6 Reserves and surplus (Contd.)

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Debenture Redemption Reserve		
Balance as at the beginning of the year	703.98	423.97
Add: Transferred from Surplus in Consolidated Statement of Profit and Loss	526.19	340.01
Less: Transferred to Surplus in Consolidated Statement of Profit and Loss	(21.25)	(60.00)
Balance as at the end of the year	1,208.92	703.98
Legal Reserve*		
Balance as at the beginning of the period/year	2.77	2.77
Transferred from Surplus in Statement of Profit and Loss	0.23	-
Balance as at the end of the year	3.00	2.77
General Reserve		
Balance as at the beginning of the year	19,105.16	19,144.12
Less: Pursuant to the Scheme of Amalgamation [Refer note no. 40(b)]	-	(20.25)
Less: Transferred to Capital Redemption Reserve	-	(18.71)
Balance as at the end of the year	19,105.16	19,105.16
Hedging Reserve		
Balance as at the beginning of the year	(25.37)	57.23
(Less): Effect of foreign exchange rate variations on hedging instrument outstanding at the end of the year [net of deferred tax ₹ 0.04 Crore (Previous year ₹ 1.62 Crore)]	(4.11)	(25.37)
Less: Amount transferred to Consolidated Statement of Profit and Loss [net of deferred tax ₹ 1.62 Crore (Previous year ₹ 33.82)]	25.37	(57.23)
Balance as at the end of the year	(4.11)	(25.37)
Surplus/(Deficit) in Consolidated Statement of Profit and Loss		
Balance as at the beginning of the year	11,579.07	29,297.86
Less: Pursuant to the Scheme of Amalgamation [Refer note no. 40(b)]	-	(129.80)
Less: (Loss) / Profit for the year	(9,323.44)	(15,645.77)
Add: Transferred from Debenture Redemption Reserve	21.25	60.00
Less: Transferred to Debenture Redemption Reserve	(526.19)	(340.01)
Less: Interim dividend [dividend per share ₹ 3.50 (Previous year ₹ 1.75)]	(1,037.75)	(518.82)
Less: Tax on Interim dividend [net of dividend from a subsidiary u/s 115 (O) of Income Tax Act, 1961]	(1,551.56)	(183.98)
Less: Transferred to Legal reserve	(0.23)	-
Less: Proposed dividend** (Previous year ₹ 2.35)]	-	(696.78)
Add: Income tax refund	10.65	-
Less: Tax on Proposed Dividend [net of dividend from a subsidiary u/s 115 (O) of Income Tax Act, 1961]	(231.04)	(214.79)
Less: Depreciation adjustment consequent to revision in useful life [Refer note no. 14 (n(ii))]	-	(48.84)
Balance as at the end of the year	(1,059.24)	11,579.07
Foreign Currency Translation Reserve		
Balance as at the beginning of the year	2,006.20	3,727.76
Less: Effect of foreign exchange rate variations during the year	(2,488.47)	(1,721.56)
Balance as at the end of the year	(482.27)	2,006.20
Revaluation Reserve		
Balance as at the beginning of the year	-	-
Addition during the year [Refer note no. 14 (n(i))]	5,397.40	-
Balance as at the end of the year	5,397.40	-
Total	44,375.82	53,578.77

* Legal reserve is created at Fujairah Gold FZC in accordance with free zone regulations.
** Dividend per share ₹ Nil.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

7 Long-term borrowings*

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured		
Redeemable Non Convertible Debentures[a]	11,080.00	10,350.00
Term loans from banks[b]	24,175.88	21,621.99
Foreign currency loans from banks[c]	1,879.48	3,129.54
Buyers' credit from banks[d]	131.10	311.31
UnSecured		
Deferred sales tax liability[e]	126.83	133.16
Buyers' credit from banks[f]	680.55	269.21
Loans and advances from related parties[g] (Refer note no. 44)	12,383.46	16,209.99
Total	50,457.30	52,025.20

* Includes share of Joint ventures ₹ Nil (Previous year : ₹ 0.01 Crore)

Terms & conditions of Long-term borrowings

a) Secured Redeemable Non Convertible Debentures (NCD's) includes :

(i) 9.10% NCDs issued by the Company for an aggregate amount of ₹ 2,500.00 Crore. These NCDs are secured by way of mortgage on the immoveable property of the Company situated at Tuticorin in the State of Tamilnadu and also by way of first ranking pari passu charge over the tangible and intangible moveable fixed assets, both present and future of Jharsuguda 2,400 MW power plant with a security cover of 1.25 times on the face value of outstanding NCDs at all times during the tenor of the NCDs. These NCDs are redeemable on April 5, 2023. The debenture holders of these NCDs and the Company have put and call option at the end of the 5 years from the respective date of the allotment of the NCDs.

(ii) NCDs issued by the Company for an aggregate amount of ₹ 2,000.00 Crore. Out of these, ₹ 1,000.00 Crore NCDs are issued at a coupon rate of 9.40% per annum, while another ₹ 1,000.00 Crore NCDs are issued at a coupon rate of 9.24% per annum. These NCDs are secured by way of mortgage on the immoveable property of the Company situated at Sanaswadi in the State of Maharashtra and also by way of hypothecation on the moveable fixed assets of Jharsuguda 2,400 MW Power plant with a security cover of 1.25 times on the face value of outstanding NCDs at all times during the currency of NCDs. These NCDs are redeemable in tranches of ₹ 500.00 Crore each on December 20, 2022, December 6, 2022, November 27, 2022 and October 25, 2022. In respect of all the four tranches of NCDs, the debenture holders and the Company have put and call option respectively at the end of the 5 years from the respective date of the allotment of the NCDs.

(iii) NCDs issued by the Company of ₹ 1,200.00 Crore in two tranches of ₹ 750.00 Crore and ₹ 450.00 Crore, with an interest rate of 9.17% per annum. These NCDs are secured by way of mortgage on the immovable property of the Company situated at Tuticorin in the State of Tamilnadu and also by way of first pari passu charge over the moveable fixed assets of Lanjigarh refinery expansion project including 210 MW power plant project, with a security cover of 1.25 times on the face value of outstanding NCDs at all times during the tenor of the NCD. These NCDs are redeemable on July 4, 2023 for ₹ 750.00 Crore and on July 5, 2023 for ₹ 450.00 Crore. The debenture holders of these NCDs and the Company have put and call option at the end of the 5 years from the respective date of the allotment of the NCDs.

(iv) 9.36% NCDs of ₹ 1,500.00 Crore issued by Iron ore division in two tranches of ₹ 975.00 Crore and ₹ 525.00 Crore. These NCDs are redeemable in two instalments of ₹ 975.00 Crore and ₹ 525.00 Crore payable on October 30, 2017 and December 30, 2017 respectively. These NCDs are secured by way of mortgage on the immovable property of the Company situated at Tuticorin in the State of Tamilnadu and also by way of first ranking pari passu charge over "moveable fixed assets" in relation to the Company's Iron Ore business (Pig Iron and Met Coke assets) and Power Plant assets located in Goa and the Copper plant assets located at Tuticorin with a security cover of 1.25 times on the face value of outstanding NCDs at all times during the tenure of the NCDs.

(v) 9.70% NCDs of ₹ 2,000.00 Crore issued by Aluminium division during the current year. These NCDs are secured by way of mortgage on the

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

immovable property of the Company situated at Tuticorin in the State of Tamilnadu and also by way of first ranking pari passu charge over the tangible and intangible movable fixed assets of Aluminium division, with a security cover of 1.25 times on the face value of outstanding NCDs at all times during the tenor of the NCDs. These NCDs are redeemable on August 17, 2020.

(vi) NCD's issued by BALCO of ₹ 250.00 Crore is carrying an interest of 8.60% per annum [including current maturity of long-term borrowings of ₹ 250.00 Crore (Refer note no. 12)]. These are redeemable at par on May 31, 2016 and are secured by first pari passu charge over Fixed Assets of BALCO.

(vii) 10.25% NCDs issued by BALCO aggregating ₹ 500.00 Crore redeemable at par on August 7, 2017. These are secured by first pari passu charge on the fixed assets of BALCO.

(viii) NCDs issued by TSPL during the year aggregating ₹ 120.00 Crore, ₹ 180.00 Crore & ₹ 200.00 Crore [including current maturity of long term borrowings of ₹ 120.00 Crore (Refer note no. 12)] on a private placement basis and carrying an interest of 9.6% per annum, 9.7% per annum & 9.27% per annum respectively and repayable on September 16, 2016, September 18, 2017 and November 10, 2017. These are secured by first pari passu charge on the moveable assets of TSPL both present and future, with a minimum asset cover of 1.1 times during the lifetime of the NCDs.

(ix) NCDs issued by TSPL during the year aggregating ₹ 1,000.00 Crore on a private placement basis and carrying an interest of 8.91% per annum and repayable on April 27, 2018. These are secured by first pari passu charge on the moveable assets of TSPL both present and future, with a minimum asset cover of 1.1 times during the lifetime of the NCDs.

(x) 9% NCDs issued by VGCB of ₹ 75.00 Crore [including current maturity of long term borrowings of ₹ 75.00 Crore (Refer note no. 12)]. These NCDs are redeemable on May 6, 2016. The NCDs are secured 1.1 times of the face value of outstanding debentures, by way of charge on the fixed assets of the VGCB.

b) Secured term loans from banks includes :

(i) Loan from a bank taken by Aluminium division during the current year amounting to ₹ 1,250.00 Crore. The loan is secured by aggregate of the net fixed assets of Aluminium division and the Lanjigarh expansion project reduced by the outstanding amount of other borrowings having first pari passu charge on the fixed assets of Aluminium Division and the Lanjigarh expansion project. The loan is repayable from FY 2017-18, as ₹ 12.50 Crore in March 2018, ₹ 50.00 Crore within FY 2018-19, ₹ 62.50 Crore, each in FY 2019-20 and FY 2020-21 and ₹ 1,062.50 Crore after FY 2020-21.

(ii) Loan from a bank taken by Aluminium division amounting to ₹ 4,750.00 Crore [including current maturity of long-term borrowings ₹ 250.00 Crore (Refer note no. 12)]. The loan is secured by (i) first pari passu charge by way of hypothecation of all present and future moveable fixed asset of Aluminium division, and (ii) first pari passu charge by way of mortgage on all present and future immovable fixed asset (including leasehold land, if any) acquired or to be acquired for the Aluminium division. The loan is repayable as ₹ 250.00 Crore within one year, ₹ 250.00 Crore within second year, ₹ 500.00 Crore within third year, and ₹ 1,250.00 Crore each within fourth to sixth year.

(iii) Loan from a bank taken by Aluminium division amounting to ₹ 995.00 Crore [including current maturity of long term borrowings ₹ 20.00 Crore (Refer note no. 12)]. The loan is secured by (i) first pari passu charge by way of hypothecation of all present and future moveable fixed asset of Aluminium division, and (ii) first pari passu charge by way of mortgage on all present and future immovable fixed asset (including leasehold land, if any) acquired or to be acquired for the Aluminium division. The loan is repayable as ₹ 20.00 Crore in within one year, ₹ 25.00 Crore within second year, and ₹ 40.00 Crore each in third and fourth year and balance ₹ 870.00 Crore in eleven various installments from fifth to fifteenth year.

(iv) Loan from a bank amounting to ₹ 497.50 Crore [including current maturity of long-term borrowings ₹ 10.00 Crore (Refer note no. 12)] taken by Aluminium division. The loan is secured by (i) first pari passu charge by way of hypothecation of all present and future moveable fixed asset of Aluminium division, and (ii) first pari passu charge by way of mortgage on all present and future immovable fixed asset (including leasehold land, if any) acquired or to be acquired for the Aluminium division. The loan is repayable as ₹ 10.00 Crore within one year, ₹ 12.50 Crore within second year and ₹ 20.00 Crore each within third and fourth year and balance ₹ 435 Crore in eleven various installments from fifth to fifteenth year.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

(v) Loan from a bank of ₹ 199.00 Crore [including current maturity of long term borrowings ₹ 4.00 Crore (Refer note no. 12)] taken by Aluminium division. The loan is secured by (i) first pari passu charge by way of hypothecation of all present and future moveable fixed asset of Aluminium division and (ii) first pari passu charge by way of mortgage on all present and future immovable fixed asset (including leasehold land, if any) acquired or to be acquired for the Aluminium division. The loan is repayable as ₹ 4.00 Crore within one year, ₹ 5.00 Crore within second year and ₹ 8.00 Crore each within third and fourth year and balance ₹ 174.00 Crore in eleven various installments from fifth to fifteenth year.

(vi) Loan from a bank of ₹ 298.50 Crore [including current maturity of long term borrowings ₹ 6.00 Crore (Refer note no. 12)] taken by Aluminium division. The loan is secured by (i) first pari passu charge by way of hypothecation of all present and future movable fixed asset of Aluminium division (ii) first pari passu charge by way of mortgage on all present and future immovable fixed asset (including leasehold land, if any) acquired or to be acquired for the Aluminium division. The loan is repayable as ₹ 6.00 Crore within one year, ₹ 7.50 Crore within second year and ₹ 12.00 Crore each within third and fourth year and balance ₹ 261.00 Crore in eleven various installments from fifth to fifteenth year.

(vii) Loan of ₹ 912.25 Crore taken by Aluminium division from a bank [including current maturity of long term borrowings ₹ 143.50 Crore (Refer note no. 12)]. The loan is secured by (i) first pari passu charge by way of hypothecation of all present and future moveable fixed asset of Aluminium division (ii) first pari passu charge by way of mortgage on all present and future immovable fixed asset (including leasehold land, if any) acquired or to be acquired for the Aluminium division. The loan is repayable as ₹ 143.50 Crore in FY 2016-17, ₹ 184.50 Crore in FY 2017-18 and ₹ 246.00 Crore each in FY 2018-19 and FY 2019-20 and balance ₹ 92.25 Crore in FY 2020-21.

(viii) Loan from a bank taken by Aluminium division amounting to ₹ 885.00 Crore [including current maturity of long-term borrowings ₹ 140.00 Crore (Refer note no. 12)]. The loan is secured by (i) first pari passu charge by way of hypothecation of all present and future movable fixed asset of Aluminium division (ii) first pari passu charge by way of mortgage on all present and future immovable fixed asset (including leasehold land, if any) acquired or to be acquired for the Aluminium division. The loan is repayable as ₹ 140.00 Crore within one year, ₹ 180.00 Crore within second year, ₹ 240.00 Crore each within third and fourth year and ₹ 85.00 Crore within fifth year.

(ix) Loan from a bank taken by Aluminium division amounting to ₹ 1,705.00 Crore [including current maturity of long-term borrowings ₹ 280.00 Crore (Refer note no 12)]. The loan is secured by (i) first pari passu charge by way of hypothecation of all present and future movable fixed asset of Aluminium division (ii) first pari passu charge by way of mortgage on all present and future immovable fixed asset (including leasehold land, if any) acquired or to be acquired for the Aluminium division. The loan is repayable as ₹ 280.00 Crore within one year, ₹ 360.00 Crore within second year, ₹ 480.00 Crore each within third and fourth year and ₹ 105.00 Crore within fifth year.

(x) Loan from a bank taken by Aluminium division amounting to ₹ 1,780.00 Crore [including current maturity of long-term borrowings ₹ 280.00 Crore (Refer note no 12)]. The loan is secured by (i) first pari passu charge by way of hypothecation of all present and future movable fixed asset of Aluminium division (ii) first pari passu charge by way of mortgage on all present and future immovable fixed asset (including leasehold land, if any) acquired or to be acquired for the Aluminium division. The loan is repayable as ₹ 280.00 Crore within one year, ₹ 360.00 Crore within second year, ₹ 480.00 Crore each within third and fourth year and ₹ 180.00 Crore within fifth year.

(xi) Loan from a bank taken by Aluminium division amounting to ₹ 445.00 Crore [including current maturity of long-term borrowings ₹ 70.00 Crore (Refer note no. 12)]. The loan is secured by (i) first pari passu charge by way of hypothecation of all present and future movable fixed asset of Aluminium division (ii) first pari passu charge by way of mortgage on all present and future immovable fixed asset (including leasehold land, if any) acquired or to be acquired for the Aluminium division. The loan is repayable as ₹ 70.00 Crore within one year, ₹ 90.00 Crore within second year, ₹ 120.00 Crore each within third and fourth year and ₹ 45.00 Crore within fifth year.

(xii) Loan of ₹ 687.50 Crore [including ₹ 250.00 Crore of current maturity of long-term borrowings (Refer note no 12)] taken during the year by Jharsuguda 2,400 MW power plant from a bank. The loan is secured by way of second pari passu charge on specific fixed assets of Jharsuguda 2,400 MW power plant except agricultural land. The loan is repayable in eleven equal quarterly installments of ₹ 62.50 Crore each.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

(xiii) Loan of ₹ 445.00 Crore [including ₹ 70.00 Crore of current maturity of long-term borrowings (Refer note no. 12)] taken during the year by Iron ore division from a bank. The loan is secured by (i) first pari passu charge by way of hypothecation of all present and future movable fixed asset of Aluminium division (ii) first pari passu charge by way of mortgage on all present and future immovable fixed asset (including leasehold land, if any) acquired or to be acquired for the Aluminium division. The loan is repayable in equal quarterly installments of ₹ 17.50 Crore in FY 2016-17, ₹ 22.50 Crore in FY 2017-18, ₹ 30.00 Crore each in FY 2018-19 and FY 2019-20, and balance ₹ 45.00 Crore in 3 installments of ₹ 15 Crore each in FY 2020-21.

(xiv) Term loan of ₹ 300.00 Crore [including current maturity of long-term borrowings ₹ 1.50 Crore (Refer note no. 12)] taken by BALCO. It is repayable in 28 quarterly installment starting from March 2017. The loan is secured by first pari passu charge on moveable fixed assets of BALCO.

(xv) Term loan of ₹ 500.00 Crore [including current maturity of long-term borrowings ₹ 2.50 Crore (Refer note no. 12)] taken by BALCO. It is repayable in 28 quarterly installment starting from March 2017. The loan is secured by first pari passu charge on movable fixed assets of BALCO.

(xvi) Term loan of ₹ 150.00 Crore [including current maturity of long-term borrowings ₹ 0.75 Crore (Refer note no. 12)] taken by BALCO. It is repayable in 28 quarterly installment starting from March 2017. The loan is secured by first pari passu charge on movable fixed assets of BALCO.

(xvii) Term loan of ₹ 200.00 Crore from a bank taken by BALCO. It is repayable in 28 quarterly installment starting from April 2017. The loan is secured by first pari passu charge on moveable fixed assets of BALCO.

(xviii) Term loan of ₹ 150.00 Crore [including current maturity of long-term borrowings ₹ 0.75 Crore (Refer note no. 12)] taken by BALCO. It is repayable in 28 quarterly installment starting from March 2017. The loan is secured by first pari passu charge on moveable fixed assets of BALCO.

(xix) Term loan of ₹ 298.67 Crore [including current maturity of long-term borrowings ₹ 1.49 Crore (Refer note no. 12)] from UCO Bank taken by BALCO. It is repayable in 28 quarterly installment starting from March 2017. The loan is secured by first pari passu charge on moveable fixed assets of BALCO.

(xx) Loan of ₹ 1,880.00 Crore by TSPL with a tenor of 15 years and repayment on quarterly basis starting from June 30, 2018. The loan is secured by way of first charge on pari passu basis on all the movable and immovable assets of TSPL.

(xxi) Loan of ₹ 456.00 Crore by TSPL [including current maturity of long-term borrowings ₹ 43.00 Crore (Refer note no. 12)] with a tenor of 86 months and repayment on quarterly basis started from December 31, 2015. The loan is secured by way of first charge on pari passu basis on all the movable and immovable assets of TSPL.

(xxii) Term loan of ₹ 5,969.96 Crore (US$ 900 million) [including current maturity of long-term borrowings ₹ 1,989.99 Crore (Refer note no. 12)] taken by TMHL. It is repayable in four equal annual installments started from June 2015. The facility is guaranteed by Vedanta Resources Plc. Further TEHL has pledged all the shares it holds in TMHL as security for this loan.

(xxiii) Term loan of ₹ 3,150.81 Crore (US$ 475 million) [including current maturity of long-term borrowings ₹ 165.83 Crore (Refer note no. 12)] taken by TMHL of which US$ 237.50 million is under a commodity murabaha structure (Islamic financing) and balance US$ 237.50 million is under a conventional loan structure. The loan of ₹ 1,824.15 Crore (US$ 275 million) has an average maturity of 5 years from initial drawdown and the loan of ₹ 1,326.65 Crore (US$ 200 million) carries an interest rate of LIBOR plus 340 basis points with an average maturity of 6 years from initial drawdown. The facility is guaranteed by Vedanta Resources Plc. 100% shares of TMHL(held by TEHL) have been pledged as security for this facility.

Interest rate on above term loans ranges from 9.50% to 10.25%.

c) Secured currency loans from banks includes:

(i) External Commercial Borrowings ("ECB") of Aluminium division aggregating ₹ 1,989.99 Crore (US$ 300.00 million) [including current maturity of long-term borrowings ₹ 1,326.66 Crore (Refer note no. 12)]. The ECB on US$ 300 million is repayable in two annual instalments on April 21, 2016 for

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

US$ 200 million and on April 21, 2017 for US$ 100 million. The ECB is secured by all present and future movable asset including its moveable plant and machinery, equipment, machinery, spare tools and accessories and other moveable assets whether installed or not and all replacements thereof and additions thereof whether by way of substitution, addition, replacement, conversion or otherwise howsoever together with all benefits, rights and incidental attached thereto which are now owned or to be owned in the future by the borrower.

(ii) ECB of BALCO aggregating ₹ 1,326.66 Crore [including current maturity of long-term borrowings ₹ 442.18 Crore (Refer note no. 12)]. The ECB is repayable in three annual installments due in August 11, 2016, August 11, 2017 and August 11, 2018. The facility is secured by first pari passu charges on all the fixed assets (excluding land) of the BALCO, both present and future along with secured lenders.

(iii) ECB of BALCO of ₹ 331.67 Crore (USD 50 million). The ECB is repayable in three annual installments of USD 13 million, USD 14 million and USD 23 million due in August 19, 2019, August 19, 2020 and August 19, 2021 respectively. The facility was secured by first pari passu charge on all moveable project assets related to 1200 MW power project and 3.25 LTPA Smelter projects both present and future along with secured lenders.

Interest rate on above foreign loans ranges 3 month / 6 month LIBOR plus 170-290 basis points.

d) Buyers Credit from banks under secured borrowings includes :

(i) ₹ 369.75 Crore availed by BALCO at an interest rate of LIBOR plus 107 basis points [including current maturity of long-term borrowings ₹ 359.84 Crore (Refer note no. 12)] and secured by exclusive charge on assets to be imported under the facilities.

(ii) ₹ 121.19 Crore taken by VGCB at an interest rate ranging from 1.45% to 2.24% per annum. Repayment of buyer's credit can be made at any time during the tenure of the agreement (May 29, 2015 to May 28, 2017).

e) Unsecured deferred sales tax liability of ₹ 133.16 Crore [including current maturity of long-term borrowings ₹ 6.33 Crore (Refer note no. 12)] outstanding as at March 31, 2016 is currently repayable in monthly instalments till March 2027.

f) Unsecured Buyers Credit from banks includes :
₹ 966.70 Crore taken by TSPL at an interest rate ranging from 1.72% to 2.77% [including current maturity of long-term borrowings of ₹ 286.15 Crore (Refer note no. 12)]. These buyers credit have a tenure ranging from 717 to 720 days.

g) Loan from Vedanta Resources Jersey II Limited amounting to ₹ 12,383.46 Crore (US$ 1,866.87 million) at an average interest rate of 7.37% per annum. The said loan is repayable in May 2018.

h) The Group has not defaulted in the repayment of loans and interest as at Balance Sheet date.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

8 Deferred tax liabilities (net)

(₹ in Crore)

Particulars		As at March 31, 2016	As at March 31, 2015
(a)	**Major components of deferred tax arising on account of timing differences are :**		
	Deferred tax liability :		
	On difference between book depreciation and tax depreciation	6,121.71	6,119.77
	On hedging reserve	0.06	1.37
	On investments	46.20	-
	Others	12.59	4.34
	Total	6,180.56	6,125.48
	Deferred tax asset :		
	On employee benefits	110.86	115.84
	Provision for doubtful advances	199.23	193.44
	Unabsorbed business depreciation*	2,343.26	2,379.18
	Carry forward business losses*	100.88	2.75
	Hedging reserve	-	3.57
	Others	230.42	101.03
	Total	2,984.65	2,795.81
	Deferred tax liabilities (net)	3,195.91	3,329.67
(b)	**Classified on a company wise basis :**		
	(i) Deferred tax liability	3,195.91	3,330.91
	(ii) Deferred tax asset	-	1.24
	Total	3,195.91	3,329.67

* The recognition of deferred tax assets on unabsorbed depreciation and carry forward business losses has been restricted to the extent of deferred tax liability on account of timing difference in respect of depreciation, the reversal of which is virtually certain.

9 Other Long-term liabilities[a]

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Payables for purchase of fixed assets	305.36	1,046.52
Security deposits from vendors & others	102.68	84.56
Advances from customers[b]	998.64	-
Fair value derivative hedging payable	10.92	4.49
Other liabilities	49.99	88.57
Total	1,467.59	1,224.14

a) Includes share of Joint ventures ₹ Nil (Previous year : ₹ 0.01 Crore)

b) Advance from customer includes amount received under long term supply agreements. The advances would be settled by supplying goods as per the terms of the agreements.

10 Long-term provisions*

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits[a]	154.17	199.73
Provision for restoration, rehabilitation and environmental costs[b]	2,282.28	2,141.91
Total	2,436.45	2,341.64

* Includes share of Joint ventures Nil (Previous year : ₹ 0.08 Crore)

a) Includes gratuity, compensated absences, etc.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

b) Provision for restoration, rehabilitation and environmental costs

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Opening balance	2,141.91	4,015.16
Additions during the year	271.99	59.68
Reversed during the year	(4.02)	(1,529.51)
Paid during the year	-	(0.25)
Exchange differences on restatement	(21.28)	(133.16)
Current portion of Long-term provision	(106.32)	(270.01)
Closing balance	2,282.28	2,141.91

11 Short-term borrowings

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Secured		
Buyers credit from banks[a]	8,370.04	5,678.83
Suppliers credit[b]	97.37	-
Loans repayable on demand from banks[c]	117.39	48.98
Working capital loan[d]	3.43	2.99
Unsecured		
Buyers credit from banks	1,633.01	4,475.38
Suppliers credit	-	39.95
Commercial paper	8,940.00	8,105.00
Loans repayable on demand from banks	67.24	192.92
Packing credit from banks	1,096.83	720.84
Working capital loan	5.60	45.06
Loans from banks	568.35	630.76
Total	20,899.26	19,940.71

Terms & conditions of Short-term borrowings

a) Secured buyer's credit from banks includes:

(i) ₹ 1,587.24 Crore of Aluminium division at an interest rate of LIBOR plus 24- 55 basis points secured by exclusive charge on the assets of Jharsuguda Aluminium imported under facility and first charge on current assets of Aluminium division on pari passu basis.

(ii) ₹ 5,968.00 Crore of Copper India at an interest rate of 1.08% per annum secured by way of first charge by hypothecation on the entire stock of raw materials, work-in-progress and all semi-finished, finished, manufactured articles together with all stores, components and spares, both present and future book debts, outstanding monies, receivables, claims and bills arising out of sale etc. and such charge in favour of the banks ranking pari passu inter se, without any preferences or priority to one over other(s) in any manner.

(iii) ₹ 238.71 Crore at the Jharsuguda 2,400 MW power plant at an interest rate ranging from 0.61% to 1.21% per annum secured against first pari passu charge on entire current assets of Jharsuguda 2,400 MW power plant.

(iv) ₹ 378.42 Crore of BALCO secured by way of hypothecation on the stock of raw materials, work-in-progress, semi-finished, finished products, consumables, stores and spares, bills receivables, book debts and all other movables, both present and future and assets to be imported under the facilities. The charges rank pari passu among banks under the multiple banking arrangements, both for fund based and non fund based facilities.

(v) ₹ 162.87 Crore of TSPL at an interest rate ranging from 0.79% to 1.56% per annum with a tenor ranging from 107 days to 334 days and secured by pari passu charge on the current assets and movable fixed assets of TSPL.

vi) ₹ 15.98 Crore of BALCO secured by way of exclusive charge on assets to be imported under the facilities

vii) ₹ 18.82 Crore of MEL buyer's credit secured against stock and trade receivables at an interest rate of 1.10%.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

b) Secured Supplier's Credit includes:

₹ 97.37 Crore of Aluminium division at an interest rate of 1.48% secured by exclusive charge on the assets of Jharsuguda Aluminium imported under facility and first charge on current assets of Aluminium division on pari passu basis.

c) Secured loans repayable on demand from banks includes:

Cash Credit of ₹ 117.39 Crore of BALCO secured by way of 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. The charges rank pari passu among banks under the multiple banking arrangements, both for fund based and non fund based facilities. Weighted average interest on cash credit utilization is 9.56% per annum.

d) Working capital loan under secured borrowings includes ₹ 3.43 Crore of BALCO secured by way of 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. The charges rank pari passu among banks under the multiple banking arrangements, both for fund based and non fund based facilities. Interest rate on working capital loan is 9.35% p.a.

e) The Group has not defaulted in the repayment of loans and interest as at Balance Sheet date.

12 Other current liabilities*

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term borrowings[a]	6,595.47	5,786.39
Interest accrued but not due on borrowings	741.63	652.19
Fair value derivative hedging payable	461.37	268.51
Advance from customers [Refer note no. 9(b)]	2,625.78	317.00
Unpaid/unclaimed dividends[b]	337.02	233.00
Unpaid/unclaimed matured deposits and interest accrued thereon[c]	0.13	0.13
Profit petroleum payable	449.15	87.43
Payables for purchase of fixed assets	2,543.48	2,682.27
Liabilities for exploration and development activities	2,154.57	2,576.75
Statutory liabilities[d]	1,163.36	570.89
Due to related parties (Refer note no. 44)	345.52	292.56
Security Deposits from vendors and others	341.69	227.06
Book overdraft with banks	1.24	15.00
Other liabilities[e]	1,739.65	1,573.99
Dividend payable to minority interest	3,557.20	-
Dividend tax payable	2,064.42	-
Total	25,121.58	15,283.17

* Includes share of Joint ventures ₹ 1.22 Crore (Previous year : ₹ 0.83 Crore)

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

a) Current maturities of long-term borrowings consists of :

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred sales tax liability	6.33	5.42
Buyer's credit from banks	645.99	307.08
Term loans from banks	3,729.31	3,168.20
Redeemable non convertible debentures	445.00	775.00
Foreign currency loans from banks	1,768.84	1,530.69
Total	6,595.47	5,786.39

b) Does not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund except ₹ 0.38 Crore (Previous year ₹ 0.38 Crore) which is held in abeyance due to a pending legal case.

c) Matured deposits of ₹ 0.08 Crore (2015: ₹ 0.08 Crore) due for transfer to Investor Education and Protection Fund have not been transferred in view of pending legal litigation between the beneficiaries.

d) Statutory liabilities include contribution to PF, ESIC, withholding taxes, excise duty, VAT, service tax etc.

e) Includes reimbursement of expenses, interest accrued on other than borrowings, liabilities related to claim etc.

13 Short-term provisions

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits (gratuity, compensated absences, etc.)	132.05	140.90
Provision for restoration, rehabilitation and environmental costs[a]	115.76	230.33
Proposed dividend	-	696.78
Tax on proposed dividend(net of dividend from a subsidiary u/s 115 O of Income Tax Act , 1961)	-	2.19
Provision for tax (Net of advance taxes paid & tax deducted at source)	184.05	383.28
Total	431.86	1,453.48
a) Opening balance	230.33	1.76
Current portion of long-term provision	106.32	270.01
Exchange differences	12.13	5.04
Paid during the year	(233.02)	(46.48)
Closing balance	115.76	230.33

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

14 Fixed Assets

(₹ in Crore)

Particulars	Gross Block					Accumulated Depreciation					Net Block before impairment	Impairment	Net Block	
	As at April 1, 2015	Additions/ adjustments	Revaluation [Refer note n(i)]	Deductions/ adjustments	**As at March 31, 2016**	As at April 1, 2015	Revaluation [Refer note n(i)]	For the year (Refer note no. 41)	Deductions/ adjustments	**As at March 31, 2016**	**As at March 31, 2016**	**As at March 31, 2016**	**As at March 31, 2016**	As at March 31, 2015
i) **Tangible assets**														
Mining leases and concessions	17.28	-	-	-	**17.28**	14.90	-	-	-	**14.90**	**2.38**	-	**2.38**	2.38
(Previous year)	17.28	-	-	-	**17.28**	14.38	-	0.52	-	**14.90**	**2.38**	-	**2.38**	2.90
Land- freehold	1,141.03	35.74	670.20	27.47	**1,819.50**	25.42	-	-	-	**25.42**	**1,794.08**	-	**1,794.08**	1,115.61
(Previous year)	1,072.59	69.03	-	0.59	**1,141.03**	24.37	-	1.06	0.01	**25.42**	**1,115.61**	-	**1,115.61**	1,048.22
Land- leasehold	579.48	-	-	22.10	**557.38**	156.43	-	22.68	-	**179.11**	**378.27**	-	**378.27**	423.05
(Previous year)	565.24	24.62	-	10.38	**579.48**	96.21	-	60.22	-	**156.43**	**423.05**	-	**423.05**	469.03
Buildings	8,886.84	2,303.11	-	(8.37)	**11,198.32**	2,722.42	-	523.57	0.15	**3,245.84**	**7,952.48**	**25.67**	**7,926.81**	6,160.92
(Previous year)	7,466.57	1,425.30	-	5.03	**8,886.84**	1,821.13	-	905.92	4.63	**2,722.42**	**6,164.42**	**3.50**	**6,160.92**	5,641.94
Buildings- leasehold	15.16	-	-	-	**15.16**	3.11	-	0.67	-	**3.78**	**11.38**	-	**11.38**	12.05
(Previous year)	15.08	0.08	-	-	**15.16**	2.44	-	0.67	-	**3.11**	**12.05**	-	**12.05**	12.64
Aircraft	2.12	-	-	-	**2.12**	0.85	-	0.11	-	**0.96**	**1.16**	-	**1.16**	1.27
(Previous year)	2.12	-	-	-	**2.12**	0.76	-	0.09	-	**0.85**	**1.27**	-	**1.27**	1.36
River Fleet	177.37	6.27	-	2.23	**181.41**	40.57	-	6.01	1.34	**45.24**	**136.17**	-	**136.17**	136.80
(Previous year)	180.73	-	-	3.36	**177.37**	37.85	-	5.91	3.19	**40.57**	**136.80**	-	**136.80**	142.88
Ship	229.18	-	-	0.24	**228.94**	84.93	-	6.53	0.24	**91.22**	**137.72**	-	**137.72**	144.25
(Previous year)	293.15	-	-	63.97	**229.18**	120.65	-	7.45	43.17	**84.93**	**144.25**	-	**144.25**	172.50
Plant and equipment	62,002.91	9,716.73	4,727.20	605.07	**75,841.77**	22,972.21	212.22	2,991.47	549.30	**25,629.60**	**50,215.17**	**112.94**	**50,102.23**	38,970.13
(Previous year)	52,801.79	9,401.51	-	200.39	**62,002.91**	18,648.00	-	4,475.41	151.20	**22,972.21**	**39,030.70**	**60.57**	**38,970.13**	34,093.22
Furniture and fixtures	373.15	5.16	-	18.63	**359.68**	152.90	-	49.68	18.25	**184.33**	**175.35**	**0.57**	**174.78**	220.25
(Previous year)	193.75	184.49	-	5.09	**373.15**	113.78	-	43.81	4.69	**152.90**	**220.25**	-	**220.25**	79.97
Berth	138.04	-	-	-	**138.04**	10.37	-	5.12	-	**15.49**	**122.55**	-	**122.55**	127.67
(Previous year)	138.04	-	-	-	**138.04**	5.25	-	5.12	-	**10.37**	**127.67**	-	**127.67**	132.79
Vehicles	317.93	23.69	-	62.61	**279.01**	242.96	-	27.08	57.59	**212.45**	**66.56**	-	**66.56**	74.97
(Previous year)	293.02	49.65	-	24.74	**317.93**	222.34	-	37.73	17.11	**242.96**	**74.97**	-	**74.97**	70.68
Office equipment	779.46	21.73	-	17.14	**784.05**	458.26	-	89.10	16.10	**531.26**	**252.79**	**0.32**	**252.47**	321.20
(Previous year)	635.52	185.16	-	41.22	**779.46**	389.53	-	106.66	37.93	**458.26**	**321.20**	-	**321.20**	245.99
Railway Siding	1,137.34	75.35	-	-	**1,212.69**	223.29	-	72.17	-	**295.46**	**917.23**	-	**917.23**	914.05
(Previous year)	901.43	235.98	-	0.07	**1,137.34**	163.91	-	59.45	0.07	**223.29**	**914.05**	-	**914.05**	737.52
Road and Bunders	15.55	94.85	-	-	**110.40**	5.70	-	6.78	-	**12.48**	**97.92**	-	**97.92**	9.85
(Previous year)	15.55	-	-	-	**15.55**	2.83	-	2.87	-	**5.70**	**9.85**	-	**9.85**	12.72
Mine reserve and development	2,578.91	990.78	-	983.33	**2,586.36**	1,860.11	-	217.57	983.33	**1,094.35**	**1,492.01**	-	**1,492.01**	718.80
(Previous year)	2,533.70	45.21	-	-	**2,578.91**	1,717.01	-	143.10	-	**1,860.11**	**718.80**	-	**718.80**	816.69
Cost of producing facilities	8,825.20	2,079.14	-	-	**10,904.34**	6,291.60	-	1,301.65	-	**7,593.23**	**3,311.11**	-	**3,311.11**	2,533.60
(Previous year)	9,133.38	1,208.38	-	1,516.56	**8,825.20**	5,269.02	-	1,022.58	-	**6,291.60**	**2,533.60**	-	**2,533.60**	3,864.36

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

(₹ in Crore)

Particulars	Gross Block					Accumulated Depreciation					Net Block before impairment	Impairment	Net Block	
	As at April 1, 2015	Additions/ adjustments	Revaluation [Refer note n(i)]	Deductions/ adjustments	**As at March 31, 2016**	As at April 1, 2015	Revaluation [Refer note n(i)]	For the year (Refer note no. 41)	Deductions/ adjustments	**As at March 31, 2016**	**As at March 31, 2016**	**As at March 31, 2016**	**As at March 31, 2016**	As at March 31, 2015
Rehabilitation & Decommissioning asset	212.13	30.04	-	-	**242.17**	130.00	-	(0.82)	1.40	**127.78**	**114.39**	-	**114.39**	82.13
(Previous year)	231.08	(18.95)	-	-	212.13	120.49	-	9.51	-	130.00	82.13	-	82.13	110.59
Total	**87,429.08**	**15,382.92**	**5,397.40**	**1,730.45**	**106,478.62**	**35,396.03**	**212.22**	**5,319.35**	**1,627.70**	**39,299.90**	**67,178.72**	**139.50**	**67,039.22**	**51,968.98**
(Previous year)	76,490.02	12,810.46		1,871.40	87,429.08	28,769.95		6,888.08	262.00	35,396.03	52,033.05	64.07	51,968.98	47,656.00
ii) Intangible assets														
Computer software	303.25	12.58	-	14.58	**301.25**	248.81	-	31.82	9.73	**270.90**	**30.35**	-	**30.35**	54.44
(Previous year)	281.38	24.00	-	2.13	303.25	196.14	-	54.76	2.09	248.81	54.44	-	54.44	85.24
Right to use	50.38	11.62	-	-	**62.00**	2.36	-	2.50	-	**4.86**	**57.14**	-	**57.14**	48.02
(Previous year)	50.38	-	-	-	50.38	0.34	-	2.02	-	2.36	48.02	-	48.02	50.04
Mining rights	358.76	21.17	-	-	**379.93**	112.06	-	20.52	-	**132.58**	**247.35**	-	**247.35**	246.70
(Previous year)	265.35	105.51	-	12.10	358.76	89.52	-	34.64	12.10	112.06	246.70	-	246.70	175.83
Total	**712.39**	**45.37**	**-**	**14.58**	**743.18**	**363.23**	**-**	**54.84**	**9.73**	**408.34**	**334.84**	**-**	**334.84**	**349.16**
(Previous year)	597.11	129.51	-	14.23	712.39	286.00	-	91.42	14.19	363.23	349.16	-	349.16	311.11

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

a) Land-Leasehold include land under Perpetual Lease ₹ 1.99 Crore (Previous year ₹ 1.99 Crore).

b) In case of HZL, title deeds are still to be executed in respect of 10.63 acres of freehold land at Vishakapatnam. HZL is in the process of dismantling its assets at Vishakhapatnam smelter.

c) Certain land & quarters of BALCO including 40 nos. quarters at Bidhan Bagh Unit and 300.88 acres of land at Korba and Bidhan Bagh have been unauthorisedly occupied for which BALCO is evaluating the option for evacuation of the same.

d) The land transferred to BALCO by National Thermal Power Corporation Ltd. (NTPC) vide agreement dated June 20, 2002 comprising of 171.44 acres land for BALCO's 270 MW captive power plant and its allied facilities and 34.74 acres land for staff quarters of the said captive power plant is yet to be registered in favour of BALCO due to non availability of title deeds from NTPC.

e) The Division Bench of the Hon'ble High Court of Chhattisgarh has vide its order dated February 25, 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. The matter is presently sub-judice before the Hon'ble Supreme Court.

f) Buildings (freehold) include :
   (i) Cost of Shares of ₹ 750 in Co-operative housing society,

   (ii) Cost of shares of ₹ 750 in Co-operative societies representing possession of office premises,

   (iii) a residential flat in the joint names of the Company and Mr. Dwarka Prasad Agarwal, relative of a director of the Company.

g) Plant and equipment (Gross Block) include ₹ 3.73 Crore (Previous year ₹ 3.73 Crore) and ₹ 1.68 Crore (Previous year ₹ 1.68 Crore) being the amount spent for laying water pipe line and power line respectively, the ownership of which vests with the State Government Authorities.

h) Additions to Gross block include loss of ₹ 459.96 Crore (Previous year loss of ₹ 518.31 Crore) and depreciation for the year includes gain (net) of ₹ 304.82 Crore (Previous year gain of ₹ 402.50 Crore) on account of translation of fixed assets and depreciation to date respectively of foreign subsidiaries, the effect of which is considered in Foreign currency translation reserve.

i) Capital work-in-progress is net of impairment of ₹ 1,800.35 Crore (Previous year ₹ 719.04 Crore).

j) (i) Capital work-in-progress includes finance costs amounting ₹ 488.90 Crore (Previous year ₹ 684.52 Crore) and exchange loss of ₹ 257.39 Crore (Previous year ₹ 230.32 Crore) capitalised during the year on account of borrowing cost AS 16 ('Borrowing Cost') and as per AS 11 ('The Effects of Changes in Foreign Exchange Rates') respectively.

   (ii) Additions/adjustments to Plant and equipment includes exchange loss capitalised as per AS 11 ('The Effects of Changes in Foreign Exchange Rates') amounting to ₹ 33.02 Crore [Previous year ₹ 46.76 Crore].

   (iii) Capital work-in-progress includes an amount of ₹ 11.65 Crore being capital expenditure incurred on CSR activities (Refer note no. 41).

k) The Company's aluminium unit at Mettur holds mining rights for 2,027.79 acres of land on which the lease agreements in respect of entire land has expired. The Company has applied for renewal of these leases.

l) The above gross block includes ₹ 24,134.79 Crore (Previous year: ₹ 21,321.08 Crore) jointly owned with the joint venture partners. Accumulated depreciation on these assets is ₹ 16,051.13 Crore (Previous year: ₹ 12,959.67 Crore) and net book value is ₹ 8,083.65 Crore (Previous year: ₹ 8,361.41 Crore).

m) Capital work-in-progress includes Exploration intangible assets under development of ₹ 3,016.11 Crore (Previous year ₹ 3,554.28 Crore).

n) (i) During the year, in terms of its change in accounting policy with respect to valuation of certain fixed assets, with effect from April 1, 2015, the Company has revalued all its existing fixed assets comprising of freehold land and plant and equipment where such assets had continuing useful lives beyond

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

that date, based on an external valuation report. Pursuant to the same, the Company has recorded a revaluation gain of ₹ 670.20 Crore and ₹ 4,727.20 Crore in respect of freehold land and plant and equipment, respectively. The said revalued amounts aggregating to ₹ 5,397.40 Crore are accounted as an increase in the Gross block of the assets with a credit to the Revaluation Reserve Account and are depreciated over the remaining useful lives of the related assets in terms of the accounting policy of the Company. The depreciation charge for the year includes depreciation aggregating to ₹ 212.22 Crore on account of such revaluation of assets and is charged off to the Statement of Profit and Loss. Consequently, the figures in respect of the depreciation charge for the year ended March 31, 2016 are not directly comparable with the previous year.

(ii) During the previous year, with effect from April 1, 2014, the Group had revised the estimated useful lives of fixed assets. The said changes in the estimates of useful lives of assets with effect from April 1, 2014, was impacted in the year ended March 31, 2015, as a result the depreciation charge for the year ended March 31, 2015 was lower by ₹ 864.85 Crore. The Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 48.84 Crore (net of deferred tax of ₹ 15.61 Crore and Minority Interest of ₹ 16.70 Crore) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

o) Reconciliation of Depreciation and amortisation expenses

(₹ in Crore)

	Year ended March 31, 2016	Year ended March 31, 2015
Depreciation as above on :		
- Tangible assets	**5,531.57**	6,888.08
- Intangible assets	**54.84**	91.42
Total depreciation	**5,586.41**	6,979.50
Add: Goodwill amortisation (Refer note no. 15)	**870.64**	2,049.56
Less: Depreciation on change of method of depreciation for oil & gas assets grouped under exceptional items (Refer note no. 31)	**-**	(2,127.80)
Less: Reserve adjustment on account of change in useful life of asset	**-**	(81.15)
Add: Depreciation included in Research and development expenditure	**0.22**	(0.31)
Add: Exchange Gain on assets adjusted in foreign currency translation reserve [Refer note (h above]	**304.82**	402.50
Less: Depreciation capitalised	**(7.05)**	(5.89)
Less: Cost allocated to joint venture	**(44.10)**	(57.25)
As per Statement of Profit and Loss	**6,710.94**	7,159.16

p) Expenses capitalised as part of Capital work-in-progress

(₹ in Crore)

		Year ended March 31, 2016	Year ended March 31, 2015
Balance at the beginning of the year		**8,659.89**	7,270.32
Add: Pre-operative expenditure :			
(i)	Cost of materials consumed	**0.07**	304.84
(ii)	Power and fuel charges	**1,059.49**	449.37
(iii)	Repairs	**5.77**	12.02
(iv)	Consumption of stores and spare parts	**5.79**	12.58
(v)	Rent, rates & taxes	**1.47**	2.48
(vi)	Employee benefits expense	**56.19**	84.43
(vii)	General expenses	**98.50**	392.32
(viii)	Finance costs	**746.29**	914.72
(ix)	Depreciation and amortization expense	**7.05**	5.89

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

(₹ in Crore)

		Year ended March 31, 2016	Year ended March 31, 2015
(x)	Changes in inventories	-	(73.23)
(xi)	Insurance	6.64	10.02
(xii)	Impact of foreign currency translation	(0.92)	3.15
	Total expenditure	1,988.18	2,118.59
(xiii)	Dividend on current investments	2.34	1.20
(xiv)	Interest and Other income	8.85	5.02
(xv)	Revenue during trial run	816.62	722.80
	Total income	827.81	729.02
Less: Impairment		94.03	-
Less: Capitalised during the year		1,874.25	-
Balance at end of the year		7,851.98	8,659.89

15 Goodwill on consolidation

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Opening balance	17,789.69	39,238.32
Add: Pursuant to Scheme of Amalgamation [Refer note no. 40(b)]	-	(20.25)
Add: Impact of foreign currency translation	(113.35)	(144.91)
Less: Amortisation during the year	(870.64)	(2,049.56)
Add: On account of buyback of shares by Cairn India Ltd	-	227.37
Less: Provision for impairment during the year (Refer note no. 31)	(11,172.98)	(19,461.28)
Closing balance	5,632.72	17,789.69

16 Non-current investments

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Investment in equity shares - quoted (at cost)		
Others - Sterlite Technologies Limited - 4,764,295 equity shares of ₹ 2 each (including 60 shares held jointly with nominees)	10.85	10.85
Investment in equity shares - unquoted		
Associate companies		
(i) Raykal Aluminium Company Private Limited - 12,250 equity shares of ₹ 10 each[de]	200.94	200.94
(ii) RoshSkor Township (Proprietary) Limited- 50 equity shares of NAD 1 each[d]	5.40	6.00
(iii) Gaurav Overseas Private Limited - 210,000 (Previous year : 105,000) equity shares of ₹ 10 each[d]	0.21	0.11
Other investments (at cost)	0.04	0.04
Less: Provision for diminution in value of investments	-	(4.50)
Total	217.44	213.44

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
a) Aggregate amount of quoted investments	10.85	6.35
b) Market value of quoted investments	43.16	26.11
c) Aggregate amount of unquoted investments	206.59	207.09

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

d) Particulars of investment in Associates

	RoshSkor Township (Proprietary) Limited	Raykal Aluminium Company Private Limited	Gaurav Overseas Private Limited
Ownership interest- %	50.00	24.50	50.00
Original cost of investment- ₹ in Crore	0.00	200.70	0.21
Amount of Goodwill in original cost- ₹ in Crore	-	200.85	-
Share of post acquisition Reserves and Surplus- ₹ in Crore	5.40	0.24	-
Carrying amount of investment- ₹ in Crore	5.40	200.94	0.21

e) On February 23, 2012, the Company entered into a tripartite agreement with Larsen & Toubro Limited (L&T) and Raykal Aluminium Company Private Ltd (Raykal). L&T holds certain prospecting licenses for bauxite mines located at Sijmali and Kurumali of Rayagada and Kalahandi districts of Odhisa. By this agreement the entire bauxite excavated from above mines will be available for the use of Raykal and / or to the Company. It is also further agreed that the Company will acquire 100% of equity share capital of Raykal in a phased manner at a pre-agreed consideration in a milestone based acquisition. As on the balance sheet date, the Company has acquired 24.5% of the share capital of Raykal for a consideration of ₹ 200.70 Crore. The recommendation for grant of Mining License by State Government is under active consideration.

17 Long-term loans and advances*

(₹ in Crore)

Particulars	**As at March 31, 2016**	As at March 31, 2015
Unsecured, considered good		
Capital advances	**1,166.33**	1,411.12
Security deposits	**165.98**	215.92
Advance income tax (net of provision)	**2,513.12**	2,844.99
Prepaid expenses	**6.40**	15.06
MAT credit entitlement	**12,627.05**	11,460.00
Advance/loan to employees	**4.17**	5.16
Fair value derivative hedging receivable	**1.61**	1.19
Claims and other receivables[abc] [Refer note no. 37 (b)]	**588.26**	84.57
Balance with central excise and government authorities	**595.18**	415.07
Considered doubtful - capital advances	**1.50**	1.50
Less: Provision for doubtful loans and advances	**(1.50)**	(1.50)
Total	**17,668.10**	16,453.08

* Includes share of Joint ventures ₹ 0.25 Crore (Previous year : ₹ 0.09 Crore)

a) Claims and other receivables includes claims recoverable from Madhya Pradesh Electricity Board (MPEB)/ Chhattisgarh State Electricity Board (CSEB) amounting to ₹ 10.08 Crore (Previous year: ₹ 10.08 Crore), which are disputed by them. The Company is also disputing the claim for Electricity duty/surcharge made by MPEB/CSEB amounting to ₹ 10.93 Crore (Previous year: ₹ 10.68 Crore). The net amount recoverable/payable can be ascertained on settlement of the disputes.

b) Includes ₹ 53.67 Crore towards Taraimar Coal block relating to BALCO, which stands deallocated.

c) Includes ₹ 58.10 Crore (Previous year: ₹ 58.10 Crore) on account of education and secondary and higher education cess paid for FY 2013-14, for which Cairn has filed the refund applications pursuant to circular no 978/2/2014-CX issued by Central Board of Excise & Customs. The said refund applications have been rejected by the tax authorities, which have been appropriately challenged by Cairn before Commissioner (Appeal), and also a writ petition has been filed before Honorable Rajasthan High Court.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

18 Other non-current Assets

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Bank deposits@	2,461.05	1,123.70
Interest receivables	30.98	5.01
Inventory of stores and spares	661.47	703.26
Unamortised expenses	190.89	179.75
Balance with Environmental Rehabilitation Trust	50.77	55.20
Trade receivables (unsecured, considered good)	34.10	34.10
Total	3,429.26	2,101.02

@ Bank deposits includes

a) Fixed deposit with maturity more than twelve months of ₹ 0.02 Crore (Previous year ₹ 0.02) under lien with bank.

b) Restricted funds of ₹ 96.85 Crore (Previous year ₹ 141.65 Crore) held as collateral in respect of closure costs and ₹ 24.54 Crore (Previous year ₹ 27.13 Crore) in respect of an escrow account for future redundancy payments payable to employees in Lisheen.

c) Site restoration fund amounting to ₹ 258.47 Crore (Previous year ₹ 172.68 Crore)

19 Current investments *

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
At lower of cost and fair value- fully paid up		
Investment in bonds -quoted	9,836.41	9,829.43
Investment in mutual funds- quoted	3,656.08	4,705.65
Investment in commercial paper- quoted	243.84	-
Investment in mutual funds- unquoted	32,793.04	24,760.33
Certificate of deposit -unquoted	-	97.19
Total	46,529.37	39,392.60

* Includes share of Joint ventures ₹ 0.26 Crore (Previous year : ₹ Nil)

a) Aggregate amount of quoted investments ₹ 13,736.33 Crore (Previous year : ₹ 14,535.08 Crore) [Market value- ₹ 14,807.68 Crore (Previous year : ₹ 15,409.54 Crore)].

b) Includes ₹ 20.00 Crore offered as security by a subsidiary against overdraft facility from a bank.

20 Inventories

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Raw materials	1,654.53	1,717.97
Goods-in transit	1,683.94	1,694.07
	3,338.47	3,412.04
Work-in-progress	2,176.09	2,790.10
Finished goods*	647.50	639.88
Fuel stock	485.74	407.60
Goods-in transit	172.84	329.55
	658.58	737.15
Stores and spares	1,214.54	1,129.82
Goods-in transit	43.95	16.03
	1,258.49	1,145.85
Total	8,079.13	8,725.02

For mode of valuation for each class of inventories, refer note number 3(c)
*Includes stock in pipeline ₹ 120.71 Crore (Previous year: ₹ 112.13 Crore)

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

21 Trade receivables

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	753.40	550.79
Doubtful	573.55	538.12
Less: Provision for doubtful trade receivables	(573.55)	(538.12)
Total	753.40	550.79
Other trade receivables		
Unsecured, considered good	1,769.69	3,054.34
Unsecured, considered doubtful	0.63	36.88
Less: Provision for doubtful trade receivables	(0.63)	(36.88)
Total	1,796.69	3,054.34
Total	2,550.09	3,605.13

22 Cash and cash equivalents*

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents (as per Accounting Standard 3 : Cash flow statements)		
- Balances with banks in current accounts[a]	874.13	493.99
- Bank deposits with original maturity of less than 3 months	1,325.28	604.13
- Cash on hand	0.24	0.15
	2,199.65	1,098.27
Other bank balances		
- Bank deposits with original maturity of more than 3 months but less than 12 months[b]	269.33	4,040.92
- Bank deposits with original maturity of more than 12 months[c,d]	870.16	181.41
- Earmarked unpaid dividend accounts	336.57	232.55
- Escrow account	-	143.13
Total	3,675.71	5,696.28

a) Includes amount of ₹ 0.14 Crore (Previous year ₹ 4.88 Crore) pledged against the loan facility taken from the banks.

b) Includes ₹ 188.85 Crore (Previous year ₹ 187.10 Crore) on lien with banks, margin money of ₹ Nil (Previous year ₹ 38.13 Crore) and ₹ Nil (Previous year ₹ 28. 47 Crore) of interest reserve created against interest payments on loans fro bank.

c) Includes ₹ 3.72 Crore (Previous year ₹ 7.46 Crore) on lien with banks and margin money ₹ 37.69 Crore (Previous year ₹ Nil).

d) Restricted funds of ₹ 84.91 Crore held as collated in respect of closure costs and ₹ 27.86 Crore in respect of an escrow account for future redundancy payments payable to employees in Lisheen.

* Includes share of Joint ventures ₹ 0.18 Crore (Previous year : ₹ 0.83 Crore)

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

23 Short-term loans and advances*

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured considered good (unless otherwise stated)		
Loans and advance to related parties (Refer note no. 44)	154.45	39.08
Prepaid expenses	146.09	112.13
Advance/loans to employees	21.30	12.69
Sundry deposits	73.87	69.70
Balance with central excise authorities and other government authorities	425.55	614.35
MAT credit entitlement	419.38	-
Advance income tax (net of provisions)	276.94	251.50
Fair value derivative hedging receivable	125.20	99.35
Claims and other receivables [Refer note no. 37 (b)]	364.51	992.17
Advance to suppliers	728.94	851.33
Advance recoverable from JV partner oil fields	1,888.85	1,299.20
Advance recoverable from JV partner oil fields - doubtful	405.84	293.06
Less: Provision for doubtful loans and advances	(405.84)	(293.06)
Total	4,625.08	4,341.50

* Includes share of Joint ventures ₹ 2.99 Crore (Previous year : ₹ 0.56 Crore)

24 Other current assets*

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest accrued on investment and Fixed deposits	553.92	318.16
Assets held for sale	21.98	30.76
Revenue received short of entitlement interest	18.11	8.74
Unamortised expenses on borrowings	156.87	190.76
Export incentives receivable	310.53	207.70
Unbilled revenue	143.75	141.21
Total	1,205.16	897.33

* Includes share of Joint ventures ₹ 0.01 Crore (Previous year : ₹ 0.06 Crore)

25 Revenue from operations*

(₹ in Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Sale of products (gross)[a]	69,002.70	80,840.13
Less: Government share of profit petroleum	(2,363.97)	(4,734.36)
Total Sale of products (gross)	66,638.72	76,105.77
Sale of services	673.14	501.15
Export incentives	350.28	347.63
Other operating revenues		
Unclaimed liabilities written back	161.88	20.12
Scrap sales	183.68	188.45
Sale of slag	23.44	11.25
Miscellaneous income	133.36	125.58

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

25 Revenue from operations* (Contd.)

(₹ in Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Gross Revenue from operations	68,164.50	77,299.95
Less: Excise Duty on revenue from operations	(3,730.95)	(3,590.45)
Net Revenue from operations	64,433.55	73,709.50

* Includes share of Joint ventures ₹ 0.23 Crore (Previous year : ₹ 2.35 Crore)

a) Sale of products comprises of manufactured goods ₹ 68,046.98 Crore (Previous year : ₹ 80,202.99 Crore) and traded goods ₹ 955.71 Crore (Previous year : ₹ 637.14 Crore).

26 Other income*

(₹ in Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest income on :		
- Bank deposits	358.97	306.31
- Current investments	769.63	529.62
- Loans	0.98	0.74
- Others	172.34	189.84
Dividend income		
- Current investments	0.01	-
- Long-term investments - others	0.32	0.14
Profit on sale of fixed assets (net)	-	2.01
Net gain on sale of current investments	1,986.79	1,225.25
Net gain on foreign currency transactions and translations	972.05	610.67
Other non-operating income[a]	193.17	112.62
Total	4,454.26	2,977.20

* Includes share of Joint ventures ₹ 0.05 Crore (Previous year : ₹ 0.02 Crore)

a) Includes ₹ 62.74 Crore (Previous year : ₹ Nil) on account of reversal of provision of interest on income tax relating to earlier years.

27 Changes in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Opening Stock:		
Finished goods	606.14	971.94
Work-in-progress	2,679.43	2,844.23
	3,285.57	3,816.17
Add : Foreign exchange translation	(80.05)	-
Less : transferred to loans and advances pursuant to Supreme Court Order dated April 21, 2014 [Refer note no. 37(a)]	-	(475.15)
Closing Stock		
Finished goods[a]	672.78	606.14
Work-in-progress[b]	2,150.81	2,679.43
	2,823.59	3,285.57
Total	381.93	55.45

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

a) Excludes stock of ₹ Nil (Previous year ₹ 33.74 Crore) relating to trial production of intermediate products for Aluminium Plant, which is being capitalised.

b) Excludes inventories of ₹ Nil (Previous year ₹ 110.67 Crore) of work-in-progress relating to trial production of intermediate products, which is being capitalised.

28 Employee benefits expense*

(₹ in Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries and wages (Refer note no. 41)[a,b]	2,704.83	3,132.70
Contribution to provident and other funds	218.10	272.04
Staff welfare expenses	222.33	255.57
Less: Cost allocated to joint ventures	(676.21)	(815.00)
Total	2,469.05	2,845.31

* Includes share of Joint ventures ₹ 0.09 Crore (Previous year : ₹ 2.03 Crore)

a) In view of the inadequacy of profits for FY 2013-14, the remuneration paid to the Executive Chairman of the Company was in excess of the limits specified in Section 198 read together with Schedule XIII of the erstwhile Companies Act, 1956. Basis legal advice, the Company had approached the Ministry of Corporate Affairs (MCA), for waiver of excess remuneration on the grounds that the excess has arisen purely on account of the Scheme of Arrangement and Amalgamation. MCA has advised the Company to seek approval of the Shareholders by way of Special Resolution as the earlier resolution was by way of Ordinary Resolution. The Company will be seeking the Shareholders approval at the ensuing Annual General Meeting (AGM) and then approach the MCA for approval.

b) The Company offers equity-based award plans to its employees, officers and directors through its parent, Vedanta Resources Plc (the "Parent"), [The Vedanta Resources Long-Term Incentive Plan ("LTIP"), Employee Share Ownership Plan ("ESOP"), Performance Share Plan ("PSP") and Deferred Share Bonus Plan ("DSBP")]

During the year, the PSP is the primary arrangement under which share-based incentives are provided to the defined management group, previously these awards were granted on a similar basis under the LTIP. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference to the individual fixed salary and share-based remuneration consistent with local market practice. The performance condition attaching to outstanding awards under the PSP and LTIP is that of Parent's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three year period with the performance of the competitor companies as defined in the scheme from the date of grant. Initial awards under the LTIP were granted in February 2004 and subsequently further awards were granted in the respective years until 2012-13. Additionally, PSP vesting conditions includes continued employment with the Group till the date of vesting. Initial awards under the PSP were granted in November 2014 and subsequently in December 2015. The awards are indexed to and settled by Parent shares. The awards have a fixed exercise price denominated in Parent's functional currency of 10 US cents per share, the performance period of each award is three years and are exercisable within a period of six months from the date of vesting beyond which the option lapse.

The Parent has also granted awards under the ESOP scheme that shall vest based on the achievement of business performance in the performance period. The vesting schedule is staggered over a period of three years. Under these schemes the Parent is obligated to issue the shares.

Further, in accordance with the terms of the agreement between the Parent and the Company, the fair value of the awards as on the grant date is recovered by the Parent from the Company and its subsidiaries.

In 2015, Vedanta introduced the DSBP, with initial awards being made in May 2015 and August 2015. Under the plan, a portion of the annual bonus is deferred into shares and the awards granted under this scheme are not subject to any performance conditions. The vesting schedule is staggered over a period of two or three years. In case of DSBP, the shares are purchased from open market and allotted to employees, officers and directors.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

Amount recovered by the Parent and recognized by the Group in the Statement of Profit and Loss (net of capitalisation) for the year ended March 31, 2016 is ₹ 72.69 Crore (Previous year ₹ 141.74 Crore). The Group considers these amounts as not material and accordingly has not provided further disclosures.

29 Finance costs*

(₹ in Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest expense[a]	4,917.43	4,830.95
Other borrowing costs	632.19	655.09
Net Loss on foreign currency transactions and translations	154.98	172.87
Less: Cost allocated to Joint venture	(0.11)	(0.13)
Total	5,704.49	5,658.78

* Includes share of Joint ventures ₹ Nil Crore (Previous year : ₹ 0.01 Crore)

a) Includes interest on delayed payment of income tax of ₹ 7.17 Crore (Previous year : ₹ 13.19 Crore)

30 Other expenses*

(₹ in Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Consumption of stores and spare parts	1,888.96	2,204.34
Share of expenses from producing oil and gas blocks	2,093.49	1,767.24
Exploration costs written off	260.04	1,098.04
Cess on crude oil, etc.	2,628.10	2,824.16
Water charges	119.33	114.51
Repairs to machinery	1,657.11	1,668.74
Repairs to building	136.90	136.70
Repairs others	118.70	127.42
Mining expenses	638.87	692.66
Excise duty[a]	(6.47)	5.70
Royalty	1,887.60	1,519.38
Rates & taxes	66.86	64.55
Rent	72.35	98.75
Insurance	116.74	144.58
Conveyance and travelling expenses	111.47	152.79
Loss on sale of fixed assets (net)	5.52	-
Sitting fees and commission to directors	7.65	6.92
Trade receivables, advances and assets written off	1.06	0.85
Payment to auditors	25.60	21.56
Provision for doubtful trade receivables/advances	28.35	321.90
Carriage outward	697.82	744.72
Export duty	25.00	13.17
Excess of carrying cost over fair value of current investments (net)	130.15	18.98
General Expenses [Refer note no. 41]	2,702.33	2,577.56
Less: Costs allocated to joint ventures	(297.18)	(403.78)
Total	15,116.35	15,921.44

* Includes share of Joint ventures ₹ 0.31 Crore (Previous year : ₹ 0.30 Crore)

a) Represents the aggregate of excise duty borne by the Group and difference between excise duty on opening and closing stock of finished goods.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

31 Exceptional items

(₹ in Crore)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Provision for impairment of assets[a]	1,131.06	539.85
Depreciation on change of method for oil & gas assets[b]	-	2,127.80
Voluntary retirement expenses	147.64	69.81
Provision for impairment of goodwill[c]	11,172.98	19,461.28
Total	12,451.68	22,198.74

a) Provision for impairment of assets includes :

i) non-cash provision of ₹ 115.44 Crore during the year ended March 31, 2016, in the carrying amount of idle assets grouped under Capital work-in-progress which includes plant & equipments and building at Bellary, Karnataka.

(ii) in case of Cairn India Limited, due to fall in crude oil prices in the international market, the management is continuously reassessing its future strategy and is carrying on development and exploration only in regions where it believes that the reserves and resources are commercially viable. Accordingly, development and exploration activities have been suspended in certain fields and management has assessed the recoverable value of the entire oil and gas block to which they relate, being separate CGUs. The recoverable amounts have been determined based on the net selling price approach using an appropriate valuation technique, wherever the CGUs included some producing assets as well. For all other CGUs, where there are no oil and gas producing assets and activities have been suspended, the recoverable amounts have been assessed as nil and accordingly, Cairn India Limited has recorded impairment charge of ₹ 284.17 Crore during the year ended March 31, 2016.

(iii) ₹ 681.70 Crore for fixed assets in respect of the exploratory assets in West Africa (Western Cluster, Liberia). The impairment was as a result of low iron ore prices, geo-political factors and no plans for any substantive expenditure resulting in continued uncertainty in the project.

(iv) ₹ 49.75 Crore for fixed assets in respect of Copper Mines of Tasmania Pty Limited, as a result of extended care and maintenance, low copper prices and continued uncertainty in the project.

(v) ₹ 34.65 Crore in the previous year, in respect of expenditure incurred on three coal blocks allotted to the Company and its subsidiaries, due to cancellation of coal blocks by the Supreme Court of India.

(vi) ₹ 505.20 Crore in the previous year in respect of exploratory wells in Sri Lanka impaired as the development of hydrocarbons in the said block was not commercially viable at the prevailing prices.

b) During the year ended March 31, 2015, the Company's subsidiary, Cairn India Limited has changed the method of depreciation on some of its oil and gas assets from 'Straight Line' method to the 'Unit of Production' method so as to be in compliance with the requirements of 'Guidance Note on Accounting for Oil and Gas Producing Activities (Revised 2013)' issued by the Institute of Chartered Accountants of India. The additional charge due to the same for the period up to March 31, 2014, aggregated ₹ 2,127.80 Crore.

c) Provision for impairment of goodwill includes :

(i) Non-cash impairment charge of acquisition goodwill, in respect of the group's 'oil and gas' business aggregating ₹ 10,074.00 Crore (Previous year : ₹ 19,180.00 Crore). The impairment of goodwill was triggered by significant fall in the crude oil prices, prevailing discount of Rajasthan crude and adverse long term impact of revised cess. During previous year, the impairment was triggered by significant fall in the crude oil prices.

For the purpose of impairment testing, goodwill has been allocated to the 'Oil and Gas' cash generating unit ("CGU").

The recoverable amount of the CGU was determined based on the net selling price approach, as it more accurately reflects the recoverable amount based on management view of the assumptions that would be used

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

by a market participant. This is based on the cash flows expected to be generated by the projected oil or 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 current estimates of reserves and resources. It has been assumed that the PSC for Rajasthan block would be extended till 2030 on the same commercial terms.

Discounted cash flow analysis used to calculate net selling price uses assumption for oil price at US$ 41 per barrel for FY 2017 (Previous year : US$ 70 per barrel) and the long term nominal price of US$ 70 per barrel (Previous year : US$ 84 per barrel) derived from a consensus of various analyst recommendations. Thereafter, these have been increased at a rate of 2.5% per annum. The cash flows are discounted using the post-tax nominal discount rate of 11% (Previous year: 10.32%) derived from the post-tax weighted average cost of capital.

The impairment loss relates to the 'Oil and Gas' business reportable segments, however this has been shown as exceptional items and does not form part of the segment result for the purpose of segment reporting.

ii) The mining operations at Copper Mines of Tasmania Pty Limited ("CMT"), Australia were temporarily suspended in January 2014 following a mud rush incident at the mines. On June 27, 2014, a rock fall occurred in the Prince Lyell mine affecting an access drive which connects the lower levels of the mine to surface. As a consequence, mining operations were put into Care and Maintenance.

Non-cash impairment charge of acquisition goodwill, in respect of CMT aggregating to ₹ 290.54 Crore (Previous year : ₹ 281.28 Crore) was recognised during the year. The impairment of goodwill was as a result of continued care & maintenance, low copper prices and continued uncertainty in start-up of operations.

For the purpose of impairment testing, goodwill has been allocated to the 'CMT' cash generating unit ("CGU"). The recoverable amount of the CGU was determined based on the net selling price approach. This is based on the cash flows expected to be generated by projected exploration & production profile of copper reserves. Discounted cash flow analysis used to calculate net selling price uses assumption for prices derived from the market projections.

The impairment loss relates to the 'Copper' business reportable segment; however this has been shown as exceptional items and does not form part of the segment result for the purpose of segment reporting.

iii) acquisition goodwill in respect of Western Cluster Limited amounting to ₹ 808.44 Crore. The impairment was as a result of low iron ore prices, geo-political factors and no plans for any substantive expenditure resulting in continued uncertainty in the project.

32 Earnings per equity share (EPS)

(₹ in Crore)

Particulars		Year ended March 31, 2016	Year ended March 31, 2015
(Loss) / Profit after tax attributable to equity share holders for Basic EPS		**(9,323.44)**	(15,646.77)
(Loss) / Profit after tax attributable to equity share holders for Diluted EPS		**(9,323.44)**	(15,646.77)
Weighted average number of equity shares outstanding during the year :			
For Basic EPS	Nos	**296,50,04,871**	296,50,04,871
For Diluted EPS*	Nos	**296,50,04,871**	296,50,04,871
Basic EPS	₹	**(31.44)**	(52.77)
Diluted EPS*	₹	**(31.44)**	(52.77)
Nominal Value per Share	₹	**1/-**	1/-

*During the previous year the effect of potential equity share on account of FCCBs is anti-dilutive and hence the same was not considered in calculating the diluted EPS.

33 During the year ended March 31, 2016, pursuant to verdict of Hon'ble Supreme Court of India in May, 2015 in the case of a subsidiary of the Company, upholding the applicability of Renewable Power Obligations to thermal captive power plants, the Group has recognised a provision under "Power and fuel charges" of ₹ 414.27 Crore for the period till March 31, 2015, relating to its operations across the Group which are subject to similar State regulations.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

34 The financial statements of the Joint Ventures are consolidated using proportionate consolidation method.

The Company's share of each of the assets, liabilities, income, expenses and capital commitments related to its interest in these Joint Ventures are :

(₹ in Crore)

Balance Sheet	As at March 31, 2016	As at March 31, 2015
Equity and Liabilities		
Shareholders' funds		
Share capital	2.59	2.64
Reserves and surplus	1.11	2.47
Non-current liabilities		
Long-term borrowings	-	0.01
Other Long-term liabilities	-	0.01
Long-term provisions	-	0.08
Current liabilities		
Trade payables	0.01	0.18
Other current liabilities	1.22	0.83
Total	4.93	6.22
Assets		
Non-current assets		
Fixed assets	1.24	4.68
Long-term loans and advances	0.25	0.09
Current assets		
Current investments	0.26	-
Cash and cash equivalents	0.18	0.83
Short-term loans and advances	2.99	0.56
Other current assets	0.01	0.06
Total	4.93	6.22

(₹ in Crore)

Statement of Profit and Loss	As at March 31, 2016	As at March 31, 2015
Revenue from operations (net)	0.23	2.35
Other income	0.05	0.02
Total Revenue	0.28	2.37
Expenses:		
Employee benefits expense	0.09	2.03
Finance costs	-	0.01
Depreciation, depletion and amortisation expense	0.01	0.07
Other expenses	0.31	0.30
Total expenses	0.41	2.41
Loss before tax	(0.13)	(0.04)
Tax expense	-	(0.01)
Net loss for the year	(0.13)	(0.03)
Capital commitments (net of advances)	-	0.23

35 The disclosures as required by AS 15 on "Employee Benefits" are as follows:

(₹ in Crore)

Particulars	2015-16	2014-15
(a) Defined Contribution Plan:		
Employer's Contribution to Provident Fund & Family Pension Fund	112.40	126.84
Employer's Contribution to Superannuation	28.13	34.02

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

The provident funds of Iron ore division, BALCO, HZL, SRL and SMCL are exempted under section 17 of Employees Provident Fund 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 Guidance Note from The Institute of Actuaries - Valuation of Interest Guarantees on Exempt Provident Funds under AS 15 (Revised 2005) - for actuarially ascertaining such interest liability, there is no interest shortfall that is required to be met by Iron ore division, BALCO, HZL, SRL and SMCL as of March 31, 2016. Having regard to the assets of the fund and the return in the investments, the Group does not expect any deficiency in the foreseeable future.

Defined contribution plans in case of Black Mountain Mining (Proprietary) Limited is governed by South African Fund Act. Defined contribution fund for THL Zinc Namibia Holdings (Proprietary) Limited has been registered in Namibia in terms of the Pension Fund Act.

(b) Defined Benefit Plan:

The disclosure as required under AS 15 regarding the Group's gratuity plan is as follows:

The Iron ore division of the Company, HZL and Cairn have constituted a trust recognized by Income Tax authorities for gratuity to employees, contributions to the trust are funded with Life Insurance Corporation of India (LIC) and ICICI Prudential Life Insurance Company Limited.

In accordance with Accounting Standard-15 'Employee Benefits', the Company and some of its subsidiaries have provided the liability on actuarial basis. As per the actuarial certificate, the details of the employees benefits plan – gratuity are:

(₹ in Crore)

Particulars	2015-16	2014-15
Actuarial assumptions		
Salary growth	2.00%, 5.00% - 15.00%	5.00%-15.00%
Discount rate	8.00%	7.80%-7.82%
Expected return on plan assets	8.0%-8.80%	7.80%-9.45%
Mortality table	IALM (2006 - 08)	IALM(2006-08)
Expenses recognised in the Statement of Profit and Loss		
Current service cost	27.34	28.06
Interest cost	35.36	36.78
Expected return on plan assets	(23.92)	(24.83)
Net actuarial (gains)/losses recognised in the year	15.63	65.64
Total	54.41	105.65
Present value of defined benefit obligation		
Balance at the beginning of the year	476.19	425.71
Acquisition adjustments	-	2.52
Current service cost	27.34	28.06
Interest cost	35.36	36.78
Actuarial (gains)/loss on obligation	14.84	64.66
Benefits paid	(126.24)	(81.54)
Balance at the end of the year	427.49	476.19
Fair value of plan assets		
Balance at the beginning of the year	282.70	275.35
Acquisition Adjustments	-	2.52
Expected returns on plan assets	23.92	24.83
Contribution	65.13	28.76
Actuarial gains/(losses)	(0.79)	(0.98)
Benefits paid	(81.00)	(47.78)
Balance at the end of the year	289.96	282.70

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

(₹ in Crore)

Assets and liabilities recognised in the balance sheet	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of obligations at the end of the year	427.49	476.19	425.71	54.54	53.40
Less: Fair value of plan assets at the end of the year	(289.96)	(282.70)	(275.35)	(43.35)	(43.92)
Net liability recognised in the balance sheet	137.53	193.49	150.36	11.19	9.48
Experience adjustment on actuarial gain/(loss)					
Plan liabilities	(20.35)	(9.86)	0.68	(1.75)	0.27
Plan assets	(1.35)	15.51	21.49	1.18	0.24

Note:

In the absence of detailed information regarding Plan assets which is funded with Life Insurance Corporation of India and ICICI Prudential Life Insurance Company Limited, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above is certified by the actuary.

The contributions expected to be made by the Group during FY 2016-17 are ₹ 37.09 Crore.

(c) Post Employment Medical Benefits

The scheme is framed with a view to provide medical benefits to the regular employees of Balco and BMM and their spouses subsequent to their retirement on completion of tenure including retirement on medical grounds and voluntary retirement on contributory basis subject to provisions as detailed hereunder.

(₹ in Crore)

Movement in present value of defined benefit obligation	2015-16	2014-15
Obligation at the beginning of the year	53.85	47.38
Current service cost	0.96	1.02
Interest cost	4.24	4.33
Contribution from members	-	0.62
Actuarial loss/(gain)	1.27	5.92
Benefits paid	(1.76)	(2.20)
Foreign Currency Translation	(4.74)	(3.22)
Obligation at the end of the year	53.82	53.85

Amount recognised in the Statement of profit and loss	2015-16	2014-15
Current service cost	0.96	1.02
Interest cost	4.24	4.33
Net actuarial (gains)/losses recognised in the period	1.27	5.92
Total	6.47	11.27

Actuarial assumptions	2015-16	2014-15
Salary growth	5%-8.10%	5%-7%
Discount rate	8%-10.20%	7.8%-8.85%
In Service Mortality	IALM(2006-08)	IALM(2006-08)
Post Retirement Mortality	LIC (1996-98) Ultimate	LIC (1996-98) Ultimate

(₹ in Crore)

Amount recognised in the balance sheet	2015-16	2014-15	2013-14	2012-13	2011-12
Present value of obligations at the end of the year	53.82	53.85	47.38	-	-
Less: Fair value of plan assets at the end of the year	-	-	-	-	-
Net liability recognised in the balance sheet	53.82	53.85	47.38	-	-

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

(₹ in Crore)

Amount recognised in the balance sheet	2015-16	2014-15	2013-14	2012-13	2011-12
Experience Adjustment on actuarial Gain/(Loss)					
Plan Liabilities	(1.83)	(3.73)	1.12	-	-
Plan Assets	-	-	-	-	-

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above is certified by the actuary.

36 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 Honorable High Court of Madras and the Honorable High Court of Judicature of Bombay at Goa. The Scheme had been given effect to in the year ended March 31, 2014. Subsequent to, the effectiveness of the Scheme, the Commissioner of income tax, Goa and the Ministry of Corporate Affairs have challenged the order of the High Court of Judicature of Bombay at Goa by way of a Special Leave Petition before the Supreme Court. Further, a creditor and a shareholder have challenged the order of the High Court of Madras. The said petitions are pending for hearing and admission."

37 Goa mining:

a) The Honourable Supreme Court (Supreme Court) vide its judgment dated April 21, 2014 had lifted the ban on mining in the State of Goa, subject to certain conditions. It has also directed that out of the sale proceeds of the e-auction of excavated ore, leaseholders to be paid average cost of excavation of iron ore as determined by the State Government, and the balance amounts are to be allocated amongst various affected stakeholders and unallocated amounts to be appropriated by the State Government. In pursuance of the said judgement, the State Government of Goa has on October 1, 2014 announced the Goa Grant of Mining Leases Policy, 2014 and has renewed the mining leases. The Government of Goa has vide its order dated January 15, 2015 revoked its earlier order on temporary suspension of mining operations in the State of Goa. The Company has obtained consent to operate from Goa State Pollution Control Board and mining plan approvals from Indian Bureau of Mines for all its leases. Accordingly, the Company has commenced mining operations in Goa.

In view of the Supreme Court judgment designating the State Government as owners of the ore and mine lessees entitled to reimbursement of the average cost of excavation and based on rules framed for the auction of such ore, during the previous year inventories of carrying value of ₹ 475.15 Crore had been reclassified from 'Inventories' to 'Claims and other receivables' under the head 'Short term loans and advances' as at March 31, 2015.

b) Pursuant to the judgment of the Supreme Court dated April 21, 2014, in determining the average cost of excavation as referred above, the Directorate of Mines and Geology (DMG) of the State of Goa has on September 2, 2015, notified ₹ 250.00 per ton (aggregating ₹ 72.14 Crore recorded as "Claims and other receivables" under "Short term loans and advances" in note 23) as the average cost of excavation payable to the respective lease holders, sister concerns or traders. Based on a legal opinion, the management of the Company is exploring future course of action and considering the merits of the case, no provision is considered necessary against the balance amount of ₹ 315.49 Crore recorded as "Claims and other receivables" under "Long term loans and advances" in note 17.

38 Pursuant to introduction of 'The Mines and Mineral (Development and Regulation) Amendment Act, 2015 and subsequent Notification dated September 17, 2015, the group has created liability in terms of Sections 9B(6) and 9C of the Act towards contribution to 'District Mineral Foundation' and 'National Mineral Exploration Trust' @ 30% and 2% on the royalty expenses respectively, effective from January 12, 2015. The Group has expensed ₹ 373.05 Crore during the year (previous year ₹ 119.98 Crore on an estimated basis), which has been included under Royalty expenses.

39 Certain foreign exchange hedging instruments which qualify for being designated as "hedges of net investment in foreign operation", have been so designated. Consequently, mark to market exchange losses (spot movement) on such forward exchange contracts amounting to ₹ 206.42 Crore have been recognised in the Foreign Currency Translation reserve during the year ended March 31, 2016.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

40 a) The Board of Directors of the Company and Cairn India Limited at their respective meetings held on June 14, 2015 had approved the Scheme of Arrangement with effect from April 1, 2015 on such date as may be approved by the High Court. (the "Scheme") between the Company and Cairn India Limited and their respective shareholders and creditors, subject to regulatory and other approvals. On September 10, 2015, BSE Limited and the National Stock Exchange of India Limited has issued the 'No adverse observation' letter to the Scheme. We will approach the High Court for fixing the date of shareholders and creditors meeting in due course.

b) The Board of Directors in its meeting held on April 29, 2014, had approved the merger of Goa Energy Limited and Sterlite Infra Limited with the Company with effect from the appointed date of April 1, 2014. The Schemes of Amalgamation amongst Goa Energy Limited (GEL), Sterlite Infra Limited (SIL) (fully owned subsidiary companies) and Vedanta Limited was sanctioned by the High Court of Judicature of Bombay at Goa vide its order dated March 12, 2015 and High Court of Madras vide its order dated March 25, 2015 respectively. The scheme became effective from March 24, 2015 for Vedanta and GEL and from April 8, 2015 for Vedanta and SIL, being the date of filing the respective orders with the Registrar of Companies. The above schemes were given effect in the financial statements for the year ended March 31, 2015.

41 The provisions of Section 135 of the Companies Act, 2013 are applicable to the entities incorporated in India. Accordingly, the Group has incurred ₹ 152.39 Crore (Previous year: ₹ 162.20 Crore) during the year on account of expenditure towards Corporate Social Responsibility as indicated below:

(₹ in Crore)

Particulars	2015-16	2014-15
General expenses (Refer note no.30)	136.76	156.92
Salaries and wages (Refer note no.28)	0.82	2.30
Depreciation (Refer note no.14)	3.16	2.67
Capital work-in-progress [(Refer note no.14(j)]	11.65	0.31
Total	152.39	162.20

42 A) Contingent liabilities

(₹ in Crore)

	As at March 31, 2016	As at March 31, 2015
(a) Disputed liabilities in appeal :		
(i) Income tax demands principally in respect of depreciation consequent to block assessment, disallowance of short term capital loss, disallowance of commission on sales paid to non-resident, Section 14A, demurrage,Section 10B deduction and additional depreciation on plant and machinery.	3,433.00	2,878.76
(ii) Sales tax and Entry tax demands relating to tax on freight, tax rate differences, stock transfer matters etc.	1,009.56	834.03
(iii) Excise duty relating to disputes in respect of dutiability and availing of cenvat credit on certain capital goods and other inputs.	545.71	626.24
(iv) Service tax demands for certain services rendered	156.50	291.94
(v) Custom duty for import/export of goods	43.88	43.88
(vi) Forest development tax	297.80	297.80
(vii) Cess on transportation of ore, coal and coke	140.53	151.47
(viii) Royalty demand in Karnataka	12.11	12.11
(ix) Other matters principally related to certain indirect taxes/duties/marine claims	52.15	52.18
Total	5,691.24	5,188.41
(b) Claims against the Company not acknowledged as debts relating to :		
- Energy Development Cess claimed by the Government of Chhattisgarh	537.79	485.45
- Mining cases	333.90	333.90
- Suppliers and contractors	538.31	322.30
- Renewable Energy Purchase Obligation	-	440.22
- VAT input on Coal	181.31	128.26
- Others	385.02	452.28
Total	1,976.33	2,162.42

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

(c) Estimated cost of variation in copper and precious metals quantity due to adjustments done based on metal contents as per laboratory assessments pending receipt of final invoice amounts to ₹ 22.97 Crore (Previous year ₹ 46.13 Crore).

(d) Certain cases have been filed by the erstwhile land owners against the State of Punjab, which are pending in the Hon'ble District Court at Mansa. The Company has filed application for acceding as party to the dispute in the matter to safeguard its interest. All other land cases filed against the Company for enhancement of compensation were dismissed by the Hon'ble District Court at Mansa.

(e) TSPL had entered into a long term PPA with Punjab State Power Corporation Limited ('PSPCL') for supply of power. Due to delay in fulfilment of certain obligations by PSPCL as per the PPA and force majeure events, there was a delay in completion of the project as per the PPA timelines. TSPL has received notices of claims from PSPCL seeking payment of Liquidated damages (LD) of ₹ 317.64 Crore (maximum) each for delay in commissioning of Unit I, II and III totalling to ₹ 952.92 Crore.

During the previous year, PSPCL had invoked the Performance Bank Guarantee of ₹ 150.00 Crore to recover the LD on account of delay in Commercial Operation Date (COD). Against the BG invocation stay was granted by Punjab State Electricity Regulatory Commission ('PSERC') and this was later upheld by APTEL as well. The matter is referred to Arbitration by a panel of three Arbitrators. Pleadings are over in the matter and witnessing & arguments are undergoing. On the basis of facts supported by legal opinion, no provision is considered necessary at this stage.

(f) In March 2014 Cairn India Limited ('Cairn') received a notice from the Indian Tax Authorities ("Tax Authorities") alleging failure by Cairn to withhold tax on the consideration paid to Cairn UK Holdings Limited ("CUHL") in the year 2006-07, the then holding company. The said transaction relates to the acquisition of the shares of Cairn India Holdings Limited ("CIHL"), a 100% subsidiary of Cairn, from CUHL during FY 2006-07 as a part of group reorganization by the then ultimate parent company Cairn Energy Plc. Based upon the retrospective amendment(s) made in the year 2012 by inserting explanation 5 of section 9(1)(i) of the Income Tax Act, 1961, the Tax Authorities vide its order dated March 11, 2015, have raised a demand of approx. ₹ 20,494.73 Crore (comprising tax of appox. ₹ 10,247.36 Crore and interest of an equivalent amount) for not withholding tax on the consideration paid to CUHL, for acquiring shares of CIHL. Tax Authorities have stated in the said order that a short term capital gain of ₹ 24,503.50 Crore accrued to CUHL on transfer of the shares of CIHL to Cairn in FY 2006-07, on which tax should have been withheld by Cairn. Cairn understands that a tax demand has also been raised by the Tax Authorities on CUHL with respect to taxability of alleged capital gain earned by CUHL.

In this regard, Vedanta Resources Plc. (holding company), filed a Notice of Claim against the Government Of India ('GOI') under the UK-India Bilateral Investment Treaty (the "BIT") in order to protect its legal position and shareholder interests. Management has been advised that Vedanta Resources Plc. has a good case to defend as per provisions of BIT, the benefit of which would ultimately accrue to Cairn.

Further, the Group has been advised that there could be no liability on Cairn on account of not withholding the taxes in the year 2006-07 based on provisions of law prevailing at the time of transaction as the aforesaid retrospective amendment has cast an impossible obligation on the Company to deduct tax by having to predict and anticipate that the retrospective amendment will be made by legislature on a future date. Cairn has approached the Hon'ble Delhi High Court against the said order and also filed an appeal before the Commissioner of Income Tax (Appeals) to defend its said position.

(g) In case of Cairn, Section 80-IB (9) of the Income Tax Act, 1961 allows the deduction of 100% of profits from the commercial production or refining of mineral oil. The term 'mineral oil' is not defined but has always been understood to refer to both oil and gas, either separately or collectively.
The 2008 Indian Finance Bill appeared to remove this deduction by stating [without amending section 80-IB (9)] that "for the purpose of section 80-IB (9), the term 'mineral oil' does not include petroleum and natural gas, unlike in other sections of the Act". Subsequent announcements by the Finance Minister and the Ministry of Petroleum and Natural Gas have confirmed that tax holiday would be available on production of crude oil but have continued to exclude gas.

Cairn filed a writ petition to the Gujarat High Court in December 2008 challenging the restriction of section 80-IB to the production of oil. Gujarat High Court did not admit the writ petition on the ground

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

that the matter needs to be first decided by lower tax authorities. A Special Leave Petition has been filed before Supreme Court against the decision of Gujarat High court. However in an another similar case, the Gujarat High Court has held that tax holiday benefit would extend to production of gas.
In the event this challenge is unsuccessful, the potential liability for tax and related interest on tax holiday claimed on gas is approximately ₹ 320.07 Crore (Previous year: ₹ 282.01 Crore).

(h) **Ravva Joint Venture Arbitration proceedings : Base Development Cost.**
In the case of Cairn, Ravva joint venture had received the notice from Ministry of Petroleum & Natural Gas, Government of India (GOI) for the period from 2000-2005 for USD 129 million for an alleged underpayment of profit petroleum to the Indian Government, out of which, Group's share will be USD 29 million (approximately ₹ 192.34 Crore) [March 31, 2015: USD 29 million (approximately ₹ 181.65 Crore)] plus potential interest at applicable rate (LIBOR plus 2% as per PSC).

This claim relates to the Indian Government's allegation that the Ravva JV had recovered costs in excess of the Base Development Costs ("BDC") cap imposed in the PSC and that the Ravva JV had also allowed these excess costs in the calculation of the Post Tax Rate of Return (PTRR). Joint venture partners initiated the arbitration proceedings and Arbitration Tribunal published the Award on January 18, 2011 at Kuala Lumpur, allowing claimants (including the Company) to recover the Development costs spent to the tune of USD 278 million and disallowed over run of USD 22.3 million spent in respect of BDC along with 50% legal costs reimbursable to the Joint venture partners. High Court of Kuala Lumpur dismissed Government of India's (GOI) application of setting aside the part of the Award on August 30 , 2012 with costs. However, GOI appealed against the High Court's order before the Court of Appeal and the same has dismissed GOI's appeal on June 27, 2014. GOI still preferred to challenge the same before the Federal Court, Kuala Lumpur and their Leave to Appeal is currently due for hearing before Federal Court on May 17, 2016. GOI has also issued Show Cause Notice on this matter which the Company has replied to and also filed an application for enforcement of Award before Delhi High Court as an abundant caution. Next hearing is due on April 29, 2016. Furthermore, GOI is yet to agree on quantum of arbitration costs & expenses (legal fees and expenses) for reimbursing to the companies as per the Award. Therefore, the Companies have approached the Tribunal to quantify the costs. The GOI has obtained a stay order from Hon'ble High Court of Delhi, on August 14, 2015, against the Tribunal proceedings on quantum of arbitration costs on the grounds of Tribunal being functus officio. Cairn has filed an appeal before the Hon'ble High Court of Delhi against the aforesaid 'stay order' granted by the Hon'ble High Court of Delhi against the Tribunal 'proceedings on determination of costs'. The matters are due for hearing on October 3, 2016.

(i) **Ravva Joint Venture Arbitration proceedings: ONGC Carry.**
Cairn is involved in a dispute with GOI relating to the calculation of payments that it was required to make in connection with the Ravva field. The Ravva PSC obliges the Company to pay proportional share of ONGC's exploration, development, production and contract costs in consideration for ONGC's payment of costs related to 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 calculated, along with other issues, was submitted to an international arbitration panel in August 2002 which rendered a decision on the ONGC Carry in the Company's favour and four other issues in favour of GOI in October 2004 ("Partial Award"). The GOI filed a challenge to the ONGC Carry decision in the Malaysian courts, as Kuala Lumpur was the seat of the arbitration. The Federal Court of Malaysia which adjudicated the matter on October 11, 2011, upheld the Partial Award. Company persuaded with Ministry of Petroleum and Natural Gas (MoPNG) to implement the Partial Award while reconciling the statement of accounts as outlined in Partial Award ever since the Federal Court adjudication in place. However, MoPNG has issued a Show Cause Notice on July 10, 2014 alleging that profit petroleum has been short-paid. The Company had requested for Tribunal's reconstitution to publish the Final Award since it has retained the jurisdiction if parties are unable to agree on quantification sums due and payable to each other pursuant to the Partial Award. Accordingly, Tribunal was reconstituted and the next hearing is scheduled in June 2016. While the Company does not believe the GOI will be successful in its challenge, if the arbitral award is reversed and such reversal is binding, the Company could be liable for up to approximately USD 63.90 million (approximately ₹ 423.94 Crore) [March 31, 2015: USD 63.90 million (approximately ₹ 400.26 Crore)] plus interest.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

(j) During FY 2009-10, BALCO has received a demand from the Chief Electrical Inspector, Government of Chhattisgarh to pay ₹ 240.43 Crore on account of electricity duty on generation of power of its 540 MW power plant due to non submission of Eligibility certificate. BALCO has already applied for the eligibility certificate. On the basis of legal opinion obtained, BALCO is of the view that it is legally entitled to receive the exemption from payment of electricity duty under the Industrial Policy 2001-06 and the demand raised by the Chief Electrical Inspector is misconceived in law. The amount for the period subsequent to March 31, 2009 till March 31, 2016 amounts to ₹ 514.27 Crore. Therefore, based on the grounds stated above, BALCO has neither recognised a provision nor disclosed as a contingent liability considering the possibility of an outflow of resources embodying economic benefits as remote.

(k) Shenzhen Shandong Nuclear Power Construction Co. Limited ('SSNP') subsequent to terminating the EPC contract invoked arbitration as per the contract alleging non-payment of their dues towards construction of a 210 MW co-generation power plant for refinery expansion project, and filed a claim of ₹ 1,668.56 Crore. Based on the assessment, the Company had booked the liability of ₹ 195.73 Crore in earlier years and continues to defend the balance claims. The Company has also filed a counter claim of ₹ 2,458.00 Crore for delays caused for which SSNP is responsible. SSNP has also filed a petition under Section 9 of the Arbitration and Conciliation Act, 1996 before the Bombay High Court praying for interim relief seeking restrain order on encashment of Advance Bank Guarantee (ABG), injunction from disposing or creating third party right over Plant & Machinery (P&M) at the project site and security for the amount due under the contract. The Bombay High Court initially dismissed their petition, but on a further appeal by SSNP, the Division Bench of the Bombay High Court directed the Company to deposit a bank guarantee for an amount of ₹ 187.00 Crore as a security, being a prima facie representation of the claim, until arbitration proceedings are completed. The Company has deposited a bank guarantee of equivalent amount to the satisfaction of the Prothonotary, Bombay High Court. Moreover, the SSNP's Application under Section 31(6) of Arbitration Act for Interim Award of ₹ 202.00 Crore was also disallowed by the majority bench of the tribunal as pre-mature and unjustified. The matter has now gone into trail and is still in the very early stages of evidence. Management is of the opinion that this claim is not valid under the terms of the contract with SSNP and it is unlikely that SSNP can legally sustain the claim and accordingly, no provision is considered necessary.

(l) The Company had entered into an EPC contract with SEPCO Electric Power Construction Corporation (SEPCO) for setting up 1,980 MW Independent Power Plant at Talwandi, Punjab. The said contract has been novated in the name of Talwandi Sabo Power Limited (TSPL) by virtue of a novation agreement dated November 17, 2009 between the Company, TSPL and SEPCO and all rights and obligations of the Company have been assigned to TSPL by virtue of the novation agreement. The Company has guaranteed to SEPCO to discharge TSPL's obligation, including right of recourse to the Company under the guarantee, in case of failure of TSPL to perform its obligations under the EPC contract.

(m) **South Africa Carry cost**

As part of the farm-in agreement for Block 1, the Group is required to carry PetroSA up to a gross expenditure of USD 100 million (approximately ₹ 663.45 Crore) for a work program including 3D and 2D seismic and at least one exploration well. At balance sheet date, USD 37 million (approximately ₹ 245.47 Crore) has been spent in exploration expenditure and a USD 63 million carry (approximately ₹ 417.97 Crore) (including drilling one well) remains. The Mineral and Petroleum Resources Development Bill has proposed several changes to the fiscal terms of contracts for companies currently operating in South Africa and for new exploration contracts which are currently under revision. In light of the given uncertainty, the management believes, which is also supported by legal advice, that it is possible but not probable that the liability of USD 63 million (approximately ₹ 417.97 Crore) [Previous year: ₹ Nil] could devolve on the Group and accordingly no provision has been recognized in respect of the same in these financial statements.

(n) Future cash flows in respect of the above, if any, is determinable only on receipt of judgement/ decisions pending with relevant authorities. The Company does not expect the outcome of matters stated above to have a material adverse effect on the Company's financials conditions, result of operations or cash flows.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

B) Capital and other commitments

(₹ in Crore)

		As at March 31, 2016	As at March 31, 2015
(a)	**Capital commitments**		
i)	Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances).	**6,170.50**	6,193.48
ii)	Share of Joint ventures exploration activities and development activities	**160.62**	2,264.68
(b)	**Other commitments**		
(i)	The Company has given corporate guarantees to regulatory authorities on behalf of Volcan Investments Limited	**115.00**	115.00
(ii)	Export obligations against the import licenses taken for import of capital goods under the Export promotion Capital Goods Scheme and advance license.	**13,959.68**	16,710.08
(iii)	Customs duty bond taken for Project Import/Export	**1,471.62**	979.41
iv)	Share of Joint ventures minimum exploration commitments as per the production sharing contracts	**114.48**	2,123.49
v)	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 at (5%/ 7 %) at variable cost as per the conditions referred to in PPA . The PPA has a tenure of twenty five years.		
vi	TSPL has signed a long term power purchase agreement (PPA) with Punjab State Power Corporation Limited (PSPCL) [formerly known as Punjab State Electricity Board (PSEB)] for supply of power generated from the power plant. The PPA has tenure of twenty five years.		

C) In an appeal filed by the Company against the closure order of the Tuticorin Copper smelter by Tamil Nadu Pollution Control Board ("TNPCB"), the appellate authority the National Green Tribunal, Delhi ("NGT") passed an interim order on May 31, 2013 allowing the copper smelter to recommence operations and appointed an Expert Committee to submit a report on the plant operations. Post the interim order, the plant recommenced operations on June 23, 2013. The Expert Committee submitted a report on the operations of the plant stating that the plant's emission were within prescribed standards and based on this report, NGT ruled on July 15, 2013 that the Copper smelter could continue its operations. NGT vide its final Judgment dated August 8, 2013 made its interim order dated May 31, 2013 absolute and directed that the recommendations made by the Expert Committee be implemented in a time bound manner. The Company has implemented all of the recommendations and copper smelter has been operating normally. TNPCB has filed appeals against the interim & final orders of the NGT before the Supreme Court of India which are yet to be listed for hearing.

D) i) Lanjigarh project:

The Company has signed a Memorandum of Understanding (MoU) with the Government of Odisha for the supply of bauxite for the alumina plant at Lanjigarh. The Company has also entered into a separate MoU and Joint Venture (JV) Agreement with Orissa Mining Corporation (OMC) for supply of bauxite. During the year, OMC has, by a separate action, terminated the JV agreement for which the Company is pursuing the appropriate course of action. The Company is presently is sourcing bauxite from alternative sources including imports. The Company is also looking at bauxite mines which may come up for auction and at other alternatives.

ii) Expansion of Alumina Refinery:

During the year, the Company has received the necessary approvals for expansion of the Lanjigarh refinery to 4 million tonnes per annum (MTPA). Approval for expansion from 4 MTPA to 6 MTPA is dependent upon certain conditions.

Accordingly, second stream operation has commenced in Alumina refinery from April 2016 thus, taking it to the debottlenecked capacity of 1.7 - 2.0 MTPA (contingent on bauxite quality). Further ramp up to 4 MTPA will be considered after tying up the local bauxite sources.

E) The Central Excise Department had, in June 2010, alleged violation of Advance license conditions for the period 2005-2009 on the Company. Show cause notice in this regard has been served on the Company. The Company has filed a writ petition to quash the Show Cause Notice on recoveries / further proceedings from the Honourable Madras High Court, Madurai Bench in this matter. The matter was heard on March 02, 2016 by Honourable Madras High Court, Madurai Bench and the order is yet to be received. The Company has also been legally advised that the alleged charges are not legally sustainable and there is no financial liability on the Company.

F) 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 flow or the financial position of the Group.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

43 Segment Information as per Accounting Standard 17 on Segment Reporting for the year ended March 31, 2016

I) Information about Primary Business Segments

(₹ in Crore)

Particulars	Business Segments																			
	Copper		Aluminium		Iron Ore		Power		Zinc		Oil & Gas		Others		Unallocated		Eliminations		Total	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Revenue																				
External revenue	22,046.65	23,609.16	12,236.27	13,762.95	813.15	257.92	4,570.61	3,410.16	17,639.36	19,330.13	8,625.57	14,645.37	1,730.53	1,938.86	-	-	-	-	67,662.14	76,954.55
Inter segment revenue	2.30	110.03	12.86	22.96	47.02	17.61	430.36	729.94	-	-	-	-	613.64	668.97	-	-	(1,106.18)	(1,549.51)	-	-
Gross turnover	22,048.95	23,719.19	12,249.13	13,785.91	860.17	275.53	5,000.97	4,140.10	17,639.36	19,330.13	8,625.57	14,645.37	2,344.17	2,607.83	-	-	(1,106.18)	(1,549.51)	67,662.14	76,954.55
Less: Excise duty recovered on sales	1,140.14	1,086.83	1,158.20	1,059.61	-	-	0.14	0.07	1,281.79	1,311.69	-	-	150.68	132.25	-	-	-	-	3,730.95	3,590.45
Total revenue	20,908.81	22,632.36	11,090.93	12,726.30	860.17	275.53	5,000.83	4,140.03	16,357.57	18,018.44	8,625.57	14,645.37	2,193.49	2,475.58	-	-	(1,106.18)	(1,549.51)	63,931.19	73,364.10
Results																				
Segment result	1,989.57	1,416.13	(113.72)	1,867.28	(72.57)	(349.73)	664.62	513.64	5,775.93	6,942.91	(271.21)	4,413.51	335.98	339.64	-	-	-	-	8,308.60	15,143.38
Unallocated corporate expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	310.70	188.18	-	-	310.70	188.18
Operating profit/(loss)	1,989.57	1,416.13	(113.72)	1,867.28	(72.57)	(349.73)	664.62	513.64	5,775.93	6,942.91	(271.21)	4,413.51	335.98	339.64	(310.70)	(188.18)	-	-	7,997.90	14,955.20
Less: Finance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,704.49	5,658.78	-	-	5,704.49	5,658.78
Add : Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,454.26	2,977.20	-	-	4,454.26	2,977.20
Less: Income tax (including deferred tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	432.96	1,448.36	-	-	432.96	1,448.36
Less: Exceptional items	340.29	281.28	68.93	72.16	1,643.40	-	-	2.43	32.33	29.87	10,358.17	21,813.00	8.56	-	-	-	-	-	12,451.68	22,198.74
Net Profit/(Loss)	1,649.29	1,134.85	(182.65)	1,795.12	(1,715.97)	(349.73)	664.62	511.21	5,743.60	6,913.04	(10,629.38)	(17,399.49)	327.42	339.64	(1,993.89)	(4,318.12)	-	-	(6,136.97)	(11,373.48)
Other information																				
Segment Assets	8,191.25	7,921.67	42,855.72	41,390.47	4,085.82	5,159.72	25,295.43	22,933.89	16,789.69	16,991.63	18,893.71	31,851.82	1,720.71	1,949.05	-	-	-	-	117,832.33	128,198.25
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70,144.86	62,084.18	-	-	70,144.86	62,084.18
Total assets	8,191.25	7,921.67	42,855.72	41,390.47	4,085.82	5,159.72	25,295.43	22,933.89	16,789.69	16,991.63	18,893.71	31,851.82	1,720.71	1,949.05	70,144.86	62,084.18	-	-	187,977.19	190,282.43
Segment Liabilities	5,472.76	2,378.43	2,013.74	3,048.38	649.17	551.42	3,518.90	2,870.99	3,815.25	2,880.63	5,650.28	5,299.46	247.07	211.27	-	-	-	-	21,367.17	17,240.58
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88,970.30	83,636.84	-	-	88,970.30	83,636.84
Total liabilities	5,472.76	2,378.43	2,013.74	3,048.38	649.17	551.42	3,518.90	2,870.99	3,815.25	2,880.63	5,650.28	5,299.46	247.07	211.27	88,970.30	83,636.84	-	-	110,337.47	100,877.42
Capital Expenditure	121.43	126.38	621.44	1,039.88	72.32	180.76	757.99	947.10	1,913.94	1,602.70	1,407.73	5,087.22	44.96	40.53	4.23	5.47	-	-	4,944.04	9,030.04
Depreciation and Amortisation	218.88	219.27	773.36	693.00	121.69	129.20	634.01	359.28	1,088.39	1,424.62	3,775.64	4,245.78	91.16	79.50	7.81	8.51	-	-	6,710.94	7,159.16
Non-cash Expenditure other than depreciation	22.87	-	-	15.79	5.47	1.50	1.07	305.46	-	-	-	-	-	-	-	-	-	-	29.41	322.75

(i) Segments have been identified and reported taking into account, the nature of risks and returns, the organization structure and the internal reporting systems. The main business segments are, (a) Copper which consist of mining of copper concentrate, manufacturing of copper cathode, continuous cast copper rod, Anode slime from purchased concentrate and manufacturing of precious metal from anode slime, sulphuric acid, phosphoric acid (b) Aluminium which consist of mining of bauxite and manufacturing of alumina and various aluminium products (c) Iron ore (d) Power excluding captive power but including power facilities predominantly engaged in generation and sale of commercial power (e) Zinc which consists of mining of ore, manufacturing of zinc and lead ingots and silver, both from own mining and purchased concentrate (f) Oil & Gas which consists of exploration, development and production of oil and gas and (g) Others business segment which comprise of pig iron, metallurgical coke, port/berth etc.

(ii) 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 corporate assets and unallocated corporate liabilities respectively.

(iii) During the year ended March 31, 2016, consequent to certain power facilities at a subsidiary being commissioned for generation and sale of commercial power, segment assets and segment liabilities in respect of capital work-in-progress for the previous periods relating to power facilities used / to be used in the generation and sale of commercial power has been reclassified from 'Aluminium' segment to 'Power' segment.

(iv) The Board of Directors of Hindustan Zinc Limited ("HZL") , in their meeting held on January 21, 2016 have approved the sale of the Wind Power assets (WPP) subject to final approval of the price by the HZL board. HZL is in the process of identifying a buyer for the same. The gross block and the net block of WPP assets as at March 31, 2016 was ₹ 1,454.00 Crore and ₹ 728.00 Crore respectively. The revenues from the WPP operations for the year ending March 31, 2016 was ₹ 164 Crore.

NOTES
forming part of the consolidated financial statements as at and for the year ending March 31, 2016

II) Information about secondary segment

(₹ in Crore)

Geographical Segments	Current Year	Previous Year
Revenue by geographical segment		
India	42,822.93	44,798.11
Outside India	21,108.26	28,565.99
Total	63,931.19	73,364.10
Carrying amount of segment assets		
India	114,278.14	121,990.60
Outside India	3,554.19	6,207.64
Total	117,832.33	128,198.24
Segment capital expenditure		
India	4,557.47	8,569.30
Outside India	382.34	455.27
Total	4,939.81	9,024.57

Reconciliation between segment revenue and enterprise revenue

(₹ in Crore)

Particulars	Current Year	Previous Year
Segment revenue (net of excise duty)		
- Copper	20,908.81	22,632.36
- Aluminium	11,090.93	12,726.30
- Iron Ore	860.17	275.53
- Power	5,000.83	4,140.03
- Zinc, Lead and Silver	16,357.57	18,018.44
- Oil and Gas	8,625.57	14,645.37
- Others	2,193.49	2,475.58
- Eliminations	(1,106.18)	(1,549.51)
Total segment revenue	63,931.19	73,364.10
Enterprise revenue		
Revenue from operations (net)	64,433.55	73,709.50
Less: Other operating revenues	(502.36)	(345.40)
Total segment revenue	63,931.19	73,364.10

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

44 Related Party disclosures

List of related parties and relationships

A) Entities controlling the Company (Holding Companies)

Volcan Investments Limited
(Ultimate Holding Company)

Intermediate Holding Company

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

Chairman Emeritus

Mr. Anil Agarwal

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

Konkola Copper Mines Plc
Vedanta Resources Jersey II Limited
Vedanta Jersey Investments Limited
Sterlite Technologies Limited
Sterlite Grid Limited
Sterlite Iron and Steel Company Limited

C) Associates

RoshSkor Township (Proprietary) Limited
Gaurav Overseas Private Limited
Raykal Aluminium Company Private Limited

D) Key Management Personnel

Mr. Navin Agarwal
Mr. Tarun Jain
Mr. Thomas Albanese
Mr. D.D. Jalan

E) Relatives of Key Management Personnel/Chairman Emeritus

Mr. Dwarka Prasad Agarwal (Father of Mr. Navin Agarwal)
Mr. Naivadya Agarwal (Son of Mr. Navin Agarwal)
Mr. Agnivesh Agarwal (Son of Mr. Anil Agarwal)
Ms. Priya Hebbar (Daughter of Mr. Anil Agarwal)

F) Others

Public and Political Awareness Trust
Vedanta Foundation
Vedanta Medical Research Foundation
Sesa Community Development Foundation
Anil Agarwal Foundation Trust
Goa Maritime Private Limited (Jointly Controlled Entity)
Rampia Coal Mines & Energy Private Limited (Jointly Controlled Entity)
Madanpur South Coal Company Limited (Jointly Controlled Entity)
Cairn Enterprise Centre

NOTES
forming part of the consolidated financial statements as at and for the year ending March 31, 2016

G Transactions / Balances with related parties

		Holding Companies		Fellow Subsidiary		Associates		Key Management Personnel		Relatives of Key Management Personnel / Chairman Emeritus		Others		Total	
		Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
(i)	Revenue from Operations	-	-	918.78	781.75	-	-	-	-	-	-	-	-	918.78	781.75
(ii)	Other income														
	a) Interest and Guarantee Commission	44.27	31.18	1.97	4.15	-	-	-	-	-	-	-	0.01	46.24	35.34
	b) Outsourcing service fees	2.77	2.35	-	-	-	-	-	-	-	-	-	-	2.77	2.35
	c) Dividend income			0.29	0.14									0.29	0.14
(iii)	Purchases	-	-	45.61	1,187.81	-	-	-	-	-	-	-	-	45.61	1,187.81
	a) Purchase of goods														
(iv)	Expenditure														
	a) Long Term Incentive Plan expenses	84.18	157.09	-	-	-	-	-	-	-	-	-	-	84.18	157.09
	b) Remuneration	-	-	-	-	-	-	43.06	40.50	6.89	6.22	-	-	49.95	46.72
	c) Commission/Sitting Fees	-	-	-	-	-	-	0.27	0.27	0.23	0.24	-	-	0.50	0.51
	d) Management Consultancy Services including representative office fees	33.00	30.61	-	-	-	-	-	-	-	-	-	-	33.00	30.61
	e) (Recovery of) / Reimbursement to / for other expense	11.23	(4.20)	(5.10)	(3.88)	0.42	1.22	-	-	-	-	0.26	3.82	6.81	(3.04)
	f) Interest	-	-	1,156.30	1,384.18	-	-	-	-	-	-	-	-	1,156.30	1,384.18
	g) Other Expenses	-	-	0.72	0.05	-	-	-	-	-	-	-	-	0.72	0.05
	h) Corporate social responsibility expenditure	-	-	-	-	-	-	-	-	-	-	43.66	13.70	43.66	13.70
(v)	Dividend paid	1090.13	639.51	-	-	-	-	-	-	-	-	-	-	1090.13	639.51
(vi)	Balances as at year end														
	a) Trade receivables	-	0.27	1.01	22.41	-	-	-	-	-	-	-	-	1.01	22.68
	b) Loans and advances	96.57	9.23	49.87	20.53	6.96	8.51	-	-	-	9.11	1.05	0.84	154.45	48.22
	c) Long-term borrowings	-	-	12,383.46	16,209.99	-	-	-	-	-	-	-	-	12,383.46	16,209.99
	d) Trade payables	12.33	1.21	0.51	-	-	-	-	-	-	-	16.93	0.40	29.77	1.61
	e) Other current liabilities	5.20	190.83	340.32	101.73	-	-	-	-	-	-	-	-	345.52	292.56
	f) Other current assets	13.00	12.42	-	-	-	-	-	-	-	-	-	-	13.00	12.42
	g) Current investments	389.40	513.54	-	-	-	-	-	-	-	-	-	-	389.40	513.54
	h) Non-current investments	-	-	10.85	6.35	206.55	207.05	-	-	-	-	-	-	217.40	213.40
	i) Guarantees given	115.00	115.00	-	-	-	-	-	-	-	-	-	22.17	115.00	137.17
	j) Guarantees taken	23,382.34	18,539.29	-	-	-	-	-	-	-	-	-	-	23,382.34	18,539.29
(vii)	Transactions during the year														
	a) Loans and advances given / (received) during the year	20.55	1.87	96.13	(14.78)	(1.55)	(2.09)	-	-	(9.11) *	9.11*	0.21	0.84	106.23	(5.05)
	b) Long-term borrowings repaid during the year	-	-	4,732.63	7,973.31	-	-	-	-	-	-	-	-	4,732.63	7,973.31
	c) Guarantees taken	5,969.96	10,700.74	-	-	-	-	-	-	-	-	-	-	5,969.96	10,700.74

* Short- term interest bearing salary advance

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

H) Disclosure in respect of transactions / balances with related parties

(₹ in Crore)

			Current Year	Previous Year
Income :				
(i)	Revenue from operations			
		Sterlite Technologies Limited	918.78	781.75
			918.78	781.75
(ii)	Other income			
	a)	Interest and guarantee commission		
		Vedanta Resources Plc	43.82	31.18
		Twin Star Holdings Limited	0.45	-
		Sterlite Iron and Steel Company Limited	0.53	0.74
		Sterlite Technologies Limited	1.44	3.41
		Goa Maritime Private Limited	-	0.01
			46.24	35.34
	b)	Outsourcing service fees		
		Vedanta Resources Plc	2.77	2.35
			2.77	2.35
	c)	Dividend income		
		Sterlite Technologies Limited	0.29	0.14
			0.29	0.14
(iii)	Purchases :			
	a)	Purchase of goods		
		Konkola Copper Mines Plc	38.18	1,180.91
		Sterlite Technologies Limited	7.43	6.90
			45.61	1,187.81
(iv)	Expenditure :			
	a)	Long Term Incentive Plan expenses		
		Vedanta Resources Plc	84.18	157.09
			84.18	157.09
	b)	Remuneration/Sitting Fees:		
		Mr. Navin Agarwal	15.19	17.48
		Mr. Thomas Albanese	11.06	6.41
		Mr. D.D. Jalan	5.93	5.20
		Mr. Tarun Jain	10.88	11.41
		Mr. Agnivesh Agarwal	6.89	6.15
		Mr. Naivadya Agarwal	-	0.07
			49.95	46.72
	c)	Commission/Sitting Fees:		
		Mr. Navin Agarwal	0.17	0.17
		Mr. Tarun Jain	0.10	0.10
		Mr. Agnivesh Agarwal	0.21	0.22
		Ms. Priya Hebbar	0.02	0.02
			0.50	0.51
	d)	Management consultancy services including representative office fees :		
		Vedanta Resources Plc	33.00	30.61
			33.00	30.61
	e)	(Recovery of)/Reimbursement to / for other expenses		
		Vedanta Resources Plc	12.87	(2.58)
		RoshSkor Township (Proprietary) Limited	0.42	1.22
		Konkola Copper Mines Plc	(2.96)	(3.69)
		Sterlite Technologies Limited	(2.14)	-
		Volcan Investments Limited	(1.64)	(1.62)
		Sterlite Grid Limited	-	(0.19)
		Goa Maritime Private Limited	0.26	3.82
			6.81	(3.04)

NOTES
forming part of the consolidated financial statements as at and for the year ending March 31, 2016

(₹ in Crore)

		Current Year	Previous Year
f)	Interest		
	Vedanta Resources Jersey II Limited	1,156.30	1,384.18
		1,156.30	1,384.18
g)	Other expenses		
	Sterlite Technologies Limited	0.72	0.05
		0.72	0.05
h)	Corporate social responsibility expenditure		
	Cairn Enterprise Centre	22.97	3.21
	Vedanta Foundation	3.10	4.08
	Vedanta Medical Research Foundation	17.59	4.19
	Sesa Community Development Foundation	-	2.22
		43.66	13.70
(v)	Dividend paid*		
	Twin Star Holdings Limited	806.94	470.09
	Finsider International Company Limited	234.88	140.52
	Westglobe Limited	25.94	15.52
	Welter Trading Limited	22.37	13.38
		1,090.13	639.51
*Includes ₹ 25.94 Crore for the Current year which has not been remitted due to legal pending issues.			
(vi)	Balances as at year end		
a)	Trade receivables		
	Sterlite Technologies Limited	0.99	21.91
	Konkola Copper Mines Plc	0.02	0.50
	Vedanta Resources Plc	-	0.27
		1.01	22.68
b)	Loans and advances		
	Vedanta Resources Plc	28.82	6.54
	RoshSkor Township (Proprietary) Limited	6.96	8.51
	Konkola Copper Mines Plc	33.32	1.87
	Volcan Investments Limited	0.96	2.69
	Sterlite Iron And Steel Company Limited	16.32	18.22
	Vedanta Foundation (Previous year : ₹ 8,000)	-	0.00
	Sterlite Grid Limited	-	0.18
	Sterlite Technologies Limited	0.23	0.26
	Madanpur South Coal Company Limited	0.05	-
	Goa Maritime Private Limited**	1.00	0.84
	Mr. Agnivesh Agarwal*	-	9.11
	Twinstar Holding Limited	66.79	-
		154.45	48.22
* Short- term interest bearing salary advance			
**Provision for doubtful advances made at ₹ 0.47 Crore			
c)	Long-term borrowings		
	Vedanta Resources Jersey II Limited	12,383.46	16,209.99
d)	Trade payables		
	Vedanta Resources Plc	12.33	1.21
	Konkola Copper Mines	0.51	-
	Cairn Enterprise Centre	16.93	0.40
		29.77	1.61
e)	Other current liabilities		
	Vedanta Resources Jersey II Limited	331.34	100.40
	Vedanta Resources Plc	5.20	190.83
	Sterlite Technologies Limited	8.98	1.33
		345.52	292.56
f)	Other current assets		
	Vedanta Resources Plc	13.00	12.42
		13.00	12.42

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

(₹ in Crore)

		Current Year	Previous Year
g)	Current investments- Investment in bonds*		
	Vedanta Resources Plc	389.40	513.54
* Carrying value of bonds is after adjusting market to market losses of ₹ 185.39 Crore (Previous year ₹ 60.40 Crore).			
h)	Non-current investments		
	Raykal Aluminium Company Private Limited	200.94	200.94
	Sterlite Technologies Limited [Net of Provision for diminution in value of investments of ₹ Nil (Previous year: ₹ 4.50 Crore)]	10.85	6.35
	Roshkar Township (Proprietary) Limited	5.40	6.00
	Gaurav Overseas private Limited	0.21	0.11
		217.40	213.40
i)	Guarantees given		
	Volcan Investments Limited*	115.00	115.00
	Rampia Coal Mines & Energy Private Limited	-	22.17
		115.00	137.17
* 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)	Guarantees taken		
	Vedanta Resources Plc **	23,382.34	18,539.29
** Includes ₹ 8,291.61 Crore (Previous year ₹ 7,823.85) for a loan facility entered by THL Zinc Limited with Cairn India Holdings Limited (Intercompany Loan) and ₹ 5,969.96 Crore (Previous year ₹ Nil) for a loan facility entered by Twin Star Mauritius Holdings Limited with Fujairah Gold FZC (Intercompany Loan).			
(vii)	Transactions during the year		
a)	Loans and advances given / (received) during the year		
	Vedanta Resources Plc	22.28	0.26
	RoshSkor Township (Proprietary) Limited	(1.55)	(2.09)
	Konkola Copper Mines Plc	31.45	(13.08)
	Volcan Investments Limited	(1.73)	1.61
	Sterlite Iron And Steel Company Limited	(1.90)	(0.30)
	Vedanta Foundation (₹ 8000)	(0.00)	0.00
	Sterlite Grid Limited	(0.18)	0.10
	Sterlite Technologies Limited	(0.03)	(1.50)
	Madanpur South Coal Company Limited	0.05	-
	Goa Maritime Private Limited	0.16	0.84
	Twinstar Holding Limited	69.79	-
	Mr. Agnivesh Agarwal*	(9.11)	9.11
		106.23	(5.05)
* Short-term interest bearing salary advance			
b)	Long-term borrowings (taken)/ repaid during the year		
	Vedanta Resources Jersey II Limited	4,732.63	7,973.31
		4,732.63	7,973.31
c)	Guarantees taken		
	Vedanta Resources Plc	5,969.96	10,700.74
		5,969.96	10,700.74

45 Operating lease: As Lessee

Operating leases are in relation to the office premises, office equipment and other assets, some of which are cancellable and some are non-cancellable. There is an escalation clause in the lease agreements during the primary lease period. There are no restrictions imposed by lease arrangements and there are no sub leases. There are no contingent rents. The information with respect to non cancellable leases are as under :

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Within one year of the balance sheet date	27.96	30.85
Due in a period between one year and five years	8.33	35.19

Lease payments during the year (on non cancellable leases as defined under AS 19) is ₹ 25.27 Crore (Previous Year ₹ 24.34 Crore)

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

46 Derivative instruments and unhedged foreign currency exposure

Derivative contracts outstanding as at the reporting date

(a) To hedge currency risks and interest related risks, the Group enters into various derivatives contracts. The category wise break up of amount outstanding as on Balance Sheet date are given below :

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Forex forward cover (buy)	18,062.74	13,846.39
Forex forward cover (sell)	3,659.12	3,522.27
Interest rate swap	-	180.74

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Purchases	Sales	Purchases	Sales
Forwards / Futures				
Copper (MT)	64,075	51,250	66,675	52,775
Gold (Oz)	17,351	89,375	11,722	58,004
Silver (Oz)	10,589	1,188,333	23,290	1,173,269
Zinc (MT)	-	1,775	-	3,000
Lead (MT)	-	5,750	-	1,500
Aluminium (MT)	550	40,775	75	49,450

(c) All derivative and financial instruments are entered for hedging purposes only.

(d) Unhedged foreign currency exposure is as under :-

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
Payable	6,954.34	5,587.86
Borrowings	2,265.83	3,530.89
Receivable	9,158.61	9,661.08
Investments	2,966.30	2,930.48
Bank balances	3,569.39	1,884.69

47 Oil & gas reserves and resources

Cairn'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 (2007)". 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 period end, based on the current terms of the PSCs, are as follows:

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

Particulars	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)	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015	**March 31, 2016**	March 31, 2015
Rajasthan MBA Fields	**2,208**	2,208	**496**	545	**347**	382
Rajasthan MBA EOR	**-**	-	**225**	226	**158**	158
Rajasthan Block Other Fields	**4,189**	3,833	**471**	505	**330**	353
Ravva Fields	**706**	684	**39**	47	**9**	11
CBOS/2 Fields	**215**	220	**23**	24	**9**	9
Other fields	**481**	481	**74**	74	**36**	36
Total	**7,799**	7,426	**1328**	1,421	**889**	949

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

Particulars	Proved and probable reserves		Proved and probable reserves (developed)	
	Oil (mmstb)	Gas (bscf)	Oil (mmstb)	Gas (bscf)
Reserves as of March 31, 2014*	261.98	71.26	168.22	18.27
Additions / revision during the period	5.63	20.79	25.66	11.38
Production during the period	47.67	5.72	47.67	5.72
Reserves as of March 31, 2015**	219.94	86.33	146.21	23.93
Additions / revision during the period	(13.83)	(24.96)	44.42	10.85
Production during the period	45.91	6.32	45.91	6.32
Reserves as of March 31, 2016***	**160.20**	**55.05**	**144.73**	**28.46**

* Includes probable oil reserves of 84.23 mmstb (of which 32.08 mmstb is developed) and probable gas reserves of 51.70 bscf (of which 9.15 bscf is developed)

** Includes probable oil reserves of 67.81. mmstb (of which 23.43 mmstb is developed) and probable gas reserves of 62.71 bscf (of which 7.03 bscf is developed)

*** Includes probable oil reserves of 40.05 mmstb (of which 27.31 mmstb is developed) and probable gas reserves of 29.80 bscf (of which 5.81 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

48 Employee stock option plans of Cairn India Limited, subsidiary of the Company :

Cairn's has provided various share based payment schemes to its employees. During the year ended March 31, 2016, the following schemes were in operation:

Particulars	CIPOP	CIESOP	CIPOP Phantom	CIESOP Phantom
Date of Board Approval	17-Nov-06	17-Nov-06	Not applicable	Not applicable
Date of Shareholder's approval	17-Nov-06	17-Nov-06	Not applicable	Not applicable
Number of options granted till March 2016	16,167,131	30,112,439	4,831,955	758,370
Method of Settlement	Equity	Equity	Cash	Cash
Vesting Period	3 years from grant date	3 years from grant date	3 years from grant date	3 years from grant date
Exercise Period	3 months from vesting date	7 years from vesting date	Immediately upon vesting	Immediately upon vesting

NOTES
forming part of the consolidated financial statements as at and for the year ending March 31, 2016

Number of options granted till March 31, 2016

Particulars	CIPOP	CIESOP	CIPOP Phantom	CIESOP Phantom
Date of Grant				
24-Nov-06	-	-	-	-
01-Jan-07	1,708,195	3,467,702	-	-
20-Sep-07	3,235,194	5,515,053	-	-
29-Jul-08	789,567	3,773,856	822,867	324,548
10-Dec-08	-	36,040	-	38,008
22-Jun-09	-	-	69,750	-
29-Jul-09	994,768	5,405,144	1,230,416*	211,362
27-Jul-10	584,144	3,027,463	614,999*	93,572
23-Dec-10	-	-	23,645	-
26-Jul-11	1,006,415	4,733,714	390,654	66,385
23-Jul-12	890,501	4,153,467	441,624	24,495
23-Jul-13	3,290,997	-	432,259	-
22-Jul-14	3,667,350	-	744,272	-
17-Nov-14	-	-	61,469	-
Total	16,167,131	30,112,439	4,831,955	758,370

* includes 169,944 & 260,288 options converted from CIPOP to CIPOP Phantom in July 29, 2009 & July 27, 2010 grants respectively during FY 2011-12.

The vesting conditions of the above plans are as under-

CIPOP plan (including phantom options)

Options will vest (i.e., become exercisable) at the end of a "performance period" which has been set by the remuneration committee at the time of grant (although such period will not be less than three years). However, the percentage of an option which vests on this date will be determined by the extent to which pre-determined performance conditions have been satisfied. Phantom options are exercisable proportionate to the period of service rendered by the employee subject to completion of one year.

CIESOP plan (including phantom options)

There are no specific vesting conditions under CIESOP plan other than completion of the minimum service period. Phantom options are exercisable proportionate to the period of service rendered by the employee subject to completion of one year.

Details of activities under employees stock option plans

CIPOP Plan	**March 31, 2016**		March 31, 2015	
	Number of options	**Weighted average exercise price in ₹**	Number of options	Weighted average exercise price in ₹
Outstanding at the beginning of the year	**6,199,640**	**10.00**	4,439,313	10.00
Granted during the year	**Nil**	**NA**	3,667,350	10.00
Expired during the year	**Nil**	**NA**	Nil	NA
Exercised during the year	**9,729**	**10.00**	11,270	10.00
Forfeited / cancelled during the year	**1,128,265**	**10.00**	1,895,753	10.00
Outstanding at the end of the year	**5,061,646**	**10.00**	6,199,640	10.00
Exercisable at the end of the year	**18,270**	**10.00**	Nil	NA

Weighted average fair value of options granted on the date of grant is NA (March 31, 2015: ₹ 300.67)
Weighted average share price at the date of exercise of stock options is ₹ 144.82 (March 31, 2015: ₹ 297.18)

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

CIESOP Plan	March 31, 2016 Number of options	March 31, 2016 Weighted average exercise price in ₹	March 31, 2015 Number of options	March 31, 2015 Weighted average exercise price in ₹
Outstanding at the beginning of the year	10,388,430	303.43	12,523,078	300.76
Granted during the year	Nil	NA	Nil	NA
Expired during the year	Nil	NA	Nil	NA
Exercised during the year	Nil	NA	644,901	227.68
Forfeited / cancelled during the year	786,229	314.00	1,489,747	313.80
Outstanding at the end of the year	9,602,201	302.56	10,388,430	303.43
Exercisable at the end of the year	9,602,201	302.56	7,425,117	294.08

Weighted average fair value of options granted on the date of grant is NA (March 31, 2015: NA)
Weighted average share price at the date of exercise of stock options is NA (March 31, 2015: ₹ 320.24)

CIPOP Plan – Phantom options	March 31, 2016 Number of options	March 31, 2016 Weighted average exercise price in ₹	March 31, 2015 Number of options	March 31, 2015 Weighted average exercise price in ₹
Outstanding at the beginning of the year	1,046,501	10.00	598,774	10.00
Granted during the year	Nil	NA	805,741	10.00
Expired during the year	Nil	NA	Nil	NA
Exercised during the year	Nil	NA	Nil	NA
Forfeited / cancelled during the year	221,317	10.00	358,014	10.00
Outstanding at the end of the year	825,184	10.00	1,046,501	10.00
Exercisable at the end of the year	Nil	NA	Nil	NA

Weighted average fair value of options granted on the date of grant is NA (March 31, 2015: ₹ 180.27)
Weighted average share price at the date of exercise of stock options is NA (March 31, 2015: ₹ NA)

CIESOP Plan – Phantom options	March 31, 2016 Number of options	March 31, 2016 Weighted average exercise price in ₹	March 31, 2015 Number of options	March 31, 2015 Weighted average exercise price in ₹
Outstanding at the beginning of the year	14,174	326.85	34,316	327.11
Granted during the year	Nil	NA	Nil	NA
Expired during the year	Nil	NA	Nil	NA
Exercised during the year	Nil	NA	Nil	NA
Forfeited / cancelled during the year	14,174	326.85	20,142	327.29
Outstanding at the end of the year	Nil	NA	14,174	326.85
Exercisable at the end of the year	NA	NA	Nil	NA

The details of exercise price for stock options outstanding as at March 31, 2016 are:

Scheme	Range of exercise price in ₹	No. of options outstanding	Weighted average remaining contractual life of options (in years)	Weighted average exercise price in ₹
CIPOP Plan	10.00	5061646	0.86	10.00
CIESOP Plan	160-331.25	9602201	NA	302.56
CIPOP Plan – Phantom options	10.00	825184	1.06	10.00
CIESOP Plan – Phantom options	NA	NA	NA	NA
The details of exercise price for stock options outstanding as at March 31, 2015 are:				
CIPOP Plan	10	6,199,640	2.58	10.00
CIESOP Plan	160-331.25	10,388,430	0.31	303.43
CIPOP Plan – Phantom options	10	1,046,501	1.91	10.00
CIESOP Plan – Phantom options	326.85	14,174	0.31	326.85

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

Effect of Employees Stock Option Plans on Financial Position

Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position of Cairn is as below :

(₹ in Crore)

Particulars	March 31, 2016	March 31, 2015
Total Employee Compensation Cost pertaining to share-based payment plans	34.97	28.86
Compensation Cost pertaining to equity-settled employee share-based payment plan included above	33.65	29.27
Compensation Cost pertaining to cash-settled employee share-based payment plan included above	1.32	(0.41)
Equity settled employee stock options outstanding as at year end	247.86	229.13
Liability for cash settled employee stock options outstanding as at year end	7.12	7.17

Inputs for Fair valuation of Employees Stock Option Plans

The Share Options have been fair valued using an Option Pricing Model (Black Scholes Model). The main inputs to the model and the Fair Value of the options granted during the current year and previous year, based on an independent valuation, are as under:

Variables – CIPOP

Grant date	July 22, 2014
Stock Price/fair value of the equity shares on the date of grant (₹)	345.35
Vesting date	July 22, 2017
Vesting %	Refer vesting conditions
Volatility	27.95%
Risk free rate	8.36%
Time to maturity (years)	3.13
Exercise price (₹)	10.00
Fair Value of the options (₹)	300.67

Variables – CIPOP Phantom

Grant date	Nov 17, 2014	July 22, 2014
Stock Price/fair value of the equity shares on the reporting date (₹)	213.85	213.85
Vesting date	17-Nov-17	22-Jul-17
Vesting %	Refer vesting conditions	Refer vesting conditions
Volatility	40.31%	42.37%
Risk free rate	7.10%	7.01%
Time to maturity (years)	1.63	1.31
Exercise price (₹)	10.00	10.00
Fair Value of the options (₹)	138.55	139.58

Volatility is the measure of the amount by which the price has fluctuated or is expected to fluctuate during the period. The measure of volatility used in Black-Scholes option-pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. Time to maturity /expected life of options is the period for which the Cairn expects the options to be live. Time to maturity has been calculated as an average of the minimum and maximum life of the options.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

49 Financial information pursuant to Schedule III of Companies Act, 2013

S.No	Name of the entity	Net Assets (Total assets less total liabilities)		Share in profit or loss		Net Assets (Total assets less total liabilities)		Share in profit or loss	
		March 31, 2016		March 31, 2016		March 31, 2015		March 31, 2015	
		As % of consolidated net assets/ (liabilities)	Amount (₹ Crore)	As % of consolidated profit/(loss)	Amount (₹ Crore)	As % of consolidated net assets/ (liabilities)	Amount (₹ Crore)	As % of consolidated profit/(loss)	Amount (₹ Crore)
	Parent								
	Vedanta Limited	98.29%	43,908.56	58.69%	5,471.89	63.22%	34,057.87	12.32%	1,927.20
	Indian Subsidiaries								
1	Hindustan Zinc Limited	83.69%	37,385.19	87.59%	8,166.58	80.47%	43,353.07	52.27%	8,178.00
2	Bharat Aluminium Company Limited	8.30%	3,708.54	(7.29%)	(679.61)	8.11%	4,370.37	0.04%	6.00
3	MALCO Energy Limited	0.53%	236.72	0.40%	36.84	0.37%	199.88	(0.28%)	(44.57)
4	Talwandi Sabo Power Limited	6.96%	3,107.50	0.28%	26.03	5.72%	3,081.47	(0.25%)	(38.60)
5	Sesa Resources Limited	3.17%	1,415.80	(2.44%)	(227.91)	3.05%	1,643.71	(0.11%)	(17.43)
6	Sesa Mining Corporation Limited	(0.10%)	(45.18)	(0.66%)	(61.96)	0.03%	16.78	(0.39%)	(61.16)
7	Sterlite Ports Limted	(0.01%)	(3.44)	(0.00%)	(0.41)	(0.01%)	(2.93)	(0.00%)	(0.22)
8	Vizag General Cargo Berth Private Limited	0.20%	89.76	(0.06%)	(5.31)	(0.04%)	(20.23)	(0.01%)	(0.85)
9	Paradip Multi Cargo Berth Private Limited	0.00%	1.02	(0.00%)	(0.07)	(0.00%)	(0.93)	(0.00%)	(0.04)
10	Maritime Ventures Private Limited	0.01%	6.04	0.04%	3.87	0.00%	2.17	0.03%	4.30
11	Sterlite Infraventures Limted	(0.01%)	(2.67)	(0.01%)	(0.48)	(0.00%)	(2.19)	(0.01%)	(1.92)
12	Cairn India Limited	83.40%	37,258.84	9.15%	853.53	68.77%	37,051.10	8.44%	1,320.03
	Foreign Subsidiaries								
1	Copper Mines of Tasmania Pty Limited	(0.34%)	(152.84)	(1.72%)	(160.33)	0.02%	8.22	(1.99%)	(311.11)
2	Thalanga copper mines Pty Limited	(0.01%)	(4.26)	(0.03%)	(3.15)	(0.00%)	(0.89)	(0.01%)	(1.68)
3	Monte Cello B.V. (MOBV)	4.54%	2,026.92	(1.16%)	(108.53)	3.74%	2,016.74	0.16%	25.05
4	Bloom Fountain Limited	(0.04%)	(18.95)	(16.21%)	(1,511.00)	2.59%	1,394.67	(0.00%)	(0.06)
5	Twin Star Energy Holdings Limited	(0.00%)	(0.62)	(0.00%)	(0.11)	0.07%	(0.48)	(0.23%)	(36.76)
6	Twin Star Mauritius Holdings Limited	(56.97%)	(25,450.80)	(116.72%)	(10,881.87)	(25.26%)	(13,610.29)	(57.51%)	(8,998.61)
7	Western Clusters Limited	(1.57%)	(701.00)	(7.36%)	(686.16)	(0.01%)	(5.38)	(0.03%)	(5.25)
8	Sterlite (USA) Inc.	0.00%	0.00	-	-	0.00%	0.00	-	-
9	Fujairah Gold FZC	13.53%	6,044.80	0.02%	2.25	0.20%	107.42	(0.11%)	(17.51)
10	THL Zinc Ventures Ltd	0.14%	62.19	(0.00%)	(0.10)	0.11%	58.78	(0.00%)	(0.09)
11	THL Zinc Ltd	1.49%	666.34	0.66%	61.43	1.06%	570.38	2.17%	340.17
12	THL Zinc Holding B.V.	9.55%	4,264.98	0.41%	38.44	7.40%	3,987.63	1.78%	277.71
13	THL Zinc Namibia Holdings (Proprietary) Limited	1.25%	557.04	(0.00%)	(0.12)	1.20%	644.96	2.17%	340.27
14	Skorpion Zinc (Proprietary) Limited	0.00%	2.12	(0.00%)	(0.30)	0.01%	2.78	2.18%	340.73
15	Skorpion Mining Company (Proprietary) Limited	(1.35%)	(603.52)	(2.21%)	(206.34)	(0.88%)	(473.79)	(1.54%)	(241.15)
16	Namzinc (Proprietary) Limited	0.38%	168.02	1.14%	105.85	0.31%	166.35	0.28%	43.87
17	Amica Guesthouse (Proprietary) Limited	(0.00%)	(1.63)	(0.01%)	(0.73)	(0.00%)	(0.00)	0.00%	0.33
18	Rosh Pinah Health Care (Proprietary) Limited	0.00%	1.86	(0.01%)	(0.70)	0.01%	2.92	0.01%	0.95
19	Black Mountain Mining (Proprietary) Limited	1.56%	696.83	0.93%	87.11	1.33%	716.31	0.51%	79.43
20	Vedanta Lisheen Holdings Limited	0.01%	6.40	-	-	0.01%	6.04	2.17%	339.37

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

S.No	Name of the entity	Net Assets (Total assets less total liabilities)		Share in profit or loss		Net Assets (Total assets less total liabilities)		Share in profit or loss	
		March 31, 2016		March 31, 2016		March 31, 2015		March 31, 2015	
		As % of consolidated net assets/ (liabilities)	Amount (₹ Crore)	As % of consolidated profit/(loss)	Amount (₹ Crore)	As % of consolidated net assets/ (liabilities)	Amount (₹ Crore)	As % of consolidated profit/(loss)	Amount (₹ Crore)
21	Vedanta Lisheen Mining Limited	0.04%	17.57	(0.34%)	(31.99)	0.09%	47.15	0.33%	52.28
22	Killoran Lisheen Mining Limited	0.02%	8.28	(0.21%)	(19.62)	0.05%	26.57	0.44%	68.58
23	Killoran Lisheen Finance Limited	0.00%	1.81	-	-	0.00%	1.71	-	-
24	Lisheen Milling Limited	0.72%	320.51	0.24%	22.55	0.52%	280.86	0.47%	73.11
25	Lakomasko BV	0.00%	0.97	(0.00%)	(0.16)	0.00%	1.08	(0.00%)	(0.22)
26	Pecvest 17 Proprietary Limited	0.00%	0.00	-	-	0.00%	0.00	-	-
27	Vedanta Exploration Ireland Limited	0.00%	0.00	-	-	0.00%	0.00	-	-
28	Cairn India Holdings Limited ('CIHL')	47.68%	21,298.68	25.95%	2,419.58	35.04%	18,879.08	17.16%	2,684.86
29	Cairn Energy Hydrocarbons Limited	18.71%	8,359.39	0.28%	26.29	18.25%	9,831.68	12.23%	1,912.78
30	Cairn Lanka (Pvt) Limited	(0.92%)	(409.77)	(0.15%)	(14.16)	(0.73%)	(395.61)	(3.54%)	(553.61)
31	Cairn South Africa Proprietary Limited	(0.03%)	(13.01)	(0.23%)	(21.44)	0.01%	6.09	(0.17%)	(27.02)
32	CIG Mauritius Holding Private Limited ('CMHPL')	0.00%	0.05	(2.84%)	(264.42)	0.00%	0.24	(6.06%)	(948.33)
33	CIG Mauritius Private Limited	0.00%	0.54	(2.84%)	(264.39)	0.00%	0.70	(6.13%)	(958.38)
34	Cairn Energy Australia Pty Limited	0.00%	0.59	(0.00%)	(0.31)	0.00%	0.90	0.00%	(0.23)
35	Cairn Energy Holdings Limited	0.00%	-	0.01%	0.62	(0.00%)	(0.62)	0.05%	7.13
36	Cairn Energy Discovery Limited	(0.00%)	(1.47)	(0.00%)	(0.10)	(0.00%)	(1.37)	(0.00%)	(0.07)
37	Cairn Exploration (No. 2) Limited	0.00%	0.03	0.00%	0.18	(0.00%)	(0.15)	-	-
38	Cairn Exploration (No. 6) Limited *	0.00%	-	0.00%	0.02	(0.00%)	(0.02)	(0.00%)	(0.04)
39	Cairn Energy Gujarat Block 1 Limited	0.00%	1.67	0.00%	0.11	0.00%	1.56	(0.05%)	(7.26)
40	Cairn Exploration (No. 7) Limited **	0.00%	-	(0.00%)	(0.05)	0.00%	0.05	(0.00%)	(0.04)
41	Cairn Energy India Pty Limited	0.00%	-	0.00%	-	-	-	-	-
	Minority Interests in all subsidiaries	(73.80%)	(32,967.40)	(34.18%)	(3,186.70)	(65.95%)	(35,529.74)	(27.33%)	(4,276.38)
	Associates (Investment as per the equity method)								
	Indian								
1	Gaurav Overseas Private Limited	0.00%	0.17	0.00%	(0.01)	0.00%	0.07	(0.00%)	(0.01)
2	Raykal Aluminium Company Private Limited	0.00%	0.10	0.00%	(0.01)	0.00%	0.11	(0.00%)	(0.01)
	Foreign								
1	RoshSkor Township (Pty) Ltd	0.01%	2.68	0.00%	0.25	0.01%	6.49	0.03%	4.11
	Joint Ventures (as per proportionate consolidation method)								
	Indian								
1	Madanpur South Coal Company Limited	0.00%	1.68	0.00%	(0.00)	0.01%	2.81	(0.00%)	(0.00)
2	Goa Maritime Private Limited	(0.00%)	(0.22)	0.00%	(0.13)	(0.00%)	(0.09)	(0.00%)	(0.01)
3	Rampia Coal Mines & Energy Private Limited	0.01%	2.53	0.00%	(0.00)	0.00%	2.39	(0.00%)	(0.02)
	Consolidation Adjustments/ Eliminations	(149.05%)	(66,584.12)	(89.11%)	(8,308.17)	(108.82%)	(58,628.80)	(109.44%)	(17,123.24)
	Total	100.00%	44,672.32	100.00%	(9,323.44)	100.00%	53,875.27	(100.00%)	(15,645.77)

*Liquidated during the year
** Liquidated subsequent to the year end

a. The above figures for Vedanta Limited, subsidiaries, associates and joint ventures are before intercompany eliminations and consolidation adjustments.

NOTES

forming part of the consolidated financial statements as at and for the year ending March 31, 2016

50 Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act 2006, as applicable

(₹ in Crore)

Particulars	As at March 31, 2016	As at March 31, 2015
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	32.98	25.03
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

51 Previous year's figures have been regrouped/reclassified wherever necessary to conform with the current year's classification / disclosure.

For and on behalf of Board of Directors

Navin Agarwal
Executive Chairman
DIN 00006303

Thomas Albanese
Whole-Time Director & Chief Executive Officer
DIN 06853915

D. D. Jalan
Whole-Time Director &
Chief Financial Officer
DIN 00006882

Rajiv Choubey
Company Secretary
ICSI Membership No. A13063

Place : Gurgaon
Date : April 28, 2016