

DIRECTORS' REPORT

Dear Members,

Maintaining Vedanta's commitment to deliver sustainable and responsible growth, your board of directors are pleased to present the Directors' Report outlining the governance and business performance of the Company along with the audited Consolidated as well as Standalone financial statements for the financial year ended March 31, 2020.

COMPANY OVERVIEW

Vedanta Limited, a subsidiary of Vedanta Resources Limited, is one of the world's leading Oil & Gas and Metals Company with significant operations in Oil & Gas, Zinc, Lead, Silver, Copper, Iron Ore, Steel, and Aluminium & Power across India, South Africa, Namibia, and Australia. For two decades, Vedanta has been contributing to India's growth story, currently contributing 1 percent of India's GDP. The Company is among the top private sector contributors to the exchequer with the highest ever contribution of ₹ 42,560 crores in FY 2019.

Governance and sustainable development are at the core of Vedanta's strategy, with a strong focus on health, safety, and environment and on enhancing the lives of local communities. The Company has been conferred with the CII-ITC Sustainability Award, the Golden Peacock GLOBAL Award for Excellence in Corporate Governance, the FICCI CSR Award, Dun & Bradstreet Awards in Metals & Mining, and certified as a Great Place to Work. Vedanta Limited is listed on the BSE Limited and the National Stock Exchange of India Limited and has American Depository Shares (ADS) listed on the New York Stock Exchange.

COVID STRATEGY

India's COVID response continues to be undoubtedly exemplary by global standards, and the Government of India along with all state governments are coordinating effectively to flatten the curve. We, at Vedanta, are doing our bit in a modest way to help save lives and livelihoods.

You will be happy to know that your Company has taken a pro-active approach to keep our assets and people safe while ensuring continuity of business. During these testing times our priority is to ensure the health and safety of our employees, contractors and stakeholders, while ensuring the business continuity to the extent possible. Our strategy has been threefold: practice physical distancing for all essential workstreams, rely on early diagnosis for our workforce to prevent an outbreak and share knowledge and best practices across our business entities to ensure safe workplaces. While the average footfall at our plants has been reduced significantly, our employees are actively involved in building homegrown solutions to the challenges created by COVID-19. For example, we now have no-touch based hand washing system which was

built by our employees. Additional safety measures in terms of sanitiser fogging, social distancing measures through on ground marking etc. are also in place to ensure minimum contact. We have also launched a healthcare helpline for our employees in partnership with Apollo hospitals, through which they can tele-consult with a General Physician or a Psychologist.

Most of our operations were continuing during the lockdown period being 'essential' or 'continuous' in nature though we have had temporary disruptions leading to production being down to 80% of the capacity during lockdown which we have now been able to ramp-up to ~90% of normative levels. All of our sites are open with the requisite government permissions and adherence to highest safety standards. Our focus during these times have been to ensure that we operate optimally with lowest possible cost of production.

The future impact on operations is difficult to assess at this point, as the situation is unravelling at a fast pace. Even though the current situation is very volatile, we are confident about our ability to manage the crisis and emerge as a stronger entity.

COMPANY PERFORMANCE

Vedanta has a portfolio of world-class, low-cost, scalable assets that consistently generate strong profitability and robust cash flows. We continue to consolidate our position as one of the largest diversified natural resources businesses in the world. We are positioned in the commodities that have a growing demand in one of the largest, most stable and fastest growing economy in the world with a key focus on operational delivery. Asset planning, operational excellence, cost control, productivity enhancement, improvement in realisation, risk mitigation coupled with increasing use of technology, more innovation and digitisation has helped us to enhance the delivery from our assets. Our key strategic priority is to focus on ethics, governance and social licence to operate, while we continue our journey towards zero harm, zero waste and zero discharge.

The year gone by was challenging, with tremendous uncertainties in the macro environment with the advent of novel coronavirus (COVID-19), which was further compounded by the oil price war leading to reduction in oil prices. The long-term impact of these major events can only be assessed after normalcy is restored.

However, on the operational side, we saw our three large businesses: Zinc, Aluminium and Oil & Gas achieve significant milestones which give us strong base for the near-term targets that we have set for these businesses. In Zinc, we remain on track to become the world's largest integrated Zinc-Lead-Silver producer in two years while maintaining our cost leadership, with strong sequential volume growth from Hindustan Zinc and rising volumes from Zinc

International. Our Aluminium business continues to benefit from consistent structural reduction of cost through improved backward integration. In the Oil & Gas business, we have begun to implement our growth projects with gross capex of over US\$ 3.2 billion, which will enable Vedanta to increase volumes in the near term.

As we look forward to the year ahead, we are operationally well positioned to deliver. In Oil & Gas, we are India's largest private producer of crude, and

rank with the world's lowest-cost producers with production, development and exploration pipeline. In Aluminium, we offer India's largest production capacity, supported by our own captive power generation and increasingly integrating backwards for our own Alumina. The strengths of our diverse portfolio, together with our focused growth strategy expanding our reserves and resource base, a strong balance sheet, strong talent base, technology and modernisation initiatives, all combine to create a truly inspirational Company.

FINANCIAL HIGHLIGHTS

EBITDA down

12% y-o-y, at
₹ 21,061 crores;

Stable EBITDA
margin of
29%

Attributable PAT before
exceptional items
₹ 3,995 crores

Net Debt at
₹ 21,273 crores,
decreased by
₹ 5,683 crores
compared to
March 31, 2019;

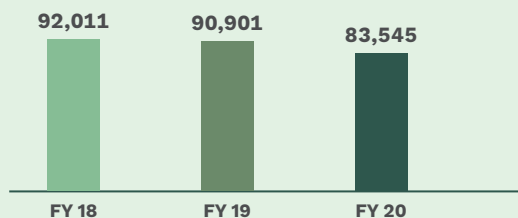
Interim dividend of

₹ 3.9 per share
declared during FY 2020

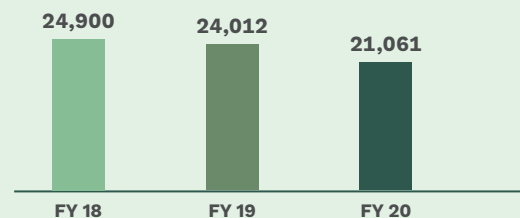
Cash & liquid
investments of
₹ 37,914 crores

Contribution to
the ex-chequer of
c.**₹ 32,400** crores

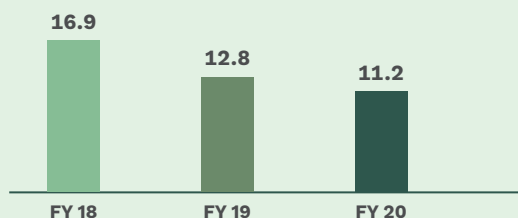
Revenue (₹ crore)



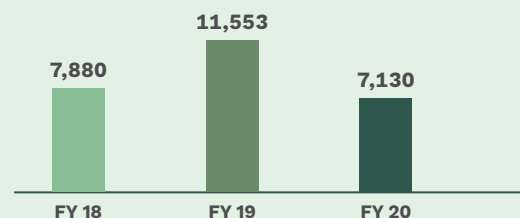
EBITDA (₹ crore)



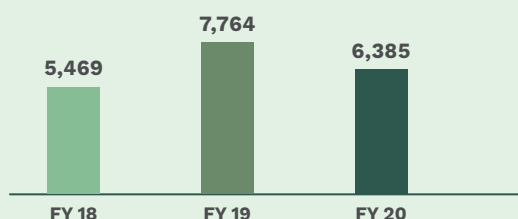
Return of Capital Employed (%)



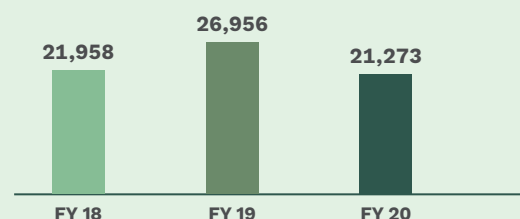
FCF Post Capex (₹ crore)



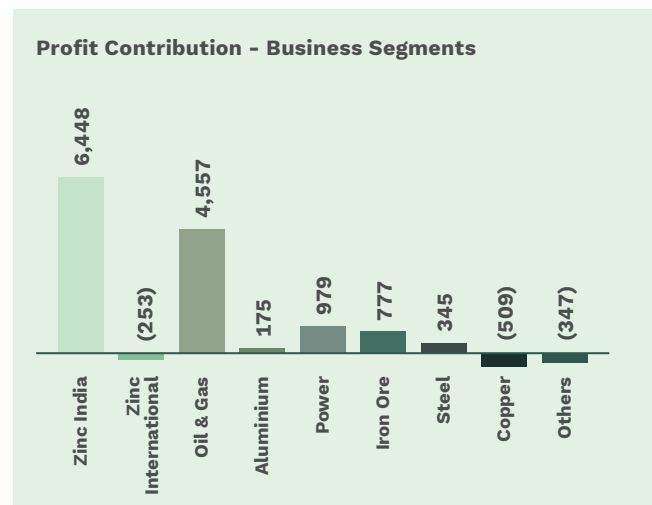
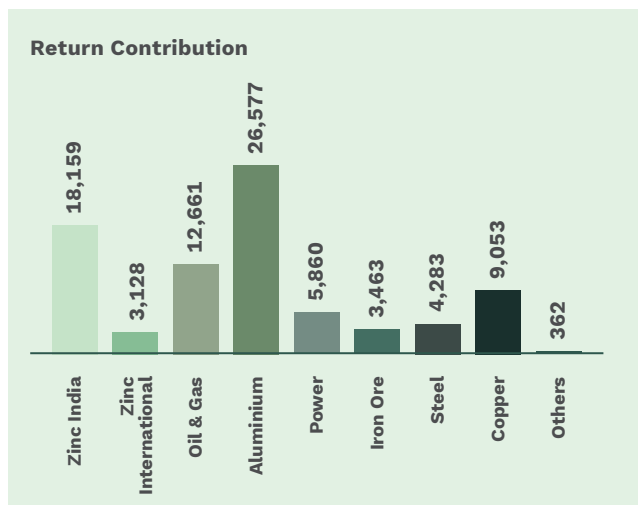
Growth Capex (₹ crore)



Net Debt (₹ crore)



DIRECTORS' REPORT CONTINUED...



The standalone and consolidated financial statements of the Company for the financial year ended March 31, 2020 prepared as per Indian Accounting Standards (Ind AS) and in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) forms part of this Annual Report.

OPERATIONAL HIGHLIGHTS & SIGNIFICANT DEVELOPMENTS



ZINC INDIA

- Mined metal production of 917kt, down 2% y-o-y
- Refined zinc-lead production of 870 kt, down 3% y-o-y

ZINC INTERNATIONAL:

- Gamsberg production volume at 108 kt in FY 2020, up from 17kt in FY 2019
- Improved cost of production at \$1,665/t, down 13% y-o-y



ALUMINIUM

- Aluminium production at 1,904 kt
- Record alumina production at 1,811 kt, up 21% y-o-y
- Alumina cost of production in Q4 FY 2020 at \$258/t



POWER

- Record plant availability of 91% at the 1,980MW TSPL plant in FY 2020



IRON ORE

- Continued engagement with the Government for resumption of Goa mining operations
- Saleable ore production in Karnataka at 4.4 million tonnes, up 6% y-o-y
- Iron ore sales in Karnataka at 5.8 million tonnes, up 125% y-o-y



STEEL

- Record annual steel production at 1.23 million tonnes for FY 2020, up 3% y-o-y



COPPER

- Due legal process is being followed to achieve a sustainable restart of the Tuticorin operations



OIL & GAS

- Average gross production of 174 kboepd for FY 2020, down 8% y-o-y
- 9 rigs are currently deployed; 136 wells drilled during FY 2020
- Early gas production facility fully commissioned to design capacity of 90 mmscf
- Production sharing contracts (PSC) signed for Ravva block extended for 10 years
- FTG survey completed in Assam and Kutch basins; Seismic survey ongoing in OALP Blocks

The details of the business, results of operations and the significant developments have been further elucidated in Management Discussion & Analysis section of the Annual Report.

ACQUISITION

During the year, your Company commenced implementation of the Resolution Plan of Ferro Alloys Corporation Limited (FACOR) under the Corporate Insolvency Resolution Process (CIRP) of the Bankruptcy Code after the same was approved by the NCLT, Cuttack on January 30, 2020.

FACOR was admitted into insolvency by order dated July 6, 2017. Pursuant to the order dated January 30, 2020, Vedanta Limited implemented the Resolution Plan for completion of acquisition of FACOR. The closing of transaction is expected by Q2 FY 2021.

FACOR owns a Ferro Chrome plant with 72,000 TPA capacity with 4 Chrome mines out of which only 2 mines are operational and a 100 MW Captive Power plant in Orissa through its subsidiary Facor Power Limited (FPL).

The acquisition will complement Vedanta's existing steel business as the vertical integration of ferro manufacturing capabilities has the potential to generate significant efficiencies and will help Vedanta to increase its portfolio in steel business.

During the year, your Company also acquired the Sindhurg unit of Global Coke Limited, which was under liquidation in the Bankruptcy Code. The acquisition will provide backward integration opportunity for our Pig Iron facility at Amona.

CORPORATE RESTRUCTURING

Your Company acquired Electrosteel Steels Limited (ESL), a company listed on BSE Limited and National Stock Exchange of India Limited engaged in the business of manufacturing of steel pursuant to a Corporate Insolvency Resolution Process implemented by way of the Insolvency and Bankruptcy Code 2016. With the potential to generate significant efficiencies, the acquisition of ESL complemented the Company's existing Iron Ore Business as the vertical integration of steel manufacturing capabilities.

With approval granted by NCLT, Kolkata Bench for the Scheme of Amalgamation of Vedanta Star Limited with ESL, your Company now directly hold 95.49% in ESL.

RESEARCH AND DEVELOPMENT

Vedanta has been an aggressive leader in terms of adopting new technologies and improving processes and standards. In **Aluminium and Power Business** R&D team shoulders the responsibility of inventing the next big thing in aluminium and create a competitive edge for the Company. With an eye on developments in the global markets, our R&D teams capitalise on potential opportunities and future demands with the aim of making our vision for 100% Value-Added products and best-in-class operating efficiencies at all our manufacturing facilities. Our R&D team brings together Technical, Operations and Marketing expertise to brainstorm and implement innovative ideas that can address the trio of critical business objectives – increased market share, lower cost of production and

increased profitability, thereby elevating the Company's position in the global aluminium value chain. **Hindustan Zinc Limited's (HZL)** Technology & Innovation group has enhanced its R&D activities during the last two years with R&D becoming more important than ever in this challenging environment to not only sustain our metal recoveries and reduce operating costs but also to support our long-term vision of 1.5+ mtpa metal and 1000+ TPA silver production. In **Cairn** we continue to operate our fields in a digital manner through unmanned well pads with remote access which drastically reduces human exposure to risk and increases operational efficiency. Centralised control rooms, remotely activated surface facilities and digital surveillance platform (BabelFish) has allowed high uptime in operation of Mangala Processing Terminal, over 500 wells spread across many acres, Centralised polymer processing farm and the world's largest continuously heated pipeline. Our other businesses also continue to lead the industry in terms of R&D. **Copper** for example has created Pure Tellurium Extraction to produce copper anodes (99.5% pure) and Ferric Sulphate Extraction from Copper Slag which is our by-product. In **Iron Ore Business** Value Added Business team had developed a customised product, Sesa Special Grade (SSG) for a niche segment (otherwise being imported by customers) by producing high purity pig iron through blast furnace route. The Value-added business team had also come up with an innovative idea of producing Foundry Grade pig Iron outside the blast furnace using Ferro Silicon which otherwise normally gets produced in blast furnace by compromising on productivity & high fuel rate. Some other examples are automation of the charging plate insertion mechanism, employee care applications, automatic trip counting and dynamic allocation of hauling units and GPS controlled speed tracking system in dispatch trucks. Our businesses continue their tremendous work in these areas to make the group more sustainable.

PROJECTS AND EXPANSION PLAN

Projects are key driving factor of our Group as our aspirations for growth are very different from any of the peers globally. In **HZL**, we have successfully completed projects that are supporting an enhanced capacity for 1.25 mtpa Mined Metal and plan for 1.5 mtpa should get firmed up before this year ends. Our flagship Rampura Agucha mine has successfully commissioned the Production Shaft and our 1st Fumer project is about to start delivering volumes in the quarter. Our venture into Minor Metal should drive additional value from the same ore mined, giving us higher returns for the same capital employed. In **VZI**, the Gamsberg mine and processing facilities are about to stabilise, which will set the stage for Gamsberg Phase-1 expansion, which involves setting up of the smelter unit to give us refined metal from the mined metal of the Gamsberg ore. Gamsberg phase-2 will further enhance the mining capability, processing units and smelters units capacity to double the current volumes. In **Cairn**, we are still focussed on the journey to produce India's 50% Oil & Gas production. We have seen some hiccups in the projects execution but we are trying to resolve all those issues this year and start

DIRECTORS' REPORT CONTINUED...

delivering on these projects. The seismic acquisition programme and satellite-based prospecting has commenced in **Open Acreage Licensing Policy (OALP)**. In **Aluminium**, Odisha Bauxite & Lanjigarh expansion are key expansion projects and Jamkhani coal block execution will be critical to deliver more value from this sector. We are set to deliver tremendous value to all our stakeholders once we successfully execute these projects across the group.

INNOVATION, DIGITALISATION & TECHNOLOGY

At Vedanta, innovation has been at the strategic forefront in every dimension of the business. With the relentless support from senior leadership, the Group has diligently instilled innovative enrichment as a corporate value and continues to incentivise employees in building a culture based on technological and creative transformation. Encompassing acquisition of best-in-class technology for fast-track digitalisation of operations, manifestation of its own innovation nurtures the Group in its drive for operational excellence, efficiency and sustainability.

Standing firm on our core values of entrepreneurship and innovation, your Company continues to discover, integrate and implement technologies through the introduction of novel systems and ideas. Across our business units, employees are encouraged to be creative in their thinking and approach with acknowledgement for their valued contributions to making a difference.

As a part of the technology-enabled operating models, the mine digitisation and automation initiatives in addition to advanced upskilling programmes and practices deployed by your Company at various locations and departments are highlighted in the Management Discussion & Analysis section of this Report.

ECONOMIC RESPONSIBILITY

Vedanta strives to be a responsible corporate citizen and to make a positive contribution to the communities in which we operate. Payment to exchequer viz. taxes, royalty, profit oil etc. is a vital part of our contribution to national economies and people's lives. Vedanta supports the principles of greater transparency that increases understanding of tax systems and build public trust.

With these values being ingrained in Vedanta's DNA, we are proud to share that we have contributed ₹ 32,400 crores to the public exchequer of the various countries where we operate.

Your Company publishes Tax Transparency Report which provides an overview of the tax strategy, governance and tax contributions made by the Company.

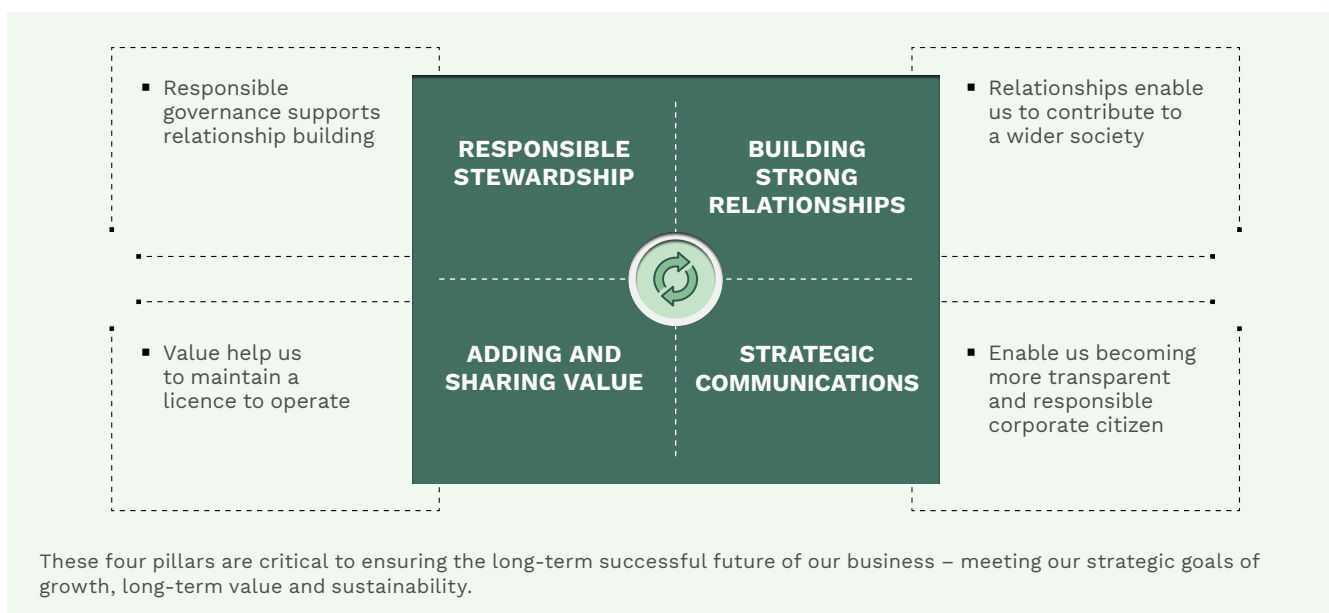
The report is available on the website at www.vedantalimited.com

SUSTAINABILITY & BUSINESS RESPONSIBILITY REPORT

Sustainable Development is integral to Vedanta's core business strategy. We continue to be a transparent and responsible corporate citizen; committed to a 'social licence to operate' and partner with communities, local governments and academic institutions to help catalyse socio-economic development in the areas where we operate.

The Company reaffirms its core values of Trust, Entrepreneurship, Innovation, Excellence, Integrity, Respect and Care, which are the basis of our Sustainable Development Model.

The model continues to be centered on the four strategic pillars: Responsible Stewardship; Building Strong Relationships; Adding and Sharing Value; and Strategic Communications.



A separate detailed report on Company's Sustainability Development also forms part of the Annual Report.

Recognising sustainable development as a core requirement to strategically improve the value of our business, the Board of Directors constituted a Sustainability Committee effective April 1, 2019 to provide oversight and assistance in building an approach towards sustainability which mirrors our prevailing business ethos of achieving excellence through continuous improvement in our processes and outcomes, while also benchmarking ourselves against our global peers.

Details of the composition of the committee, its terms and reference and the meetings held during FY 2020 is elucidated in the Corporate Governance Report.

Your Company publishes an annual Sustainability Report prepared in accordance with the Global Reporting Initiative (GRI) Standards; mapped to the United Nations Global Compact (UNGC); and aligned to Sustainable Development Goals (SDGs). It reports our approach and disclosure towards triple bottom line principles - People, Planet and Profit.



**COMMUNITY
RELATIONS
AND SOCIAL
PERFORMANCE**



ENVIRONMENT



SAFETY



**OCCUPATIONAL
HEALTH**



**REPORTING AND
COMMUNICATION**

As per SEBI directives on Integrated Reporting (IR), the Company has followed the <IR> framework of the International Integrated Reporting Council to report on all the six capitals that are used to create long-term stakeholder value and also provided the requisite mapping of principles between the Integrated Report, the Global Reporting Initiative ("GRI") and the Business Responsibility Report (BRR), which forms part of the Annual Report. Hence, a separate BRR is not being published by the Company this year. The Sustainability Report of the Company can be accessed at www.vedantalimited.com.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 read with Schedule V of Listing Regulations is presented in a separate section, forming part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

The year 2019-20 has brought lot of laurels in the hats of Vedanta Group. The group companies have been recognised for socio-economic impact they have created in the communities through their large-scale CSR Programme, receiving of more than 15 National and International awards is a testimony to that. The companies won Golden Peacock award, ASSOCHAM Women Achievers Award 2019, Golden Fulcrum Award, ET NOW World CSR Award, The CSR Journal Awards, ICC Social Impact award to name a few.

Our Company works towards a larger goal of creating enduring value for the communities it works in. Towards that end, we undertake various need-based community programmes as part of our Corporate Social Responsibility (CSR). Putting the last as first being the topmost priority, the Company has committed to align its CSR activities to the priorities of its neighbourhood communities and also the national priorities including the Sustainable Development Goals.

For almost all our programmes, a bottom up community engagement approach is non-negotiable. This collaborative approach ensures community ownership, suitable project design, effective delivery and post project sustainability. Apart from communities, we also strongly believe in partnering with government agencies, corporates, civil society organisations & community-based organisations to carry out durable and meaningful interventions.

All our CSR programmes are governed by the Vedanta CSR Policy, Corporate Technical Standards and each entity specific Standard Operating Procedures for CSR. The documents are periodically revised. Further, in order to benefit from diverse perspectives, and in keeping with a culture of collective leadership, Vedanta has formed a CSR Council. The Council is led by senior business leaders comprising of CSR Heads & CSR executives from the different Business Units. The Council is responsible for governance, synergy and cross learning across the Group CSR efforts. It meets every month and reviews the performance, spends and outcome of CSR programmes for all Business Units. The Council is instrumental in implementing improvement projects to create a seamless enabling eco-system for Business Units to carry out best-in-class community development programmes.

Vedanta has a strong Board CSR Committee including senior Independent Directors. The Committee provides strategic direction for CSR activities, and approves its plans and budgets. It also reviews progress and guides the CSR teams towards running well-governed and impactful community programmes. Details of the composition of the committee, its terms and reference and the meetings held during FY 2020 is elucidated in the Corporate Governance Report.

DIRECTORS' REPORT CONTINUED...

A detailed overview on the Community Development Programmes for FY 2020 is highlighted in the Sustainability & ESG section of this Annual Report.

During the year, the Company on a standalone basis spent ₹ 52.66 crores on CSR activities, while on a consolidated basis it spent about ₹ 296.46 crores on CSR.

A brief overview of CSR initiatives forms part of this Directors Report and is annexed hereto as **Annexure A**.

Your Company's CSR Policy addresses the Company's commitment to conduct its business in a socially responsible, ethical and environmentally friendly manner; and to continuously work towards improving the quality of life of the communities in the areas where it operates.

The policy may be viewed at www.vedantalimited.com.

VEDANTA'S EFFORTS TO COMBAT COVID-19 PANDEMIC

Vedanta, which has been at the forefront of the battle to combat the COVID-19 pandemic, **has reached out to communities across 9 states in India** to provide them with preventive healthcare and distribute free meals to the marginalised sections.

Having taken various precautionary measures to ensure the safety and well-being of all employees and stakeholders, Vedanta has intensified its support for the people and communities it works in.

As part of the Meals for Free programme, the Company has so far provided ~9 lakh meals to daily wage earners across the country. In addition, dry packet rations have been provided to more than 13,500 families from the marginalised sections of the society. On their part, the business units have also distributed more than **48,000** dry ration packets to the local communities.

Vedanta has pledged 10 lakh meals to daily wage earners, who have been hard hit due to the COVID-19 pandemic and resultant lockdown.

Vedanta has set up a ₹ 100 crores corpus for daily workers, preventive healthcare and welfare of employees and contract partners. The Company has also contributed ₹ 101 crores to PM-CARES Fund to join forces with the government in fighting the pandemic.

Keeping in mind the poor condition of stray animals, who hardly have any access to food during the lockdown, the Company is feeding more than 50,000 stray animals every day. The Company has so far provided more than **12.70 lakh** feedings to stray animals in Delhi, Mumbai and Patna.

In a bid to strengthen preventive healthcare, Vedanta has distributed more than **4.5 lakh** masks across communities. The Company is in the process of handing over another 2 lakh N95 masks to the Ministry of Health and Family Welfare, Government of India. So far, the Company has provided more than **26,000** surgical

masks and **75,000** surgical gloves to district hospitals across the country.

Vedanta has also collaborated with the Ministry of Textiles to import 23 machines for indigenously Personal Protective Equipment (PPEs). **The imported machines, which are now operational, able to produce 50,000 PPEs per day.** The Company has distributed more than **1 lakh** soaps and sanitisers across communities.

BALCO Hospital has set up isolation wards. A 100-bed hospital has been commissioned at Korba in Chhattisgarh. The Cairn Centre of Excellence (CCoE) in Jodhpur has been handed over to district administration as a quarantine facility with a 120-bed capacity, with meals provided three times a day for 150 people.

More than 10 mobile health vans have been made available to district administration for use as ambulances and for distribution of essential commodities by Business Units and Nand Ghars. **10 ICU beds, 2 ventilators and 25 nebulisers have also been provided to the hospitals.**

More than 1,100 women SHG members were engaged in the stitching of masks and distributing same among communities. They also contributed more than 10 tonne grains to grain banks created for supporting needy families during lockdown.

As an act of solidarity with the state governments, Vedanta has contributed ₹ **32.3 crores to different State's Chief Minister Relief fund COVID-19 Mitigation Fund which includes Rajasthan, Tamil Nadu, Goa, Punjab, Karnataka, Bihar, Uttar Pradesh and Chhattisgarh. Your Company has also procured PPE kits for the Government of Odisha and also arranged food packets, sanitiser kits to migrant workers travelling back to their home states.**

Vedanta employees have donated one day's salary, which was contributed by the Company for the relief funds.

Vedanta, in collaboration with Apollo Hospitals, has established a 24x7 general helpline for the employees to ensure timely healthcare advice during the lockdown. The services are open for all employees and their families.

DIGITISATION INITIATIVES - CSR

Vedanta is committed towards bringing innovation & creating shared values by managing our stakeholders through different community development initiatives in various thematic areas and automation in CSR Governance.

It has developed first of its kind (in-house) application – called **NIVAARAN** for CSR function to manage the community request, needs or grievances and address them on time across Vedanta in 2019 (initially started in Cairn Oil & Gas in 2018 and scaled across the Group as a best practice). NIVAARAN application follows up with the internal people as per the assigned timelines

and notifies them to take necessary actions to close the grievances or requests. In case the actions are not taken beyond the set timelines, it then escalates of its own to the respective managers for closure. It has helped in improving the grievance and requests recording and their redressal faster.

Besides this, another application was launched across Vedanta in 2019 in partnership with an IT startup – **GOODERA** to monitor entire Vedanta CSR Projects, provide opportunity to explore new partnerships with credible organisations, track grants and also provide platform for Vedanta Employees to volunteer in different CSR activities.

Vedanta is working towards more such IT solutions for CSR domain in coming future to improve the project governance in order to develop goodwill in the community besides their development.

IMPACT ASSESSMENT

Your Company undertakes regular monitoring of all its CSR initiatives, and these include periodic third-party assessment of baseline and impact of CSR interventions with key indicators in its areas of operation every three years. In line with this, in 2019, Taru Leading Edge (“Taru”) was appointed by Vedanta towards third party assessment with the following objectives:

- Understanding the impact of Vedanta’s CSR interventions on the community in Vedanta’s BU locations to understand the receptiveness of the programmes in the communities;
- Understanding the baseline and socio-economic scenario of the project areas as also the community needs in the BU locations;
- Development of a relevant CSR Strategy to assist Vedanta group in effective planning and implementation of its future CSR initiatives and Impact programmes.

This assessment was undertaken by Taru and the study collected information in the form of Household (HH) surveys, focus group discussions, village level observations, joint consultations and workshops, Key Informant Interview (KIIs), In-Depth Individual Interviews (IDIs) from 12,028 HHs in various Vedanta BU operational areas, towards understanding the socio-economic status in the project focusing on the key indicators relating to the thematic areas of sustainable livelihood, education, health and nutrition, energy use, environment, water and sanitation and women-related issues baseline and community’s needs along with assessment of impact of the ongoing CSR interventions of Vedanta Group and the community’s response.

Some of the key highlights of the assessment were: -

- Among the 12,028 survey HHs for impact assessment in the different BUs, 7,127 HHs (~60%) were identified to have been impacted from the various CSR programmes implemented by Vedanta in the different BUs. This indicated that Vedanta reached out to ~60%

of the HHs in their operational areas through one or the other initiatives under CSR.

- Overall outcomes of the various CSR sustainable livelihoods interventions in the BUs showed about 61.9% HHs stating that there was an increase in HH income.
- Majority of those who underwent skill development trainings (85.4%) felt more confident after the training and about 25% also stated that they got more respect in family and society.
- Health programmes have good reach and these programmes have reached to 47.6% of the HHs in the localities. More than 75% of the health domain beneficiaries stated of saving money on medicine and health due to Vedanta’s interventions.
- The reach of the education programmes to the general community has been 14.7%. The analysis of the overall outcomes of the various CSR education interventions in the BUs showed about 79.3% HHs stating of improvements in the grades of their children and about 83.3% stating of increased interest of children to go to school and 82.6% expressed an improvement in quality of education.
- For Water, Sanitation, Energy & Environment, the overall coverage or reach of the CSR interventions was 29.4%. The impact of these programmes were quite evident and the programmes were well-received. 65.1% of the HHs reported increase in cleanliness in the local areas; 58.6% of the HHs reported Sufficient quantity of water available at home; 77.4% of the HHs reported regular use of toilet facility in House; 79.2% of the HHs reported that women now feel more safe after construction of toilet; 77.8% of the HHs reported improvement in school attendance after construction of toilet and 61.1% of the HHs reported decline in number of cases of diseases.

Some of the specific findings towards aspects which are being done well by the group companies are: -

- Investment of sizeable amount in the community through its CSR and Vedanta Leadership support towards these initiatives;
- Good CSR portfolio;
- Overall good CSR policy framework;
- Business units on board and dedicated CSR teams in place in each BU;
- Interest in high impact programmes;
- Proper needs assessment being done periodically;
- Good roster of NGO implementing partners;
- Increase in CSR spending envisaged for the foreseeable future amongst others.

The report also highlighted that Vedanta Group has always shown a high-level commitment towards CSR and intents as it was one of the early movers on CSR and its CSR funding and spending has increased many folds in the last few years. The leadership of the group is well committed to the community with personal commitment by the senior management.

DIRECTORS' REPORT CONTINUED...

HUMAN RESOURCES (HR)

People & culture

Your Company has always aspired to build a culture that demonstrates world-class standards in safety, environment and sustainability. People are our most valuable asset and we are committed to provide all our employees with a safe and healthy work environment.

An update on People & Culture detailing the Company's initiatives, recruitment strategy, hiring projects and talent management and development is elucidated in the Management Review Section of the Annual Report.

EMPLOYEE STOCK OPTION SCHEME

Employee stock options is a conditional share plan for rewarding performance on pre-determined performance criteria and continued employment with the Company. It provides a much better line-of-sight to all the employees.

Your Company has established a share incentive schemes viz. 'Vedanta Limited Employee Stock Option Scheme 2016' ("the Scheme"). The Scheme was framed with a view to reward employees for their contribution in successful operation of the Company with wealth creation opportunities, encouraging high-growth performance and reinforcing employee pride.

The Scheme is a conditional share plan for rewarding performance on pre-determined performance criteria and continued employment with the Company. The pre-determined performance criteria shall focus on rewarding employees for Company performance vis a vis competition and also for achievement of internal operational metrics.

The Scheme was launched after obtaining statutory approvals, including shareholders' approval by way of postal ballot on December 12, 2016.

On November 29, 2019, the Nomination & Remuneration Committee approved the grant of Employee Stock Options 2019 to Vedanta employees covering 35% of eligible population. In-order to align the scheme with the best-in-class reward practices globally, the ESOS 2019 plan has undergone significant transformation. The grant under the ESOS 2019 is completely driven by performance and is a combination of individual contribution and business/SBU performance. Although the plan continues to be linked to Vedanta Limited for its R-TSR performance, but since business delivery is of prime importance for the organisation today, the internal parameters of Volume, Cost, NSR & EBITDA, as applicable to respective business and SBU have been introduced as additional performance parameters with enhanced weightage. The vesting of such options will also be a factor of sustained individual performance subject to continued employment with the group. Through this change, we not only ensure to protect the shareholder interests but also enable a better control of the outcome of the plan in the hands of the employee.

The Scheme is currently administered through Vedanta Limited ESOS Trust (ESOS Trust) which is authorised by the Shareholders to acquire the Company's shares from secondary market from time to time, for implementation of the Scheme. During the year, the ESOS Trust was re-constituted by the Nomination & Remuneration Committee in its meeting held on January 31, 2020. The details of the trustees are provided can be accessed at www.vedantalimited.com.

No employee has been issued stock options during the year, equal to or exceeding one percent of the issued capital of the Company at the time of grant.

During the year, the acquisition by the trust does not exceeded 2% of the paid-up capital of the Company. Further, the total acquisition by trust at no time exceeded 5% of the paid-up equity capital of the Company.

Pursuant to the provisions of SEBI (Share Based Employee Benefits), Regulations, 2014 ("Employee Benefits Regulations"), disclosure with respect to the ESOS Scheme of the Company as on March 31, 2020 is available on the website of the Company at www.vedantalimited.com.

The Company confirms that the Scheme complies with the SEBI Employee Benefits Regulations and there have been no material changes to the plan during the financial year.

A certificate from M/s SR Batliboi & Co LLP, Chartered Accountants, Statutory Auditors, with respect to the implementation of the Company's ESOS schemes, would be placed before the shareholders at the ensuing Annual General Meeting (AGM). A copy of the same will also be available for inspection at the Company's Registered Office.

MANAGERIAL REMUNERATION, EMPLOYEE INFORMATION AND RELATED DISCLOSURES

The remuneration paid to Directors, Key Managerial Personnel and Senior Management Personnel during FY 2019-20 was in accordance with the Nomination and Remuneration Policy of the Company.

Disclosures under Section 197 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Rules") relating to the remuneration and other details as required is appended as **Annexure B** to the Report.

In terms of provision of Section 136 of the Act and Rule 5(2), the Report and the Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees as prescribed under Rule 5(2) of the Rules. The said information is available for inspection on all working days during business hours, at the Company's Registered Office. Any member interested in obtaining a copy of the said statement may write to the Company Secretary and the same will be furnished upon such request.

COMPENSATION GOVERNANCE PRACTICES AT VEDANTA

Vedanta has been built on a strong foundation of governance where the Board, Key Executives and Compliance Officer have been vigilant and committed to ensure structural integrity, soundness and highest standards of compensation practices. Over the last few years we have matured many of our reward practices as an attempt to continue to raise the bar.

- The composition of Nomination and Remuneration Committee (NRC) is in compliance with the Listing Regulations and majority of the members are Independent Directors. The Chairman of the committee is an Independent Director.
- The members of the NRC together bring out the rich expertise, diverse perspectives and independence in decision making on all matters of remuneration for Directors, Key Managerial Personnel (KMP) & Senior Management Personnel (SMP). The Independent Directors are actively engaged throughout the year as members of the NRC in various people matters even beyond remuneration.
- A board charter appoints and sets our primary responsibilities of NRC which includes selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- Best-in-class independent consultants are engaged to advise and support the committee on matters of board evaluation and leading reward practices in the industry.
- The Executive Compensation Philosophy is well established and benchmarked across relevant industry comparators which enables us to differentiate people on the basis of performance, potential and criticality in-order to provide a competitive advantage in the industry.
- The Total Reward Philosophy at Vedanta is built on the core objective of driving 'Pay for Performance' culture. The appropriate mix of components of the Executive Compensation aim to drive the short as well as long-term interests of the Company and its shareholders through strong emphasis on operational/ financial fundamentals, social licence to operate and business sustainability, strategic objectives of resource and reserve creation and wealth creation for stakeholders.
- Timely risk assessment of compensation practices is done in addition to review of all components of compensation for consistency with stated compensation philosophy:
 - Financial analysis & simulation of the long-term cost of reward plans and their Return on Investments (ROI).
 - Provision of claw back clause as part of the ground rules of our long-term incentive scheme for all our leaders.

- Upper limits and caps defined on incentive pay-outs in the event of over-achievement of targets to avoid windfall gains.

- We do not encourage provision of excessive perks or special clauses as part of employee contract such as:
 - No provision of Severance Pay in Employment contracts of Whole-Time Directors (WTD), KMP & SMP;
 - No Tax Gross up done for executives except for expatriates as part of tax equalisation;
 - No provision of unearned Incentives/unvested Stock or Cash Options;

Any benefit provided to Key Executives are available to all the employees of the Company as per the defined Company policy.

- We continue to corroborate the Internal Pay Equity Principles, sustained attention to equity grant practices and maintain checks & balances to confirm that the practices are legally and ethically compliant with International, national and state/regional laws.

RISK MANAGEMENT

The businesses are exposed to a variety of risks, which are inherent to a global natural resources organisation. The effective management of risk is critical to support the delivery of the Group's strategic objectives. Risk management is embedded in the organisation's processes and the risk framework helps the organisation meet its objectives by aligning operating controls with the mission and vision of the Group set by the Board.

As part of our governance philosophy, the Board has a Risk Management Committee to ensure a robust risk management system. The details of Committee and its terms of reference are set out in the Corporate Governance Report, which forms part of this Annual Report.

With effect from June 6, 2020, the Risk Management Committee has been consolidated with the Audit Committee comprising of only Independent Directors ensuring robust risk management systems in place with valued feedback of Independent Directors being on the Committee.

Our risk-management framework is designed to be simple, consistent and clear for managing and reporting risks from the Group's businesses to the Board. Our management systems, organisational structures, processes, standards and code of conduct together form the system of internal controls that govern how we conduct business and manage associated risks. We have a multi-layered risk management framework to effectively mitigate the various risks, which our businesses are exposed to in the course of their operations.

DIRECTORS' REPORT CONTINUED...

The Risk Management Committee supports the Audit Committee and the Board in developing the group-wide risk-management framework. Risks are identified through a consistently applied methodology. The Company has put in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives.

Major risks identified by businesses and functions are systematically addressed through mitigating actions. Risk officers have also been formally nominated at operating businesses, as well as at Group level, to develop the risk-management culture within the businesses.

The Risk Management Policy of the Company revised in 2019 covers cybersecurity as well. With effect from June 6, 2020, the Risk Management Committee has been consolidated with the Audit Committee comprising of only Independent Directors.

For a detailed risk analysis, you may like to refer to the risk section in the Management Discussion Analysis Report which forms part of this Annual Report.

CYBER SECURITY

The Group has a structured framework for cybersecurity. Each of the Business Units has a CIO (Chief Information Officer) with suitable experience in Information/Cybersecurity. Every year, cybersecurity review is carried out by IT experts (belonging to IT practices of Big-4 firms). Vulnerability Assessment and Penetration Testing (VAPT) review is also carried out by cyber experts. This practice has been in place for several years now and has helped in strengthening the cyber security environment in the group. At the same time, the external environment on cybersecurity is continuously evolving. The respective CIOs are responsible for ensuring appropriate controls are in place to address the emerging cyber risks.

INTERNAL FINANCIAL CONTROLS

Your Board has devised systems, policies and procedures/frameworks, which are currently operational within the Company for ensuring the orderly and efficient conduct of its business, which includes adherence to policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. In line with best practices, the Audit Committee and the Board reviews these internal control systems to ensure they remain effective and are achieving their intended purpose. Where weaknesses, if any, are identified as a result of the reviews, new procedures are put in place to strengthen controls. These controls are in turn reviewed at regular intervals.

The systems/frameworks include proper delegation of authority, operating philosophies, policies and procedures, effective IT systems aligned to business requirements, an internal audit framework, an ethics

framework, a risk management framework and adequate segregation of duties to ensure an acceptable level of risk. Documented controls are in place for business processes and IT general controls. Key controls are tested by entities to assure that these are operating effectively. Besides, the Company has also adopted an SAP GRC (Governance, Risk and Compliance) framework to strengthen the internal control and segregation of duties/access. It also follows a half-yearly process of management certification through the Control Self-Assessment framework, which includes financial controls/exposures.

The Company has documented Standard Operating Procedures (SOP) for procurement, project/expansion management capital expenditure, human resources, sales and marketing, finance, treasury, compliance, Safety, Health and Environment (SHE), and manufacturing.

The Group's internal audit activity is managed through the Management Assurance Services ('MAS') function. It is an important element of the overall process by which the Audit Committee and the Board obtains the assurance on the effectiveness of relevant internal controls.

The scope of work, authority and resources of MAS are regularly reviewed by the Audit Committee. Besides, its work is supported by the services of leading international accountancy firms.

The Company's system of internal audit includes covering monthly physical verification of inventory, a monthly review of accounts and a quarterly review of critical business processes. To enhance internal controls, the internal audit follows a stringent grading mechanism, focussing on the implementation of recommendations of internal auditors. The internal auditors make periodic presentations on audit observations, including the status of follow-up to the Audit Committee.

The Company is also required to comply with the Sarbanes Oxley Act Sec 404, which pertains to Internal Controls over Financial Reporting (ICOFR). Through the SOX 404 compliance programme, which is aligned to the Committee of Sponsoring Organisations of the Treadway Commission (COSO) framework, the Audit Committee and the Board also gains assurance from the management on the adequacy and effectiveness of ICOFR.

In addition, as part of their role, the Board and its Committees routinely monitor the Group's material business risks. Due to the limitations inherent in any risk management system, the process for identifying, evaluating, and managing the material business risks is designed to manage, rather than eliminate risk. Besides it created to provide reasonable, but not absolute assurance against material misstatement or loss.

Since the Company has strong internal control systems which are further strengthened by periodic reviews as required under the Listing Regulations and SOX compliance by the Statutory Auditors, the CEO and CFO recommend to the Board continued strong internal financial controls.

Based on the information provided, nothing has come to the attention of the Directors to indicate that any material breakdown in the function of these controls, procedures or systems occurred during the year under review. There have been no significant changes in the Company's internal financial controls during the year that have materially affected or are reasonably likely to materially affect its internal financial controls.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their objectives. Moreover, in the design and evaluation of the Company's disclosure controls and procedures, the management was required to apply its judgement in evaluating the cost-benefit relationship of possible controls and procedures.

Further, the Audit Committee annually evaluates the internal financial controls for ensuring that the Company has implemented robust systems/framework of internal financial controls viz. the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

As part of Vedanta Group, your Company is an equal opportunity employer and believes in providing opportunity and key positions to women professionals. The Group has endeavoured to encourage women professionals by creating proper policies to tackle issues relating to safe and proper working conditions and create and maintain a healthy and conducive work environment that is free from discrimination. This includes discrimination on any basis, including gender, as well as any form of sexual harassment. During the period under review, eight complaints were received and

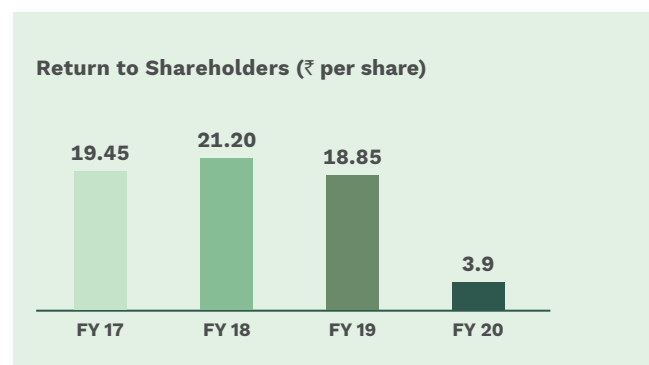
resolved. Four employees were separated on account of complaints. Your Company has constituted Internal Complaints Committee (ICC) for various business divisions and offices, as per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

VIGIL MECHANISM

The Company has in place a robust vigil mechanism for reporting genuine concerns through the Company's Whistle-Blower Policy. As per the Policy adopted by various businesses in the Group, all complaints are reported to the Director – Management Assurance, who is independent of operating management and the businesses. In line with global practices, dedicated email IDs, a centralised database, a 24X7 whistle-blower hotline and a web-based portal have been created to facilitate receipt of complaints. All employees and stakeholders can register their integrity related concerns either by calling the toll-free number or by writing on the web-based portal which is managed by an independent third party. The hotline provides multiple local language options. All cases reported as part of whistle-blower mechanism are taken to their logical conclusion within a reasonable timeframe. After the investigation, established cases are brought to the Group Ethics Committee for decision-making. All Whistle-Blower cases are periodically presented and reported to the Company's Audit Committee. The details of this process are also provided in the Corporate Governance Report and the Whistle-Blower Policy is available on the Company's website at www.vedantalimited.com.

DIVIDEND

With consistent dividend as a healthy sign of our sustained growth, our firm belief in percolating the benefits of our business progress for widespread socio-economic welfare facilitates the equitable sharing of our economic value generated. Attaining steady operational performance and a harmonised market environment in continuation of the historical trends helped us to reaffirm the realisation of competent numbers for FY 2020.



DIRECTORS' REPORT CONTINUED...

The Company has declared interim dividend during the year out of the reserves of the Company and in compliance with the Dividend Distribution Policy:-

Type of Dividend	Date of Declaration	Record Date	Rate of Dividend per share (face value ₹ 1 per share)	%	Total Payout (in crores)
1 st Interim Dividend	February 27, 2020	March 7, 2020	₹ 3.90	390	c. ₹ 1,500

Given the current market dislocation and uncertainties caused by the coronavirus pandemic, it is important to maximise financial flexibility across the group. Your board will decide on the size and timing of any future dividend payments once there is greater clarity on the outlook for the economy and commodity markets. Your Company believe this is the correct decision for all the stakeholders as we navigate through an unprecedented period of volatility for the global economy and our business.

The Directors do not recommend final dividend for the financial year ended March 31, 2020.

DIVIDEND DISTRIBUTION POLICY

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') your Company has adopted a Dividend Distribution Policy formulated by the Board specifying the financial parameters, factors and circumstances to be considered in determining the distribution of dividend to shareholders and/or retaining profits earned by the Company. The policy aims to protect the interest of investors by ensuring complete transparency.

Your Company is in compliance with the dividend distribution policy as approved by the Board.

The Policy can be accessed on the website of the Company at www.vedantalimited.com.

CREDIT RATING

Your Company is rated by CRISIL and India Rating and Research Private Limited on its various debt instruments. The details of ratings provided by the agencies is specified in the Corporate Governance Report.

POLICY AND ADVOCACY

Vedanta supports the mining, metal manufacturing and energy fuel extracting industry through progressive and responsible advocacy. We strive for unlocking greater value of these sectors and country's policies achieving better shape through levers of data analytics, deep legislative understanding, thought leadership and developmental idea exchange. We engage with industry associations and actively participate in public consultations which support the development agenda of the country. Our vast experience across mineral and metal value chain and geographical reach are utilised in prescribing the best practices in various policy matters. Our focus on advocacy efforts always remains on economic development of the local, region and country where we operate, in a sustainable manner.

INVESTOR RELATIONS

Your Company has an active Investor Relations (IR) function which continuously strives for excellence by engaging with international and domestic investors. Your Company benchmarks global IR standards and aims at exceeding them. The Company proactively seek feedback from all stakeholders throughout the year.

Shareholder engagement

The Investor Relations team takes both formal and informal approach to engage with shareholders. The team interacts with investors at various platforms demonstrating consistent and clear communication between internal and external parties. Some of these forums include quarterly earnings calls, hosting Investor/Analyst Day, site visits for key businesses, one-on-one as well as group meetings and participation in sell-side conferences. The leadership teams from various businesses along with promoters of the Company as well as senior management consisting of the CEO and the CFO are also invited as required for some of these engagements. These proactive investor engagement activities and openness of senior leaders to interact with investors and analysts is well appreciated by all stakeholders.

Shareholder communication

Shareholders can contact us any time through our Investor Relations team, with contact details available online at www.vedantalimited.com. Shareholder and analyst feedbacks are shared in a timely and structured manner with the Board through the Chairman, the Independent Directors, the CEO, the CFO and the Company Secretary. Ongoing communication with our stakeholders keeps the board and senior management abreast of their views and helps to gain insight.

Shareholder disclosures

Vedanta has set standards through the detailed and transparent disclosures on the Company's operational and financial performance. Your Company had created its first Integrated Report (for Financial Year 2018) and continued thereafter. The Company also started a new communication initiative which involves sending a brief update about the Company's performance and key events to its shareholders and other stakeholders on a regular basis. The dissemination of business updates through this "Investor Brief" has been well appreciated. Having a diverse shareholder base and multiple business verticals, demands enormous efforts from an IR function to manage investors, sell-side analysts as well as ensuring a timely and complete business update is provided to all. As a key milestone in this continuing

endeavour, your Company created a digital interactive microsite on the corporate website to provide an interactive experience beyond what is available in the annual and quarterly results materials.

KEY INITIATIVES WITH RESPECT TO VARIOUS STAKEHOLDERS

As a diligent driver of all-encompassing stakeholder growth, the Company undertakes significant initiatives with respect to its employees, shareholders, investors, lenders, suppliers, customers, civil society, local community and Government authorities striving to accelerate its focus on HSE and sustainability. These initiatives are enlisted with detailed specifics in the Integrated Report section of the Annual Report.

CORPORATE GOVERNANCE REPORT

Upholding strong business ethics and implementing highest standards of corporate governance is an integral part of Vedanta's core values and is of prime importance to the efficacy of our operational conduct and stakeholder management.

In our persistent endeavour to benchmark our policies and practices in the light of recent developments in the realm of corporate governance along with other regulatory reforms, your Company strives to fulfill its inherent responsibility to build sustainable growth, create value for all stakeholders, maintain investor confidence and reinforce commitment towards good governance, transparent engagement, functional integrity and objective-oriented diligence.

A separate report on Corporate Governance setting out the governance structure and principal activities of the Board and its Committees, together with a Certificate from M/s S.R. Batliboi & Co LLP, Statutory Auditors of the Company, regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations is provided as an Annexure to the Corporate Governance Report forming part of Annual Report. A Certificate from the CEO and CFO of the Company, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and timely reporting of matters to the Audit Committee, is also annexed to the Corporate Governance Report.

DIRECTORS, KEY MANAGERIAL PERSONNEL & SENIOR MANAGEMENT

Our Board continues to maintain a combined wealth of extensive leadership experience representing a plethora of complementary skills, attributes and perspectives in order to be equipped to navigate the operational, social, regulatory and geopolitical complexity in which our business operates. Leveraging of institutional knowledge and diversity of oversight supports the Board in enhancing its effectiveness and contributes to better decision-making and long-term strategy of the Group.

The Senior Management, likewise, comprises of a multi-faceted group of leaders with substantial competencies

in their respective fields derived from dedicated service guiding large and complex organisations as executive leaders. This tapestry of qualifications and positive attributes, in alignment with the Board, facilitates the maintenance of an appropriate mix of objectivity and professional experience directed towards larger organisational growth.

During FY 2020, your Company welcomed Mr. MK Sharma as an Independent Director of the Company. In the opinion of the Board, Mr. Sharma exhibited rich veracity and diverse experience in the areas of corporate governance, ESG, mergers and acquisitions, corporate restructuring and law. Based on his multi-disciplinary stints with membership of several Committees and leadership positions in various corporates, your Board believes that Mr. Sharma's induction continues to nurture the Board in broadening its overall efficiency and expertise.

Complementing Mr. Sharma's detailed profile provided in the earlier section of the Annual Report, this statement forms a part of the Directors' Report in accordance with the Companies (Accounts) Amendment Rules, 2019 notified to hold effect from December 1, 2019.

The detailed biographical information of each Board member, Key Managerial Personnel and Senior Management Personnel forms part of the Annual Report. Further, the dimensions of other directorships, skills and expertise in addition to the changes during the period under review are detailed in the Corporate Governance Report.

BOARD DIVERSITY & INCLUSION

Your Company diligently cognises a culture of diversity and inclusion in the Board as the pre-requisite for achieving long-term growth and development steered through effective strategy and governance. In a bid to ensure timely anticipation of risks and opportunities while promoting the persuasive desire of the stakeholders for greater diversity, our Board reflects an appropriate balance of skills, professional experiences, personal backgrounds and leadership perspectives. The details of the key attributes of the Board members are elucidated in the Corporate Governance Report.

DIRECTORS SEEKING RE-APPOINTMENT

Pursuant to the provision of Companies Act, 2013, Mr. GR Arun Kumar (DIN 01874769), Whole-Time Director & Chief Financial Officer of the Company, is liable to retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. Accordingly, the appointment of Mr. GR Arun Kumar is being placed for approval of the members at the AGM. A brief profile of Mr. GR Arun Kumar and other related information is provided in the AGM notice. The Board recommends his re-appointment at the AGM.

Further, Ms. Priya Agarwal, appointed as a Non-Executive Director for a period of 3 years w.e.f.

DIRECTORS' REPORT CONTINUED...

May 17, 2017, has been re-appointed by the Board on May 16, 2020 for another term of 3 years effective May 17, 2020 subject to the confirmation of the shareholders at the ensuing AGM.

A brief profile of the Directors seeking re-appointment and other related information is provided in the AGM notice. Your directors recommend their re-appointment.

The detailed changes in the Board composition have been provided in the Corporate Governance report forming part of this Annual Report.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from all the Independent Directors that they continue to meet the criteria of independence as provided under the Companies Act and Listing Regulations and comply with the Code for Independent Directors as specified under Schedule IV of the Act.

The Directors have also confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

The Directors have further affirmed their compliance with Rule 6(1) and 6(2) of Companies (Appointment and Qualification of Directors) Rules, 2014.

POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Nomination & Remuneration Policy adopted by the Board on the recommendation of the Nomination & Remuneration Committee enumerates the criteria for assessment and appointment/re-appointment of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) on the basis of their qualifications, knowledge, skill, industrial orientation, independence, professional and functional expertise among other parameters with no bias on the grounds of ethnicity, nationality, gender or race or any other such discriminatory factor.

The Policy also sets out the guiding principles for the compensation to be paid to the Directors, KMP and SMP; and undertakes effective implementation of Board familiarisation, diversity, evaluation and succession planning for cohesive leadership management.

With your Company continuing to comply with the Policy in true letter and spirit, the complete Policy is reproduced in full on our website at www.vedantalimited.com and a snapshot of the Policy is elucidated in the Corporate Governance Report.

FAMILIARISATION PROGRAMME FOR BOARD MEMBERS

Your Company has in place, a systematic and structured programme for an edifying orientation and training of its newly inducted Directors in order to provide them with

an insight about the Company's business operations and organisational conduct. The program further safeguards regular updates to the existing Directors on the significant changes, in turn, ensuring timely and informed decision-making.

The Board meetings are also meticulously planned in a coherent manner which enables keeping the Directors abreast with a wide range of topics entailing quarterly review presentations by the business CEOs; regulatory updates; and discussion proceedings on governance, risk, compliance, stakeholders, health, safety and environment among other matters.

The familiarisation programme and its methodology adopted for the Directors are construed under the Corporate Governance Report and can also be accessed on the website of the Company at www.vedantalimited.com.

BOARD EVALUATION

An effective Board is key to the establishment and delivery of a Company's strategy and towards the endeavour of your Board to continually assess and improve its effectiveness and performance, the Company has in place a formal and rigorous process for evaluation of the Board, its Committees, the Chairman, the Individual Directors and the governance processes that support the Board's work.

As a step towards better governance practice, this year the Company, as a part of the rotation, has engaged another leading consultancy firm, to conduct the Board evaluation process which was facilitated through an online secured module ensuring transparent, effective and independent involvement of the management. The evaluation was conducted through a tailored questionnaire having qualitative parameters and constructive feedback based on ratings. Recommendations arising from the evaluation process were considered by the Board to optimise its effectiveness.

The outcome of the Board evaluation was discussed by the Nomination & Remuneration Committee and the Board at their meeting held on June 6, 2020.

A comprehensive disclosure on the parameters and the process of Board evaluation as well as the outcome thereof has been explicated in the Corporate Governance Report.

BOARD & COMMITTEE MEETINGS

The Board renders entrepreneurial leadership and governs business excellence for the entire Group. With the aim to operate effectively and provide complete consideration to key integral matters, the Board has established various committees with clearly agreed reporting procedures and defined scope of authority.

The Board in conjunction with its committees ensures transparency, responsibility and accountability in creating sustainable growth and long-term value for stakeholders.

Statutory Board Committees



Other Committees



1. With effect from June 6, 2020, the Risk Management Committee has been consolidated with the Audit Committee comprising of only Independent Directors.
2. Effective May 16, 2020 Finance Standing Committee has been consolidated with the Committee of Directors.

In order to ensure timely and effective decision-making, the Board and its Committees meet at regular intervals and undertake all-inclusive discussions and deliberations. During the FY 2020, the Board met seven (07) times.

A comprehensive update on the Board, its committees, their composition, terms and reference, meetings held during FY 2020 and the attendance of each member is detailed in the Corporate Governance Report.

All the recommendations made by each of the Committees were accepted by the Board.

AUDITORS AND AUDITORS' REPORT

AUDIT REPORTS:

- The Statutory Auditors' report for FY 2019-20 does not contain any qualification, reservation or adverse remark. The Auditors' report is enclosed with the financial statements in the Annual Report.
- The Secretarial Auditors' Report for FY 2019-20 does not contain any qualification, reservation or adverse remark. The report in form MR-3 along with Annual Secretarial Compliance Report is enclosed as **Annexure D** to the Directors' Report.
- As per the Listing Regulations, the auditors' certificate on corporate governance is enclosed as an Annexure to the Corporate Governance Report forming part of the Annual Report. The Certificate does not contain any qualification, reservation or adverse remark.
- A certificate from Company Secretary in Practice certifying that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority forms part of the Corporate Governance Report.

DIRECTORS' REPORT CONTINUED...

AUDITORS:

Statutory Auditors

- M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E) were appointed in June, 2016 as the Statutory Auditors of the Company till the conclusion of 56th AGM, to be held in calendar year 2021. The report of the Statutory Auditors along with notes to Schedules is enclosed to this Report. The report read with notes to accounts are self-explanatory and therefore, do not call for any further comments or explanation under Section 134 (3)(f) of the Act.
- The Company has received a certificate that they are not disqualified and continue to remain eligible to act as the auditors of the Company.
- The auditors have also furnished a declaration confirming their independence as well as their arm's length relationship with the Company. The Audit Committee reviews the independence and objectivity of the auditors and the effectiveness of the audit process.
- The Statutory Auditors were present at the last AGM of the Company.

Secretarial Auditors

- The Board had appointed M/s Chandrasekaran & Associates (Firm Registration No. 002500), Practicing Company Secretaries to conduct the secretarial audit of the Company for the FY 2019-20.
- The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed as **Annexure D** to this Report and confirms that the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances.
- Pursuant to SEBI circular no. CIR/CFD/CMO1/27/2019 dated February 8, 2019, the company has also undertaken an audit for all applicable compliances as per the Listing Regulations and circular guidelines issued thereunder. The Annual Secretarial Compliance Report for the FY 2019-20 has also been submitted to the Stock Exchanges within the stipulated timeline.
- The Company has received a certificate confirming their eligibility and consent to act as the Auditors.
- The Board has reappointed M/s Chandrasekaran & Associates as the Secretarial Auditors for FY 2020-21.
- The Secretarial Auditors were also present at the last AGM of the Company.

Cost Auditors

- In terms of Section 148 of Companies Act, 2013 read with rules made thereunder, your Company is required to have the audit of its cost records conducted by the Cost Accountant in Practice.
- The Board, on recommendation of the Audit Committee had appointed the following Cost Accountants as the Cost Auditors for conducting the audit of cost records of the Company for the FY 2019-20:
 - M/s Shome and Banerjee - Oil & Gas Business; and
 - M/s Ramnath Iyer & Co. - other business segments
- M/s Ramnath Iyer & Co., Cost Accountants were nominated as the Lead Cost Auditors.
- The Company had received a certificate confirming their eligibility and consent to act as the Auditors.
- The said auditors have been re-appointed for FY 2020-21 as well. A resolution seeking ratification of the remuneration payable to the Cost Auditors for FY 2021 forms part of the notice of the ensuing AGM.
- The cost accounts and records of the Company are duly prepared and maintained by the Company as required under Section 148(1) of the Act pertaining to cost audit.

Internal Auditors

- The Company had appointed M/s Deloitte Haskins & Sells, LLP as the Internal Auditors of the Company for the FY 2019-20 to conduct the internal audit basis a detailed internal audit plan.
- The Company has an independent in-house Management Assurance Services (MAS) team to manage the group's internal audit activity and that functionally reports to the Audit Committee.
- The Board, on recommendation of the Audit Committee, has reappointed M/s Deloitte Haskins & Sells, LLP as the Internal Auditors of the Company for the FY 2020-21.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its officers or employees to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

DETAILS OF LOANS/ GUARANTEES/ INVESTMENT MADE BY THE COMPANY

The particulars of loans given, investments made, guarantees given and securities provided along with the

purpose for which the loan or guarantee or security is proposed to be utilised as per the provisions of Section 186 of the Act are provided in the standalone financial statements. (Please refer to Notes to the standalone financial statements).

DEBENTURES

During the financial year, your Company raised ₹ 4,920 crores through issuance of secured, rated, redeemable, non-cumulative, non-convertible debentures (NCD) of face value of ₹ 1,000,000 each on private placement basis as per the following details:

Coupon Rate	Date of Allotment	No. of NCDs	Total Amount	Tenor	Maturity Date
8.90% Secured Rated Listed Redeemable Non-Convertible Debentures - Series I	09/12/19	9,000	900	2 years	09/12/21
9.20% Secured Rated Listed Redeemable Non-Convertible Debentures - Series II	09/12/19	7,500	750	3 years	09/12/22
8.75% Secured Rated Listed Redeemable Non-Convertible Debentures	30/01/20	12,700	1,270	2 years & 5 months	30/06/22
9.20% Secured Rated Listed Redeemable Non-Convertible Debentures	25/02/20	20,000	2,000	10 years	25/02/30

The aforesaid debentures are listed on BSE Limited.

Further, the details of NCDs outstanding debentures as of March 31, 2020 have been detailed in the Corporate Governance Report.

COMMERCIAL PAPERS

The Commercial Papers issued by the Company are listed on National Stock Exchange of India Limited. The details of the Commercial Papers outstanding as of March 31, 2020 have been provided in the Corporate Governance Report.

FIXED DEPOSITS

As at March 31, 2020 deposits amounting to ₹ 54,000 remains unclaimed. Since the matter is sub judice, the Company is maintaining status quo.

TRANSFER TO RESERVES

The Company proposes Nil transfer to General Reserve for the financial year.

CAPITAL STRUCTURE

The Authorised Share Capital of the Company is ₹ 74,120,100,000 divided into 44,020,100,000 number of equity shares of ₹ 1/- each and 3,010,000,000 Preference Shares of ₹ 10/- each. There was no change in the capital structure of the Company during the period under review.

The details of share capital as on March 31, 2020 is provided below:-

Particulars	Amount (₹)
Authorised Share Capital	74,120,100,000
Paid-up Capital	3,717,504,871
Listed Capital	3,717,196,639
Shares under Abeyance pending allotment	308,232

* Out of the total paid-up capital of 3,717,504,871 equity shares, 308,232 equity shares are pending for allotment and listing and hence kept under abeyance since they are sub-judice and further 261,780,208 equity shares are held in the form of 65,445,052 ADSs as on March 31, 2020.

UNCLAIMED SHARES

Pursuant to the SEBI Circular and Regulation 39 of the Listing Regulations regarding the procedure to be adopted for unclaimed shares issued in physical form in public issue or otherwise, the Company has a separate demat account in the title of 'Vedanta Limited

DIRECTORS' REPORT CONTINUED...

– Unclaimed Suspense Account' with M/s Karvy Stock Broking Limited. The details of shares lying in the unclaimed suspense account are provided below:-

Description	No. of shareholders	No. of Equity shares of ₹ 1/- each
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	2,717	2,650,262
Number of shares transferred to the unclaimed suspense account during the year	-	-
Number of shareholders who approached issuer for transfer of shares from suspense account during the year	43	108,612
Number of shareholders to whom shares were transferred from suspense account during the year	-	-
Number of shares transferred to IEPF account pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with Amendment Rules, 2017	1,898	1,606,791
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	776	934,859

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In accordance with the provisions of Companies Act and IEPF Rules, the Company is required to transfer the following amounts to IEPF:-

- Dividend amount that remains unpaid/unclaimed for a period of seven (7) years;
- Shares on which the dividend has not been paid/claimed for seven (7) consecutive years or more.

Your Company in its various communications to the shareholders from time to time, requests them to claim the unpaid/unclaimed amount of dividend and shares

due for transfer to the IEPF account established by Central Government. Further, in compliance with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) including statutory modifications thereof, the Company publishes notice in newspapers and also sends specific letters to all the shareholders, whose shares are due to be transferred to IEPF, to enable them claim their rightful dues.

The details of dividend transferred during the financial year is provided below:-

Dividend transferred to IEPF during the year

Financial Year	Type of Dividend	Dividend declared on	Amount transferred to IEPF (in ₹)	Date of transfer to IEPF
2011-12	Final Dividend	23/06/12	1,812,052.00	20/08/19
2011-12	Final Dividend	03/07/12	9,864,428.00	27/08/19
2011-12	Final Dividend	14/07/12	5,971,201.00	11/09/19
2012-13	Interim Dividend	23/10/12	6,403,271.00	17/12/19
2012-13	Interim Dividend	28/10/12	1,449,220.00	20/12/19
2012-13	Interim Dividend	31/10/12	4,450,855.00	21/12/19
Total			29,951,027.00	

Unpaid dividend on the shares on which there was a specific order of court/ tribunal/ statutory authority restraining transfer of such shares and dividend thereon, were not transferred to IEPF pursuant to Section 124 of the Companies Act, 2013 and Rule 6 of IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 including statutory modifications or re-enactments thereof.

Dividend declared during the financial year transferred to IEPF

Financial Year	Type of Dividend	Dividend declared on	Amount transferred to IEPF (in ₹)	Date of transfer to IEPF
2019-20	Interim Dividend (1 st)	27/02/20	17,417,563.80	12/03/20
Total			17,417,563.80	

Shares transferred/credited to IEPF

During the year, the Company transferred 2,126,129 equity shares of ₹ 1/- each comprising of 3,898 shareholders to IEPF.

The Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 11, 2019 (date of last AGM) on the Company's website www.vedantalimited.com. Further, the details of equity shares transferred are available on the Company's website www.vedantalimited.com.

The shareholders whose shares/ dividends have been transferred to IEPF can claim the same from IEPF in accordance with the prescribed procedure and on submission of such documents as prescribed under the IEPF Rules. The process for claiming the unpaid dividend/shares out of the IEPF can be accessed at www.iepf.gov.in and on the website of the Company at www.vedantalimited.com.

The dates on which unclaimed dividend and their corresponding shares would become liable to be transferred to the IEPF during the financial year 2020-21 is provided below:-

Dividend to be transferred to IEPF during the financial year 2020-21

Particulars	Date of Declaration of Dividend	Date of completion of seven years	Due date for transfer to IEPF	Amount as on March 31, 2020 (in ₹)
Interim Dividend 2012-13 (2 nd)	29/04/13	03/06/20	03/07/20	7,457,197.40
Final Dividend 2012-13	06/06/13	11/07/20	10/08/20	1,846,935.00
Final Dividend 2012-13	27/06/13	01/08/20	31/08/20	736,304.80
Final Dividend 2012-13	24/07/13	28/08/20	27/09/20	6,005,701.00
Interim Dividend 2013-14	22/10/13	26/11/20	26/12/20	4,298,472.00
Interim Dividend 2013-14	31/10/13	05/12/20	04/01/21	14,271,742.50
Total				34,616,352.70

Ms. Prerna Halwasiya, Company Secretary & Compliance Officer of the Company is designated as the Nodal Officer under the provisions of IEPF. The contact details can be accessed on the website of the Company at www.vedantalimited.com.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company has 49 subsidiaries (15 direct and 34 indirect) as at March 31, 2020, as disclosed in the notes to accounts.

During the year and till date the following changes have taken place in subsidiary companies:

- Vedanta Star Limited, a wholly owned subsidiary company has been merged with Electrosteel Steels Limited w.e.f. March 25, 2020.

There has been no material change in the nature of the business of the subsidiaries.

As at March 31, 2020, the Company has 6 associate companies and joint ventures.

Associate Companies and Joint Ventures:

- RoshSkor Township (Proprietary) Limited
- Gaurav Overseas Private Limited
- Goa Maritime Private Limited
- Madanpur South Coal Company Limited
- Rampia Coal Mines and Energy Private Limited
- Rosh Pinah Health Care (Proprietary) Limited

As required under Listing Regulations, the Consolidated Financial Statements of the Company and its subsidiaries and joint ventures, prepared in accordance with Ind AS 110 issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

During the year, the Board of Directors have reviewed the affairs of the subsidiaries. Pursuant to Section 129(3) of the Companies Act, 2013 (the Act), a statement containing the salient features of the financial statements of the subsidiary and associate companies is attached to the financial statements in Form AOC-1. The statement also provides details of performance and financial position of each of the subsidiaries and their contribution to the overall performance of the Company.

In accordance with Section 136 of the Act, the audited Standalone and Consolidated financial statements of the Company along with relevant notes and separate audited accounts of subsidiaries are available on the website of the Company at www.vedantalimited.com. Copies of the financial statements of the Company and of the subsidiary companies shall be made available upon request by any member of the Company. Additionally, these financial statements shall also be available for inspection by members on all working days during business hours at the Registered Office of the Company.

DIRECTORS' REPORT CONTINUED...

MATERIAL SUBSIDIARIES

In accordance with Regulation 16(1)(c) of the SEBI Listing Regulations, your Company has the following material subsidiary companies as on March 31, 2020:-

- Hindustan Zinc Limited (HZL), a listed subsidiary of the Company; and
- Cairn India Holdings Limited (CIHL), unlisted subsidiary

The Company has also in place a policy on determination of material subsidiaries and the same may be accessed at www.vedantalimited.com. This objective of the Policy is to determine the Material Subsidiaries and Material Unlisted Indian Subsidiary of the Company and to provide the governance framework for such subsidiaries.

RELATED PARTY TRANSACTIONS

Your Company has in place a Policy on Related Party Transaction (RPT Policy) formulated in line with the provision of the Companies Act and Listing Regulations. The Policy may be accessed at www.vedantalimited.com.

The Policy sets out the philosophy and processes to be followed for approval and review of transactions with Related Party and intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions with Related Parties.

A detailed landscape of all RPTs, specifying the nature, value, and terms and conditions of the transaction is presented to the Audit Committee. Also, a Related Party Transactions Manual-Standard Operating Procedures has been formulated to identify and monitor all such transactions.

During the fiscal 2019-20, all the contracts/arrangements/transactions entered into by the Company with the related parties were in the ordinary course of business and on an arm's length basis and were in compliance with the provisions of the Companies Act and Listing Regulations.

All Related Party Transactions were subject to independent review by a reputed accounting firm to establish compliance with the requirements of Related Party Transactions under the Companies Act, 2013 and Listing Regulations.

Further, there have been no materially significant RPTs during the year pursuant to the provisions of the Companies Act and Listing Regulations. Accordingly, the disclosure required u/s 134(3)(h) of the Act in Form AOC-2 is not applicable to your Company.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

Provided below are the significant and material orders which have been passed by any regulators or courts

or tribunals against the Company impacting the going concern status and Company's operations in future.

Iron-Ore Division – Goa Operations

Supreme Court (SC) in the Goa Mining matter in 2014 declared that the deemed mining leases of the lessees in Goa expired on November 22, 1987 and the maximum of 20 years renewal period of the deemed mining leases in Goa under the Mines and Minerals (Development and Regulation) (MMDR) Act had also expired on November 22, 2007 and directed state to grant fresh mining leases.

Thereafter, various mining leases were renewed by the state government before and on the date the MMDR Amendment Ordinance 2015 came into effect (i.e. January 12, 2015).

These renewal of mining leases were challenged before the SC by Goa Foundation and others in 2015 as being arbitrary and against the judgement of the SC in the earlier Goa mining matter. The SC passed the judgement in the matters on February 27, 2018 wherein it set aside the second renewal of the mining leases granted by the State of Goa. The court directed all lease holders operating under a second renewal to stop all mining operations with effect from March 16, 2018 until fresh mining leases (not fresh renewals or other renewals) in accordance with the provisions of the MMDR Act, 1957 and fresh environmental clearances are granted.

Subsequently, mining lessees and other mining stakeholder have filed applications in the pending Abolition Act matter for resumption of mining in the State. The Central Government has also filed an early hearing application in the long pending abolition matter.

We have now filed Special Leave Petition in the Supreme Court in appeal from the HC order against a non-consideration of our representation seeking an amendment of the mining lease till 2037 based on the provisions on the MMDR Amendment Act, 2015. This will be heard in due course. SC has on February 10, 2020 allowed the impediment of Goa foundation and another impleader. The matter will be listed in due course.

Copper Division

Copper division of Vedanta Limited has received an order from Tamil Nadu Pollution Control Board (TNPCB) on April 9, 2018 whereby they have rejected the Company's application for renewal of Consent to Operate (CTO) for the 400,000 Metric Tonnes Per Annum (MTPA) Copper Smelter plant in Tuticorin. In furtherance to the order of TNPCB rejecting the Company's application, the Company decided to shut its Copper smelting operations at Tuticorin and has filed an appeal with TNPCB Appellate authority against the order. During the pendency of the appeal the TNPCB vide its order dated May 23, 2018 ordered disconnection of electricity supply and closure of the Company's Copper Smelter plant. Post this the Government of Tamil Nadu

on May 28, 2018 ordered the permanent closure of the plant. The Company challenged the same in the National Green Tribunal (NGT) which passed a favorable order for reopening of the plant. The order was appealed by the TNPCB and the State of Tamil Nadu in the Supreme Court. The Supreme Court passed an order upholding the appeal and directing the Company to approach the Madras High Court for relief. The Company has filed a writ petition in the Madras High Court that is currently reserved for orders.

In the meantime, the Madurai Bench of the High Court of Madras in a public interest litigation filed against Vedanta by Fathima Babu held through its order dated May 23, 2018, that the application for renewal of the environmental clearance for the expansion project shall be processed after a mandatory public hearing and the said application shall be decided by the competent authority on or before September 23, 2018. In the interim, the High Court ordered Vedanta to cease construction and all other activities on site for the proposed expansion project with immediate effect. Currently, the Ministry of Environment, Forest and Climate Change (“MoEF”) has updated on its website that Vedanta Limited’s environmental clearance for expansion project will be considered for ToR either upon verdict of the NGT case or upon filing of a Report from the State Government/ District Collector, Thoothukudi. Separately, SIPCOT through its letter dated May 29, 2018, cancelled 342.22 acres of the land allotted to Vedanta Limited for the proposed expansion project. Further, the TNPCB issued order on June 7, 2018, directing the withdrawal of the consent to establish for the expansion project, which is valid until December 31, 2022. In a writ filed before Madras High Court Madurai Bench challenging the lease cancellation order, Madras High Court through order dated October 3, 2018 has granted an interim stay in favour of the Company cancelling on the cancellation of 342.22 acres of the land allotted.

Further, June 7, 2018, TNPCB withdrew the CTE granted for expansion project for a period of five years. The Company has filed Appeals before the TNPCB Appellate Authority challenging withdrawal of CTE by the TNPCB and the matter is next listed for hearing on June 26 2020.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of your Company during the year under review.

FAILURE TO IMPLEMENT ANY CORPORATE ACTION

There were no instances where the Company failed to implement any corporate action within the specified time limit.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards as issued by the Institute of Companies Secretaries of India have been duly followed and complied by the Company.

ANNUAL RETURN

An extract of the Annual Return in prescribed form MGT-9 is annexed hereto as ‘Annexure C’ to the Director’s Report.

MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments have occurred subsequent to the close of the financial year till the date of this Report which may affect the financial position of the Company.

MATERIAL EVENTS SUBSEQUENT TO CLOSE OF FINANCIAL YEAR

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

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

The complete details can be accessed at www.vedantalimited.com.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as ‘Annexure E’

DIRECTORS' REPORT CONTINUED...

The details of the Foreign Exchange Earnings and Outgo are as follows:

Particulars	(₹ in crore)	
	Year Ended March 31, 2020	Year Ended March 31, 2019
Expenditure in foreign currency	1,357	4,026
Earnings in foreign currency	16,462	18,596
CIF Value of Imports	13,512	19,010

LEGAL, COMPLIANCE, ETHICS AND GOVERNANCE FUNCTION

Through its concerted efforts to generate value while keeping integrity at the forefront, the Legal function of your Company is a valued partner in providing regulatory support and gauging the viability of strategic assistance for business partnership and expansion. It ensures advisory and compliance services pertaining to existing regulations and legislative developments for facilitating business agenda in the areas of effective claims and contract management, mergers and acquisitions, dispute resolution, litigation and adherence to competition, business ethics and governance.

With the aim to ensure smooth operations and safeguard interests of your Company for business growth and sustenance in an evolving, ambiguous and complex environment, the function continues to focus on presenting areas of opportunities; mitigating risks; providing proactive assistance to other functions and departments; and bringing about policy changes based on persistent interaction with various Government bodies and industrial associations like CII and FICCI.

As newer technologies continue to transform the market, your Company ensures adeptness in mechanisms to safeguard the data security and privacy of our stakeholders with enhanced legal and security standards. Simultaneously, to meet the growing business needs, the Legal function continues to seek and identify technological opportunities while harnessing existing know-how to streamline compliance frameworks, litigation management and conduct online ethics awareness training.

Our organisational values and principles are made applicable to all our employees through our Code of Business Conduct and Ethics. In a bid to create a better understanding of its practical implications, the Legal function conducts an annual online ethics training module to necessitate all employees to mandatorily embrace the values and principles embodied as a part of the afore-mentioned Code. Additionally, the function drives an Ethics Compliance Month initiative for raising awareness by conduct of employee trainings in areas of ethical concern such as insider trading, prevention of

sexual harassment, anti-bribery, anti-corruption and anti-trust laws through use of interactive learning tools.

Through our Supplier Code of Conduct, we also ensure that third parties, including their employees, agents and representatives who have a business relationship with your Company, are bound by industry standards as well as applicable statutory requirements concerning labour and human rights; health, safety and environment; and business integrity.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, your Directors, to the best of their knowledge and belief, hereby state that:-

- in the preparation of the annual accounts, the applicable accounting standards has been followed and there are no material departures from the same;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, i.e. March 31, 2020 and of the profit and loss of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AWARDS AND RECOGNITIONS

Your Company has maintained the highest standards of corporate governance. In its constant quest for growth and excellence, your Company has been winning accolades and is delighted to receive phenomenal share of recognitions and awards at various forums for its unique innovations and contributions towards its stakeholders & the society as a whole.

These acknowledgements are testament of the Company's progress and its commitment towards delivering value for all its stakeholders.

The details of the key honours received by the Company during the years have been elucidated in separate section in the Annual Report.

ACKNOWLEDGEMENT

Your Directors wish to place on record, their sincere appreciation to the Central and State Government Authorities, Bankers, Stock Exchanges, Financial Institutions, Analysts, Advisors, Local Communities, Customers, Vendors, Business Partners, Shareholders and Investors forming part of the Vedanta family for their continued support, assistance and encouragement extended to us during the year.

Our business was built with a simple mission envisioned by the Group's Chairman, Mr. Anil Agarwal, "To create a leading global natural resource company." In a bid to accomplish the mission, the Company is deftly managed by an adroit set of leaders with global and diverse experience in the sector. The professionally equipped and technically sound management has set progressive policies and objectives, follows global practices, all with a pragmatic vision to take the Company ahead to the next level.

We would also like to take this opportunity to extend our earnest regard to all our employees for their zealous enthusiasm and interminable efforts directed towards lodging significant contributions to the growth of the Company.

We further undertake to express our heartiest gratitude to all our stakeholders for their unflinching faith in their Company.

We look forward for bestowal of your support as we diligently strive to deliver sustained value for our stakeholders and inscribe on the footprints of nation building for one of the fastest growing economies of the world.

For and on behalf of the Board of Directors

Anil Agarwal
Non-Executive Chairman
DIN: 00010883

Place: Mumbai
Date: June 6, 2020