Annual Report 2012-13

Creating Value

Sterlite Industries (India) Limited

vedanta

Sterlite Industries (India) Limited is India's largest diversified metals and mining company.

The Company a part of the Vedanta Group produces aluminium, copper, zinc, lead, silver, and commercial power. It has a portfolio of world class assets in India, Australia, Namibia, South Africa and Ireland. Sterlite is listed on the Bombay Stock Exchange and National Stock Exchange in India and the New York Stock Exchange in the United States.


10

Robust Performance

Driven by a robust operating and financial performance, we delivered a record EBITDA of ₹ 10,574 Crore and a record attributable PAT of ₹ 6,060 Crore, despite lower LME prices.


12

Strong Balance Sheet

Strong and consistent financial and operating performance over the years, led by a ramp-up in production and continued cost control across our diversified portfolio of assets, has enabled us to maintain a strong balance sheet.


14

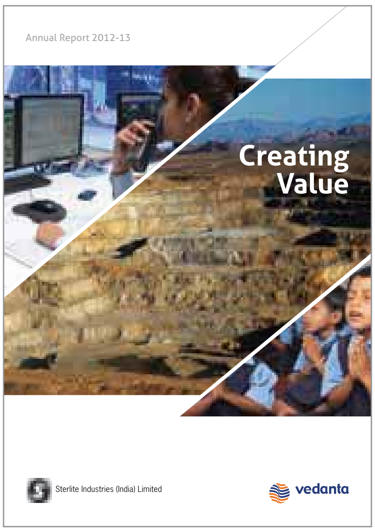
Diversified Portfolio

Over the years, we have created a diversified company with a well-balanced portfolio. Sterlite has a portfolio of large, low-cost, long-life, scalable assets across copper, zinc, lead, silver, aluminium and power.


16

Delivering value to stakeholders

We are focused on delivering growth and long-term value for all our stakeholders. We have progressively increased our dividends and have delivered strong shareholder returns for our investors.



Top: *Engineer at the control room of Dariba Smelting Complex, HZL*

Middle: *Aerial view of the Skorpion Zinc mines, Namibia*

Bottom: *Children at Child Care Centre, HZL*

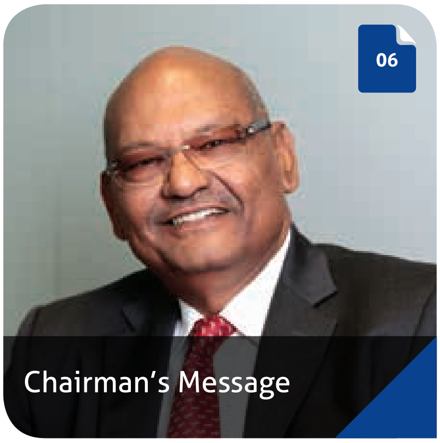
find more information on **www.sterlite-industries.com**

17

Total Shareholder Return*

24-fold growth in Total Shareholder Return (from April 2003 to March 2013)

* Source: Bloomberg

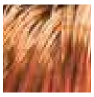


Anil Agarwal, *Chairman*

"Our focus continues to be on creating value for stakeholders through measured capital allocation and we are focused on low-risk, phased projects with high returns."

Contents


52
World's largest integrated Zinc-lead producer.
Read more.


56
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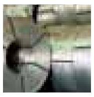
58
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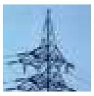

62
Among the largest independent Power producers in India.
Read more.

2012-13 Highlights


Aerial view of Open Pit at Skorpion Zinc Mine, Namibia

Financial

Record
Revenues, EBITDA and Attributable PAT performance

Revenues of
₹ 44,922 Crore ▲ **10%**

EBITDA
₹ 10,574 Crore ▲ **2%**

Attributable PAT of
₹ 6,060 Crore ▲ **26%**

Basic EPS of
₹ 18 per share

Strong balance sheet with Cash and liquid investments of
₹ 24,847 Crore

Contribution of **₹ 6,200 Crore** to the **Indian exchequer** during the year, in terms of taxes, duties and royalties

Highest ever full year dividend of
₹ 2.30 per share ▲ **15%**

Consolidated Financial Results

(in ₹ Crore, except as stated)

Particulars	2012-13	2011-12	% change
Revenue	44,922	40,967	10
EBITDA	10,574	10,362	2
EBITDA Margin (%)	24	25	–
EBITDA Margin (excluding custom smelting) (%)[1]	43.2	43.8	–
Profit After Tax	9,249	7,761	19
Attributable PAT	6,060	4,828	26
Basic Earnings per Share (₹ per share)	18.0	14.4	26
Underlying Earnings per Share (₹ per share)[2]	18.2	16.7	9
Dividend per share (₹ per share)	2.3	2.0	15

[1] *Excludes custom smelting at Copper and Zinc India operations*

[2] *Based on Profit for the period after adding back exceptional items and forex, their resultant tax and minority interest effects*

Business

Significant production growth
across the portfolio

- Record production of mined zinc-lead and integrated silver at Zinc India
- Record copper cathode production
- Power sales higher by 22%

Strong cost performance despite industry-wide inflationary trends

Exploration success with mine life extensions at Zinc India and Copper Australia

Next phase of mining growth to **1.2 mtpa of zinc-lead capacity** announced at Zinc India

Commissioned first 80 MW unit of the 160 MW captive power plant

Vizag Coal Berth commenced operations in March 2013

Merger with Sesa Goa received approval from High Court of Bombay at Goa; Madras High Court Order awaited*

** Status as on April 29, 2013*

Sustainability

Over 5,000 people trained under sustainability framework

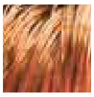
LTIFR decreased by 27% over the last year

Invested ₹ 78.41 Crore in community programmes benefiting **2.2 million people**


52

World's largest integrated Zinc-lead producer.

Read more.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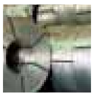
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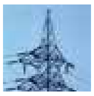
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Among the largest independent Power producers in India.

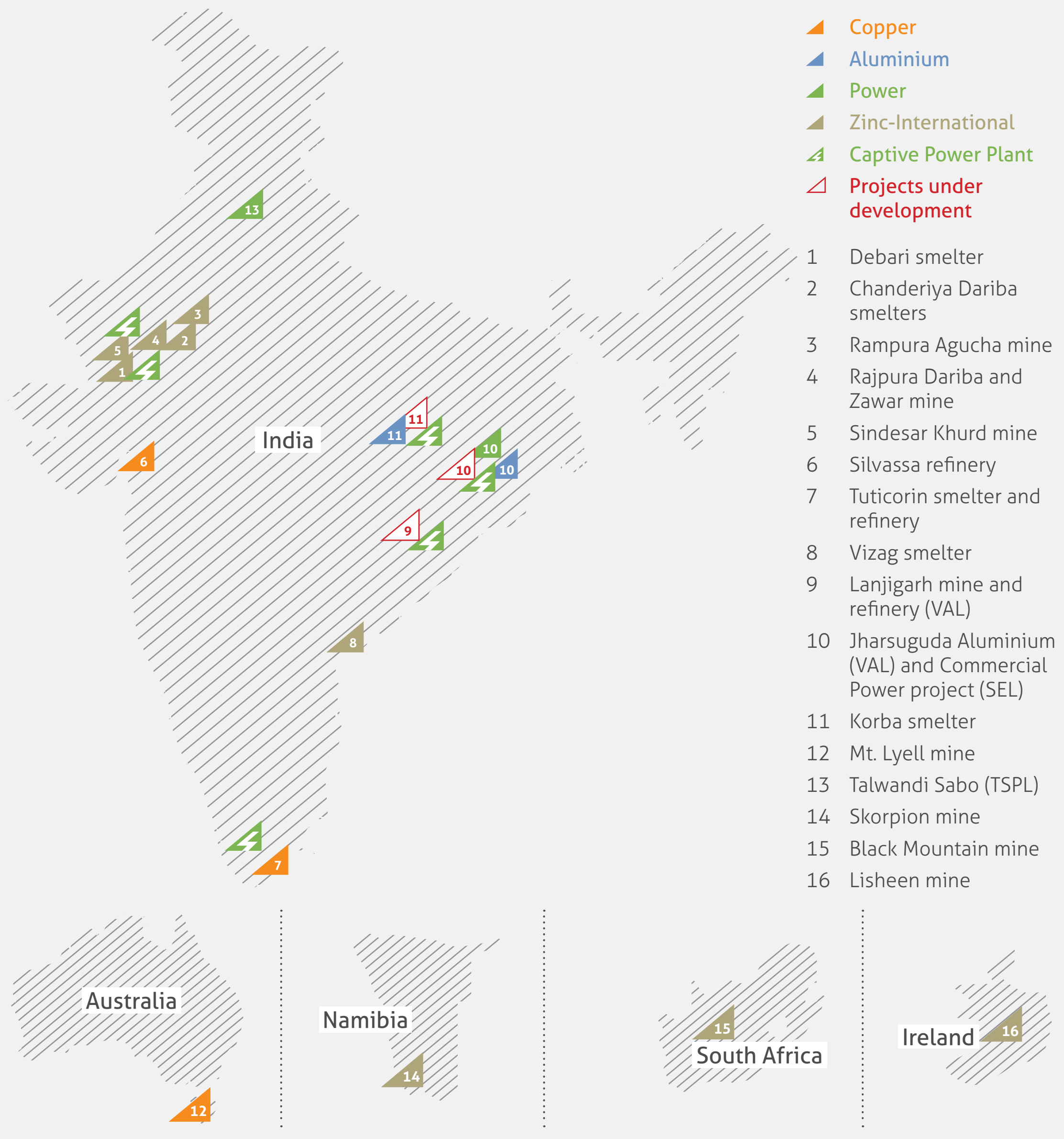
Read more.

Sterlite at a Glance

1,200 MW power plant, BALCO

Our world-class assets are located in India, South Africa, Namibia, Ireland and Australia, producing and supplying commodities to a number of emerging markets.

GLOBAL PRESENCE



(maps not to scale)

Zinc-Lead-Silver

52

We are the world's largest integrated zinc-lead producer with operations in India, Namibia, South Africa and Ireland. We are also one of the leading silver producers globally.

KEY STRENGTHS

- The world's largest zinc-lead mine – the Rampura Agucha mine – in India
- Silver-rich ore from the Sindesar Khurd lead-zinc mine in India
- One of the largest undeveloped zinc deposits in the world at Gamsberg, South Africa

1,227 kt
Production volumes (Zinc-lead)

₹ 7,942 Crore
EBITDA

408 tonnes
Production volumes (Silver)

Copper

56

We operate one of the world's most efficient copper smelter. Our Australian mines supply a part of the concentrate requirements of our Indian operations.

KEY STRENGTHS

- One of the lowest cost copper custom smelters in the world at Tuticorin, India
- Copper rod production facilities in India

353 kt
Production volumes

₹ 1,217 Crore
EBITDA

Aluminium

58

Our aluminium business is well-located in the bauxite and coal reserve rich region of India encompassing mines, smelters and associated captive power plants.

KEY STRENGTHS

- Efficient assets operating in the lower half of the global cost curve with purchased alumina and bauxite
- Operations located in the bauxite and coal rich regions in Eastern India

247 kt
BALCO aluminium production volume

527 kt
VAL* aluminium production volume

₹ 301 Crore
BALCO EBITDA

₹ 971 Crore
VAL* EBITDA

** VAL is an associate company of Sterlite Industries*

Power

62

We are one of the largest independent power producers in India and have significant capacity in renewable energy.

KEY STRENGTHS

- 2,400 MW power plant at Jharsuguda, India in the process of expanding further
- Near-term growth from the new 1,980 MW Talwandi Sabo plant in India

9,282 million kWh
Production volumes (units sold)

₹ 1,115 Crore
EBITDA


52
World's largest integrated Zinc-lead producer.
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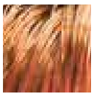
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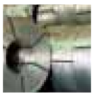
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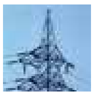
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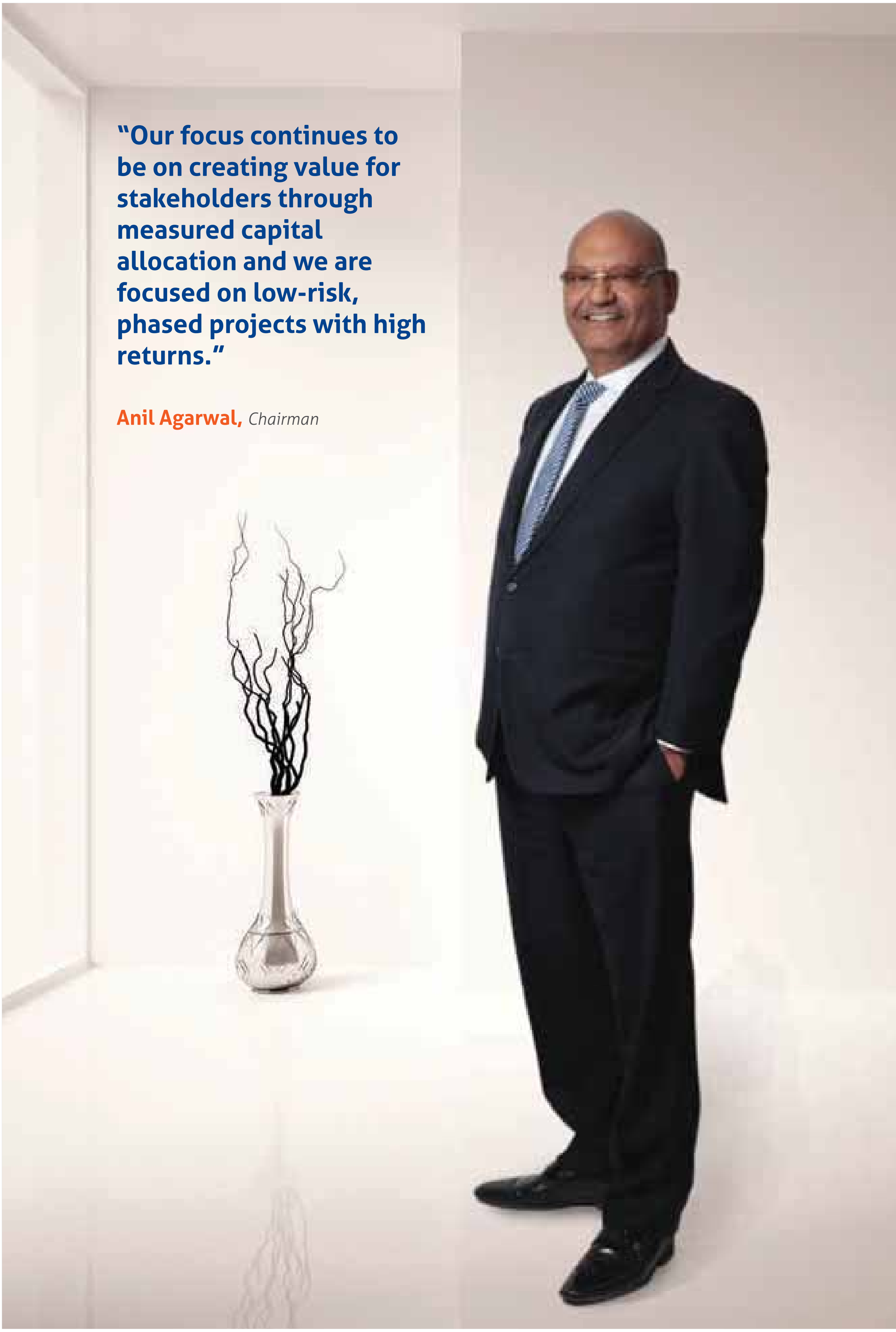
Chairman's Message



"Our focus continues to be on creating value for stakeholders through measured capital allocation and we are focused on low-risk, phased projects with high returns."

Anil Agarwal, *Chairman*

Sterlite has delivered a set of strong results, driven by production ramp-ups and continued cost control across our diversified portfolio of assets, against a backdrop of challenging economic conditions and volatile commodity prices. We also achieved exploration success during the year and our focus remains to consistently create long-term value for shareholders.

Cell house at Dariba zinc smelter, HZL

Strong positioning

In a world where growth and commodity demand is still volatile, the emerging markets continue to remain the key drivers of growth. Sterlite has a significant portion of its assets located across India. Thus, it is well positioned to capitalise on the country's growth. With favourable demographics and urbanisation driving consumption growth in India, we are well placed to meet the growing demand as the largest domestic producer of various commodities across our product portfolio.

A strong operating and financial performance

We achieved record production of mined zinc-lead and integrated silver at Zinc India. Despite industry-wide inflationary pressures, we were able to reduce or maintain unit costs across majority of our operations. While we are not immune to inflationary pressures, we continued to control costs and have also demonstrated a track record of implementing operational improvements and maintaining our relatively new asset base at low sustaining capex costs.

Driven by a robust operating and financial performance, we delivered a record EBITDA of ₹ 10,574 Crore and a record attributable PAT of ₹ 6,060 Crore, despite lower LME prices. Our balance sheet remains strong with cash and liquid investments of ₹ 24,847 Crore.

"Driven by a solid operating and financial performance, we delivered a record EBITDA of ₹ 10,574 Crore and a record attributable PAT of ₹ 6,060 Crore, despite lower LME prices. Our balance sheet remains strong with cash and liquid investments of ₹ 24,847 Crore."

Robust strategy execution

LONG-TERM VALUE

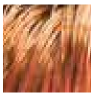
We have a proven track record of consistently growing our reserves and resources (R&R) organically in our mining operations and this year, our exploration activities resulted in the addition of significant R&R in our Zinc India and Copper Australia operations.

Last year, we had announced the merger of Sterlite Industries (India) Ltd with Sesa Goa Ltd to create Sesa Sterlite Ltd, one of the world's


52

World's largest integrated Zinc-lead producer.

Read more.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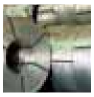
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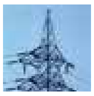
62

Among the largest independent Power producers in India.

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largest diversified natural resource companies with operations across base metals, iron ore, silver, oil & gas and commercial power. The merger would generate significant synergies. This transaction has received approvals of the shareholder and various regulatory bodies, including the approval of the High Court of Bombay at Goa, and we await the final approval of the High Court of Madras*.

Organic growth

We delivered production ramp-up across the portfolio during the year, and remained focused on capital allocation to low-risk brownfield projects with attractive returns. At our cost-efficient Zinc India business, we plan to grow mined metal capacity by 20% to 1.2 mtpa, driven primarily by brownfield expansion projects over the next six years.

"Over the past fiscal year, we made a multitude of positive contributions in core areas of our operations at the regional level. We supported the local communities by undertaking a process of inclusive growth."

Sustainability

Following the development and group-wide roll-out of our business sustainability framework last year, we have consistently implemented this across the Group to enhance the value of our business, reduce our risks and preserve our license to operate.

Over the years, we have emerged as one of India's largest employers for mining engineers and geologists in India. In addition to our strong workforce of around 13,500 employees, we also indirectly created employment for around 36,000 people through our contractors.

Your Company has made a significant contribution of ₹ 6,200 Crore for the year to the exchequer.

Over the past fiscal year, we made a multitude of positive contributions in core areas of our operations at the regional level. We supported the local communities by undertaking a process of inclusive growth.

We have made considerable progress on our five priority areas:

- Embed sustainable development into every aspect of what we do.
- Improve our health and safety performance for a safer, more secure and healthier environment.
- Contribute further and in a more targeted way to local communities.
- Continue to manage and minimise our impact on air, water and land.

* *Status as on April 29, 2013*

"We have progressively increased our dividend. The Board has declared the total interim dividend of ₹ 2.30 per share for FY 2012-13. The total dividend outgo during the year was ₹ 773 Crore, up 15% over FY 2011-12."

View of the Lisheen Mine facility, Ireland

- Maintain a dialogue with stakeholders to help us further understand what is needed to help support a sustainable society and planet.

Dividends

We have progressively increased our dividend. The Board has declared the total interim dividend of ₹ 2.30 per share for FY 2012-13. The total dividend outgo during the year was ₹ 773 Crore, up 15% over FY 2011-12.

Governance

We believe in conducting the Company's affairs in a fair and transparent manner and in maintaining the highest ethical standards in dealing with all its constituents. We are committed to following good corporate governance practices by ensuring a system of checks, balances and procedures to achieve the highest level of corporate governance in the overall interest of all our stakeholders.

Looking forward

We remain positive on the prospects for our well balanced and diversified portfolio of commodity assets, despite the volatility in commodity prices. Our focus continues to be on creating value for stakeholders through measured capital allocation and are focused on low-risk, phased projects with high returns.

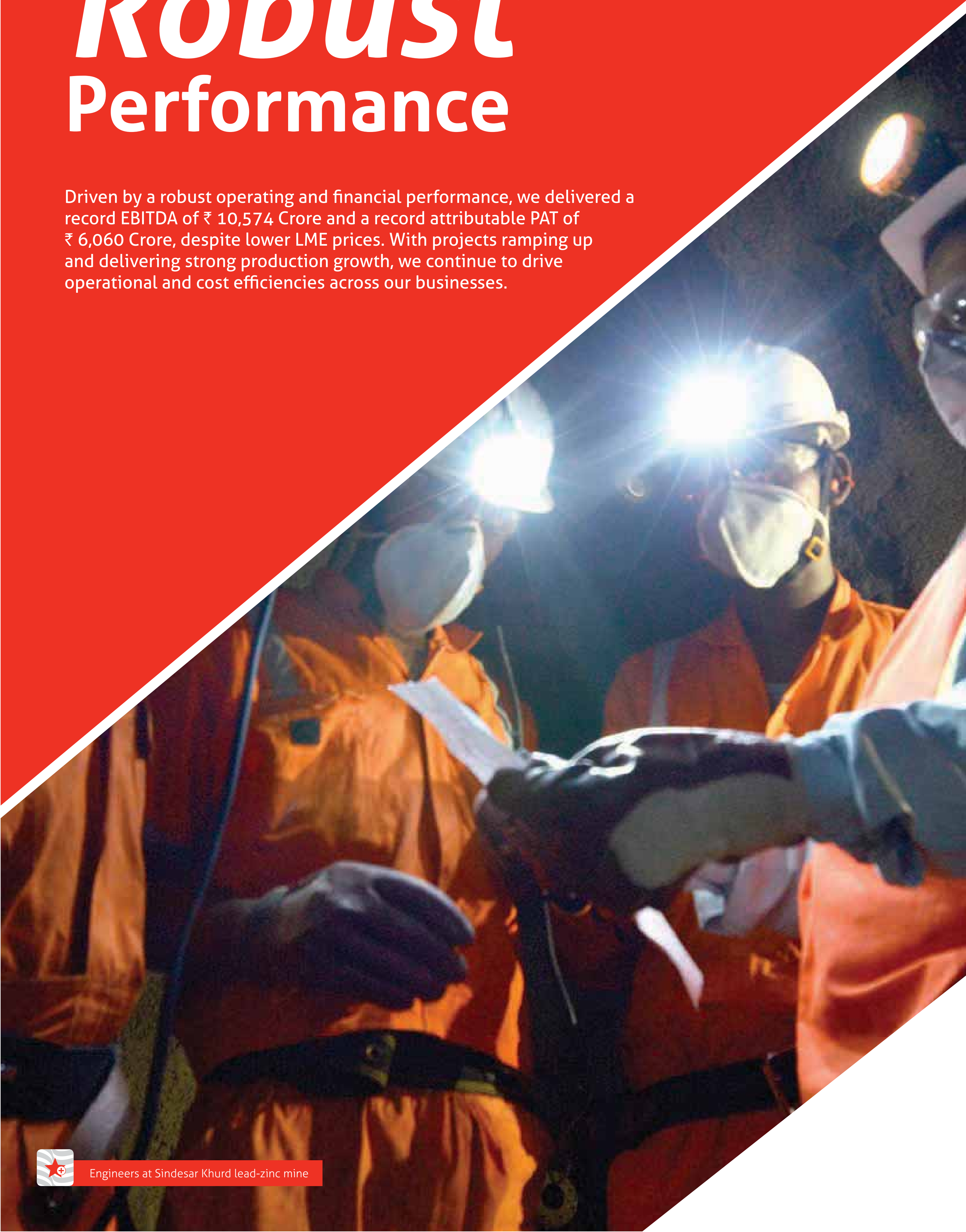
On behalf of the Board, I would like to thank our employees for their contribution to these results. Their commitment and efforts, combined with the strength of our Management Team, continue to drive our performance.

We are keen to continue working with all our stakeholders and are confident of emerging as a sustainable business that delivers significant stakeholder value consistently.

Anil Agarwal
Chairman

Robust Performance

Driven by a robust operating and financial performance, we delivered a record EBITDA of ₹ 10,574 Crore and a record attributable PAT of ₹ 6,060 Crore, despite lower LME prices. With projects ramping up and delivering strong production growth, we continue to drive operational and cost efficiencies across our businesses.



Engineers at Sindesar Khurd lead-zinc mine

Operational achievements

FY 2012-13 witnessed a strong full-year production growth and cost performance across businesses, compared with FY 2011-12. Company delivered a record full-year production of Zinc-Lead mined metal and integrated silver at Zinc India.

% Change in FY 2012-13 Production (vs. FY 2011-12)*

Zinc India – Lead Mined metal	5
Zinc India – Silver	36
Zinc International	-4
Copper Australia	15
Copper India	8
Aluminium – BALCO	1
Power	22

% Change in FY 2012-13 Cost of Production (vs. FY 2011-12) *

Zinc India	–
Zinc International	-5
Aluminium – BALCO	-2
Power	-14

* *Zinc India, Zinc International, Aluminium is in USD terms; Power is in INR terms*

Integrated Silver Production *(mt)*

(5-year CAGR) 24.97%

2012-13	322
2011-12	237
2010-11	179
2009-10	176
2008-09	132

Zinc-Lead Mined Metal Production *(kt)*

(5-year CAGR) 4.31%

2012-13	870
2011-12	830
2010-11	840
2009-10	769
2008-09	735

Power Sales *(MU)*

(5-year CAGR) 151.77%

2012-13	9,282
2011-12	7,579
2010-11	2,681
2009-10	1,416
2008-09	231

Financial performance

Despite a challenging environment, we registered record revenues for the year at ₹ 44,922 Crore, an increase of 10% from last year and record EBITDA of ₹ 10,574 Crore, an increase of 2% from last year. Additionally, a record attributable PAT at ₹ 6,060 Crore for the year, a 26% growth from last year, and an EPS of ₹ 18 per share.

EBITDA *(₹ in Crore)*

(5-year CAGR) 16.12%

2012-13	10,574
2011-12	10,362
2010-11	8,050
2009-10	6,475
2008-09	5,008

Profit Before Tax *(₹ in Crore)*

(5-year CAGR) 13.32%

2012-13	10,867
2011-12	9,872
2010-11	9,134
2009-10	6,642
2008-09	5,816

Profit After Tax *(Attributable) (₹ in Crore)*

(5-year CAGR) 11.35%

2012-13	6,060
2011-12	4,828
2010-11	5,043
2009-10	3,744
2008-09	3,540

Net Turnover *(₹ in Crore)*

(5-year CAGR) 16.27%

2012-13	44,922
2011-12	40,967
2010-11	30,248
2009-10	24,501
2008-09	21,144

Strong
Balance Sheet

Strong and consistent financial and operating performance over the years, led by a ramp-up in production and continued cost control across our diversified portfolio of assets, has enabled us to maintain a strong balance sheet. Our well-invested asset portfolio generated a significant free cash flow growth during FY 2012-13.

View of the Skorpion zinc mines, Namibia

Over nearly a decade, we have maintained a strong balance sheet and a healthy net cash position. This trend continued through FY 2012-13 with:

38x growth in Net Worth* since FY 2002-03

*Book Value

Net Worth *(₹ in Crore)*

2012-13	**50,955**
2011-12	46,056
2010-11	41,435
2009-10	37,012
2008-09	25,613
2007-08	22,302
2006-07	9,982
2005-06	6,075
2004-05	4,346
2003-04	1,705
2002-03	1,312

35x growth in Cash & Liquid Investments since FY 2002-03

Cash and Cash Equivalent *(₹ in Crore)*

2012-13	**24,847**
2011-12	23,403
2010-11	22,617
2009-10	21,313
2008-09	19,281
2007-08	16,855
2006-07	6,039
2005-06	3,445
2004-05	2,518
2003-04	2,133
2002-03	710

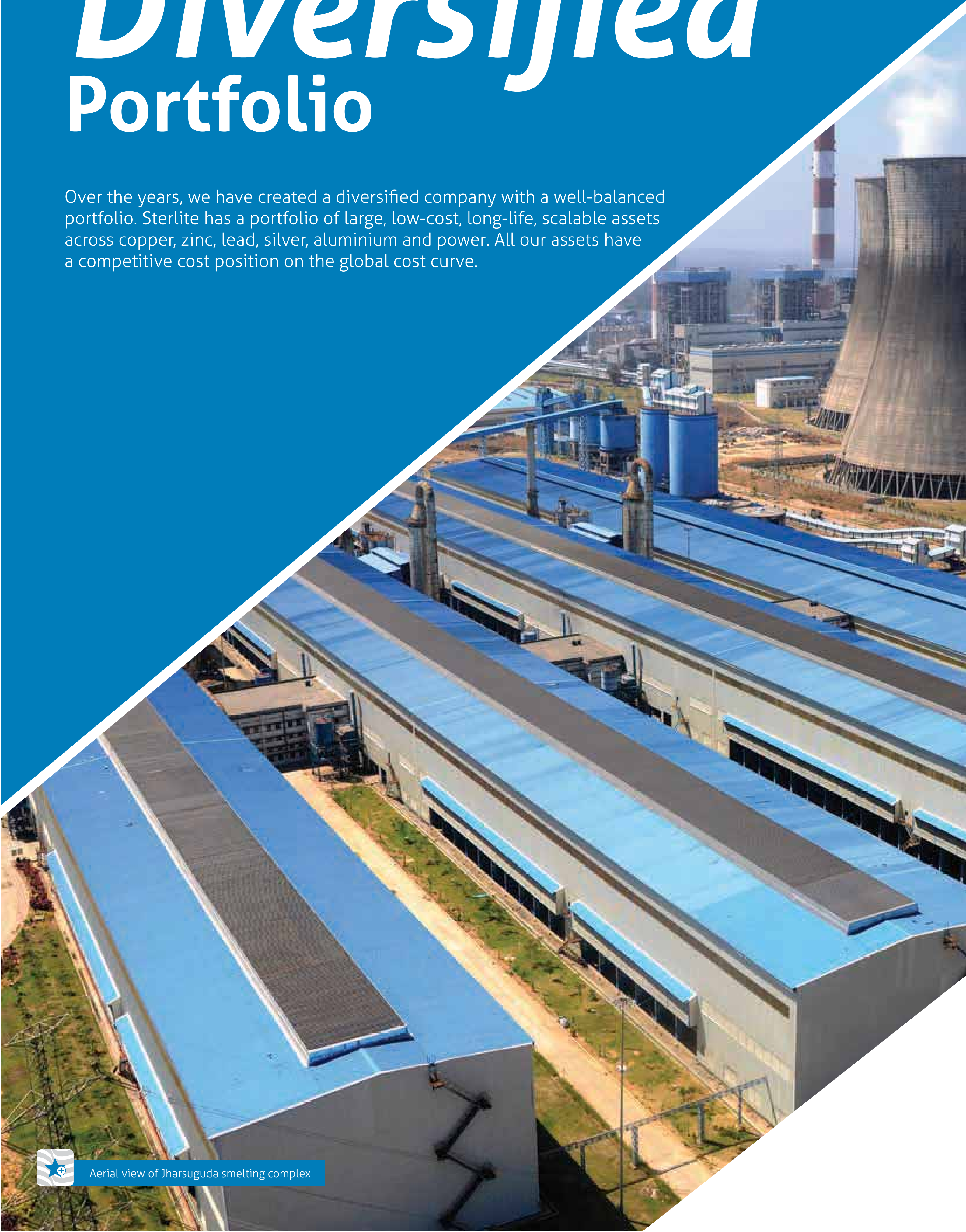
9x growth in Fixed Assets since FY 2002-03

Fixed Assets *(₹ in Crore)*

2012-13	**40,171**
2011-12	33,501
2010-11	27,424
2009-10	23,350
2008-09	17,210
2007-08	12,437
2006-07	9,718
2005-06	8,550
2004-05	7,812
2003-04	5,276
2002-03	4,039

Diversified Portfolio

Over the years, we have created a diversified company with a well-balanced portfolio. Sterlite has a portfolio of large, low-cost, long-life, scalable assets across copper, zinc, lead, silver, aluminium and power. All our assets have a competitive cost position on the global cost curve.



Aerial view of Jharsuguda smelting complex

A well-balanced portfolio of large, long-life, scalable assets

Sterlite has a portfolio of large, low-cost, long-life, scalable assets across copper, zinc, lead, silver, aluminium and power. We are well-positioned to serve emerging markets with a strong portfolio of products and its ability to deliver consistent margins.

Global Positioning	FY 2012-13 Production	Full Capacity[1]	Cash Cost Position
Zinc India Largest integrated zinc producer	802 kt	1.2 mtpa	Lowest Quartile
Zinc International One of the largest undeveloped zinc deposits	426kt	400 ktpa	Lower Half
Silver One of the largest silver producers	408 tonnes	500 tonnes	By-product
Aluminium Strategically located large-scale asset with integrated power	247 kt	570 ktpa	Lower Half
Copper One of the largest single location custom smelters	353 kt	800 kt	Lower Half
Power One of India's largest thermal power producers	9.3 billion units	7.4 GW (c.4.1 GW operational, out of which c.2.9 GW is commercial)	Competitive cost

[1] *Includes announced expansions*

Leadership Positioning

Products	Sterlite Domestic Sales (%)	India Market Shares (%)	India Rank
Zinc	66	82	1
Lead	97	54	1
Copper	55	40	1

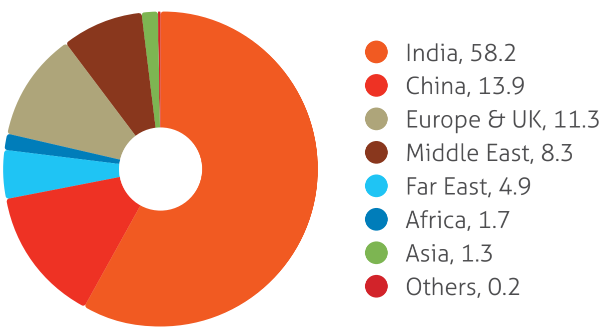
R&R Life of mining assets *(in years)*

Business	Years
Zinc India	25+
Silver	25+
Zinc International	20+

EBITDA Margin *(%)*

* *Excluding custom smelting at Copper and Zinc India*

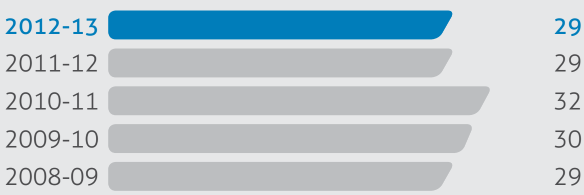
FY 2012-13 Revenue Breakdown by Geography *(%)*



Delivering consistent margins

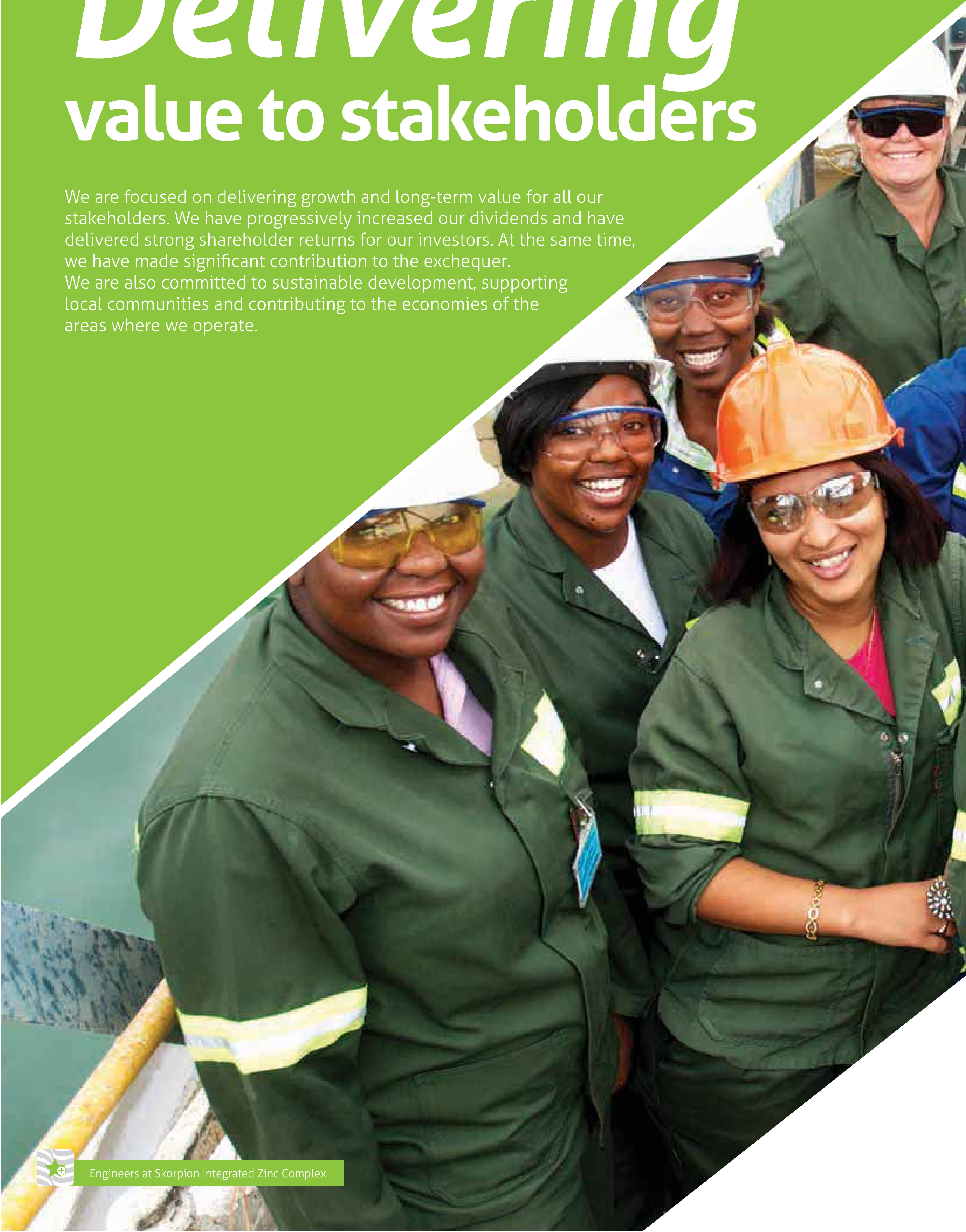
The Company has its strong diversified portfolio of low-cost, large-scale and long-life assets across zinc, lead, silver, copper, aluminium and commercial power. With this diversified portfolio, the Company has delivered strong and consistent profit margins over the years.

PBDIT Margins *(%)*



Delivering
value to stakeholders

We are focused on delivering growth and long-term value for all our stakeholders. We have progressively increased our dividends and have delivered strong shareholder returns for our investors. At the same time, we have made significant contribution to the exchequer.
We are also committed to sustainable development, supporting local communities and contributing to the economies of the areas where we operate.



Engineers at Skorpion Integrated Zinc Complex

Generating returns for investors

We have progressively increased our dividend. The total dividend outgo during the year was ₹ 773 Crore. During the last 10 years, the Company has made a total dividend outgo of over ₹ 3,000 Crore to its shareholders.

Our stock has delivered a significantly high shareholder return. The value of investment made by shareholders in April 2003 has increased 35 times at end of March 2013.

Dividend Payout Ratio* *(%)*

2012-13	49
2011-12	41
2010-11	26
2009-10	36
2008-09	20
2007-08	28
2006-07	28
2005-06	14
2004-05	11
2003-04	11

* *Dividend payout ratio has been calculated on Company's Standalone Net Profit*

Dividend Outgo *(₹ in Crore)*

2012-13	773
2011-12	672
2010-11	370
2009-10	315
2008-09	248
2007-08	283
2006-07	223
2005-06	70
2004-05	33
2003-04	22

Total Shareholder Return*

24-fold growth in value of investment made by our shareholder in our Company stock (from April 2003 to March 2013)

* *Source: Bloomberg*

Contribution to the Exchequer

Our contribution to the Exchequer by way of duties, taxes and royalties has been constantly rising over the years. During the year, the Company has made a significant contribution of ₹ 6,200 Crore to the Exchequer.

Growing contributions to the Indian Exchequer *(₹ in Crore)*

2012-13	6,200
2011-12	5,500
2010-11	3,300

Ensuring sustainable returns

Our operations make a valuable contribution to the social and economic development of the communities where we operate. We directly and indirectly employ around 50,000 people and further indirectly employ over 250,000 people. Over the last year, we delivered 4.62 million training hours to all our employees. We are also among the largest employers in several states in India and provide community programmes that benefit approximately 2.2 million people. By sourcing products and services locally, we generate significant economic activity and promote the development of local skills. This is particularly relevant, as the majority of our operations are in the developing world and we are committed to enabling the sustainable development of these societies.

Loss Time Injury Frequency Rate *(LTIFR)*

2012-13	1.0
2011-12	1.4
2010-11	1.6

Our Community Reach *(Million Beneficiaries)*

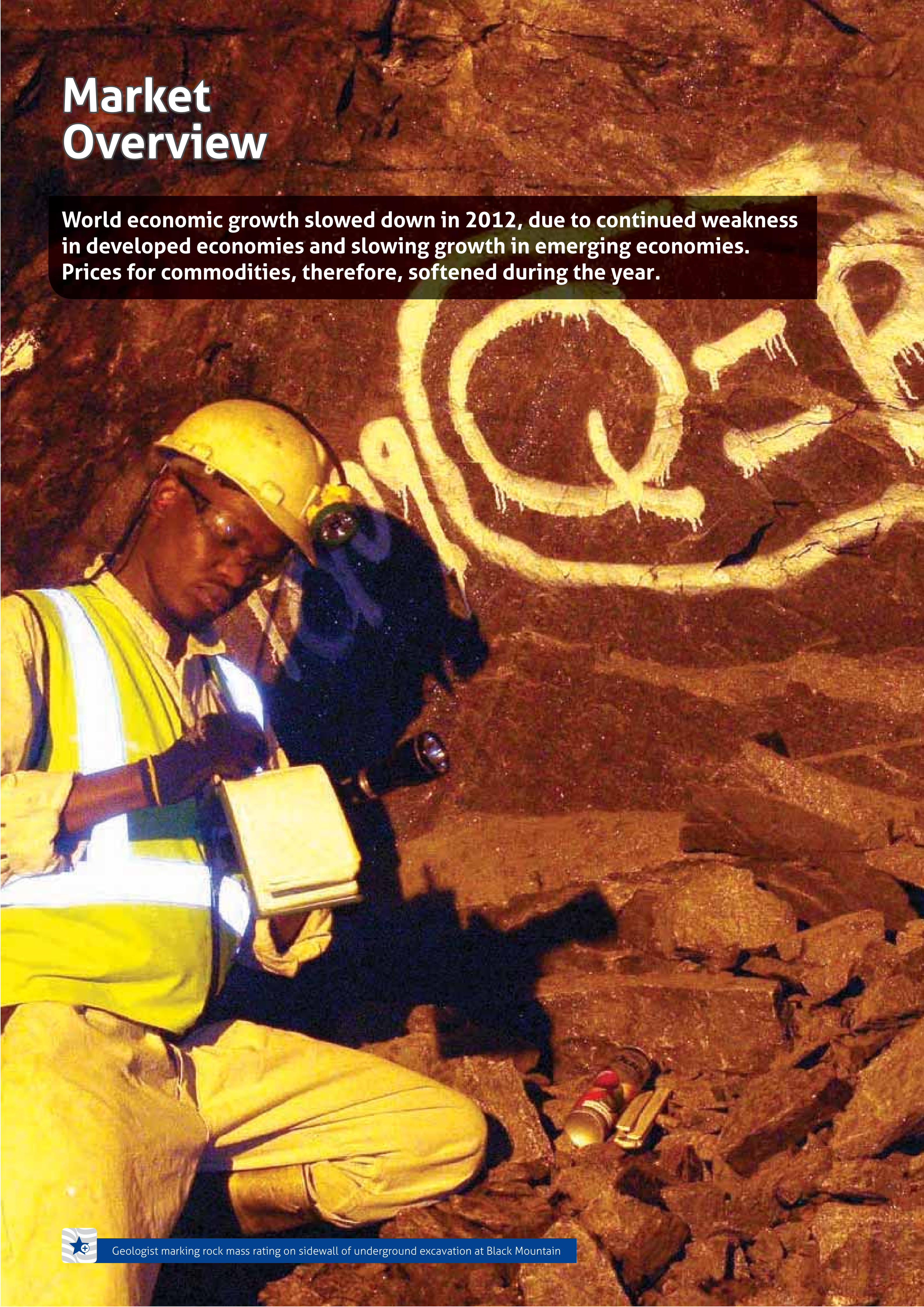
2012-13	2.2
2011-12	1.6
2010-11	1.5

Water Recycled *(%)*

2012-13	20.0
2011-12	19.8
2010-11	18.8

Market Overview

World economic growth slowed down in 2012, due to continued weakness in developed economies and slowing growth in emerging economies. Prices for commodities, therefore, softened during the year.

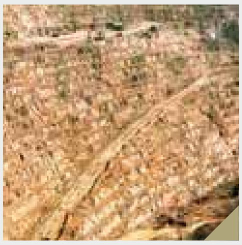


Geologist marking rock mass rating on sidewall of underground excavation at Black Mountain

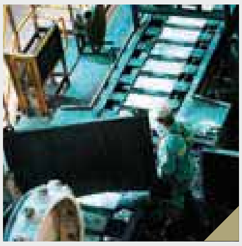
12.8 mt Global consumption of zinc at the end of FY 2012-13.

Operator operating driller at underground Rampura Agucha lead-zinc mine, HZL

Zinc



Rampura Agucha open cast mine, HZL



Ingot casting line at Skorpion integrated zinc complex

While the market outlook remains strong, with developing markets underpinning global growth, the global economic slowdown in 2012 led to reduced demand for zinc and lead at the beginning of the year. In the second half, the construction and heavy industrial sectors showed particular strength. Additionally, the long-awaited re-acceleration of Chinese economic growth helped buoy zinc markets with consumption reaching about 12.8 mt by the end of the year, compared to 12.0 mt last year.

Going forward, a supply shortage is projected alongside robust demand as growth continues in emerging markets, fuelled by rapid industrialisation and infrastructure development. The combination of increasing global zinc demand, along with lagging supply due to closures of some major zinc operations in 2013 and 2014, is expected to create an imbalance. The imbalance is expected to become acute in 2015 and 2016. The deficit in the supply of zinc will potentially create an opportunity for Sterlite and other zinc miners.

In India, we are anticipating growth in the near-term, with strong demand expected from the galvanising industry. Investment in infrastructure projects is expected to further boost demand of industrial metals including zinc.

"The combination of increasing global zinc demand along with lagging supply due to closures of some major zinc operations in 2013 and 2014 is expected to create an imbalance."

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World's largest integrated Zinc-lead producer.

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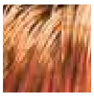

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Operates one of the world's most efficient Copper smelters.

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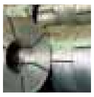

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Efficient Aluminium assets in India.

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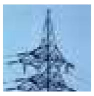

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Among the largest independent Power producers in India.

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Copper wire rods at Silvassa refinery

Ore-body at underground lead-zinc mine, Black Mountain

Aluminium Sheet Rolling at Hot Rolling Mill, BALCO

Lead

Global lead production is estimated to have grown strongly by 12% in 2012. Going forward, production is expected to grow around 4-5% on an average in the near term. A shortage of lead concentrate is anticipated in the short-term, which could impact raw material availability for primary smelter production in the next couple of years. While a deficit in refining is anticipated in the near term, the market is expected to achieve a surplus post 2016.

Demand for lead will remain strong, growing at a robust rate of over 5% in 2013, similar to this year. Most of the growth will be driven by the automotive and industrial battery sectors.

India will be one of the key drivers of growth in the Asian region, second only to China. India's domestic market is expected to witness a robust growth of around 6% in the coming years, driven mainly by the UPS battery and replacement battery sectors. The influx of many major automobile manufactures into the region, making India and other BRIC countries production hubs, underscores the positive outlook for lead. Sustained infrastructure development and the growing telecommunications industry is also expected to boost battery demand in the country.

Copper

Global refined copper production in 2012 was 20.2 mt, an increase of 2% over 2011. Global refined supply exceeded consumption slightly by about 50 kt with consumption remaining almost flat at 19.7 mt during the year. China, the largest end user of copper in 2012 with a global market share of 42%, remained the preferred destination for exports.

Global mine production growth was 3.8% in 2012 due to the ramp up in production at some new mines, mainly in Chile and Peru.

The first half of 2012 saw a tight spot market affected by production disruptions at two major copper concentrate producing mines; one in Indonesia, the other in Chile. However, mine production improved from the second quarter of 2012 and stable operations continued through the second half of the year, leading to an increase in availability of copper concentrates.

Consumption in the Indian primary copper market stayed almost flat in 2012. This was due to the fact that the total share for producers of refined copper remained unchanged as imports remained subdued. The demand for refined copper in India is expected to grow to 2mt in 2030, representing a Compound Annual Growth Rate (CAGR) of 6.7%.

Aluminium

The global aluminium industry recorded a 3.7% growth in production and a 4.8% growth in consumption during 2012.

In 2012, aluminium producers were hit by a 16% drop (over 2011) in prices. Global stock in days of consumption increased to 120 days in 2012, a level last seen in the early 1990s when the market was trying to absorb large volumes of metal from the former Soviet Union.

Aluminium consumption grew at an uneven pace as governments across the world announced tax cuts, subsidies and benefits to improve consumer confidence. In 2013, China is expected to show robust growth backed by infrastructure spending. A recovery in the US housing market and robust

Switchyard at 1215 MW Balco power plant.

"The Indian power sector achieved an annual growth of 11.7% in installed capacity since the end of the 11th five year plan, to achieve an installed capacity of 223.3 GW at the end of March 2013."

aluminium consumption for transportation are also expected to drive overall global primary aluminium consumption to increase by 7.2% to reach 49.7 mt.

As a growing economy, India is expected to experience strong primary aluminium demand to support electrification and power infrastructure projects.

India's primary aluminium consumption is expected to grow by 8% over 2012 to 2.08 mt. Long-term forecasts project consumption of 7.7 mt in 2030, which equates to 5.06 kg of primary aluminium consumption per capita. When compared to the current per capita primary aluminium consumption of 1.39 kg and an aluminium demand of 1.9 mt, this highlights the huge potential for demand growth in India.

Power

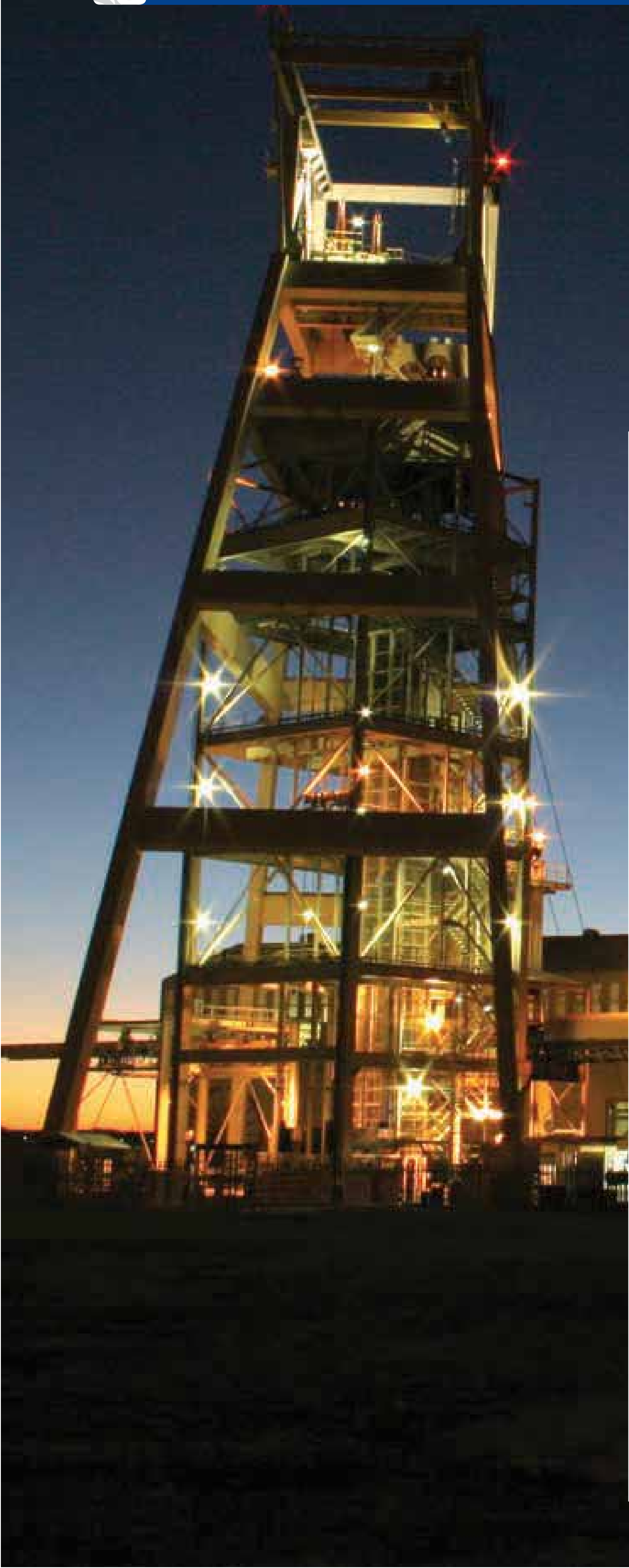
The Indian power sector achieved an annual growth of 11.7% in installed capacity since the end of the 11th Five Year Plan, to achieve an installed capacity of 223.3 GW at the end of March 2013. Of this, 67.8% represented thermal capacity, while 12.3% was from renewable energy sources. Despite market growth, power supply has lagged behind demand, with supply falling short of India's FY 2012-13 peak power demand by 10.6% (Source: Central Electricity Authority). The per capita consumption of electricity in the country was about 879 kwh in 2012 or only about 24% of the world's average, highlighting the prospects for the future.

Coal deficits and higher costs due to imports have adversely impacted the industry in recent years. However, the Government of India's efforts to ensure a minimum of 80% of fuel supply to power producers is expected to improve the performance of the power sector.

Outlook

The key trends of infrastructure development and urbanisation in emerging economies will continue to be the main drivers of demand in the near term, as volatility in developed economies remains a challenge. Constrained capital expenditure across the industry should help bring supply back in line, providing some support for prices in the coming year, combined with a modest recovery in the US and renewed infrastructure spending in China.

Business Model



Night view of shaft headgear at underground lead-zinc mine, Black Mountain mine, South Africa

Creating and preserving value

What we do and how we add value

Sterlite operates across the natural resources value chain undertaking exploration, asset development, extraction, processing and value addition, with a primary focus on upstream operations. We capitalise our strategic capabilities including our strengths, resources and relationships, to create and preserve value for our wide stakeholder groups.

The Group's principal commodities are priced with reference to standard global benchmark prices i.e. London Metal Exchange (LME) prices. We maximise returns through a strong focus on low-cost production.

We take a long-term view and are committed to the highest standards of sustainable development in all aspects of our business. Our Sustainability Framework aligns strategic thinking with sustainability, and underpins everything we do.

Silo area of Smelter Plant, BALCO

Our Strategic Capabilities

Operational excellence

Our strength in production is driven by our focus on de-bottlenecking processes, improving operational and cost efficiencies, and reducing our specific consumption of inputs, including power and water.

Low-cost focus

All our operations have a long-term sustainable cost position in the lowest quartile or lower half of the global cost curve. We aim to achieve and sustain this cost positioning by an integrated approach to producing commodities, and a focus on operational excellence.

Exploration focus

Our skill in exploration has delivered consistent increases in our R&R over the years, extending the life of our resource base, despite increased production levels.

Project execution

We are nearing completion of our announced capital investment programme to expand our capacities and have honed our project execution skills, delivering multi-billion dollar programmes on schedule and on budget.

Financial strength

We have a strong balance sheet with a net worth of ₹ 50,955 Crore, cash and liquid investments of ₹ 24,847 Crore and a debt to equity ratio of 0.23 as at March 31, 2013. With projects ramping up and delivering strong production growth, we expect higher EBITDA and free cash flows.

People and culture

With a nearly 13,500-strong workforce and a talent pool of technical, engineering and business professionals, we focus on offering our employees the opportunity to develop their potential within a high growth, entrepreneurial culture.

Relationships and partnerships

We seek to build long-term and mutually beneficial relationships with our stakeholders, including shareholders and lenders, suppliers and contractors, customers, employees, governments, communities, industry and civil society.

Throughout the year, more than 1,700 stakeholder engagement meetings took place, with community leaders, non-governmental organisations (NGOs), governments and government bodies, academic institutions. We also contributed ₹ 78.41 Crore to the betterment of 2.2 million people's lives through our community programmes and contributed ₹ 6,200 Crore to the Indian Exchequer.

Value Chain

Exploration

We focus on extending the life of our mines through well-targeted exploration, aimed at increasing our R&R base, over and above what we extract each year. Our exploration programmes comprise brownfield and greenfield activities across our asset base.

Asset development

Following successful exploration, we develop the resource base to optimise both production and life of the resource. We also develop processing facilities in strategic locations. Across our businesses, we have a strong track record of executing projects on time and within budget.

Extraction

Our operations are focused on mining metals and generating power. We operate our mines in India, Africa, Australia and Ireland, extracting copper, zinc, lead, silver and bauxite.

Processing

In line with our integrated business model, we produce refined metals by processing and smelting the extracted resources at our zinc, lead, silver, copper, and aluminium smelters, and have processing facilities in India and Africa. We generate power for captive use across most of our operations and sell any surplus power. We sell power generated by our independent power plants.

Value addition

We meet market requirements by selectively adding value and converting the primary metals produced into higher margin products, such as sheets, rods, bars, rolled products, etc. at our zinc, aluminium and copper businesses.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World's largest integrated Zinc-lead producer.
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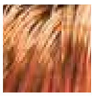
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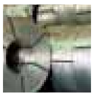
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Efficient Aluminium assets in India.
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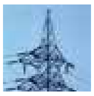
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Among the largest independent Power producers in India.
Read more.

Strategic Framework

Vision

To be a world class, diversified natural resources company providing superior returns to our shareholders, with high-quality assets, low-cost operations and sustainable development.

Strategy

To deliver growth, long-term value and sustainable development through our diversified portfolio of large, long-life, low-cost assets.

Growth

Organic growth

We focus primarily on extending our resource base and growing our assets organically, investing in projects that expand our capacity and increase production volumes.

Selective and value accretive M&A

In addition to organic growth, we look to acquire large proven assets where we can add significant value with our strategic capabilities.

Long-term value

Optimise returns

We aim to optimise our cost and operational performance through a culture of continuous improvement to achieve and maintain a low-cost position in all our businesses.

Reserves and resources

We aim to continue to add to our Reserves and Resources ('R&R') at a faster rate than we deplete them through a continued focus on exploration.

Sesa Sterlite Merger and Vedanta Group Consolidation

The proposed Merger of Sterlite and Sesa Goa Limited and Vedanta Group Consolidation remain a strategic objective, as we seek to drive synergies from this group consolidation and build long-term value.

Sustainability

Responsible stewardship

We are committed to providing a safe, secure and healthy workplace for all employees by optimising our specific consumption of inputs and minimising our environmental footprint.

Building strong relationships

We aim to forge strong partnerships by engaging with our key stakeholders, including shareholders and lenders, suppliers and contractors, customers, employees, governments, communities and civil society.

Adding and sharing value

We aim to create and sustain policies and processes that will contribute to the well-being and development of our employees and deliver sustainable benefits to the local communities where we operate.

What we said we would do	How we performed	Future priorities
Deliver significant total volume growth Ramp up our power operations Gamsberg feasibility study under way	Record mined metal production at Zinc India Record integrated silver metal production Ramp-up of lead and silver production Record copper cathode production Power sales up 22%	Achieve growth to 1.2 mtpa mined zinc lead metal at Zinc India Complete 1,980 Talwandi Sabo power project
Continue to add R&R Complete the Sesa Sterlite Merger and Vedanta Group Simplification Reduce debt through cash flows and maintain a stronger balance sheet	Mine life extensions delivered in our Zinc India and Copper Australia operations The Sesa Sterlite Merger and Vedanta Group consolidation received the approval of the High Court of Bombay at Goa. The hearings at the High Court of Madras have been completed and the order is awaited* Improved or maintained cost performance across businesses	Complete Sesa Sterlite Merger and Vedanta Group Consolidation Commissioning of Talwandi Sabo power project and Balco 325 kt aluminium project Reduce gearing through strong free cash flow and maintain a strong balance sheet
Complete roll out of sustainability framework Expand our structured educational, healthcare and community programmes Continue to improve our Health & Safety standards	Sustainability framework including policies, technical and management standards roll out completed. Guidance Notes to support the sustainability framework to follow this year ₹ 78.41 Crore invested in community initiatives benefiting 2.2 million people 27% decrease in LTIFR as compared to last year	Target to further reduce LTIFR to 0.85 by 2014 All sites to upgrade their existing Stakeholder Engagement Plans as per sustainability framework Structured community development programmes to continue

** Status as on April 29, 2013*


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World's largest integrated Zinc-lead producer.
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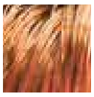
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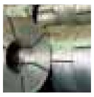
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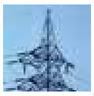
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Key Performance Indicators

Sterlite has identified the key performance indicators that it believes are useful in assessing how well the Company is performing against its strategic aims.

They encompass both financial and non-financial measures.

Growth

Revenue *(₹ Crore)*

Revenue represents the value of goods and services provided to third parties during the year.

2012-13	44,922
2011-12	40,967
2010-11	30,248

FY 2012-13 performance

The Company delivered a record revenue performance. Revenues increased by 10% to ₹ 44,922 Crore. Despite lower commodity prices, our major businesses delivered higher volume growth, which resulted in higher revenues.

EBITDA *(₹ Crore)*

Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) is a factor of volumes, prices and cost of production. This measure is calculated by adjusting operating profit for special items, and adding depreciation and amortisation.

2012-13	10,574
2011-12	10,362
2010-11	8,050

FY 2012-13 performance

The Company delivered a record EBITDA performance. EBITDA increased by 2% to ₹ 10,574 Crore, demonstrating the resilience of our diversified business portfolio, which helped insulate our EBITDA performance from lower commodity prices.

Cash, cash equivalent and liquid investments *(₹ Crore)*

Cash, cash equivalent and liquid investments represents the most liquid assets found within the asset portion of the Company's balance sheet. Cash equivalents are assets that are readily convertible into cash.

2012-13	24,847
2011-12	23,403
2010-11	22,617

FY 2012-13 performance

The Company continued to strengthen its balance sheet by increasing its cash, cash equivalent and liquid investments by 6% to ₹ 24,847 Crore. This demonstrates that the Company has a very strong and liquid balance sheet.

Long-term value

ROCE *(%)*

Return on Capital Expenditure (ROCE) is calculated on the basis of operating profit after special items and net of tax as a ratio of capital invested in operations as at the balance sheet date, and excludes investment in project capital work in progress. The objective is to consistently earn a post-tax return above the weighted average cost of capital.

2012-13	17.00
2011-12	16.00
2010-11	16.00

FY 2012-13 performance

ROCE without project capital work in progress and exploration assets in FY 2012-13 increased to 17%, an increase of 100 basis points compared the previous year.

EPS *(₹ per share)*

Earnings per Share (EPS) represents the net profit attributable to equity shareholders. By producing a stream of profits and EPS, we will be able to pay a progressive dividend to our shareholders.

2012-13	18.03
2011-12	14.36
2010-11	15.00

FY 2012-13 performance

EPS at ₹ 18 per share was higher by 25% compared to the previous year's EPS of ₹ 14.4 per share. The increase in attributable profit resulted from better operational efficiency of our other businesses, which more than offset lower metal prices across all metals.

Dividend per share *(₹ per share)*

Dividend per share (DPS) is the total of the final dividend recommended by the Board in relation to the year and interim dividend paid out during the year.

2012-13	2.30
2011-12	2.00
2010-11	1.10

FY 2012-13 performance

The Company has given the highest ever full year dividend of ₹ 2.30 per share. It was higher by 15% over last year.

Sustainability

LTIFR *(million man hours)*

The Lost Time Injury Frequency Rate (LTIFR) is the number of lost-time injuries per million man-hours worked. This includes our employees and contract workforce working in our operations and excludes incidents in our projects.

2012-13	1.00
2011-12	1.37
2010-11	1.57

FY 2012-13 performance

We have been able to sustain the reduction in LTIFR with a 36% decrease during the last three years. Additionally, we have initiated structured programmes to review and remove any unsafe conditions at our plants.

Women in workforce *(%)*

This parameter measures the percentage of women in the total permanent employee workforce.

2012-13	8.1
2011-12	8.2
2010-11	8.5

FY 2012-13 performance

We nurture young, enthusiastic talent and provide equal opportunities to men and women. During FY 2012-13, women employees comprised 8.1% of our employees. We undertook several initiatives aimed at providing career advancement to women, for example planned rotation through corporate functions.

CSR footprint *(million beneficiaries)*

This parameter showcases the total number of beneficiaries through our community development programmes across all our operations.

2012-13	2.2
2011-12	1.6
2010-11	1.5

FY 2012-13 performance

Over 2.2 million* people benefited this year through our continuing engagement in community development projects comprising community health, nutrition, education, water and sanitation, sustainable livelihood, women empowerment and bio-investment.

* *Some of the beneficiaries may be enrolled for more than one community projects*

Strategy review
Delivering our strategy

"Sterlite has delivered a set of strong results driven by production ramp-ups and continued cost control across our well-diversified portfolio of large assets against a backdrop of challenging economic conditions and volatile commodity prices."

Key Strategic Priorities

Disciplined production growth across the portfolio with a focus on returns

Continue to add reserves and resources to drive long-term value by extending resources at a faster rate than we deplete them, through a continued focus on drilling and exploration programmes

Complete the Sesa Sterlite Merger and deliver significant synergies

Anode stripping at cell house, Debari Hydro smelter, HZL

Strategic context

We continued to deliver on our strategy during the year in an uncertain economic environment. Our Company has delivered strong financial results despite a difficult year for the mining industry. Challenges for the industry persisted in 2012 as the market uncertainty and volatility witnessed since the global financial crisis continued. The recent trends of slower growth in China, a troubled Eurozone and a gradual recovery in the US were the main factors which depressed the global economic sentiments. The global industry also faced falling prices combined with increasing costs creating further pressure on margins in the mining and metal industry. Against this backdrop, we improved our operational performance delivering production growth and reducing costs across all our segments.

Delivering our strategy

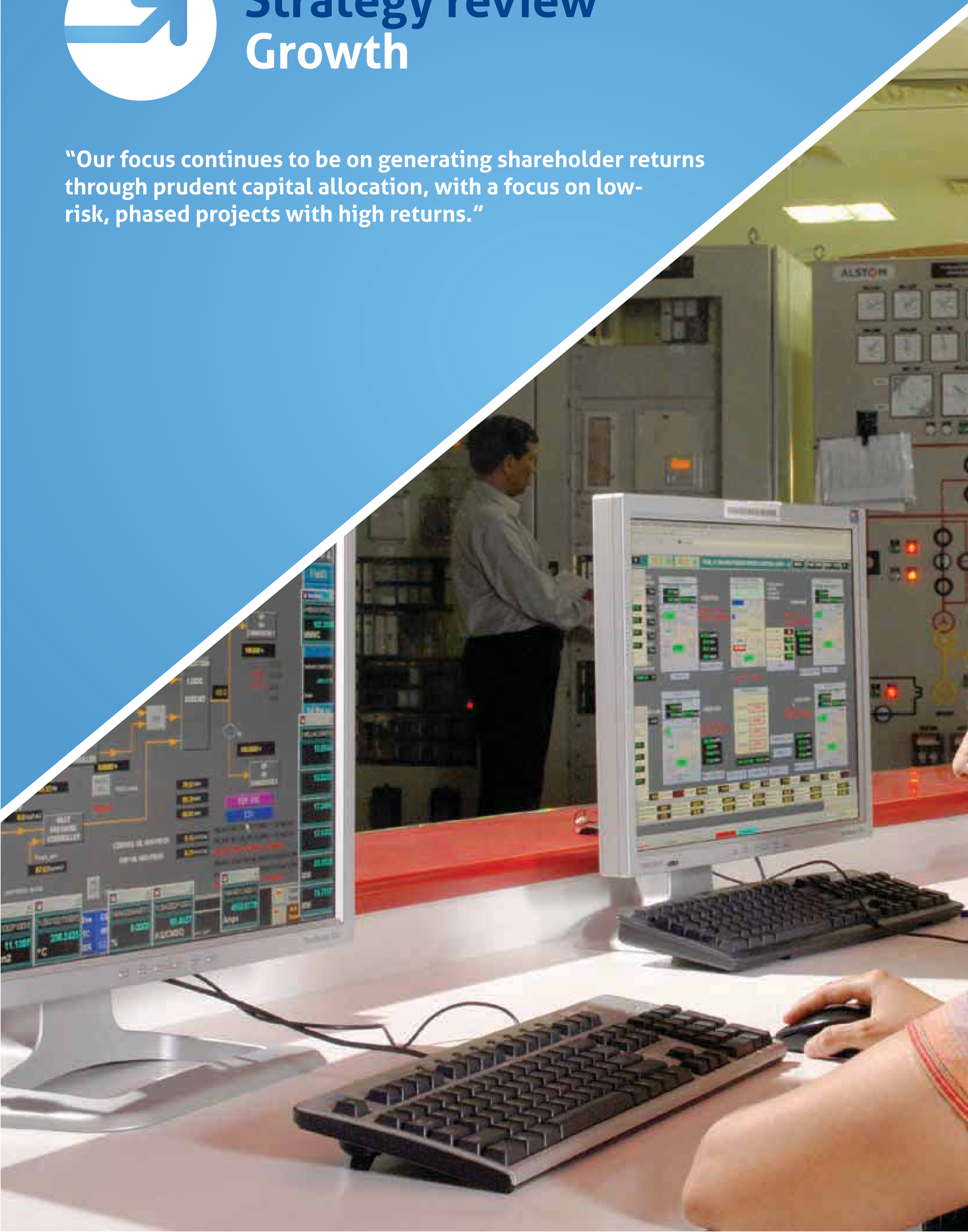
Over the years we have built a diversified company with a well-balanced portfolio covering zinc, lead, silver, copper, aluminium and power and are India's leading natural resource company. Most of our growth projects are now complete and we are now focused on reducing our debt through strong free cash flow.

We are focused on delivering growth and long-term value for our stakeholders, by investing in, and maintaining, structurally low-cost, high-quality assets with long operational lives where we can drive further improvement through efficiencies. Structurally our diversified asset portfolio provides us with a competitive cost position as the majority of our businesses are in the lowest quartile of the global cost curve.

Our success in extending our resource base is essential to sustain future growth. We are committed to sustainable development, reflecting the needs of all our stakeholders – our employees, local communities, environmental stakeholders – as well as our shareholders.

Strategy review
Growth

"Our focus continues to be on generating shareholder returns through prudent capital allocation, with a focus on low-risk, phased projects with high returns."



Control Room of Chanderiya CPP, HZL

Successfully delivering growth

We have continued to focus on extending our existing resources and growing our assets organically, by investing in projects that expand our capacity and increase our production volumes.

During the year, our aluminium smelter operated at more than the rated capacity. We had record production of zinc-lead mined metal and refined silver at Zinc India and our copper cathode production improved at Copper India. Sterlite Energy operated at a higher PLF increasing commercial power generation, although this was constrained by power transmission capacity. This higher generation of commercial power was also supported by an increase in green energy powered from our wind power plants.

Strategy review
Long-term Value

"We have a proven track record of consistently growing our reserves and resources ('R&R') organically. We remain focused to continue to add more than what we mine out, in line with our strategy to maintain a portfolio of assets with long mine life."

Operating efficiently

Optimise returns

As the majority of our assets have had recent investment or are new, over the period our businesses have demonstrated lower annual sustaining capital costs. We believe there is further potential for operating cost reduction with the ramp up of production, a continued focus on asset optimisation and improved raw material sourcing.

RESERVES AND RESOURCES (R&R)

In line with our strategy to maintain long mine life for our assets and our target to add more than what we mine, we are focused on our exploration programmes – on both brownfield and greenfield sites. During FY 2012-13, our exploration activities resulted in the successful addition of R&R at our Zinc India and Australian Copper businesses.

Load-haul dump unit loading truck underground, Lisheen mine, Ireland

Key achievements

- At Zinc India, during FY 2012-13, there was a gross addition of 24.6 million tonnes (mt) to R&R, prior to a depletion of 8.6 mt. Total reserves and resources at March 31, 2013 were 348.3 mt containing 35.1 mt of zinc-lead metal and 910 million ounces (moz) of silver. Zinc India's mine life continues to be 25+ years.
- Copper Mines of Australia ('CMT') added 5.4 mt to reserves, prior to depletion of 2.5 mt. With total reserves of 8.9 mt of copper ore on March 31, 2013, the mine life has been extended to around four years.

Sesa Sterlite Merger and Vedanta Group consolidation

Last year, we had announced the merger of Sterlite Industries (India) Ltd. with Sesa Goa Ltd. to create Sesa Sterlite Ltd., one of the world's largest diversified natural resource companies with operations across base metals, iron ore, silver, oil & gas and commercial power. The merged entity is aiming to create a more efficient capital structure, with better alignment of debt and cash flows, as well as delivering significant synergies. The proposed Vedanta Group Consolidation and Simplification has received the approval of the High Court of Bombay at Goa. The hearings at the High Court of Madras have been completed and the order is awaited*.

** Status as on April 29, 2013*

Strategy review
Sustainability

"Following the development and group-wide roll-out of our new business sustainability framework last year, we have consistently implemented this across the Group to enhance the value of our business, reduce our risks and preserve our license to operate."

Focused on sustainability

Sustainability

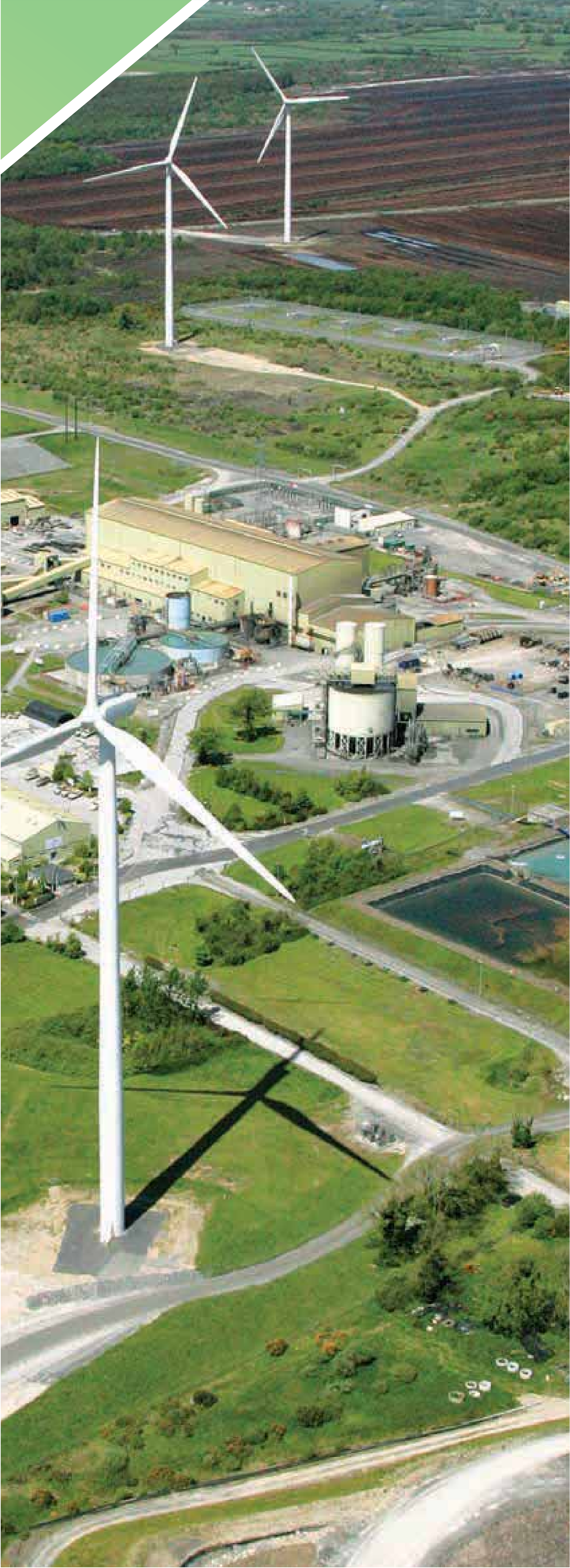
Sustainability is a core element of our guiding strategy and supports us in growing our business and creating long-term value for our stakeholders.

EMBEDDING SUSTAINABILITY

Over the past year, at Sterlite Industries, we have worked to embed and implement the Vedanta Sustainability Framework across all our operations. We have been working to train and develop our employees and contractors in our sustainability framework, to both embed a culture of sustainability across the business as well as implement the framework's supporting practices and procedures. To date, more than 5,400 people across the Company have been trained on the framework which is aligned to international sustainability standards.

Similarly, an assurance and site audit process – The Vedanta Sustainability Assurance Programme or VSAP – has been introduced over the last year to embed this commitment at the operational level and behaviour change programmes are underway.

As we implement our framework, we enhance the value of our business while reducing risks and preserving our license to operate.



Aerial view of facilities at Lisheen, Ireland

Responsible Stewardship

Responsible Stewardship extends to our employees and their health and safety, our business processes which are centred on risk management, and the management of our land and our environmental impact.

HEALTH & SAFETY

The Health & Safety of the people who work for the Company remains a key focus and there has been an overall declining trend in the incident rates experienced by the Group, with a lost time injury frequency rate (LTIFR) in the reporting period of 1.0 (a 27% decrease compared to last year) accounting for 4,173 man-days lost. Regrettably however, we did experience 13 fatalities in FY 2012-13. Key short falls or identified issues are addressed and a time frame for the business to meet the shortfalls is agreed collectively with the leadership team. With safety management continually improving around the Group, we remain focused upon meeting our target of zero fatalities.

ENVIRONMENT

We continue to work on managing the impact of our operations on the natural environment. Our continuous improvement projects in air, water and energy management have made good progress, but the business has much more to do to meet our own challenging targets. As evidence, during the year, around 2.28 mt of non-hazardous waste has been successfully recycled. As part of continual improvement, we plan to obtain ISO 14001 certification for all our units and as of now 20 out of 24 units are ISO 14001 certified.

Building strong relationships

Establishing and maintaining close links with stakeholders is an essential part of our journey as a sustainable business.

Throughout the year more than 1,700 stakeholder engagement meetings took place, with community leaders, non-governmental organisations (NGOs), governments and government bodies, academic institutions.

Adding and sharing value

Our stakeholders expect to see Sterlite extend the benefits and value of our business across society in a meaningful and effective manner. Similarly, we also have an expectation of ourselves that as a multinational company, we have a broader role in society than merely bringing resources to market.

We contributed ₹ 6,200 Crore to the Exchequer through direct and indirect taxes, royalty and so on. We employ, directly and through contractors, more than 49,000 people. We play a significant role in growing local skills and in the development of local infrastructure, including roads, sanitation, education and medical facilities. We made a community investment of ₹ 78.41 Crore this year, reaching 2.2 million people and providing support for schools, hospitals, health centres and farmers.

Company Overview

Turbine Floor of 540 MW CPP, BALCO

Engineers at Rampura Agucha underground Zinc mine, HZL

The Company

Sterlite Industries India Limited is the major subsidiary of Vedanta Resources plc, a London-listed FTSE 100 diversified global natural resources major. Apart from being India's largest non-ferrous metals and mining company, we are also one of the fastest growing private sector organisations in the country. Our equity shares are listed and traded on the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE).

Engineers at power plant, BALCO

Our goal

We are focused on delivering growth and long-term creating value for our stakeholders. To achieve this objective, we are investing in and maintaining structurally low-cost, high-quality assets with long operational lives. These will help us drive further improvement through efficiencies. Structurally, our large scale, low-cost asset portfolio provides us with a competitive cost position on the global cost curve.

The shares have been included in BSE Sensex, a diversified index of 30 Indian stocks listed on the BSE since July 28, 2008. Our ADSs are also listed on the New York Stock Exchange (NYSE: SLT).

Our presence across the resources spectrum stretches across copper, zinc, lead and aluminium and also extends to commercial power generation, ports and infrastructure businesses. With the materialisation of ongoing efforts towards consolidation and re-organisation of Sesa Goa, Sterlite Industries, Vedanta Aluminium, Sterlite Energy and MALCO to form Sesa Sterlite and transfer of Vedanta's shareholding in Cairn India to Sesa Sterlite, our presence should further diversify into iron ore, pig iron, met coke, oil and gas. We have over 13,000 employees worldwide, functioning at our operations in Australia, South Africa, Namibia and Ireland. Our key operations comprise:

- Hindustan Zinc Limited (HZL), with fully integrated zinc and lead operations in India
- THL Zinc Namibia Holdings Proprietary Limited (Skorpion), Black Mountain Mining (Pty) Ltd (BMM) and Vedanta Lisheen Mining Limited (Lisheen) with zinc and lead operations in Africa
- Sterlite Copper and Copper Mines of Tasmania Pty Limited (CMT) with copper smelting and mining operations in India and Australia, respectively
- Bharat Aluminium Company (BALCO), with aluminium operations in India
- Sterlite Energy Limited (Sterlite Energy) with its commercial power generation business in India

Most of our mines, refineries and smelters in India are both International Standards Organisation (ISO) 14001 and Occupational Health and Safety Assessment Series (OHSAS) 18001 certified. Sterlite laboratories at Tuticorin and Silvassa have been recognised with ISO 17025:2005 certification from the National Accreditation Board for Testing and Calibration Laboratories (NABL). The Company is an LME-approved copper tester. Our copper products are Restriction of Hazardous Substances (RoHS) complied and are certified by Underwriters Laboratories Inc. Sterlite's central lab at Silvassa is a Government of India approved R&D laboratory. The Company has also won numerous awards for upholding the principles of safety and environment.

"Most of our mines, refineries and smelters in India are both International Standards Organisation (ISO) 14001 and Occupational Health and Safety Assessment Series (OHSAS) 18001 certified."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World's largest integrated Zinc-lead producer.
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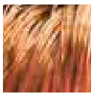
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Operates one of the world's most efficient Copper smelters.
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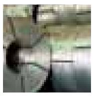
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Efficient Aluminium assets in India.
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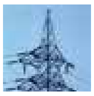
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Among the largest independent Power producers in India.
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Night view of 2x80 MW Tuticorin Power Plant

"We engage in custom smelting through our copper business and have emerged as one of the two custom copper smelters in India with a primary market share of 40% in FY 2012-13."

Top: *Engineer inspecting copper rod, Sterlite Tuticorin*

Bottom: *Copper anodes in refinery, Sterlite Tuticorin*

Copper

Copper India

We engage in custom smelting through our copper business and have emerged as one of India's two custom copper smelters with a primary market share of 40% in FY 2012-13 [Source: International Copper Promotion Council, India (ICPCI)]. The primary products in this segment are copper cathode and copper rods. The copper business consists of smelting and processing of copper as well as the production of its by-products. Our operational infrastructure include a smelter, refinery, phosphoric acid plant, sulphuric acid plant, doré plant and copper rod plant at Tuticorin in the state of Tamil Nadu in southern India. Besides, we also have a refinery and two copper rod plants at Silvassa in the Union territory of Dadra and Nagar Haveli in western India. The Tuticorin Smelter has been operating for over 14 years in compliance with applicable regulations and global standards. It employs the ISA Smelt process, which is considered globally as an environmentally advanced technology. We also own the Mt. Lyell copper mine in Tasmania, Australia, which provides a small percentage of our copper concentrate requirements. We also have a precious metal refinery, which was commissioned in March 2009. It produces gold and silver, a doré anode plant and a copper rod plant commissioned in May 2010, at Fujairah in the UAE.

As a custom smelter, we source a significant amount of our copper concentrate from third-party suppliers at the London Metal Exchange (LME) price, less a TC/RC. Approximately 7.75% of our copper concentrate was sourced from our own mine in Tasmania, Australia in fiscal 2013. All the copper concentrates used in our operations, whether from our own mine in Australia or from third-party suppliers, are imported through the port of Tuticorin in Southern India. They are then transported by road to our Tuticorin smelter. In 2012-13, we produced 353,154 mt of refined copper.

In recent years, we improved the performance of our copper business by enhancing operational efficiencies and reducing unit costs. We achieved this by decreasing power costs through the construction of a captive power plant at Tuticorin. We intend to further improve the operating performance of our copper business by continuing to reduce unit operating costs through improvements in recovery rates, lowering power and transport costs, achieving economies of scale and accomplishing operational efficiencies.

We proposed expansion projects at Tuticorin to increase our total copper capacity to 800,000 tpa. A 160 MW coal-based thermal captive power plant is currently under construction. On October 1, 2012, the first 80 MW unit of the new captive power plant was commissioned; a second 80 MW unit is awaiting requisite approvals. Surplus power generated by this plant is currently being sold to third parties. However, the expansion of the smelter is on hold, as required approvals have not yet been received.

Specifically, the proposed capacity expansion at Tuticorin has been delayed since December 2009 due to a writ petition filed by the Madras High Court. However, this writ petition had not prevented the plant's continued operations.

We own one of the two custom copper smelters in India and had the country's 40% primary market share by sales volume in fiscal 2013 [Source: ICPCI]. The other major custom copper smelter in India is owned by Hindalco Industries Limited, which had a primary market share by sales volume of approximately 35% in fiscal 2013. The rest of the primary copper market in India is primarily served by Hindustan Copper Limited and through imports.

Aerial view of Chanderiya smelting complex, HZL

"Our fully integrated zinc business is owned and operated by HZL, India's leading zinc producer with 82.0% share of the Indian zinc market in 2012-13."

Top: *Engineer verifying zinc cathodes at casthouse of Chanderiya Smelting Complex, HZL*

Bottom: *Engineer at Rampura Agucha open cast zinc-lead mine, HZL*

Zinc-Lead-Silver

Zinc India

Our fully integrated zinc business is owned and operated by HZL, India's leading zinc producer with 82.0% share of the Indian zinc market in 2012-13 [Source: Indian Lead and Zinc Development Association (ILZDA)]. HZL is the world's largest integrated zinc producer. It is also the second largest zinc-lead miner globally with over 10 mt of ore production capacity. Besides, it is the third largest zinc-lead smelter globally with over 1.0 mt of production capacity *(Rankings calculated from Wood Mackenzie March 2013 Long Term Outlook).*

In 2012, HZL was in the lowest cost quartile in terms of all zinc mining operations worldwide [Source: Wood Mackenzie]. The Rampura Agucha Mine (RAM), the world's largest zinc mine, is currently operating through the open cast route. Besides, we are in the process of developing an underground mine at RAM.

HZL mining reserves and resources touched 348.3 million mt, containing 35.1 mt of zinc-lead metal and 909.6 moz of silver, with mine life of over 25 years, as on March 31, 2013.

During 2012-13, we invested significantly in capacity expansion of existing mines and to develop new mines at HZL. Six major projects are expected to be completed over the next six years to increase our mined metal production to 1.2 mt. These growth plans are expected


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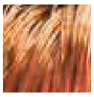
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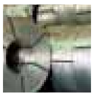
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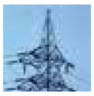
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Among the largest independent Power producers in India.
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to increase our share in the global zinc market to an estimated 7% from the current 5.6% [Source: Wood Mackenzie, March 2013].

We have 64.9% ownership interest in HZL and the remaining shares are owned by the Government of India (29.5%) and institutional and public shareholders (5.6%). HZL's infrastructure includes:

- Five lead-zinc mines
- One rock phosphate mine
- Four hydrometallurgical zinc smelters
- Two lead smelters
- One lead-zinc smelter
- Four sulphuric acid plants
- One silver refinery
- Six captive power plants in northwest India
- Zinc processing and refining facilities at Haridwar, Uttarakhand
- Processing facilities for zinc, lead and silver at Pantnagar, Uttarakhand
- Mined metal production of zinc and lead in FY 2012-13 touched 870,200 mt

India's zinc industry has only two producers - HZL, which is the market leader, and the Binani Zinc Limited (Binani Zinc), which had 5% market share in terms of sales volume in FY 2012-13.


Concentrator Plant, Lisheen mines

"Zinc International is an excellent operational and strategic fit with our existing business and will create significant long-term stakeholder value."

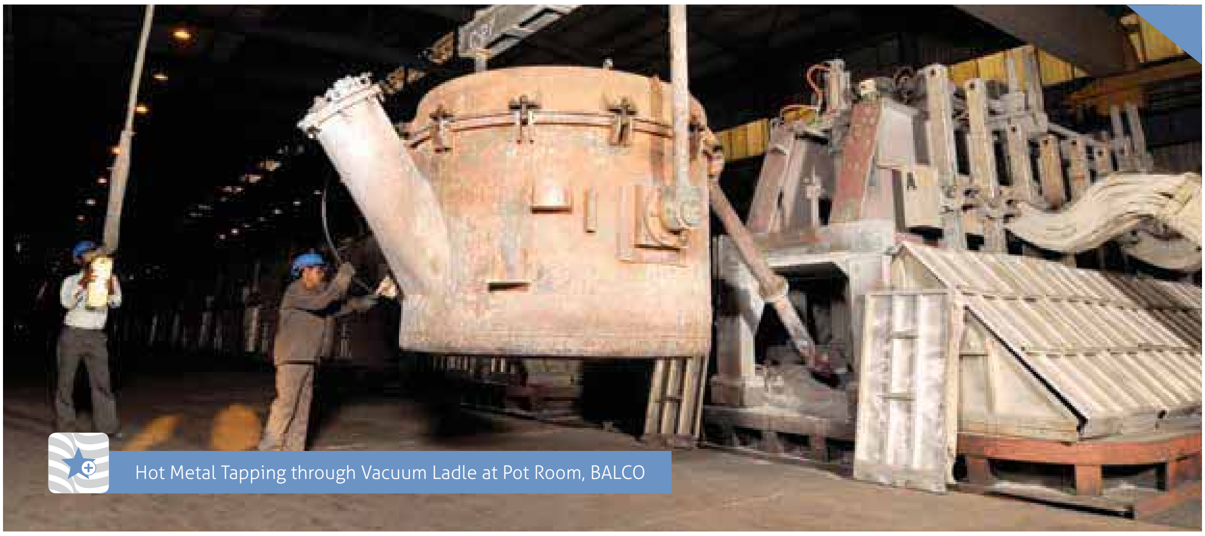
Top: *Underground miner operating a remote Load-Haul-Dump unit, Lisheen Mines*

Bottom: *Control Room of 540 MW CPP, BALCO*

Zinc International

During FY 2011-12, the Company commenced and completed the acquisition of Anglo American's zinc assets (now called Zinc International). This acquisition comprised acquiring the 100% owned Skorpion mine in Namibia, the 100% owned Lisheen mine in Ireland and the 74% owned Black Mountain Mines, which include the Black Mountain mine and the Gamsberg project in South Africa. Zinc International is an excellent operational and strategic fit with our existing business and will create significant long-term stakeholder value.

The Skorpion mine produces SHG zinc ingots, covering the sale of all zinc ingots produced at Skorpion's integrated mine and refinery. The Black Mountain Mine produces zinc, copper and lead in concentrate, while the Lisheen Mine is rich in zinc and lead concentrate. The total production of zinc and lead metal-in-concentrate (MIC) and zinc metal from the Zinc International operations was 425,694 mt.



Hot Metal Tapping through Vacuum Ladle at Pot Room, BALCO

"Our aluminium business is owned and operated by BALCO. BALCO's partially integrated aluminium operations comprise two bauxite mines and the Korba facility."

Top: *Aluminium wire rod, BALCO*

Bottom: *Aluminium Properzi Wire Rod, BALCO*

Aluminium

BALCO

Our aluminium business is owned and operated by BALCO. BALCO's partially integrated aluminium operations comprise two bauxite mines and the Korba facility, which includes an alumina refinery, a 245,000 TPA aluminium smelter, two captive power plants and a fabrication facility, all of which are located in the state of Chhattisgarh in Central India. In FY 2012-13, BALCO produced 246,989 mt of aluminium.

Majority of the bauxite required by BALCO's smelters are acquired from its own mines. Bauxite is transferred to Vedanta Aluminium's alumina refinery, which converts the ore to alumina. The refinery then returns the alumina to BALCO for the payment of a conversion price by BALCO to Vedanta Aluminium. The price is based on Vedanta Aluminium's actual cost of production added to a reasonable margin. The remainder of the Company's alumina requirements is sourced from third parties. It intends to further improve the operating performance by continuing to reduce unit operating costs at the Korba facility. This also includes lowering power consumption and improving the operating efficiency of the captive power plant. BALCO also intends to focus on the manufacture of fabricated products with higher margins.

We own a 51% ownership interest in BALCO and have the Company's management control. The remainder of the Company is owned by the Government of India, which established BALCO in 1965. We acquired our interest in BALCO from the Government of India on March 2, 2001.

Coal blocks of 211 mt were allocated in November 2007 for BALCO's use in its captive power plants. After BALCO obtained the Stage-II Forest Clearance for coal block, the state government initiated the process for diversion of forest land. Besides, the process of signing the mining lease agreement is also in progress. We expect to commence mining by the end of the second quarter of FY 2013-14. In addition, BALCO is constructing a thermal coal-based 1,200 MW captive power facility in Chhattisgarh. This plant is currently awaiting the final stage approval. BALCO has commenced the process of establishing 325,000 TPA aluminium smelter from which the first metal tapping is expected by the second quarter of FY 2013-14.

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Aluminium Properzi Wire Rod Coil ready for dispatch, BALCO

"Vedanta Aluminium had planned to expand its alumina refining capacity at Lanjigarh to 5 mtpa. It then further expanded the refinery by constructing a second alumina refinery with a refining capacity of 3 mtpa."

Engineers at smelter control room, BALCO

Vedanta Alumina Limited (VAL)

We are expanding our aluminium business through VAL. We hold a 29.5% minority interest in the company, a 70.5% owned subsidiary of Vedanta. Originally incorporated in 2001, VAL is a leading producer of metallurgical grade alumina and other aluminium products, which cater to a wide spectrum of industries.

The Company entered into an agreement with the Orissa Mining Corporation Limited (OMC) regarding the establishment of the alumina refinery, an aluminium smelter and associated captive power plants in the Lanjigarh and Jharsuguda districts.

Engineer verifying operating parameters at electrical control room of switchyard, BALCO

Lanjigarh Alumina Refinery

VAL is operating a 1.0 mtpa greenfield alumina refinery and an associated 75 MW captive power plant at Lanjigarh, Odisha. The alumina refinery at Lanjigarh operates with bauxite sourced from BALCO and other third parties. The calcined alumina production for FY 2012-13 was 527,052 mt.

Alumina production at Lanjigarh was temporarily suspended since December 5, 2012 due to inadequate availability of bauxite.

Vedanta Aluminium had planned to expand its alumina refining capacity at Lanjigarh to 5 mtpa. It aimed to increase the alumina refinery's current capacity from 1,400,000 to 2,000,000 TPA by de-bottlenecking. It then further expanded the refinery by constructing a second alumina refinery with a refining capacity of 3 mtpa. It also came with an associated 210 MW captive power plant. However, the expansion of the alumina refinery at Lanjigarh and related mining operations in Niyamgiri Hills have been on hold since October 20, 2010, the date of the Ministry of Environment and Forest's (MoEF's) direction to Vedanta Aluminium to cease further construction. The Ministry of Environment and Forests (MOEF) had earlier rejected issuance of the final stage of forest clearance for Niyamgiri Mining project of OMC, which is one of the bauxite sources for the alumina refinery of VAL. On view of the writ petition filed by

OMC challenging the aforesaid action of MoEF, the Hon'ble Supreme Court vide its order dated April 18, 2013 has directed the state government of Odisha to place unresolved issues and claims of the local communities under the Forest Rights Act and rules before the Gram Sabha. The Gram Sabha would consider these claims and communicate the same to MoEF through the state government of Odisha within three months. On conclusion of the proceedings of the Gram Sabha, the MoEF shall take a final decision for the grant of Stage-II forest clearance for the Niyamgiri mining project of OMC within two months.

Ingot yard at Cast House of 500 ktpa smelter, VAL Jharsuguda

Jharsuguda Aluminium Smelter

Vedanta Aluminium is operating a greenfield 500,000 TPA aluminium smelter, together with an associated 1,215 MW coal-based captive power plant, in Jharsuguda, Odisha. The project was implemented in two phases of 250,000 TPA each. Phase I was completed in November 2009. Phase II, however, was commissioned in stages from March 2010. All nine units of 135 MW have been commissioned. The metal production for FY 2012-13 was 527,037 tonnes, whereas net generation of the captive power plant was 7,916 MU.

Vedanta Aluminium has also invested to set up a second 1,250,000 TPA aluminium smelter, for which we continue to evaluate the start-up date.

Power plant switchyard, SEL

"Our wholly owned subsidiary Sterlite Energy completed building a 2,400 MW thermal coal-based power facility (comprising four units of 600 MW each) in Jharsuguda in Odisha."

Turbine Generator, Talwandi Sabo project

Commercial Power Business

Sterlite Energy Limited (SEL)

In August 2006, our shareholders approved a new strategy for us to enter the commercial power generation business in India. Our wholly owned subsidiary Sterlite Energy completed building a 2,400 MW thermal coal-based power facility (comprising four units


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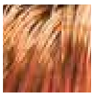
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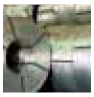
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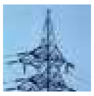
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Switchyard, Talwandi Sabo project

of 600 MW each) in Jharsuguda in Odisha. With the fourth unit getting commissioned on March 31, 2013, all the four units are now operational.

In July 2008, Sterlite Energy succeeded in an international bidding process. Hence, it was awarded the project for the construction of a 1,980 MW coal-based commercial thermal power plant at Talwandi Sabo, Punjab, at an estimated cost of ₹ 9,245 Crore. Commissioning of this project is in progress and the first unit is expected to be synchronised in the second quarter of FY 2013-14, and the remaining two units at intervals of four months.

Our commercial power generation business also includes the 274 MW of wind power plants commissioned by HZL and the 270 MW power plant at BALCO's Korba facility. The latter was used previously for captive power use before the shutdown of the 100,000 tpa aluminium smelter at Korba on June 5, 2009.

Unloading copper concentrate at Tuticorin Port

Coal berth, VGCB

Ports and infrastructure business

Vizag

We incorporated a special purpose vehicle, Vizag General Cargo Berth Private Limited (VGCB), for the coal berth mechanisation project at Vishakhapatnam port. VGCB, which is owned by Sterlite and Leighton Welspun Contractors Private Limited, commenced its operations during March 2013.

Aluminium Slab being transported to Hot Rolling Mill, BALCO

Profiles of the Board of Directors

Anil Agarwal
Chairman

Background and Experience

Mr. Anil Agarwal founded the Group in 1976 and was appointed to the Board of Directors in 1978. Earlier, he was the Chairman, Managing Director and CEO of the Company from 1980 to 2004. Mr. Agarwal was also the Chief Executive Officer of the Vedanta group from December 2003 to March 2005. Mr. Agarwal has over 37 years of experience as an industrialist and has been instrumental in the Company's growth. He has also played a major role in its development since incorporation. Besides, he has also been a guiding force during mergers and acquisitions and created a world-class diversified group.

Directorships

- Sterlite Technologies Ltd.
- Vedanta Resources Plc., UK
- Anil Agarwal Foundation - Under Section 25 of the Companies Act, 1956
- Onclave Ptc Limited, Trustee

Navin Agarwal
Executive Vice-Chairman

Background and Experience

Mr. Navin Agarwal was appointed to the Board of Directors in August 2003. His responsibilities as the Executive Vice-Chairman include executing business strategy and managing the organisation's overall performance and growth. Mr. Agarwal joined the Company during its incorporation. He has over 27 years of experience within the group in general management and commercial matters. Besides, he has always been a driving force to accomplish set targets. Mr. Agarwal completed the Owner / President Management Programme at Harvard University and has a Bachelor of Commerce from Sydenham College, Mumbai, India.

Directorships

- Bharat Aluminium Company Ltd.
- Hindustan Zinc Ltd.
- Cairn India Limited
- The Madras Aluminium Co. Ltd.
- Sterlite Iron & Steel Company Ltd.
- Vedanta Aluminium Ltd.
- Hare Krishna Packaging Private Ltd.
- Konkola Copper Mines, Plc.
- Vedanta Resources Plc., UK
- Vedanta Resources Holdings Ltd.
- Vedanta Resources Investment Ltd.

Gautam Bhailal Doshi
Independent Director

Background and Experience

Mr. Gautam Bhailal Doshi was appointed to the Company's Board of Directors in December 2001. He is also the Group Managing Director of the Reliance ADA Group Limited. Prior to that, he was a partner of India's RSM & Co. from September 1997 to July 2005. Mr. Doshi has almost three decades of experience in areas of audit, finance and accounting. He is a Master of Commerce from the University of Mumbai and is a Fellow Member of the Institute of Chartered Accountants of India.

Directorships

- REL Utility Engineers Limited (earlier Sonata Investments Ltd.)
- Reliance Communications Infrastructure Ltd.
- Reliance Media Works Ltd.
- Reliance Anil Dhirubhai Ambani Group Ltd.
- Reliance Big TV Ltd.
- Reliance Telecom Ltd.
- Piramal Life Sciences Ltd.
- Digital Bridge Foundation (Sec. 25 Comp)
- Reliance Broadcast Network Ltd.
- Reliance Home Finance Private Limited
- Telecom Infrastructure Finance Private Limited
- Connect Infotain Private Limited

Berjis Minoo Desai
Independent Director

Background and Experience

Mr. Berjis Minoo Desai was appointed to the Company's Board of Directors in January 2003. Mr. Desai has over 34 years of experience as a solicitor and is the managing partner of Messrs J. Sagar & Associates since April 2003. Prior to that, he was a partner at Messrs Udwadia, Udeshi & Desai from 1997 to 2003. He specialises in mergers and acquisitions, securities, financial and international business laws and international commercial arbitration. Mr. Desai has a Bachelor of Arts and a Bachelor of Law from the University of Mumbai and a Master of Law from the University of Cambridge, UK.

Directorships

- The Great Eastern Shipping Company Ltd.
- Praj Industries Ltd.
- Edelweiss Financial Services Limited
- Himatsingka Seide Ltd.
- DCW Ltd.
- Greatship (India) Ltd.
- Emcure Pharmaceuticals Ltd.
- JSA Lex Holdings Ltd.
- Divatex Home Fashions Inc
- Centurm Fiscal Private. Ltd
- Capricorn Studfarm Private Ltd.
- Capricorn Agrifarms & Developers Private Ltd.
- Equine Bloodstock Private Ltd.
- Man Infraconstruction Ltd.
- Adani Enterprises Ltd.

Sandeep H. Junnarkar
Independent Director

Background and Experience

Mr. Sandeep H. Junnarkar was appointed to the Board of Directors in June 2001. Mr. Junnarkar is a solicitor and a partner of Messrs Junnarkar & Associates. Prior to that, he was a partner at Messrs Kanga & Co. from 1981 to 2002. He enrolled as an Advocate in April 1976 and has over three decades of experience as a practicing lawyer. Mr. Junnarkar specialises in banking and corporate law and regularly advises on all aspects of exchange control under the Foreign Exchange Management Act, 1999, as amended, or the Foreign Exchange Management Act (FEMA), and the Securities Contracts (Regulation) Act, 1956 (SCRA). Mr. Junnarkar is a Bachelor of Laws from the University of Mumbai and is a member of the Bombay Incorporated Law Society.

Directorships

- Everest Industries Ltd.
- Excel Crop Care Ltd.
- IL&FS Infrastructure Development Corpn, Ltd
- Jai Corp. Ltd.
- Jai Realty Ventures Ltd.
- Reliance Industrial Infrastructure Ltd.
- Reliance Industrial Investments & Holdings Ltd.
- Reliance Ports and Terminals Ltd.

A.R. Narayanaswamy
Independent Director

Background and Experience

Mr. A. R. Narayanswamy was appointed to the Board of Directors in July 2011. He has almost four decades of experience as Chartered Accountant. He is a Bachelor of Commerce from the University of Mumbai and is also a Fellow Member of the Institute of Chartered Accountants of India. He functions as a professional consultant for companies in Accounting, Financial Management and Information Technology across several industry verticals.

Directorships

- Hindustan Zinc Ltd
- Sterlite Technologies Ltd.
- Ibis Logistics Private Ltd.
- Ibis Systems and Solutions Private Ltd.
- Ibis Softec Solutions Private Ltd.
- Primex Healthcare and Research Private Ltd.

D. D. Jalan
Whole Time Director & Chief Financial Officer

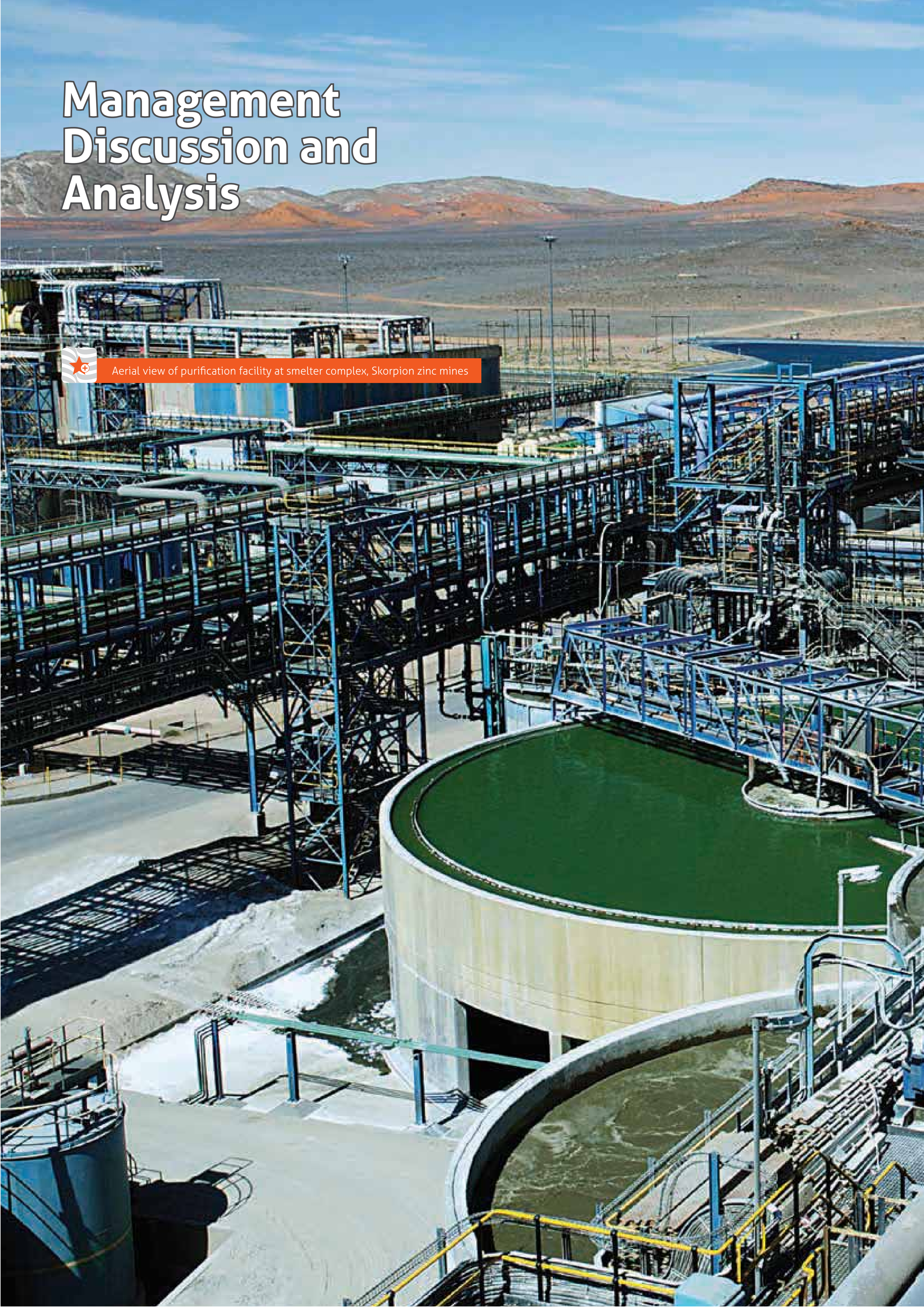
Background and Experience

Mr. D. D. Jalan is the Chief Financial Officer of Vedanta Resources Plc and a Director of Sterlite Industries Ltd. He is a fellow member of the Institute of Chartered Accountants of India. Mr. Jalan has over 34 years of experience in finance, accounts, audit, taxation, secretarial and legal besides profit centre responsibility of independent business. He has held leadership positions in companies in the engineering, mining and non-ferrous sector.

Directorships

- Vedanta Resources Finance Ltd.
- Vedanta Resources Cyprus Ltd.
- Vedanta Resources Jersey Ltd.
- Vedanta Resources Jersey II Ltd.
- Vedanta Investment Jersey Ltd.
- Sesa Resources Ltd.
- Sesa Mining Corporation Ltd.
- Thalanga Copper Mines Pty Ltd.
- Copper Mines of Tasmania Pty Ltd.
- Sterlite Ports Limited
- Sterlite Infraventures Limited
- Vizag General Cargo Berth Private Ltd.
- Paradip Multi Cargo Berth Private Ltd.
- Twinstar Energy Holdings Ltd.
- Twinstar Mauritius Holdings Ltd.
- THL Zinc Ventures Ltd.
- THL Zinc Ltd.
- Pecvest 17 (Pty) Ltd. – South Africa

Management Discussion and Analysis



Aerial view of purification facility at smelter complex, Skorpion zinc mines

7%

Decrease in average LME copper price for FY 2012-13 to US$ 7,853 per tonne.

Cathode plates at Refinery cell house, Sterlite Tuticorin

Top: *Cell house at Chanderiya Hydro smelter, HZL*

Middle: *Lead Larox filter at Processing Plant*

Bottom: *Underground operator on underground rig*

Business Review

Trends in Price Movements of Major Commodities

The Company's and its subsidiaries' principal commodities – aluminium, copper, zinc and lead – are priced with reference to London Metal Exchange (LME) prices. The following section describes the pricing trends of significant commodities in our portfolio for FY 2012-13.

"Zinc LME prices reached a low point of US$ 1,760 per tonne in August 2012, and a high point of US$ 2,188 per tonne in February 2013. With better than expected growth from China and a general improvement in market sentiments towards the later part of the year, zinc prices improved."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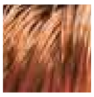
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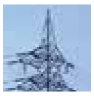
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Copper wire rods at Silvassa refinery

Copper

LME prices decreased from US$ 8,480 per tonne at the beginning of FY 2012-13 to US$ 7,583 per tonne at the year end. However, the average LME copper price for FY 2012-13 was US$ 7,853 per tonne, 7% lower than the average for FY 2011-12. LME prices reached a low point of US$ 7,252 per tonne in June 2012, and a high point of US$ 8,576 per tonne in April 2012.


Aluminium wire rods at BALCO

Aluminium

LME prices decreased from US$ 2,082 per tonne at the beginning of FY 2012-13 to US$ 1,882 per tonne at the year end. However, the average LME aluminium price for FY 2012-13 was US$ 1,974 per tonne, 15% lower than the average for FY 2011-12. LME prices reached a low point of US$ 1,794 per tonne in August 2012, and a high point of US$ 2,177 per tonne in September 2012. However, the price decreased as smelters continued to produce metal despite an uncertain economic environment in Europe and a slowdown in the Chinese economy.

14%

Increase in average exchange rate to ₹ 54.5 per US$ in FY 2012-13

Mechanical maintenance being carried out, Talwandi Sabo


Ingots at Chanderiya Hydro smelter, HZL

Zinc

LME prices decreased from US$ 1,972 per tonne at the beginning of FY 2012-13 to US$ 1,871 per tonne at the year end. However, the average LME Zinc price for FY 2012-13 was US$ 1,948 per tonne, 7% lower than the average for FY 2011-12. LME prices reached a low point of US$ 1,760 per tonne in August 2012, and a high point of US$ 2,188 per tonne in February 2013. The average price was impacted on account of the Eurozone crisis coupled with a slowdown in the Chinese economy. However, with better than expected growth from China and a general improvement in market sentiments towards the later part of the year, zinc prices improved in the last quarter of the year.


Excavation at Sindesar Khurd mine, HZL

Silver

Average silver LBMA prices during FY 2012-13 decreased from US$ 35.3 per ounce to US$ 30.5 per ounce, a decline of 14%.

The movement of commodity prices in FY 2012-13 is shown in the table below:

(in US$ /MT)

	FY 12-13	FY 11-12	% Change
Copper	7,853	8,475	(7.3)
Aluminium	1,974	2,313	(14.7)
Zinc	1,948	2,098	(7.2)
Lead	2,113	2,269	(6.9)
Silver	30.5	35.3	(13.6)

Exchange Rates

We are exposed to exchange rate transaction risk on foreign currency as most of our businesses in India have income and expenditure in Indian rupees. The Rupee-Dollar exchange rate at the beginning of the year was ₹ 51.6 per US$ and closed at ₹ 54.4 per US$ at the year end. The average exchange rate for the year FY 2012-13 was ₹ 54.5 per US$, a 14% increase from ₹ 47.9 per US$ in FY 2011-12.


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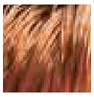
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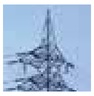
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Operational Review

HEMM at Rampura Agucha mine, HZL

Zinc-Lead-Silver

Zinc India

Production Performance

(in ₹ Crore, except as stated)

	FY 2012-13	FY 2011-12	% Change
Production (kt)			
Total Mined metal	870	831	4.80
Zinc	765	739	3.50
Lead	106	92	14.90
Zinc Refined metal – Total	677	759	(10.80)
Integrated	660	753	(12.30)
Custom	17	6	-
Lead Refined metal – Total[1]	125	99	26.40
Integrated	107	89	19.70
Custom	18	10	-
Saleable silver – Total (MT)[2]	408	242	68.60
Integrated	322	237	36.00
Custom	86	5	-
Average LME zinc cash settlement prices (US$ per tonne)	1,948	2,098	(7.10)
Average LME lead cash settlement prices (US$ per tonne)	2,113	2,269	(6.90)
Average LMBA silver price (US$ per oz)	30.5	35.3	(13.60)
Average Exchange Rate (₹ per US$)	54.5	47.9	13.60
Unit costs			
Zinc (US$ per tonne)	998	1,010	(1.20)
Zinc (Other than Royalty) (US$ per tonne)	835	834	-
Zinc (Other than Royalty) (₹ per tonne)	45,461	40,003	13.60
Revenue	12,324	11,132	10.70
EBITDA	6,339	5,976	6.10
EBITDA Margin (%)	51.40%	53.70%	

1. Including captive consumption of 7 kt in FY 2012-13 vs. 7 kt in FY 2011-12
2. Including captive consumption of 34 tonnes in FY 2012-13 vs. 35 tonnes in FY 2011-12
3. All % change in production figures have been calculated without rounding the number up to 1,000

Slab Casting Line at Chanderiya Hydro smelter, HZL

4.8%

Increase in mined zinc and lead produced to reach the highest ever 870,000 tonnes.

"The integrated production of refined zinc was 660,000 tonnes which was lower than the previous year. The decline in zinc metal production was mainly on account of mine plan."

Key Achievements

- Highest ever mined zinc and lead production of 870 kt
- Record integrated silver metal production of 322 tonnes, up 36.0% from last year
- Ramp-up of lead and silver production from the Dariba Smelter and Sindesar Khurd Mine
- Maintained lowest quartile cost position
- Gross addition of 25 mt to R&R

Strategic Priorities

- Realise production capacity
- Develop cost-efficient and reliable underground mines
- Achieve growth to 1.2 mtpa of mined zinc-lead metal
- Continue to focus on adding R&R

Operations

Mined metal production for the year was 870,000 tonnes, 4.8% higher than the previous year, primarily due to increased production from the Rampura Agucha mine.

The integrated production of refined zinc was 660,000 tonnes which was lower than the previous year. The decline in zinc metal production was mainly on account of mine plan where the performance of the second half was much stronger that of the first half, as per the mine plan. Sales of zinc metal-in-concentrate (MIC) were 61,000 tonnes, following surplus concentrate produced in second half. Similarly, integrated production of refined lead increased 19.7% to reach 107,000 tonnes for the financial year.

Integrated production of silver reached a record 322 tonnes for the financial year, up 36.0%. Production of refined lead and silver was boosted significantly by higher contribution from the Sindesar Khurd mine and full year of production at Dariba Lead smelter and the new refineries in Uttarakhand.

Unit Costs

During FY 2012-13, the unit cost of zinc production was higher by 13.6% in INR but lower in USD terms at ₹ 45,500 per mt (US$ 835), compared with the previous year. The increase was due to a higher strip ratio at Rampura Agucha and lower acid credits, partially offset by lower power costs. The business remains in the lowest cost quartile compared with other global producers backed by high-quality assets.

Financial Performance

EBITDA for FY 2012-13 increased to ₹ 6,339 Crore, compared to ₹ 5,976 Crore during FY 2011-12. The positive impact of the higher volumes realised in silver and lead and the depreciation of the Indian rupee was offset by lower metal prices, lower zinc volumes and lower by-product credits. Metal prices were lower during the year: zinc was down by 7.2%, lead reduced by 6.9% and silver fell by 13.6%.

Projects

The Company's Board and the Board of Directors of Hindustan Zinc Limited (HZL) have approved the next phase of growth to 1.2 mtpa MIC. HZL has been actively conducting exploration activities, which have increased the net R&R across all mines to 348.3 mt of ore as at the end of FY 2012-13.

Based on a long-term evaluation of assets and in consultation with mining experts, Zinc India has finalised plans for the next phase of growth, which will involve the sinking of underground shafts and developing underground mines. The plan includes developing a 3.75 mtpa underground mine at Rampura Agucha and expanding the Sindesar


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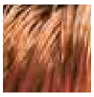
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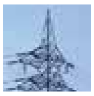
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Khurd mine from 2.0 mtpa to 3.75 mtpa. Other mines will also be expanded: capacity at the Zawar mines will expand from 1.2 mtpa to 5.0 mtpa, the Rajpura Dariba mine from 0.9 mtpa to 1.2 mtpa and the Kayad mine from 0.35 mtpa to 1.0 mtpa. It will also involve the opening up of a small new mine at Bamnia Kalan in the Rajpura Dariba belt.

The growth plan will increase mined metal production capacity to 1.2 mtpa MIC. These mines will be developed using best-in-class technology and equipment, ensuring the highest level of productivity. Although projects will continue until FY 2018-19, we expect to earn benefits from these growth projects from the third year. The annual capital expenditure for these projects will average US$ 250 - US$ 300 million over the next six years, totalling approximately US$ 1.5 billion.

Exploration

Our exploration programme forms an integral element of our growth and expansion strategy.

A high power (50 KW) IP-Resistivity survey, which can scan up to 700 metre depth was deployed this year to detect deeper prospective zones.

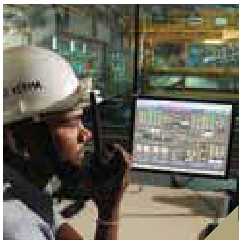
During the year, greenfield exploration was carried out over 1,680 sq. km in five reconnaissance permits (RPs) in Rajasthan. The reconnaissance drilling at three prospects in the state has yielded economic to sub-economic intersections of massive sulphide zones over varying widths. Assay results of the holes drilled in one of the RPs in Rajasthan last year has outlined potential economic resources. A total of 91,500 m of core drilling was completed at various exploration sites throughout the mines and tenements. A hole of 1,702 m drilled at Rampura Agucha is the deepest ever at any of India's base metal exploration sites.

Our exploration success continued during the year and we added 24.6 mt to R&R, prior to the depletion of 8.6 mt. With a total R&R of 348.3 mt containing 35.1 mt of zinc lead and 910 moz of silver as at March 31, 2013, we have maintained our leadership position in the industry and have over 25 years of remaining mine life. The R&R position has been independently reviewed and certified as per the JORC standard by SRK Consulting (UK) Limited.

We have a strong track record of low-cost exploration and have increased R&R five times, net of depletion, since 2003.

Outlook

Mined metal production in FY 2013-14 is expected to be close to 1 mt, 15% higher than FY 2012-13. We expect commercial production to commence at the Rampura Agucha underground mine and the Kayad mine during the current financial year. Additionally, normal operations at the Zawar mine will also contribute to increased mined metal production. We also expect to produce around 360 Kgs of integrated saleable silver in FY 2013-14. During the current year, we expect mined metal and refined metal capacities to be nearly balanced.



Control room of cell house at Dariba zinc smelter, HZL

Molten zinc at casting furnace of Chanderiya Hydro smelter, HZL

Drilling underground, Black Mountain

Zinc International

Production Performance

(in ₹ Crore, except as stated)

	FY 2012-13	FY 2011-12	% Change
Production – Zinc (kt)			
Mined metal content BMM and Lisheen	208	215	-3.20%
Refined metal Skorpion	145	145	-
Production – Lead (kt)			
Mined metal content	72	84	-13.70%
Zinc (US$ per tonne) CoP with royalty	1,092	1,146	4.7
Revenue	4,331	4,258	1.70%
EBITDA	1,603	1,737	-7.70%
EBITDA Margin	37.00%	40.80%	

Key Achievements

- Stable operating and improved cost performance despite fall in grades and volume
- Production volumes in line with mine plan

Strategic Priorities

- Feasibility study of Gamsberg & Swartberg projects underway
- Feasibility study for Refinery Conversion Project being investigated to co-treat sulphide opportunity in Namibia
- Focus on increasing the mine life of all assets though in pit and near pit drilling & exploration continues

Operations

Total production of zinc and lead MIC and zinc refined metal was 426,000 tonnes compared to 444,000 tonnes last year. The current year's production comprised 280,000 tonnes of zinc and lead MIC at the Lisheen and Black Mountain Mine (BMM), and 145,000 tonnes of refined zinc at the Skorpion mine.

Unit Costs

The unit cost of production reduced in FY 2012-13 to US$ 1,092 per tonne from US$ 1,146 per tonne in FY 2011-12, primarily due to operational efficiencies and favourable currency movements.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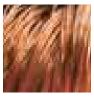
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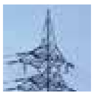
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8.4%

Increase in production of copper cathodes to a record 353,000 tonnes in FY 2012-13.

Copper Concentrate transported through conveyor, Sterlite Tuticorin

Financial Performance

EBITDA for FY 2012-13 was ₹ 1,603 Crore and was impacted due to lower zinc and lead prices, and lower volume, mainly from the Lisheen mine but was partially offset by lower cost of production (CoP).

Outlook

In FY 2013-14, production at Zinc International is expected to be impacted by a fall in grade and progressive reduction in production at the Lisheen mine. These are expected to lead to lower production volumes at around 390-400 kt. During the current year we plan to complete the feasibility study for Gamsberg & Swartberg and the Refinery Co-treatment projects.

Copper

Copper India

Production Performance

(in ₹ Crore, except as stated)

	FY 2012-13	FY 2011-12	% Change
Production (kt)			
Australia - Mined metal content	26	23	15.20
India – Cathode	353	326	8.40
Average LME cash settlement prices (US$ per tonne)	7,853	8,475	(7.30)
Unit conversion costs (CoP) – (US cents per lb)	8.7	0.0	-
Exchange Rate (INR per US$)	54.5	47.9	13.60
Realised TC-RCs (US cents per lb)	12.8	14.5	(11.70)
Revenue	21,742	20,166	7.80
EBITDA	1,217	1,529	(20.40)
EBITDA Margin	5.60%	7.60%	-

Key Achievements

- Record copper cathode production
- Strong operating performance at Copper India
- Commissioned first 80 MW unit of the 160 MW captive power plant at Tuticorin in Q3 FY 2012-13
- Increased mined metal volumes in Australian copper mine
- R&R increased to 8.9 mt at the Australian mine with mine life of around four years

Strategic Priorities

- To resume Indian operations [currently under closure as per the order of the Tamil Nadu Pollution Control Board (TNPCB)]
- Sustain efficiency of cost leadership at copper smelting operations
- Commissioning of second unit captive power plant

Cathode plates at Refinery cell house, Sterlite Tuticorin

Operations

Production of cathodes at our Copper India business was 353,000 tonnes in FY 2012-13, up 8.4% year on year. Mined metal production in our Australian mines also improved at 26,000 tonnes in FY 2012-13.

Unit Costs

CoP increased from 0.0 US cents per lb to 8.7 US cents per lb, mainly due to significantly lower by-product credits and higher power and petroleum costs.

In FY 2012-13, the unit cost of production at our Australian operations, including treatment and refining charges (TC/RCs) and freight, was 220 US cents per lb down from 233 US cents per /lb in FY 2011-12.

Financial Performance

EBITDA for FY 2012-13 was ₹ 1,217 Crore compared with ₹ 1,529 Crore in the previous year. This decrease was primarily due to an increase in CoP, partially offset by positive currency movement resulting from the depreciation of the Indian rupee and EBITDA from the power plant. TC/RCs received in FY 2012-13 were also lower by 11.7% at 12.8 US cents per/lb compared with 14.5 US cents/ per lb in FY 2011-12.

Tuticorin Copper Smelter

Following a few public complaints against emissions, the TNPCB ordered closure of the Tuticorin Copper Smelter on March 29, 2013. The Company's appeal against the TNPCB order has been admitted by the National Green Tribunal (NGT). An expert committee constituted by the NGT has submitted its report and the matter is now being heard by the NGT.

Additionally, on April 2, 2013, the Honourable Supreme Court upheld our appeal filed in 2010 against the Madras High Court order for smelter closure and ordered us to deposit ₹ 100 Crore (US$ 18 million) with the District Collector, Tuticorin, which will be used to improve the environment, including soil and water, in the vicinity of the plant. Over the two year court process, regulatory bodies have inspected and confirmed that the plant meets the required standards. Some recommendations for improvements had been proposed during inspection, all of which have been implemented.

Projects

160 MW CAPTIVE POWER PLANT

The first 80 MW unit of the captive power plant was commissioned during the year and is operating near to full capacity. The second unit is awaiting consent to operate from TNPCB.

400 KTPA COPPER SMELTER

The project is on hold and awaiting consent from TNPCB to resume operations.

Outlook

Due to the bi-annual shutdown planned in FY 2013-14 and the recent closure, we anticipate that production will be lower compared to FY 2012-13. This will also depend on the commencement of operations after the current suspension. Sale of surplus power will augment the financial performance.


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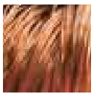
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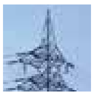
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Coal Handling Plant at 1,215 MW CPP, VAL Jharsuguda

Aluminium

BALCO

Production Performance

(in ₹ Crore, except as stated)

	FY 2012-13	FY 2011-12	% Change
Production (kt)			
Aluminium	247	246	0.40
Average LME cash settlement price (US$ per tonne)	1,974	2,313	14.70
Exchange Rate (INR per US$)	54.5	47.9	13.60
BALCO CoP (US$ per tonne)	1,951	1,997	(2.30)
BALCO CoP (₹ per tonne)	106,236	95,747	11.00
Revenue	3,426	3,112	10.10
EBITDA	301	406	(25.9)
EBITDA Margin	8.80%	13.00%	

Key Achievements

- BALCO smelter operated above rated capacity
- Considerable improvement in operational efficiencies
- Maintained second quartile cost position

Strategic Priorities

- Expedite development of captive coal block at BALCO
- Complete ongoing expansion project

Operations

Production of aluminium in FY 2012-13 was 247,000 tonnes in line with the previous year. Operations at the Korba smelter were stable and it continued to operate at its rated capacity.

CoP Performance

Operating costs at the Korba smelter for FY 2012-13 was higher by 11.0% in INR and lower in USD term at ₹ 106,236 (US$1,951)/tonne primarily due to higher coal costs on account of coal tapering from May 2012 and higher alumina prices due to the depreciation of rupee during the year.

Financial Performance

EBITDA for FY 2012-13 was ₹ 301 Crore, a decrease of 25.9%, compared to ₹ 406 Crore in FY 2011-12. EBITDA decreased due to higher CoP and lower metal prices which dropped significantly, i.e. by 14.7%. However, decrease in EBITDA was partially offset by higher sales realisation due to depreciation of the Indian Rupee and higher metal premiums. We witnessed a substantial rise in aluminium premiums year on year following the shortage of primary metal in the

physical market due to capacity cutbacks.
Net sales realisation over LME was approximately US$ 480 per tonne during FY 2012-13 which was US$ 180 per tonne higher compared to FY 2011-12.

Projects

At the 325 KTPA Korba-III aluminium smelter, mechanical and electrical completion and pre-commissioning of the first phase of 84 pots out of a total 336 pots have been completed. Further work is in progress, and we plan to tap metal in the second quarter of fiscal 2014. The smelter plans to initially draw power from the existing 810 MW power plants at BALCO. The 1,200 MW captive power plant is awaiting final stage regulatory approvals.

Having obtained the Stage-II forest clearance for the 211 mt coal block at BALCO, the process for forest land has been initiated by the State Government. We are in the process of signing the mining lease agreement.

Outlook

We expect our existing facilities will continue to operate at close to their rated capacities in the coming year. The resultant increased volumes, combined with operational efficiencies and expected higher proportion of value-added products should provide improved returns.

Sample analysis at Laboratory, VAL Lanjigarh

Vedanta Aluminium Limited (VAL) (Associate of the Company)

Production Performance

(in ₹ Crore, except as stated)

	FY 2012-13	FY 2011-12	% Change
Production (kt)			
Alumina – Lanjigarh	527	928	(43.2)
Aluminium – Jharsuguda	527	430	22.6
Average LME cash settlement price (US$ per tonne)	1,974	2,313	14.7
Exchange Rate (INR per US$)	54.5	47.9	13.6
Jharsuguda CoP (US$ per tonne)	1,869	2,188	(14.6)
Jharsuguda CoP (₹ per tonne)	101,779	104,892	(3.0)
Revenue	7,037	5,834	20.6
EBITDA	971	563	72.5
EBITDA Margin	13.8%	9.7%	

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22.6%

Increase in Aluminium production to a record 527 kt.

Stacked ingots at cast house, VAL Jharsuguda

"The Jharsuguda-I smelter operated above the rated capacity, with significant improvement in specific power consumption, throughput and other operational parameters."

Key Achievements

- Record Aluminium production of 527 kt
- Jharsuguda smelter operated above rated capacity
- Considerable improvement in operational efficiencies
- Maintained second quartile cost position
- 29.3% increase in value added product volumes from 165 kt to 214 kt

Strategic Priorities

- Secure captive bauxite mine and realise true cost efficiency potential
- Start-up of Lanjigarh 1.0 mtpa refinery
- Complete ongoing expansion project

Operations

Production of aluminium in FY 2012-13 was 527,000 tonnes, an increase of 22.6% compared to last year. The Jharsuguda-I smelter operated above the rated capacity, with significant improvement in specific power consumption, throughput and other operational parameters.

Alumina production at Lanjigarh remains temporarily suspended since December 5, 2012, due to inadequate availability of bauxite. We remain engaged with the Odisha State authorities for allocation of bauxite as per our existing memorandum of understanding (MoU) with the Odisha State Government. A ministerial level committee is looking into the issue of bauxite supply and is expected to submit its report shortly.

The Ministry of Environment and Forests (MOEF) had earlier rejected the application for the final stage forest clearance for the Niyamgiri mining project of Orissa Mining Corporation (OMC) which is one of the sources of supply of bauxite to the alumina refinery of VAL. Following the petition filed by OMC challenging the MOEF decision, the Honourable Supreme Court, through its order dated April 18, 2013, has directed the State Government of Odisha to place unresolved issues and claims of the local communities under the Forest Right Act before the Gram Sabha, the council representing the local community. On the conclusion of the proceedings of the Gram Sabha, the MOEF will then take a final decision on granting the Stage II forest clearance for the Niyamgiri mining project within two months.

Central Control Room, VAL Lanjigarh

Engineers planning meeting at plant, VAL Lanjigarh

CoP Performance

CoP of hot metal at Jharsuguda was lower compared to the previous year, reflecting improved operating performance, a decrease in prices of e-auction coal partly offset by increased carbon and alumina cost. Even without captive bauxite and the reliance on imported alumina, our aluminium operations were ranked in the second quartile of the global cost curve.

Financial Performance

EBITDA for FY 2012-13 was ₹ 971 Crore improved by 72.5%, compared to ₹ 563 Crore in FY 2011-12. EBITDA increased due to higher volume and metal premiums with improved operational and cost efficiencies offset by lower metal prices which dropped significantly by 14.7%. The premium on aluminium ingots has increased significantly from US$ 150 per tonne to US$ 175 per tonne.

Projects

We continue to evaluate the potential start-up date of the 1.25 mtpa Jharsuguda-II Aluminium smelter.

Outlook

We expect our existing facilities will continue to operate at close to their rated capacities in the coming year. The resultant increased volumes, combined with operational efficiencies and expected higher proportion of value-added products should provide improved returns.

Talwandi Sabo power plant under construction

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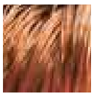

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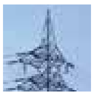

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Control Room of 540 MW CPP, BALCO

Power

Production Performance

(in ₹ Crore, except as stated)

	FY 2012-13	FY 2011-12	% Change
Power Sales (MU)	9,282	7,579	22.5
SEL 2,400 MW Jharsuguda	7,530	5,638	33.6
BALCO 270 MW Power Sales	1,241	1,605	(22.7)
HZL wind Power	511	336	52.1
Average Sales realisation (₹/unit)	3.34	3.39	(1.5)
Average Cost of production (₹/unit)	2.06	2.40	(14.2)
SEL CoP (₹/unit)	2.08	2.62	(20.6)
SEL realization (₹/ Unit)	3.33	3.42	(2.6)
Revenue	3,114	2,504	24.4
EBITDA	1,115	714	56.2
EBITDA Margin	35.8%	28.5%	

22.5%

Increase in sales during FY 2012-13 to reach a record 9,282 MU

Engineer at Turbine Generator of 2,400 MW power plant, Jharsuguda

"Average power generation costs in FY 2012-13 were ₹ 2.06 per unit compared to ₹ 2.40 per unit in FY 2011-12, primarily driven by reduced e-auction coal cost, higher usage of linkage coal and plant stabilisation at SEL."

Key Achievements

- Record sales of 9,282 million units, up 22.5% from the previous year
- Strong cost performance, lower cost of generation

Strategic Priorities

- Enhance power sales and transmission strategy
- Stabilisation of the fourth unit at Sterlite Energy Limited and improved Plant Load Factor
- Improve coal sourcing
- Complete 1,980 MW Talwandi Sabo power project

Operations

Power sales were 9,282 million units during FY 2012-13, compared to 7,579 million units during the previous year. This increase was primarily due to higher power generation and sales from three units of the Jharsuguda 2,400 MW power plant.

The PLF of the three operating units in the year was 47%. Overall the station delivered an effective PLF of 40% taking into account all four units. The fourth unit was commissioned on March 31, 2013. The PLF achieved was lower than capacity as distribution limits were imposed after grid failures in August 2012 in addition to power transmission bottlenecks.

The PLF trend accelerated in Q4 FY 2012-13 and was at 58% for three units and 44% for the station as a whole. The increase in PLF was driven by the commissioning of the new shared 1,000 MW Raipur-Wardha transmission line in January 2013, and the partial easing of transmission restrictions.

Unit Costs

Average power generation costs in FY 2012-13 were ₹ 2.06 per unit compared to ₹ 2.40 per unit in FY 2011-12, primarily driven by reduced e-auction coal cost, higher usage of linkage coal and plant stabilisation at SEL. Average power sales prices were lower in FY 2012-13 at ₹ 3.34 per unit compared to ₹ 3.39 per unit in FY 2011-12.

Financial Performance

EBITDA in FY 2012-13 was ₹ 1,115 Crore, higher than ₹ 714 Crore delivered in FY 2011-12. EBITDA rose primarily due to higher volumes and lower generation costs, partially offset by a fall in power tariffs.

Projects

TALWANDI SABO IPP

Work at the Talwandi Sabo power project is progressing well and the first unit is expected to be synchronised in Q2 FY 2013-14 and each subsequent unit at four monthly intervals.

Outlook

We expect 60-70% PLF for all four units at Sterlite Energy Limited in the near future with further easing of transmission constraints.

Overall Outlook

As the world economy returns to growth, a number of factors will continue to drive demand for commodities including positive signs from China, reduced inflation in India, rising income and increased prosperity in developing countries with associated industrialisation and urbanisation trends. With its proximity to emerging markets and strong low-cost assets, the Company is well-placed to take advantage of these opportunities.


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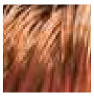
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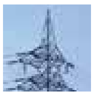
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Financial Review


Alignment of copper anodes in refinery by technicians, Sterlite Tuticorin

Consolidated Financial Review

Table 4 lists the performance of Sterlite as a consolidated entity for the year ended March 31, 2013, compared with the previous year. Further details are given in the balance sheet, profit and loss account and the notes accompanying this annual report.

Table 4: Consolidated Financial Performance of Sterlite

(₹ in Crore)

Particulars	FY 2012-13	FY 2011-12
Revenue from Operations	44,922	40,967
Other Income	3,710	3,375
Total Income	**48,632**	**44,342**
Consumption of Raw materials including stock adjustment	20,940	18,844
Employees Cost	1,880	1,612
Power & fuel charges	4,420	4,040
Other expenditure	7,453	6,819
Total Expenditure	**34,693**	**31,315**
Profit Before Depreciation, Interest and Tax	**13,939**	**13,027**
Depreciation	2,032	1,830
Interest & Finance Charges	922	852
Exceptional expenses/(income)	118	473
Tax expenses	1,618	2,111
Profit After Tax	**9,249**	**7,761**
Minority Interest	2,529	2,161
Consolidated share in the Profit/(Loss) of Associate	(660)	(772)
Attributable PAT	**6,060**	**4,828**
Earnings Per Share (₹ per share)	**18.0**	**14.4**

9.7%

Increase in Revenue to ₹ 44,922 Crore in FY 2012-13 from ₹ 40,967 Crore in FY 2011-12.

2 units of Turbine and Generator at Chanderiya CPP, HZL

"The Company's revenues increased as a result of volume growth in our Zinc India, Copper India and power businesses, which was partially offset by lower commodity prices."

Income

Revenue increased to ₹ 44,922 Crore in FY 2012-13 from ₹ 40,967 Crore in FY 2011-12, an increase of ₹ 3,955 Crore by 9.7%. The revenue increased as a result of volume growth in our Zinc India, Copper India and power businesses, which was partially offset by lower commodity prices. During the year, the 13.6% depreciation of the rupee augmented revenues of our businesses located in India.

Other income increased to ₹ 3,710 Crore from ₹ 3,375 Crore , an increase of ₹ 335 Core, or 9.9%. The growth in other income was mainly due to increased interest income on bank deposits and gains from mutual fund investments, representing improved yield on investment.

Expenses

The major portion of our raw material costs occurs in the copper business, where copper concentrate is imported. Our fully-owned copper mines (Mt. Lyell in Tasmania, Australia) supply only 8% of our concentrate requirement and the balance is sourced from other mines through a mix of long-term contracts and spot purchases. The price of copper concentrate is linked to prevailing LME prices of refined copper. We also import rock phosphate for conversion into phosphoric acid. Raw materials at Fujairah included copper cathodes purchased at LME prices. The total value of raw material consumed was ₹ 20,940 Crore in FY 2012-13, representing 11.1% increase over the previous year.

Personnel expenses increased by 16.6% to ₹ 1,880 Crore in FY 2012-13.

Other expenses, comprising of power and fuel, stores and spares, repairs, administration, selling and distribution and so on, increased to ₹ 11,873 Crore as compared to ₹ 10,859 Crore in the previous fiscal year. The rise was mainly on account of an increase in power & fuel charges and mining costs due to increased volumes in our Zinc India, copper and power businesses.

Depreciation

Depreciation increased by ₹ 202 Crore to ₹ 2,032 Crore in FY 2012-13 compared to ₹ 1,830 Crore in the previous year. The depreciation was higher due to the capitalisation of growth projects at Zinc India and Sterlite Energy.

Interest

Interest costs increased to ₹ 922 Crore for FY 2012-13, compared to ₹ 852 Crore in the previous year.

Exceptional items

Exceptional items includes ₹ 100 Crore recognised during the year towards the compensation ordered by the Supreme Court with respect to the Tuticorin Smelter and ₹ 18 Crore incurred under the voluntary retirement scheme at HZL.

Taxes

Tax expense decreased from ₹ 2,111 Crore in FY 2011-12 to ₹ 1,618 Crore in FY 2012-13. Our effective income tax rate was 14.9% in FY 2012-13 compared to 21.3% in FY 2011-12. The effective tax rate was lower in FY 2012-13 mainly due to lower tax rate in HZL due to location-based tax incentives, tax incentives related to captive power and wind power and tax-efficient treasury investments.

Profitability

Profit after tax increased to ₹ 9,249 Crore in FY 2012-13 compared to ₹ 7,761 Crore in the previous year.

Earnings per share

The earnings per share after exceptional items was ₹ 18.0 per share for the FY 2012-13 compared to ₹ 14.4 per share for the previous year.


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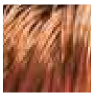
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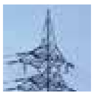
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Capital structure

Total shareholders' funds as on March 31, 2013 aggregated ₹ 50,955 Crore, of which equity capital was ₹ 336 Crore comprising 336,12,07,534 shares of ₹ 1 each.

Reserves and surplus

As on March 31, 2013, reserves and surplus of the Company aggregated ₹ 50,619 Crore. Free reserves accounted for 62% of the reserves and surplus, and share premium constituted the balance. Reserves and surplus during the year increased by ₹ 4,899 Crore, registering a growth of 10.7%.

Short-term and Long-term Borrowings

The Company's debt as on March 31, 2013, was ₹ 19,277 Crore compared to ₹ 15,694 Crore for the same date last year. Borrowings increased due to funding expansion projects at BALCO, SEL, TSPL and VGCB.

Net Fixed Assets

The net fixed assets as on March 31, 2013, was ₹ 23,139 Crore compared to ₹ 21,409 Crore as at March 31, 2012. The increase was primarily due to the capitalisation of the fourth unit of the Jharsuguda power plant and the commencement of operations at VGCB.

The capital work in progress as on March 31, 2013 was ₹ 17,032 Crore compared to ₹ 12,092 Crore as at March 31, 2012. The increase was due to investments in expansion projects at HZL, BALCO and TSPL.

Balance sheet and Cash flow

We continue to have a strong balance sheet with capital employed at ₹ 65,239 Crore and net cash of ₹ 5,570 Crore. Net cash comprised of cash and liquid investments of ₹ 24,847 Crore offset by a debt of ₹ 19,277 Crore as on March 31, 2013.

The Company continued to maintain its long-term rating at AA+/stable from CRISIL.

As at March 31, 2012, we had a multiple of 11.5x EBITDA/gross interest expenses and 3.4x net asset/debt, which reflects a robust and strong balance sheet.

The cash flow summary for the year is given in Table 5:

Table 5: Net cash from/(used in)

(₹ in Crore)

	FY 2012-13	FY 2011-12
Operating Activities	6,824	8,400
Investing Activities	(7,452)	(9,522)
Financing Activities	312	662

Cash flows generated from operations have been utilised towards payment of dividend and taxes and partly for expansion activities etc. We have used cash in the investing activities primarily towards purchases of fixed assets and loan to associate company. Net cash of ₹ 312 Crore provided by financing activities was mainly on account of drawing of long-term loans for projects. We remain focused on maintaining a strong balance sheet to fund our future growth.


Engineer inspecting equipment at cell house, HZL

Risks & Uncertainties


Employee equipped with Personal Protective Equipment

Risks and Risk Management Practices

The management of risk is critical to the success of any company. The Sterlite Group is exposed to a variety of risks which are inherent in an international mining and resources organisation. The current unstable environment carries with it constantly evolving risks, making it essential for natural resources companies to manage these constantly changing risks, while simultaneously balancing the relative risk/reward equations demanded by its stakeholders. Effective management of risk supports the delivery of our objectives and achievement of sustainable growth. Hence, maintaining a robust risk management system is critical to allow us to pursue growth opportunities, increase shareholder value and also manage a variety of risks which could have financial, operational or reputational impact.

These risks are the result of both the business environment within which we operate and other factors over which we have little or no control. These risks can be categorised as operational, financial, environmental, health and safety, political, market-related and strategic risks. We have well documented and practised risk management policies that act as an effective tool in minimising the various risks that our businesses are exposed to during the course of their day-to-day operations as well as in their strategic actions.

Understanding the risks may affect us and developing an adequate risk management system is an imperative and allows us to pursue growth opportunities, increase shareholder value and mitigate risks which could have financial, operational or reputational impact. We are committed to a robust system of risk identification, backed by a robust risk management framework.

Our risk management framework acts as an effective tool in mitigating the various risks which our businesses are exposed to in the course of their operations as well as in their strategic actions. We have a continuous process to identify, analyse, evaluate and respond to possible future events or risks that might impact the achievement of objectives.

We have a multi-layered risk management framework aimed at effectively mitigating the various risks which our businesses are exposed to in the course of their operations as well as in their strategic actions. The Board of Directors has the ultimate responsibility for management of risks and for ensuring the effectiveness of internal control systems. The Audit Committee aids the Board in this process by identification and assessment of any changes in risk exposure, review of risk control measures in place and by approval of remedial actions, where appropriate.

A consistently applied methodology using the Turnbull matrix is used to identify risk at the individual company level covering operations and projects. Risks are identified through a formal risk management programme with the active involvement of business managers and senior management personnel both at the subsidiary and corporate levels. Each significant risk has an


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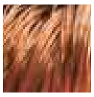
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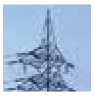
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A view of the 540 MW CPP, BALCO

1,200 MW
Power project planned at BALCO.

"We have a strong internal control culture throughout the Group. The audit process and audit plan cover the key risks identified through the 'risk management programme' and the existence and effectiveness of control measures against each risks are verified."

'owner' within the Group at a senior level, and the impact to the Group if a risk materialises, and its likelihood of occurrence, is regularly reviewed. A risk register and matrix is maintained, which is regularly updated in consultation with business managers. The risk management process is coordinated by our management assurance function and is regularly reviewed by our Audit Committee. Key business decisions are discussed at the monthly meetings of the Management Committee. Senior managers address risk management issues when presenting initiatives to the Management Committee. The overall internal control environment and risk management programme are reviewed by our Audit Committee on behalf of the Board.

We have a strong internal control culture throughout the Group. The strength of a business' internal control environment forms a component of senior managers' performance appraisals. The audit process and audit plan cover the key risks identified through the 'risk management programme' and the existence and effectiveness of control measures against each risks are verified. Control measures stated in the risk matrix are also verified by the business managers.

External Risks

COMMODITY PRICES

Prices of commodities we produce have historically been volatile, and any prolonged downward pressure or volatility in metal prices could materially affect our Group's earnings and cash flows. Although our diversified presence across commodities partially hedges us against the impact of price volatility in commodities, any persistent economic downturn would impact our financial position.

We follow a policy to sell our products at prevailing market prices and not to enter into price hedging arrangements other than for businesses which are on tolling basis where back-to-back hedging is used to mitigate pricing risks. In exceptional circumstances we may enter into strategic commodity hedging but only with prior Management approval.

REGULATORY, ECONOMIC, SOCIAL AND POLITICAL UNCERTAINTY

Our mining and smelting operations are located in India, Namibia, South Africa, Ireland, U.A.E. and Australia. Our holding and investment companies are located in jurisdictions including the United Kingdom, Mauritius and Netherlands.

The political, legal, fiscal and other regulatory regimes in the countries we operate in may result in higher operating costs or restrictions such as the imposition or increase in royalties or taxation rates, export duty, impact on mining rights/ban and change in legislation pertaining to repatriation of money.

Changes to government policies such as changes in royalty rates, cutback in import tariffs in India, reduction in assistance given by the Government of India for exports and the curtailment of income tax benefits available to some of our operations in India and Namibia are some of the examples of risks under this category. We may also be affected by the political acts of governments in these countries over which we have no control. Any change in government policies and legislation, including resource nationalisation, availability of foreign exchange, may also affect our business and profitability, including any retrospective changes in government policy and legislation.

The majority of our Group revenues and profits are derived from commodities sold to customers in India. Any downturn in the overall health of the Indian economy or any political or regional instability may impact revenue margins, including any impact arising as a result import tariffs prevailing in India.

Operation and expansion of various assets within the Group remain subject to legal proceedings,

Employees leaving work after a shift, Black Mountain

most notably the expansion of the Tuticorin smelter in Sterlite and the 1,200 MW power project at BALCO.

Although we are hopeful that the necessary approvals will be obtained and the projects will commence within the foreseeable future, emergence of any such issues in future are not only difficult to predict, but are also beyond our control.

The Company monitors regulatory and political developments on a continuous basis.

Financial Risks

CURRENCY FLUCTUATIONS MAY NEGATIVELY AFFECT OUR FINANCIAL RESULTS

Our assets, earnings and cash flows are influenced by a variety of currencies due to the diversity of the countries in which we operate. Fluctuations in the exchange rates of those currencies may have a significant impact on our financial results.

Although the majority of the Group's revenue is tied to commodity prices that are typically priced by reference to the US dollar, a significant part of its expenses are incurred and paid in local currency such as the Indian rupee and, to a lesser extent, the Australian dollar, the Namibian dollar, the South African rand and the Euro. Any material fluctuations of these currencies against the US dollar could result in lower profitability or in higher cash outflows towards debt obligations.

During FY 2012-13 there was volatility in the Indian currency against the US Dollars and the Indian Rupee depreciated by 6.3%, which increased our mark-to-market losses on dollar loans. Our attributable profit is also impacted significantly where our companies which have higher attributable shares.

The Group seeks to mitigate the impact of short-term movements in currency on its businesses by hedging its short-term exposures progressively based on their maturity. However, large or prolonged movements in exchange rates may have a material adverse effect on the Group's businesses, operating results, financial condition and/or prospects.

LIQUIDITY RISKS IN TERMS OF BEING ABLE TO FUND OPERATIONS AND GROWTH

Our Group is in the final stage of a major capital expenditure project to increase Group capacity and generate more cash flow from operations. The Group needs to fund its on-going growth capex and any near-term operational/exploration capex programmes and meet debt maturity requirements. While the Group's balance sheet and business model is adequate to meet its funding requirements and supports its ability to raise adequate financing but a sustained adverse economic downturn and/or suspension of its operation in any business, effecting revenue and free cash flow generation, may cause some stress on the Company's financing and covenant compliance.

The Group generates sufficient cash flows from its current operations which together with the available cash and cash equivalents and liquid financial asset investments provide liquidity both in the short-term as well as in the long-term. However any constraints around up-streaming of funds from the subsidiaries to the Group may affect the liquidity position of the Group.

The Group has a strong balance sheet that gives sufficient headroom to raise further debt, should the need arise. The Company's current ratings from CRISIL is AA+, same as the previous year. This rating supports the necessary financial leverage


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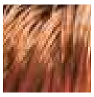
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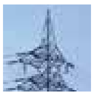
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Semi-Autogenous Grinding mill at Rampura Agucha Mine, HZL

and access to various funding sources of debt or hybrid debt instruments at competitive terms. The Company generally maintains a healthy net debt-equity ratio and retains flexibility in the financing structure to alter the ratio when the need arises.

Counter-party Risks

We are exposed to counter-party credit risks on our investments and receivables.

We have clearly defined policies to mitigate these risks. Cash and liquid investments are held primarily in debt mutual funds and banks with high credit ratings. Emphasis is given to the security of investments. Limits are defined for exposure to individual counter-parties in the case of mutual fund houses and banks. Most of our surplus cash is invested in banks and mutual funds in India where there is a well-developed financial market. We also review the underlying investment portfolio of mutual fund houses to ensure that indirect exposures or latent exposures are minimised. The investment portfolio is monthly being reviewed by external agency, i.e. CRISIL (a subsidiary of Standard & Poor).

A large majority of receivables due from third parties are secured either as advance receipt of money or by use of trade financial instruments such as letters of credit. Moreover, given the diverse nature of our businesses, trade receivables are spread over a number of customers with no significant concentration of credit risk. Our history of the collection of trade receivables shows a negligible provision for bad and doubtful debts. Therefore we do not expect any material risk on account of non-performance by any of the counter-parties.

Strategic Risks

DELAYS IN EXPANSION AND NEW PROJECTS

The Group has a number of significant expansion plans for its existing operations and planned greenfield projects, which involve significant capital expenditure. The timing, implementation and cost of these expansion projects are subject to a number of risks, including the failure to obtain necessary licenses, permits, consents and approvals, funding for the projects. Any failure to obtain the requisite regulatory approvals may delay or prevent the Group from commencing commercial operations at certain of these projects.

For instance VAL, the associate of the Company does not currently have all of the required environmental approvals for the proposed expansion at the alumina refinery at Lanjigarh and related mining operations in Niyamgiri Hills Odisha. In order to satisfy our short-term bauxite requirements, we are communicating with the Odisha Government and other sources regarding the allocation of new mining leases. Sourcing of bauxite from mines in neighbouring states is also being pursued.

Any delay in completing planned expansions, revocation of existing clearances, failure to obtain or renew regulatory approvals, non-compliance with applicable regulations or conditions stipulated in the approvals obtained, suspension of current projects or cost overruns or operational difficulties once the projects are commissioned may have a material adverse effect on the Group's businesses, operating results, financial condition and/or prospects. Any delay in completing planned expansion could have a material adverse effect on our credit rating, which may increase our borrowing costs.

AA+

Credit rating from CRISIL, allowing the Company access to various funding sources

Refuge chamber in Rampura Agucha underground mine

"Our operations ensure that the issue of operational health and consequential potential risk/obligations are carefully handled. Depending on the nature of the exposure and surrounding risk, our operations have different levels of processes, controls and monitoring mechanisms."

HEALTH, SAFETY, ENVIRONMENTAL RISKS

Our mining, smelting and power generation operations are subject to extensive health, safety and environmental (HSE) regulations and legislations. As regulatory standards and expectations are constantly developing, we may be exposed to increased litigation, compliance costs and unforeseen environmental rehabilitation expenses.

Potential health, environmental and community events that may have a material adverse impact on our operations include rock fall incidents in underground mining operations, explosions or gas leaks, uncontrolled tailings breaches, escape of polluting substances, uncontrolled releases of hydrocarbons, human rights breaches and community protests or civil unrest. The Company has appropriate policy and standards in place to mitigate and minimise such occurrences backed by senior operating management's focus on managing the causes of such incidents, reviews and taking the necessary corrective steps.

Longer-term occupational health issues may arise due to unanticipated harmful workplace exposures or prolonged harmful exposures to employees or site contractors. These effects may create potential occupational hazards and its consequences thereon. The Company an appropriate policy in place for such matters supported by structured processes, controls and technology. Our operations ensure the issue of operational health and consequential potential risk/obligations are carefully handled. Depending on the nature of the exposure and surrounding risk, our operations have different levels of processes, controls and monitoring mechanisms.

The Company has recently implemented a fresh set of policies and standards to align its sustainability framework with international best practices. The Company and its subsidiaries management structure and processes support the sustainability agenda.

EMPLOYEE RISKS

The Group's efforts to continue its growth and efficient operations will place significant demands on its management resources. The Group's ability to sustain and grow its existing businesses and integrate new businesses will depend on its ability to ensure the requisite pool of management resources and on its ability to attract, train and retain personnel with the skills that enable it to keep pace with growing demands and evolving industry needs.

The Group is, in particular, dependent to a large degree on the continued service and performance of the executive management team of Sterlite and other key team members in the Group's business units. These key personnel possess technical and business capabilities that are difficult to replace. Any significant loss or diminution in the collective pool of Sterlite's executive management or other key team members could have a material adverse effect on its businesses, operating results and future prospects.

The Company has appropriate human resources policies and HR practices in place to mitigate and minimise such occurrences backed by senior management focus and commitment for taking corrective steps wherever required.

Through a combination of management tools such as appropriate compensation policies and practices, differentiating performance through transparent process, rewarding and recognising the extraordinary performance, adequate career opportunities within the Group, and job rotation. Through its policies, the Company ensures it can attract and retain the right talent while aligning the individual and the business goals of the Company.


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World's largest integrated Zinc-lead producer.
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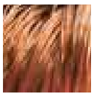
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Operates one of the world's most efficient Copper smelters.
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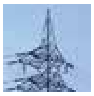
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Operational Risks

DISCOVERY RISKS

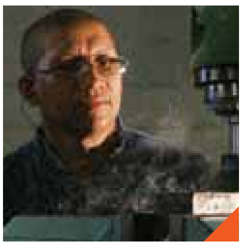
The increased production rates from our growth-oriented operations places demand on exploration and prospecting initiatives to replace reserve and resources at a pace faster than depletion.

Actual reserves, resources or mineral potential may not conform to the geological, metallurgical or other expectations and the volume and grade of ore. As our revenues and profits are related to minerals and resource operations, our results and financial outcomes are directly linked to our ability to replace existing reserves and the success of our exploration.

A failure in our ability to discover new reserves, enhance existing reserves or develop new operations in sufficient quantities to maintain or grow the current level of our reserves could negatively affect our prospects. There are numerous uncertainties inherent in estimating ore and oil and gas reserves, geological, technical and economic assumptions that are valid at the time of estimation may change significantly when new information becomes available. The uncertain global financial outlook may affect economic assumptions related to reserve recovery and require reserve restatements which could negatively affect our results and prospects.

Our experience in monitoring and measuring reserve and resources with the support of a dedicated professional team and continued focus on exploration both brownfield and greenfield, over the years has resulted in the Company adding more reserves and resources over and above depletion.

Aluminium Foil at Fabrication Unit, BALCO



Main workshop fitter, Black Mountain

FAILURE TO MEET PRODUCTION AND COSTS TARGETS

Our operations are subject to conditions and events beyond our control that could, among other matters, increase our mining, transportation or production costs, disrupt or halt operations at our mines, smelters and power plants and production facilities for varying lengths of time or even permanently. These conditions and events include disruptions in mining and production due to equipment failures, unexpected maintenance problems and other interruptions, non-availability of raw materials of appropriate quantity and quality for our energy requirements, disruptions to or increased cost of transport services or strikes and industrial actions or disputes.

It is our policy to realise market prices for our commodities and the profitability of our operations is dependent on our ability to produce metals at a low cost which in turn is a factor of our commercial and operational efficiencies and productivity. The prices of many of our input materials are influenced by a variety of factors including demand and supply as well as inflation. An increase in the cost of such input materials would adversely impact our competitiveness.

While few of these risks can be beyond our control, we have adequate and competent experience in these areas and have consistently demonstrated our ability to manage these problems proactively.

Internal Control Systems and their adequacy

Sterlite is committed to maintaining high standards of internal control and risk management to provide the appropriate assurances to all stakeholders. The Company believes it has a proper and adequate system of internal controls commensurate with its size and business operations at its plants and at the corporate headquarters.

The strength of a business's internal control environment also forms a component of senior managers' performance appraisals. The Company already has implemented effective internal control over financial reporting based on the criteria established in Internal Control-Integrated Framework issued by COSO.

We have appointed an internationally reputed chartered accountants' firm to conduct the internal audit of the Company at all its locations. The scope and direction of the annual audit programme is guided by the Group's Management Assurance Services (MAS), which, in turn, operates under the overall guidance of Sterlite's Audit Committee.

The objective of the internal audit process is not only to spot transactional errors but also to identify systemic risks, based on the risk profile analysis conducted by the MAS and the auditors. Internal auditors regularly visit our operations at various locations to ensure that transactional and process issues are addressed while conducting audit. Every quarter, the Audit Committee is briefed about the internal control findings, along with the remedial actions that have been suggested or have been already implemented.

Independence of the audit and compliance function is ensured by direct reporting to the Audit Committee of the Board. Details on the composition and functions of the Audit Committee can be found in the chapter on Corporate Governance of the Annual Report.

Critical accounting judgements and estimation uncertainty

In the course of applying accounting policies outlined in the Notes to the Financial Statements, management necessarily makes estimations and assumptions that may have an impact on the financial statements.

Coal Handling Plant, BALCO

Business Responsibility Report

View of the VAL Lanjigarh refinery

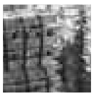
Top: *The copper wires we generate find application in myriad products*

Middle: *Technical Laboratory, HZL*

Bottom: *Women employee working in control room, Sterlite Copper*

The extractive industry is one of the key contributors to modern society. The industry resources that Sterlite Industries brings to market are used to create the basic building blocks of societies. Our product, Sterlite copper is used in telecommunications infrastructure to connect people. Besides, it also finds application in lifesaving medical devices. The aluminium that we produce is used across a myriad of products and for various purposes, including protecting our foodstuffs from spoiling and helping reduce fuel emissions as a lightweight material for cars and aeroplanes. Zinc produced by us is used to galvanize steel in different infrastructure projects. Similarly, the power we generate is used in the form of electricity across millions of houses.

"Since introducing the Vedanta Sustainability Framework in 2011-12 by our parent corporate 'Vedanta', our proactive initiatives helped to implement them across the business chain."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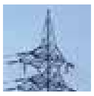
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Women Self Help Group vocational training, HZL

Our resources help to create different valuable products and infrastructure. Besides, our operations make a significant, positive contribution to the society and economies where we operate. This has been put in detail throughout this section of the report. This includes directly and indirectly employing around 13,311 people and 36,344 contractors, and contributing to the betterment of the lives of 2.2 million people through our community programmes.

Embedding Sustainability

Our sustainability model comprises the three strategic pillars – responsible stewardship, building strong relationships and adding and sharing value – each designed to support our long-term sustainability as a world-class diversified natural resources company providing superior returns to our shareholders. These three pillars capture the steps we must undertake across our business to ensure our future.

Since introducing the Vedanta Sustainability Framework in 2011-12 by our parent corporate 'Vedanta', our proactive initiatives helped to implement them across the business chain. Each group company has conducted a gap analysis of our existing management systems with respect to the Vedanta Sustainability Framework (VSF), and subsequently put in place action plans to enable compliance. Progress towards targets is measured and monitored by teams in the businesses. Our parent corporate measures the effectiveness of Sustainability Framework at the operational level through Vedanta Sustainability Assurance Programme (VSAP).

While we now work in many countries, by virtue of our long and extensive presence in India our sustainable business practices have been in place for many years. We welcome the Indian Government's recently introduced National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business Principles. These include obligations on business to respect the environment, promote the well-being of employees and to respect the interests of all stakeholders, particularly the disadvantaged and vulnerable. The Guidelines complement the work we are already undertaking across the Group.

8,700 man hours

Training on Code of Conduct

Training on Code of Conduct is an integral part of our various businesses

PRINCIPLE 1

Conduct, Governance, Ethics, Transparency and Accountability

Responsible stewardship is the first pillar of our sustainability framework. It is how we manage risk and demonstrate compliance with legal requirements and best practice. It is a vital part of all the phases of our project lifecycle – this includes our health & safety, environmental management systems, risk assessment and regulatory compliances and our Environmental & Social Impact Assessments (ESIAs) and our performance against international standards of sustainability.

At Sterlite Industries, we integrate a transparent policy framework in all our business dealings and corporate affairs. We maintain the highest ethical standards in our dealings with stakeholder groups. To this end, we review our systems and processes to achieve the highest level of corporate governance while fulfilling the role of a responsible corporate representative committed to sound corporate practices.

Code of Conduct

Our Code of Conduct (COC) informs our approach to sustainability and how we conduct ourselves day to day – with each other, our customers, our shareholders, our competitors, our neighbouring communities, our host government and our suppliers. All our employees are trained in COC. The Code provides guidelines for our business consistent with the highest standards of business ethics and is intended to assist all employees in meeting the high standards of personal and professional integrity that the Group requires of them, with strict adherence to the provisions of the Code a condition of employment. Training in our COC is an integral part of training programme and is mandatory for our new hires.

Supporting our COC, we also have in place a group Whistle blowing policy, which is overseen by Audit Committee and governs the confidential receipt, investigation and treatment of complaints across Sterlite in areas concerning: suspected fraud, violation of Group accounting rules and violations of ethical business practices.

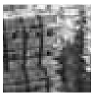
Governance

Our Corporate Governance structure is based on the principles of (i) Trusteeship, (ii) Entrepreneurship, (iii) Creating value and (iv) Concern and respect for people and environment.

We believe that sound corporate governance is essential to achieve our strategy of creating a world-class metals and mining organisation. Our Board of Directors is keenly aware of the need for a strong corporate governance framework against the backdrop of the changing nature of our businesses and the environment in which we operate.

Our Board of Directors ('Board') comprises seven Directors of which more than fifty percent are independent directors. All the Independent Directors meet the independence criteria as required under Clause 49 of the Listing Agreement.

The Board reviews, approves our strategic, operational and financial plans, guides corporate strategy, takes key strategic decisions, reviews the major plans of action, i.e. decisions concerning the capital of the Company, including capital restructure, capital returns and security issue and buy backs etc., risk policy, review, approve annual budgets and business plans and monitor performance against corporate strategy.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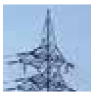
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Behavioural safety based signage, Black Mountain Mine

511,200 man hours

Training for employees and contract workers on health and safety topics

"To ensure the safe handling of our products, we use a Material Safety Data Sheet which includes information on physical data, health effects, storage and disposal. We also use a Technical Services Resource for quality assurance."

PRINCIPLE 2

Safety and Optimal Resource Utilisation Across Product Lifecycle

Product Stewardship

As primary producers, we have limited control of the full lifecycle and the way in which products are produced and disposed. However, the business is committed to ensure that the beginning of the lifecycle adheres to appropriate international commodity trading standards. To support this, 20 of our 24 plants are certified to OHSAS 18001, ISO 9001 and ISO 14001 – this covers the entire manufacturing lifecycle assessment.

Our products are sold through commodity markets and used in a large number of industries. Our final products are refined metals and meet the required international standards (such as LME) for entering the commodity market. To ensure the safe handling of our products, we use a Material Safety Data Sheet which includes information on physical data, health effects, storage and disposal. We also use a Technical Services Resource for quality assurance.

Together with scorecards, all this information is available to support our customers, allowing them to have a full, detailed understanding of our products and their composition. We seek to comply with all prevailing standards and laws related to marketing communications, including advertising, promotion and sponsorship of the country where we operate.

Over the reporting period, no cases of non-compliance with relevant regulations and voluntary codes concerning the health and safety impacts of our products and services were observed or reported.

Health and Safety

We owe a high level duty of taking care of the many people who work with us, and we take that obligation seriously.

A culture of health and safety compliance starts with our training programmes, which are as inclusive as possible. Our management standards emphasise the training of both employees and contractors based on role, risk and responsibilities, and use different learning methods to cater for various needs – for example, videos and classroom training.

Safety

We place great importance on understanding and managing our safety performance across locations. Our core culture of 'Safety First' permeates across our employees, contractors and others impacted by our operations.

Promoting a strong culture of safety to all employees and contractors is fundamental to our objective of creating a zero-harm environment across our operations. We strive to create a

Usage of mandatory PPE is a must at all our sites

20 of 24 sites

OHSAS 18001 certified

30% decrease

in Lost Time Injury Frequency Rate (LTIFR) compared to last year

National Safety Week celebration, BALCO

"Our occupational health standard helps us minimise the adverse impact of our operations on the health of our workforce. All units maintain a health management system that minimises, as far as is reasonably practical, the hazards and risks to employees and contract employees."

zero-harm environment across all our operations. We seek to achieve this through regular on-site training. Besides, we also strive to ensure that our site management teams are fully engaged in endorsing and promoting a culture of care and diligence. We encourage employees and contractors to report near misses – without any fear of recriminations - to develop a culture of constant safety monitoring and evaluation. We have launched and rolled out a pan-organisation Unsafe Conditions Elimination Programme.

There has been an overall declining trend in the incident rates experienced by the Group, with a lost time injury frequency rate (LTIFR) in the reporting period of 1 (a 30% decrease compared to last year) accounting for 4,173 man-days lost. Regrettably however, we did experience 12 fatalities in 2012-13. Key short falls or identified issues are addressed and a time frame for the business to meet the shortfalls is agreed collectively with the leadership team.

Health

We understand that due to the nature of our operations associated health risks may arise. We therefore are committed to understanding, managing and mitigating them. Our occupational health standard helps us minimise the adverse impact of our operations on the health of our workforce. All units maintain a health management system that minimises, as far as is reasonably practical, the hazards and risks to employees and contract employees.

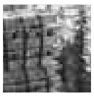
From the beginning of an employee's career, we have processes in place to manage and monitor health risks. This includes a pre-employment medical check followed by periodical medical check-ups with on-site medical professionals to monitor the occupational exposure limits. In 2012-13, nearly 70,000 medical examinations were conducted across sites, including blood lead and cadmium testing, chest X-rays, audiometric tests and sight tests.

Our sites have health and wellness facilities to tackle diabetes, high blood pressure and work-life balance. In order to support colleagues, our full-time employees receive medical insurance, which also extends to dependants. All contract employees are also able to access our medical facilities and are covered by the Employee State Insurance Act, Group insurance and the Workman Compensation Act.

70,000

Medical examinations carried out across sites

Occupational Health Centre, HZL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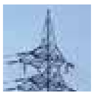
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Employees in the Control Room, HZL

4.62 million man hours

Training provided to employees during FY 2012-13

"Our people strategy is founded on this belief and is designed to recruit, develop and retain the talented workforce that run our businesses. We are committed to providing our employees with a safe and healthy work environment. "

PRINCIPLE 3

Employee Well-Being

Our employees are our key assets and our success depends on them. Our people strategy is founded on this belief and is designed to recruit, develop and retain the talented workforce that run our businesses. We are committed to providing our employees with a safe and healthy work environment. Through a high degree of engagement and empowerment we enable them to realise their full potential, creating a high performance work culture.

Training and development

We recognise that in order to serve the markets in which we operate and to meet our growth strategies, we must invest in the development and retention of our people to drive innovation and efficiencies within the business.

As a high proportion of our workforce join as new graduates, managing career progression and development is very important to the business, particularly to ensure talent retention.

To manage a new recruit's transition from "Campus to Corporate", we have a structured orientation programme as well as a mentoring programme. An annual training calendar of events and opportunities is developed at both Group and business unit levels. Training is carried out on-site by both internal and external experts. Themes covered include health and safety as well as technical skills training.

Our "Star of Business – Accelerated Competency Tracking and Up-Graduation (ACT-UP)" programme systematically identifies high potential talent at an early stage in order to provide a fast growth track through the business. To qualify for the programme, individuals are assessed against our competency model which includes core attributes, behaviours and leadership style

Workforce and diversity

We aim to be an industry-leading employer with an inclusive approach that is designed to ensure a rich diversity in our employee base. Our recruitment, remuneration and promotion policies and procedures are designed to avoid all forms of discrimination and ensure equal opportunity, regardless of race, nationality, religion, gender, age, sexual orientation, disability, political opinion, or any other basis.

Challenges to our diversity aims do remain, particularly around the perception of many that the sector is male-dominated, especially at site management level. In addition, we are conscious of the need for flexible working hours and shift work to cater for childcare. We ensure that the ratio of entry level wages meets or exceeds the legal requirements and complies with all applicable laws.


No differentiation between gender (women and men employee), SEL

1:1 ratio

in terms of entry level wages, irrespective of gender

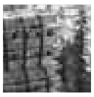
Collective bargaining

We aim to have constructive relations with all employees and labour unions in the locations where the business operates. In this regard, we do not believe that any country where we have operations represents a risk to freedom of association and collective bargaining, and we uphold this right at all the operations we manage. We have collective bargaining agreements with our non-supervisory staff at the HZL, BALCO, Zinc international and CMT operations.

Workforce Welfare

Our operations tend to be located in remote regions where access to health facilities is often limited. In order to ensure that employees and contractors are able to access these services, we have on-site medical facilities, local hospitals and supporting medical staff available to our employees, contractors and local community members. Additionally, in order to encourage a healthy work-life balance around our sites, our businesses promote social gatherings organised by Events Committees. Employees are actively encouraged to include their families in these events and also in the use of our provided recreational facilities.

Group of happy employees, HZL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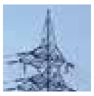
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Livelihood activities, HZL

₹ 6,200 Crore

Contributed to the Indian Exchequer by way of taxes and royalties

"We effectively engage with our stakeholders (Employees, Communities, Shareholders, Lenders, Civil societies, Government and our Industry) by understanding their key concerns and opinions and our materiality process has been an important aspect of our approach to achieving this understanding."

PRINCIPLE 4

Engaging Stakeholders – Sustaining Value

Building Strong Relationships is the second pillar of our sustainability model. Our commitment to building strong relationships is based on the understanding that establishing and maintaining close, responsive links with our stakeholders is an essential part of our journey as a sustainable business. Accordingly, over the past year, we have continued to develop and enhance our stakeholder engagement processes.

We effectively engage with our stakeholders (Employees, Communities, Shareholders, Lenders, Civil societies, Government and our Industry) by understanding their key concerns and opinions and our materiality process has been an important aspect of our approach to achieving this understanding. This year we further strengthened this process as our parent company, Vedanta plc, commissioned an external assessment which encompassed detailed consultations with a broad range of internal and external stakeholder representatives. The results and analysis of the process enabled us to confirm the key priorities and stakeholders material issues. Our Social Policy and the supporting technical standards provide structure to the way we manage our stakeholder relationships. These standards require all Sterlite operations to identify stakeholders and determine engagement plans together with a method to record and reply to stakeholder enquiries and grievances.

In the course of the year, we have proactively met with several stakeholder groups including civil society organisations, media and industry associations, to increase awareness about the Group, explain our point of view and answer any queries that they might have. We use numerous channels of communication which include one-on-one and large format meetings and briefings, and online and print communications. Our HZL, BALCO, Sterlite Copper, Lisheen Mines, Skorpion Zinc and Black Mountain Mine (BMM) all produce in-house journals newsletters to engage with employees, our wider industry and communities and host governments.

Communicating progress on the Gamsberg Project – Black Mountain Mine

The BMM-Gamsberg project is one of the most strategic projects of the Group's Zinc International business and an integral plan to harness the potential of BMM assets and to sustain growth.

To ensure both transparency in the development of the project and that our stakeholders understand the project aims and the process of its development, updates to the Gamsberg Environmental and Social Impact Assessment (ESIA) are communicated by postings on the Company website www.vedantazincinternational.com. Interested stakeholders are directed to the project website, which has up-to-date information on the status of the ESIA. This site gets updated regularly, particularly when critical milestones are completed.

All documents including reports and details of community engagement can be found on the website. The draft ESIA report has also been placed in public places including the local library and municipality offices. Advertisements have also been placed in four regional newspapers to create awareness of the publication of the draft ESIA.

A third open-house public meeting was scheduled to be conducted in the first half of 2013 to disclose the findings of the ESIA (prior to its final submission) in addition to focus group meetings for relevant stakeholders including farmers, NGOs and the municipality. We intend to distribute a non-technical summary of the draft to all participants, in both English and Afrikaans.

Stakeholder Management

Stakeholders	Engagement Mechanism	Initiatives by the Company
Communities & Civil Society (NGOs)	Written communication/ need-based discussions/ meeting with community representatives Open dialogue Survey & PRAs	Giving educational support by organising a study centre and giving scholastic excellence awards and scholarships Arranging monthly rural health camps and rural health unit Women Entrepreneurship: Sterlite income generation projects with SHG Developing rural infrastructure: Total sanitation, renovation works for schools, model village development Employment generation through coastal livelihood project HIV - AIDS awareness Horticultural trials with local farmers Model Village Sterlite Old-Age Widow Support Programme
Government & Regulators	Monthly reports Monthly inspections	Regular compliance with rules, regulations & stipulations Submission of monthly reports Immediate response by the way of corrective action on issues raised by the Government authorities
Employees	Intranet facilities Newsletters Monthly and quarterly Training programmes Employment suggestion scheme Communication meeting	Employee suggestion scheme Spot recognition scheme Employee retention bonus Event management team CEO kitty Team of the month Mentor-Mentee ideas@sterlite Employee of the month & year Family get-together
Customers	Discussions/ personal interactions on a daily basis Plant Visit	Customer satisfaction survey Online access through E-Salesmate Faster response for customer complaints Arranging for plant visit
Suppliers/ Transporters	Discussions/ personal interactions on a daily basis Plant Visit	Vendor meets Drivers' training programme for safety Vendor Satisfaction Survey Evaluation of Vendor Sites SAP – Supplier Relationship Management (SRM) module

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Stakeholders	Engagement Mechanism	Initiatives by the Company
Contract Employees	◢ Induction programme ◢ Training programme	◢ Rewards & Recognition ◢ Welfare facilities for Contractors as a part of HR initiatives ◢ Contractor Safety Management Cell ◢ myideas@sterlite ◢ Safety Performance Bonus
Educational Institutions	◢ Management Development programmes ◢ Academic interactions	◢ Employees are guest faculties at leading institutions ◢ Employees are sent for Management Development programmes ◢ Alumnus interaction with students during recruitment
Investors/ Shareholders	◢ Redressal of investor grievances ◢ Quarterly/half-yearly results Website, Newspaper ads	◢ Annual reports ◢ Annual Shareholders' meet


HZL Self Help Group training volunteers with SHG women

49,500
Direct and indirect employment opportunities provided


Self Help Group women making pickle, BALCO


Our Employees are proud to be associated with us

PRINCIPLE 5

Promoting Human Rights

Protecting and respecting human dignity is central to our everyday business operations. Moreover, as a global company working in a range of developing countries, we believe we have an important contribution to make through the example we set by our behaviours.

Human rights incorporates socio-political and economic issues that have implications for the responsibilities of our business – as an employer, as a global company with numerous suppliers and as a responsible corporate citizen working within communities. Over the past year, we have deepened our understanding of the risks and opportunities associated with human rights management.

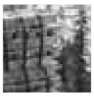
Human rights management

Through our human rights policy we continue to develop and follow the UN Guiding Principles. Our COC commits us to comply with all laws and regulations, including the protection of the fundamental human rights of all our employees. Our commitment to human rights is backed through the practical application of our standards and providing focused training programmes, including those on our human rights policy.

Led by the Vedanta Sustainability Committee, in 2012-13 we undertook internal reviews related to human rights and risk assessment. The human rights audit and risk assessment review was commissioned to ensure that all our business units have a clear understanding of the areas of possible risk pertaining to human rights. The objective of the review was to confirm that we are meeting all applicable national and international legislation, guidelines and conventions on human rights with special reference to the UN Universal Declaration of Human Rights. The assessment confirms that the human rights policy is being implemented by all units. The review also helped us in strengthening our existing systems and delivering focused training for our staff.

Forced and Child labour

Our Code of Conduct expressly prohibits the use of forced and child labour. This is upheld in all our dealings with contractors and vendors, with guidance provided to sites on working with contractors and suppliers in order to eliminate any breach. In the reporting period, there were no recorded incidents of forced or child labour across any of our operations.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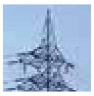
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20 of 24 units

ISO 14001 certified

A variety of plants are grown as a part of plantation drive, Black Mountain Mine

"We strive for zero environmental incidents at all our operations and have a robust internal process for managing any that do occur, including a rating system according to their severity."

PRINCIPLE 6

Nurturing the Environment

Product Stewardship

As a diversified natural resources company, we understand that the nature of our operations has implications for the environment in different ways – through the emission of particulates, wastes generated in mining, refining and smelting processes, water consumption and changes in land use.

We are committed to minimise our environmental footprint from commencement of operations to the post closure stage and to have zero environmental incidents across our operations.

Environmental Management

As part of continual improvement, we plan to obtain ISO 14001 certification at all our units which will allow us to regularly review the Environmental Management System and mitigate the identified environmental impacts of our products and services. Our Environmental Technical Standard encapsulates our approach, through which we are obliged to avoid if possible, or otherwise minimise, adverse impacts on the environment from our operations through effective management systems and processes that work towards continuous improvement of our environmental performance.

We strive for zero environmental incidents at all our operations and have a robust internal process for managing any that do occur, including a rating system according to their severity. All businesses monitor, report and investigate any incident with the aim to apply lessons learned to prevent the recurrence of similar incidents, and share any learning's across our operations. At the majority of our operations, environmental incident analyses are discussed in monthly operational reviews.

Water

Our operations exist in areas of varying degrees of water stress. Consequently, we take our water consumption and management extremely seriously. Our water policy commits us to recognising the social, economic and environmental value of water and the increasing global concern of water scarcity. We strive to minimise the amount of fresh water we consume by reusing as much water as possible in our processes.

During the reporting period, we withdrew more than 115 MCM from natural and artificial water sources whereas more than 100 MCM of water is used in our operations. None of the natural water sources are being affected by our water withdrawal as water withdrawal in all of our operations is less than 5% of capacity of the source. Also, none of the water sources is designated as a protected area either nationally or internationally.

0.17 MCM

Rainwater harvested during the year

Raw Water pond, SEL

Water Management Initiatives

Many of our operational processes have been designed to be 'zero discharge' facilities, where the generated waste water is treated and completely recycled back into process areas such as slag granulation, lime preparation and gas cleaning plants. Our subsidiaries like HZL and Sterlite copper are harvesting and reusing rainwater in turn reducing water withdrawal. In addition to these initiatives, effluent and sewage treatment plants are installed at many locations for reusing water at primary locations.

Sterlite Copper, Tuticorin installed a 10 million litres per day (MLD) desalination plant to reduce stress on fresh water sources and to ensure a sustainable source of water to its operations. As a commitment to the surrounding community, the proposal included providing a portion of the desalinated water to the nearby villages.

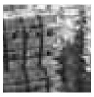
Hindustan Zinc Limited has undertaken a number of major water initiatives in support of our goal of sustainable water usage. By entering into a MoU with the Government of Rajasthan for a Design, Build, Own, Operation and Transfer of a City Municipal Sewage Treatment Plant at Udaipur, we have taken a significant step in reducing the stress on fresh water resources as well as securing our Rajasthan operation's water supply. The plant will have a 20 million litres per day (MLD) capacity, with the implementation of the project fast tracked and targeted for completion in approximately 18 months.

Installation of adiabatic cooling towers (ACTs) to minimise evaporation loss - HZL

Hindustan Zinc installed its first adiabatic cooling towers (ACTs) to replace the conventional cooling towers. An adiabatic cooling tower operates as an air-cooled heat exchanger, rejecting heat from a process cooling medium to the surrounding atmosphere by means of either dry cooling (convective heat transfer) or wet cooling (a double convection cycle between water and air), in which water acts as the cooling medium for wetting the air and the cool air in turn cools the hot process water. ACTs reduce water loss by almost 80% by operating in a closed circuit. Results from its installation have been encouraging, with a 99% reduction in water loss in December 2012. Though the same results will not be achievable in summer months because of additional water consumption from spray systems, a reduction of 80-85 % in water loss is expected at a minimum.

Adiabatic Cooling Towers, HZL

During FY 2012-13, water conservation efforts successfully led to recycling 17% of the total water used by the Sterlite group of companies, amounting to 18 million cubic metres – equivalent to filling more than 6,900 Olympic swimming pools.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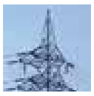
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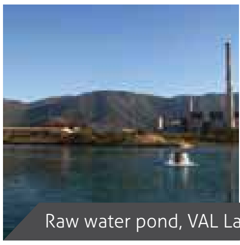


Raw water pond, VAL Lanjigarh

18 MCM

Water recycled during the year, equivalent to 17% total water used

"Our biodiversity policy commits us to minimise and mitigate biodiversity risks throughout our operations and we strive to avoid adverse impacts on natural habitats."

Biodiversity

Inherently, mining operations can affect local ecology. Our biodiversity policy commits us to minimise and mitigate biodiversity risks throughout our operations. We strive to avoid adverse impacts on natural habitats. We plan the management of our land use in a manner that allows biodiversity conservation to be integrated throughout our projects' life cycle, including decommissioning, closure and rehabilitation.

Biodiversity Management

In order to promote a best practice management approach to biodiversity, we have reviewed all operations to identify which of our [major] sites are operating within close proximity of protected IUCN red list areas, important bird areas and key biodiversity hotspots. We have mapped all our sites using the Integrated Biodiversity Assessment Tool (IBAT) mapping tool (https://www.ibatforbusiness.org/). Using the IBAT maps, we can determine if a site is located in or near an important biodiversity area, or a potential critical habitat. The results of the biodiversity risk screening programme have led us to prioritise the subsequent biodiversity management processes.

Artificial wetland for birds – Skorpion Zinc

In 2006, the environment team at Skorpion Zinc noticed an increase in bird mortality around the refinery's lined evaporation and earthen ponds. Skorpion Zinc Management appointed an independent consultant, EcoMonitor, to carry out a detailed investigation on the cause of mortality.

The study revealed that bird mortality was due to acid burns (primary) and metal poisoning (secondary).

Skorpion Zinc decided to construct an artificial wetland (away from the refinery area) deliberately making it more attractive to birds to encourage them away from plant facilities. The bird pond is far from the refinery and administration building and has limited human disturbance. Skorpion Zinc has also actively grown indigenous and rare plants around the pond area, and a specialist nursery to assist with this process has also been developed.

No further bird fatalities has been recorded since the completion of the bird pond and it successfully attracted birds from the refinery. The pond has since become a habitat rich in a diverse range of bird species and is now also a nesting ground.

Solar Panels installed at SEL

280 thousand GJ

Energy saved due to conservation and efficiency improvement projects

~ 1.4 million tonnes slag

Reused in useful applications such as road construction, land levelling and abrasive/cement industries

Test sample patch of utilisation of Jarofix waste for road preparation, HZL

Energy and Climate Change

Meeting growing energy demands while also limiting carbon emissions is a global challenge. As Sterlite Industries is part of an energy intensive industry – our direct and indirect energy consumption is in the order of 204 million GJ – it is important that we carefully consider our approach to energy use, including our use of technology to maximise efficiencies.

Energy and Climate Change management

Our operations to adopt and maintain global best practices in carbon and energy management to minimise Green House Gas (GHG) emissions.

Till date, we identified CDM projects with a CER potential of 1.2 million CERs. Out of these, projects with a potential 0.56 million units are already registered on UNFCCC while projects with 0.65 million units are at an active stage of implementation. In 2012-13, around 0.38 million units of CERs accrued and 0.21 million units of VER accrued while 0.22 million units of CERs were sold, generating ₹ 4.7 Crore.

Air quality

We closely monitor the extent of any impact that our operations have on air quality and the effects and implications that this may have on employees, the communities local to our operations, and the broader environment. We are committed to using processes and technology that minimises any particulate release.

Air Quality Management

We require all our operations to apply air quality prevention and mitigation measures where measured (in the case of operational activities) or predicted (in the case of new projects).

Air emissions monitoring include both Ambient Air Quality Monitoring (AAQM) as well as stack emissions monitoring.

Waste

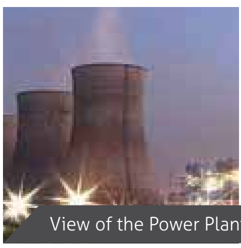
Mining and resource production result in waste production – our hazardous and non-hazardous waste generation is approximately 7 million tonnes and how we manage and reduce our waste is an important measure of how successful we are in managing our business sustainably.

Waste Management

We strive to minimise resource use across the lifecycle of each site. The Resource Use and Waste Management Standard ensures that our operations apply the principles of the Waste Hierarchy in the design and implementation of all of its operations. Accordingly, priority is given to avoidance and minimisation of waste generation followed by recovery, reuse and recycling. The least preferred option is disposal (landfill or incineration). Opportunities to eliminate, reduce, reuse, recycle and recover waste, wherever practicable, are identified and implemented.

Waste Management Initiatives

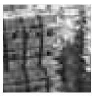
We pay particular attention to hazardous and high-volume wastes such as our process and mineral wastes, which are stored in secured landfill sites and, where appropriate, sold to recyclers. We also ensure that non-hazardous waste is reused as much as possible within our operations to mitigate the amount sent to landfill.



~0.88 million tonnes fly ash

Reused in land levelling and cement/brick manufacturing

View of the Power Plant, Jharsuguda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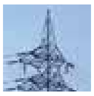
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"As a member of the Indian Primary Copper Producers Association (IPCPA), we contribute to economic policy by anticipating future needs, responding to these challenges and preparing stakeholders to benefit from opportunities."

PRINCIPLE 7

Responsible Policy Advocacy

At Sterlite, we pride ourselves for being able to move with the times, anticipate the needs of the future and suggest pro-active measures for furthering the interest of the Indian business and the industry. We understand and are aware of the dynamics of the environment in which we operate.

As a member of the Indian Primary Copper Producers Association (IPCPA), we contribute to economic policy by anticipating future needs, responding to these challenges and preparing stakeholders to benefit from opportunities. Through its linkages with partner chambers, we represent the Indian copper industry across various forums.

The objectives of our Policy Advocacy framework include:

- Work to building long-term relationships with government entity and seek proactive solutions on behalf of the copper industry
- Contribute knowledge of the global and Indian copper industry to assist policy makers in understanding its true nature and potential
- Anticipate policy and regulatory trends relevant to copper Industry as well as Sterlite Industries
- Build comprehensive maps of relevant stakeholders / influencers / decision makers
- Represent the interests of the copper industry at policy, regulatory and industry meetings and participate in selected industry association like FICCI , ASSOCHAM and CII meetings
- Communicate to the affected business units for developing strategy for aligning to the forthcoming regulations
- Provide sound platform for dialogue and support for influencing strategy
- Draw on technical strength of units to assist policy makers in understanding the complex and technical nature of the business
- As part of the Government's advocacy policy, we showcase our investments in the areas of education, health and livelihood for maintaining and improving communities and, as a result, strengthen our commitment to partnering the Government in these programmes

Strip locking Aluminium Sheet, BALCO

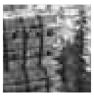
Engineer inspecting cathodes, HZL

Contribution to the Government policy

As the industry leader in copper, we were invited to be a part of the committee advising the 12th Five Year Plan (1912-17) of India with respect to copper. The committee, formed by the Federation of Indian Mineral Industries at the behest of the Ministry of Mines, made recommendations on a five year road-map for the copper industry and its challenges to the Planning Commission.

In association with IPCPA, we work with the Commerce Ministry for making relevant recommendations on various bilateral / Multilateral trade Agreements which are beneficial to the copper industry. We also forewarn the Ministry of any particular policy decision which may not provide a level playing field to the industry and may be ultimately harmful to the copper industry. We have, through the IPCPA platform, been able to advise the Government on initiatives which could increase the exports of copper out of India and save foreign exchange. These suggestions were incorporated in the amendment to the foreign trade policy made by the Commerce Ministry and applicable from January 1, 2013.

As responsible corporate citizen, continue to engage with policy makers directly and through industry associations to seek a fair, equitable and forward looking non-discriminatory regulatory regime in the interest of all stakeholders of our business, growth of our country and for creating value for our society. It is our constant endeavour to provide all relevant information through interaction with decision makers demonstrating benefits of policy change and need for adoption of enabling policy framework in the best interest of all concerned.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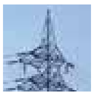
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125,000 Children

Across 4,600 centres reached through VBCA pre-school activities

Vedanta Bal Chetna Anganwadi project, BALCO

"Our Health, Nutrition and Sanitation activities include the delivery of medical infrastructure such as the seven hospitals have established across various locations."

PRINCIPLE 8

Supporting Inclusive Development

Community investment remains critical to our engagement with local communities and the business continues to have a needs-based approach to working with them.

Our community activity is delivered at a local, regional, and national level to ensure that the business is able to effectively maximise its impact in facilitating socio-economic development. The majority of our initiatives are carried out in collaboration with community organisations and are developed in partnership utilising a needs-based approach to community investment, underpinned by the use of the 'Public-Private-People-Partnership' (4Ps) model.

Fundamentally, we work to help communities identify their priorities through externally delivered needs assessment programmes and then work closely with them to design programmes that seek to make progress towards meeting these.

In order to maximise the outcomes and impacts that the business can have, we focus on seven key areas through our community investment activities, which we outline below. These have been chosen as a response to both local need and direction from international development frameworks such as the UN Millennium Development Goals.

Health, nutrition and sanitation

Our activities include the delivery of medical infrastructure such as the seven hospitals that have been established across various locations. Our hospitals are supported by medical outreach services, which include mobile health vans and medical outposts to enable isolated rural communities' access to medical services.

Cataract Surgery Project - Black Mountain Mine (South Africa)

Resource constraints in the Northern Cape have resulted in the provincial Department of Health reporting a significant backlog in cataract surgery. Black Mountain Mining (BMM) set out to support the Northern Cape Department of Health in addressing this backlog.

In consultation with the Department of Health it was agreed to run a first phase intervention as a pilot project and to host this at BMM's Aggeneys Health Centre. Screening took place first at local clinics and then by the Bureau of the Prevention of Blindness Team in Nababeep after which patients were referred for assessment in Aggeneys, prior to surgery.

Fifty eight patients were assessed by the ophthalmologist and 47 underwent cataract surgery in Aggeneys in December 2012. Following the success of the pilot programme, plans are underway to grow the programme in collaboration with strategic partners so that the objective of zero cataract blindness in the Northern Cape can be achieved in a reasonable time frame.

2.2 million people

Benefitted through health, education and infrastructure provided

Vocational training (Tailoring), HZL


Livelihood Project, HZL

₹ 78.41 Crore

Spent on community activities/projects during FY 2012-13

Education

Our work with children's education is targeted at the pre-school level, particularly through our Vedanta Bal Chetna Anganwadi VBCA Project – Integrated Child Development Scheme (ICDS). ICDS is a centrally sponsored scheme of the Government of India aimed at providing services to pre-school children in rural, tribal and slum areas in an integrated manner to ensure their proper growth and development. In addition to pre-school support, we also support a mid-day meal programme through eight centralised kitchens aimed at improving the health status of children from Class I to VIII in Government-aided schools as well as encouraging regular attendance at school.

*Centralised projects like Midday meal, VBCA, Vedanta Computer education numbers includes Vedanta Aluminium Ltd. also

Sustainable livelihoods

Education about yield improvements and moving production into cash crops has been a particular focus to assist farmers in maximising their returns. For example, we have assisted farmers in gaining access to high-yield seeds and fertilisers, soil testing, watershed management and cultivation.

As well as working with communities to increase the financial value of their production, we have undertaken education programmes around innovative technology, which offer multiple benefits.

Women empowerment

Our key activity in working to empower women is through our work with Self Help Groups (SHG). In addition to bringing women together in collaborative forums, the group dynamic and collective spirit create informal structures of support helping to create sustainable small businesses as well as enhancing the bargaining power of members.

Community asset creation

Operating in rural developing communities means that these areas often lack basic amenities and infrastructure. Our engagement in infrastructure development programmes is crucial to ensuring that the business is able to operate effectively and efficiently, with the dual benefit of improving the infrastructure of our surrounding local communities. Our initiatives enable the planning and development of infrastructure to improve the lives of communities surrounding our operations.

Community infrastructure built

47 km roads

18 community centres

36+ wells

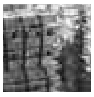
27 classrooms

80 km drainage network


Mid-day meal programme, BALCO

250,000 Students

Across 2,710 schools reached daily through mid-day meal programme, in partnership with State Governments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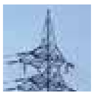
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720 Self Help Groups

Comprising 7,700 members assisted through women empowerment activities

Women Self Help Group Meeting, Sterlite Copper

"Through the Integrated Village Development Programme, we work with NGOs and Government authorities, in collaboration with the village to develop infrastructure, including health and education support, along with environmental planning and the implementation of sustainable livelihoods programmes."

Bio-investment

Restoring and improving natural systems is central to our bio-investment programme. They help to improve the biological balance of the locality and also reduce rural poverty.

As part of our bio-investment initiatives, the leftover food waste is being converted into organic manure through organic waste converter plant at MDM kitchens. We were involved in initiatives, such as watershed management, social forestry, cattle breed improvement and cash crop farming.

Integrated village development

Our objective is to facilitate the development of long-term change that allows benefits to local rural communities based on their needs and develop our relationship with the community through our Integrated Village Development Programme (IVDP).The core objective for IVDP is to enable the holistic development of villages surrounding our operations.

Under the IVDP, villages are identified for assistance by a number of indicators including limited infrastructure, low literacy rates, the level of government services available and the availability of healthcare and education services. When a village is identified, we work with NGOs and Government authorities, in collaboration with the village to prepare an integrated development plan. The plan usually results in the development of infrastructure, including health and education support, along with environmental planning and the implementation of sustainable livelihoods programmes. From the commencement of the IVDP to handover, the process takes from 3 to 5 years.

Mobile Health Camps, BALCO

View of our SEL operations

ISO 9001:2008

Quality Management Systems in place for continuous quality improvement to comply

PRINCIPLE 9

Providing Customer Value

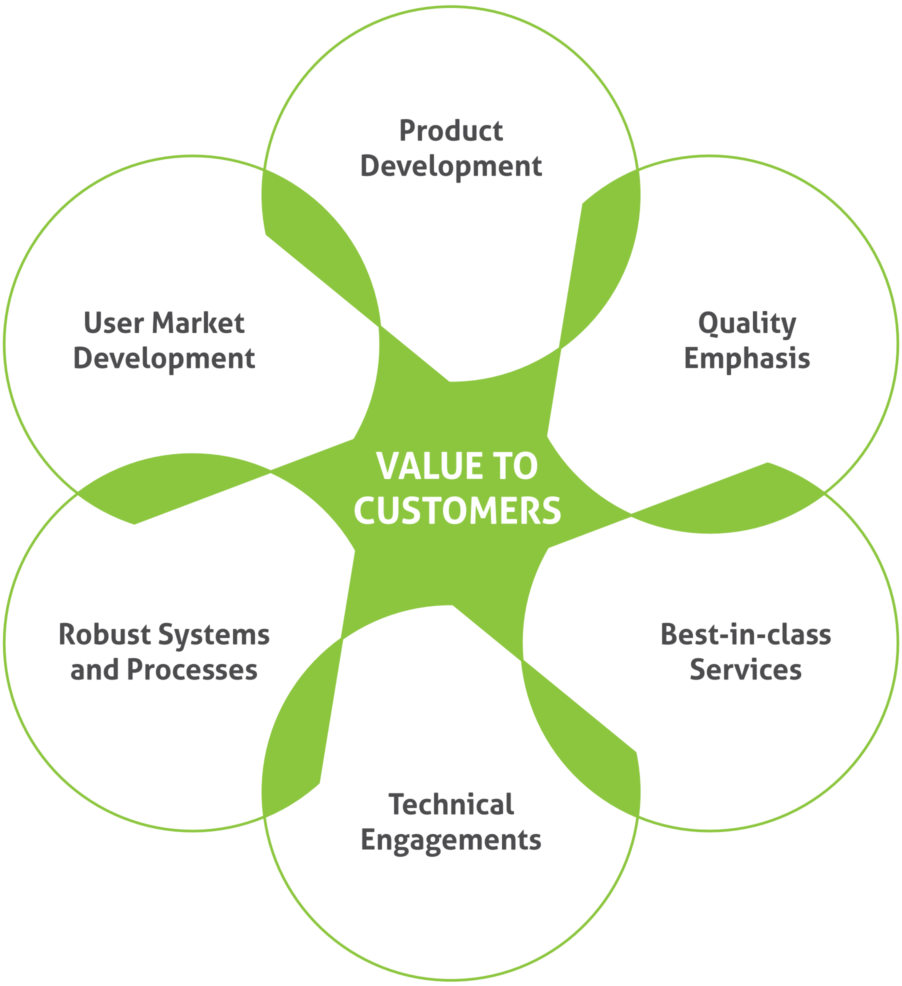
At Sterlite Industries, we are committed to create and deliver sustained value to our customers through quality products, process innovation, and continuous service improvements. We strongly believe in engaging with customers to build lasting partnerships and generate value beyond customer satisfaction.

To be a preferred supplier and partner, we focus on understanding changes in customers' requirements and market trends. Marketing teams make use of various tools to help in identifying opportunities in product or technology development and exploring avenues of innovation.

Serving the overall well being of the Society

All our products are the major resources used in electrical and construction industries and form the backbone for infrastructural development of the country. Hence, quality is given utmost importance.

Our copper cathodes, aluminium, zinc and lead ingots are all internationally known brands registered with the LME (London Metal Exchange). LME standards signify highest product quality, uniform physical characteristics and consistency of products. Our products meet all necessary and benchmark national and global regulations, standards and guidelines. This re-emphasises our capability and commitment to meet world-class standards.



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"We promote our products as sustainable, vital, clean, natural, durable and essential metals. We uphold key end applications such as energy efficiency, durability, corrosion protection and the essentiality of metals in everyday life."

For continuous quality improvement, Quality Management Systems are in place, which comply with the ISO 9001:2008 standard requirements.

Encouraging freedom of choice and free competition

In addition to copper cathodes, zinc ingots, lead ingots and aluminium ingots, we offer an extensive line of readily usable product range like copper and aluminium wire rods of various dimensions, varying sizes of zinc and aluminium ingots to widen the choice of products for our customers.

Commercial provisions offered are in line with global markets to ensure that both quality and value of supplies for customers are at par with that for their global counterparts. At our Copper division, to assist customers in hedging against price volatility, we provide various pricing options including forward and spot pricing, available in the international markets. This ensures global competitiveness of our downstream industry.

Educating customers on product's safe and responsible use

For knowledge on product specifications, details are provided on respective company websites and portals. During supply of material, all individual units are marked with labels having basic details for ease of tracking and all material supplies are accompanied by test certificates and/or specification sheets detailing the contents of each product lot.

Both our technical and marketing teams keep frequenting customers' major operations to ensure smooth operations and provide technical assistance as and when required. We encourage customer's visit at our plant locations for better understanding of products and associated processes.

Our technical team at copper division are working on developing Customer Engagement Matrix (CEM) for superior results of engagements with customers.

Knowledge sharing and effective communication flow

Sterlite Industries aspire for proactive interactions with customers. Various approaches are adopted to ensure transparent communications and knowledge flow.

Our in-house technical services team as well as on-board international consultants help us offer technical expertise to our customers and

Properly packed Aluminium ingots, VAL Jharsuguda


Vendor Meet, Sterlite Copper

stakeholders. The team also solicit customer feedback and requirements, works along with the marketing and R&D teams and assesses the feasibility of new or customised products.

For greater collaboration, we partner with various local and international industry organizations too.

Through robust systems and tools like ERP systems, customer complaint tracking and web based e-sales portals we make it convenient for customers to engage with us. To encourage transparency in transactional correspondences, customers are authorised to access all details related to their transactions.

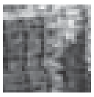
Promoting responsible use of resources

We promote our products as sustainable, vital, clean, natural, durable and essential metals. We uphold key end applications such as energy efficiency, durability, corrosion protection and the essentiality of metals in everyday life. We promote usage of refined copper in electrical applications for safety and energy efficiency. Such activities are effected through our associations with various organisations like International Zinc Association, India Lead Zinc Development Association, International Copper Promotion Council (India) and Aluminium Association of India.

Feedback for sustained development

Feedback is a continuous process at Sterlite. We leverage feedback for continual improvement in product and service quality. This helps us benchmark ourselves with industry standards and identify scope and future opportunities to increase customer value.

Various approaches are used for feedback process which include frequent meets, online feedback system and customers surveys. A robust customer complaint tracking system ensures quick resolution and undisrupted operations for customers.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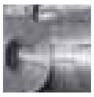
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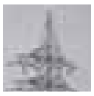
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Directors' Report


Pot room line, BALCO

Dear Shareholders,

The Directors of your Company are pleased to present the 38th Annual Report, with the statement of the audited accounts for the financial year ended on March 31, 2013.

FINANCIAL PERFORMANCE SUMMARY

The financial highlights of your Company as per the IGAAP (Indian Generally Accepted Accounting Principles) are summarised below:

₹ in Crore

Particulars	Standalone		Consolidated	
	Year ended March 31, 2013	**Year ended March 31, 2012**	**Year ended March 31, 2013**	**Year ended March 31, 2012**
Net Sales / Income from Operations	18,910.29	18,084.62	44,921.89	40,966.77
Profit from operations before other income, finance costs and exceptional items	552.80	780.94	8,437.10	8,033.51
Other Income	2,093.62	2,247.68	3,470.08	3,163.21
Finance costs	615.39	597.46	922.24	852.42
Exceptional items	100.00	423.32	117.53	472.64
Profit from Ordinary Activities before tax	1,931.03	2,007.84	10,867.41	9,871.66
Tax expense	353.76	350.36	1,618.39	2,110.55
Net Profit from Ordinary activities after tax	1,577.27	1,657.48	9,249.02	7,761.11
Paid up equity share capital (Face value of ₹1 each)	336.12	336.12	336.12	336.12
Reserves excluding revaluation reserves as per balance sheet	25,227.25	24,401.26	50,619.05	45,719.56
Earnings per share (₹)			18.03	14.36
Transferred to General Reserve	200.00	400.00	-	-
Interim Dividend	773.07	336.13	-	-
Transferred to Debenture Redemption Reserve	41.08	1.50	-	-
Proposed dividend on Equity shares (incl. Dividend distribution tax)	-	350.15	-	-

PERFORMANCE REVIEW

Standalone

During the year under review, your Company increased production, reduced Treatment Charges and Refining Charges (TC/RCs) and sulphuric acid realisation along with improved copper recovery and higher premium. However, these gains were partially offset by higher costs of production.

Your Company reported net revenue from operations of ₹ 18,910 Crore, an increase of 5% compared to 2011-12. The increase was primarily on account of an increase in copper sales from 3,20,518 tonnes to 3,50,471 tonnes.

TC/RC realisation during the year was 12.76 cents/lb, as compared to 14.56 cents/lb in the previous year due to low spot TC/RC in first half of financial year. Additionally, force majeure declared by Freeport and mining disruptions at Collahuasi, which are major sources for copper concentrate supplies, affected realisation on copper.

The earnings before interest, tax depreciation and amortisation (EBITDA) for the same period decreased 12% from ₹ 3,191 Crore to ₹ 2,809 Crore. Similarly, Net Profit decreased 5% from ₹ 1,657 Crore to ₹ 1,577 Crore. Production of cathodes at our Copper Smelter was 3,53,154 tonnes, up 8.4% on a year-on-year (y-o-y) basis. Copper rods volume also increased to 1,71,855 tonnes compared to 1,61,421 tonnes in the previous year. We also produced 10,60,519 tonnes sulphuric acid and 1,19,793 tonnes phosphoric acid during the year.

Your Company maintained its leadership position in domestic copper with record sales of 1,96,626 MT. We also exported 1,53,844 MT of copper cathode, which is higher, as compared to last year.

Due to high stock and lower demand of Phosphoric Acid, our sales volume remained muted at 1,19,171.15 tonnes compared to 1,51,726 tonnes in the previous year.

Projects

Your Company's first 80 MW unit of the captive power plant at Tuticorin was commissioned during the year and is currently operating at almost full capacity.

Your Company's Expansion Project at Tuticorin by putting up an additional 4 Lakh Tonnes Per Annum (LTPA) Copper Smelter could not progress as planned due to pending regulatory clearances. The Company has obtained the Environment Clearance from the Ministry of Environment & Forest (MoEF) in 2009. However, the Consent to Establish from the Tamil Nadu Pollution Control Board (TNPCB) is awaited. A Writ Petition was filed in 2009 in Madras High Court challenging the environment clearance.

Transfer to General Reserves

Out of the total profit of ₹ 1,577 Crore for the financial year, an amount of ₹ 200 Crore is proposed to be transferred to the General Reserve. The above transfer to general reserves is in compliance to the Companies (Transfer of Profits to Reserves) Rules, 1975.

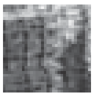
Consolidated

On a consolidated basis, your Company once again delivered robust financial results, largely driven by strong operational performance from a portfolio of world-class, low cost, long-life assets against the backdrop of a challenging economic environment.

Your Company's financial performance reflects volume growth across most businesses. We had record mined zinc and lead metal production during the year and registered increases in lead and silver volumes in Zinc India. Aluminium smelters operated above rated capacity and Power sales volumes also improved significantly although we were impacted by evacuation constraints. Copper cathode production at Sterlite Copper also increased substantially.

The global economic concerns and uncertainties drove down prices of all key commodities. In the commercial power sector, sale prices also weakened, although the impact of this was partly mitigated by the lower costs of power generation at Sterlite Energy.

Our net revenue increased 10% to ₹ 44,922 Crore. During the year we achieved an EBITDA of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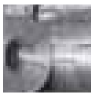
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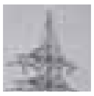
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₹ 10,574 Crore due to the ₹ 6,060 Crore profit earned which was 26% higher compared to the previous year.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the Management Discussion and Analysis is provided as a separate section in the annual report.

DIVIDEND

The Board of Directors of your Company at its meeting held on October 23, 2012 approved the payment of an Interim Dividend ₹ 1.10/- per share (i.e. 110%) on 336,12,07,534 equity shares of ₹ 1/- each. The Record Date determined for payment of dividend was October 30, 2012 and the dividend was paid on November 01, 2012. The Board of Directors at its meeting held on April 29, 2013 also recommended a payment of an Interim Dividend ₹ 1.20/- per share (i.e. 120%) on 336,12,07,534 equity shares of ₹ 1/- each. The Record Date determined for payment of dividend was May 10, 2013 and the dividend was paid on May 14, 2013. The Total Dividend for 2012-13 was ₹ 2.30 per share (i.e. 230%).

UPDATE ON ENVIRONMENTAL LITIGATION

Your Company filed a Special Leave Petition (SLP) in the Supreme Court of India challenging the Madras High Court order dated September 28, 2010, vide which the Tuticorin Copper Smelter Unit was ordered to be permanently closed. On April 2, 2013, the Honourable Supreme Court upheld our appeal filed in 2010 against the Madras High Court order for smelter closure and ordered us to deposit ₹ 1 billion (approx. $ 18 million) with the District Collector, Tuticorin, which will be used to improve the environment, including soil and water, in the vicinity of the plant.

CLOSURE BY TNPCB

Tamil Nadu Pollution Control Board (TNPCB) ordered the closure of the smelter on March 29, 2013 following a few public complaints of emissions. We filed an appeal with the National Green Tribunal (NGT) against the same. NGT, Chennai, in turn, transferred the matter to NGT Principal Bench at New Delhi. Your Company is confident of restarting the Tuticorin Unit and will continue to work closely with the Regulatory Authorities for continuous improvement in environmental parameters. Your Company's Tuticorin Unit has the best in class environment friendly technology. Your Company has recently invested more than ₹ 150 Crore on environment improvements projects as per the directions of Supreme Court and TNPCB.

CREDIT RATING

CRISIL Research certifies its ratings of your Company for the financial year. The treasury portfolio of fixed income investments has been consistently evaluated as 'Very Good' (highest safety from credit default on CRISIL's 4 point scale).

SCHEME OF MERGER

Scheme of Arrangement between the Company with Sesa Goa Limited

The proposed transaction has received the approval of the High Court of Bombay at Goa on April 3, 2013. The hearings at the High Court of Madras have been completed and the order is awaited. Following the receipt of Court Approvals, a record date will be announced to complete the transaction.

An appeal was filed against the Goa Bench order before the Division Bench. The appeal has been heard and the orders are reserved. Your Company is hopeful of completing the entire process in the current fiscal.

The merger of your Company along with other subsidiaries/ associate company with Sesa Goa Limited, proposed to be named as Sesa Sterlite Limited will create seventh largest resources Company in the world.

CORPORATE GOVERNANCE, CORPORATE SOCIAL RESPONSIBILITY & BUSINESS RESPONSIBILITY REPORTS

Your Company is committed to maintain the highest standards of Corporate Governance. A separate report on Corporate Governance, pursuant to Clause 49 of the Listing Agreement with the stock exchange(s), Auditors' Certificate on its compliance, and shareholders' information, forms a part of this annual report.

Sustainability

During the year, your Company incorporated the system of Vedanta sustainability framework into its existing integrated management system to enable efficient operations. We launched an e-Learning module, developed on the Vedanta Sustainability Framework, to instill awareness on the sustainability framework in our employees and its implementation aspects.

Environment

Your Company continues to be fully committed to environment and follows the best environment management practices in terms of best technology, processes, use of energy, water conservation, controlled emission and hazardous waste management. The Company has recently spent more than ₹ 150 Crores in Tuticorin Copper Smelter to further improve the environmental performance.

Corporate Social Responsibility (CSR) and Community Development

Your Company's CSR initiatives are aligned with the goals of United Nation's Millennium Development Goals and the principles of the Global Compact. True to our conviction that social responsibility begins at home, we pay maximum attention to the communities and villages surrounding our facilities. Currently, most of our activities are concentrated at around 72 villages in the rural and coastal areas of Tuticorin, Tamil Nadu, and which impact the lives of about 1.5 lakh people.

Our initiatives in education stem from the conviction that it is the responsibility of private companies to join hands with government and other institutions to contribute in improving the quality of education of girls in rural areas. Projects such as "Ilam Mottukal" or "Nanhi Kali" are being implemented in 72 Government Primary schools covering 5,035 girls.

Our commitment to the communities around us naturally extends to healthcare, which is an integral component of development. Several Rural Health Clinics are run in six villages. Your Company has improved the infrastructure in Government Hospitals by sponsoring bed materials.

Our CSR policy advocates women empowerment and helps improving their economic and social status through definite social and economic policies. These in turn leads to greater confidence and ultimately, development. With this in mind, the Sterlite Women Empowerment Project (SWEP) was initiated to empower rural and coastal women by partnering with four local NGO partners.

SIIL is implementing a coastal livelihood project with the objective of providing alternate employment opportunities for coastal youths. Around 160 youths were trained in eight identified trades and achieved 88% employability rate.

A major initiative undertaken by Sterlite was the development of a Model Village, based on the concept of a Child Friendly village. A total sanitation project was implemented in two model villages and household toilets are provided to all families in the village.

Around 76% of our employees participated in various CSR activities during the reporting year.

We incurred ₹ 78 Crore on CSR activities during the year.

A detailed sustainability report of your Company is given in a separate section in this annual report.

Business Responsibility Report

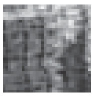
SEBI vide its circular CIR/CFD/DIL/8/2012 dated August 13, 2012 and Clause 55 of the Listing Agreement, mandated that top 100 listed companies based on market capitalisation at BSE and NSE, to include Business Responsibility Report (BRR) as part of the annual report. The BRR shall portray the initiatives taken by the Company on governance, social, environmental and economic responsibilities of business. The initiatives taken by the Company on environmental, social and governance aspects is mentioned in the BRR which forms part of this annual report.

SUBSIDIARY COMPANIES

As on March 31, 2013, the Company had 31 subsidiaries including indirect subsidiaries.

The Ministry of Corporate Affairs, vide its circular no.2/2011 dated February 8, 2011, had granted exemption to holding companies from attaching the financial statements of its subsidiaries to the Company's annual report. In accordance with the said circular, the Balance Sheet, the Profit & Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the annual accounts of the subsidiary companies to any member of the company who may be interested in obtaining the same. The Annual Accounts of the subsidiaries companies will also be kept for inspection by any shareholders at the registered office of the holding company and of the subsidiary companies concerned at the respective companies' registered offices. Further, the Annual Accounts of the subsidiaries are also available on the website of the Company www.sterlite-industries.com

The shareholders may refer to the statement under Section 212 of the Companies Act, 1956 and information on the financial statements of subsidiaries appended to the above Statement under Section 212 of the Companies Act, 1956 in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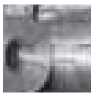
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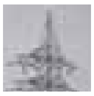
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this annual report for further information on these subsidiaries.

Members may write to the Company Secretary at Sterlite Industries (India) Limited, SIPCOT Industrial Complex, Madurai By-pass Road, TV Puram P.O, Tuticorin – 628 002, to obtain a copy of the financial statements of the subsidiary companies.

DIRECTORS

Mr. Sandeep Junnarkar and Mr. Gautam Doshi retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The brief profiles of Mr. Sandeep Junnarkar and Mr. Gautam Doshi are given in the chapter on Corporate Governance.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

A. Conservation of Energy, Research & Developments, Technology Absorption, Foreign Exchange Earnings and Outgo

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are set out as an annexure to the Directors' Report.

B. Particulars of Employees

Pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of employees are set out as an annexure to the Directors' Report. However, as per provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the report and the accounts are being sent to all the shareholders excluding the aforesaid information. Any shareholder desirous of obtaining such particulars may write to the Company Secretary at the registered office of the Company.

C. Directors' Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement it is hereby confirmed that:

a) In the preparation of the Annual Accounts for the year ended March 31, 2013, the applicable accounting standards have been followed and there is no material departures from the same;

b) The Directors have selected such accounting policies have been selected and they have consistently applied them and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013 and of the profit of the Company for the year ended on that date;

c) The Directors confirm have taken proper and sufficient care for maintenance of adequate accounting records have been taken in accordance with the provisions of this Act, for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the annual accounts of the Company on a 'going concern' basis.

AUDITORS & AUDITORS' REPORT

The statutory auditors of the Company, M/s. Chaturvedi & Shah, Chartered Accountants and M/s. Deloitte Haskins & Sells, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting. M/s. Chaturvedi & Shah and M/s. Deloitte Haskins & Sells, Chartered Accountants have confirmed their eligibility and willingness to accept office of Auditors. The Audit Committee and the Board of Directors therefore recommend M/s. Chaturvedi & Shah and M/s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors of the Company for 2013-14 for the approval of shareholders.

The Notes on Financial Statements referred to in the Auditors Reports are self-explanatory and do not call for any comments and explanation.

COST AUDITORS

As per the requirement of the Central Government and in pursuance of Section 233B of the Companies Act, 1956, your Directors have appointed M/s Ramnath Iyer & Company, Cost Accountants as cost auditors of the Company to carry out the audit of cost accounting records for 2012-13. The cost audit report will be filed the Central Government as per the timelines.

ADEQUACY OF INTERNAL CONTROLS

The Company, as part of Vedanta Group, has a strong internal control system in place. The internal control system of the Company is supported by the Management Assurances Services (MAS) function. Your Company has a documented Standard Operating System (SOPs) for procurement, project / expansion management, capex, human resources, sales and marketing, finance, treasury, compliance, Safety, Health and Environment (SHE) and manufacturing.

An annual audit plan is drawn in consultation with the MAS team as approved by the Audit Committee. The internal controls system and mechanism is reviewed periodically to make it robust, so as to meet the challenges of the business. The Company has a system of carrying out internal audit, covering monthly physical verification of inventory, monthly review of accounts and a quarterly review of all business processes. To enhance internal controls, the internal audit follows stringent grading mechanism, focusing on the implementation of all recommendations of internal auditors. The internal auditors make periodical presentations to the Audit Committee, who review the same and ensure strict compliance.

Our risk management framework acts as an effective tool in mitigating the various risks which our business are exposed in the course of their operations as well as in their strategic action. The risk management framework 'Turnbull Risk Matrix' is designed to help the organisation meet its objectives through alignment of the operating controls to the mission and vision of the Company. The Company also has a well-documented internal controls systems and disclosure control required for compliance to the Sarbanes Oxley Act of 2002.

DEPOSITORY SYSTEM AND LISTING OF SHARES

Details of the depository system and listing of shares are given in the section "Additional Shareholder Information", which forms a part of the Corporate Governance Report and is attached with the Annual Accounts.

REGISTRAR AND SHARE TRANSFER AGENT

M/s. Karvy Computershare Private Limited, Hyderabad, is the Registrar and Share Transfer Agent of the Company. Details of the depository system and listing of shares are given in the section "Additional Shareholder Information", which forms a part of the Corporate Governance Report and is attached with the Annual Accounts.

FIXED DEPOSITS

Your Company has not accepted / invited any fixed deposits from the public under section 58A of the Companies Act, 1956.

HUMAN RESOURCES

'SPEED SMART HUMBLE', the DNA of Sterlite is the core principle of every HR process, from recruitment to performance management. Recruitment which is the beginning of the HR cycle inducts talent into the organisation with a special focus on Women Empowerment and Geomix. The Learning and Development wing is responsible for grooming talent recruited and shaping them into future leaders. This is ensured through continuous internal and external training sessions bridging the gaps in technical and behavioral skill sets. Retention of employees, as the key measure to the effectiveness of HR functions, is ensured through a plethora of rewards and recognition schemes and employee engagement initiatives including the flagship Employee Connect programme. Your Company's HR practices won several awards apart from being branded the '4th Best Employer 2012-13' by World HRD Congress.

ACKNOWLEDGEMENTS

Your Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of the employee have enabled your Company to remain at the forefront of the industry. The Directors place on record, their sincere appreciation for significant contributions made by the employees through their dedication, hard work and commitment towards the success and growth of the Company.

The Directors also acknowledge the support and assistance extended to us by the Government of India, various state governments, and government departments, financial institutions, bankers, shareholders and investors at large, and look forward to having the same support in our endeavours.

For and on behalf of the Board of Directors,

Anil Agarwal
Chairman

Place: Mumbai
Dated: April 29, 2013

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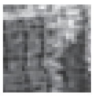

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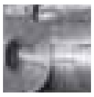

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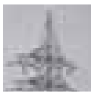


Annexure-A

STATEMENT CONTAINING PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR THAT ENDED 31 MARCH 2013.

(A) Conservation of energy:

a) **Conservation of natural resources continues to be the key focus area of your Company. Some of the important steps taken in this direction follow.**

i. Elimination of furnace oil consumption in super heater and Phosphoric acid plant by modifying steam turbine generator – resulting in savings of ₹ 47.5 Crore per annum

ii. Use of blowers in place of compressed air in ETP

iii. Conversion of HT to LT motors in slag granulation

iv. Replacement of FO with compressed air in ISA furnace - resulting in savings of ₹ 1.5 Crore per annum

b) **Additional investments and proposals, if any, being implemented for reduction of consumption of energy**

i. C.E improvement from 97% to 97.5% and liberator efficiency improvement from 70% to 77% in Tuticorin Refinery

ii. Bus bar bolt tightening in Tuticorin Refinery

c) **Impact of above measures in a) and b) for reduction of energy consumption and consequent impact of cost of production of goods.**

The efforts taken to conserve energy will not only bring down the cost of production significantly, but will also help us to preserve environment by reducing GHG emissions.

d) **Total energy consumption and energy consumption per unit of production.**

As per form A attached.

FORM 'A'

(B) Technology Absorption

Efforts made in technology absorption as per Form B annexed.

(C) Foreign Exchange Earnings and Outgo

a) **Activities relating to export, initiatives taken to increase export, development of new export markets for products and services, and export plan:**

The export volume for 2012-13 was 153,844 MT, a 30.18% increase from the previous year.

b) **Total Foreign Exchange used and earned:**

₹ in Crore

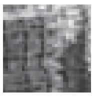
S.No.	Particulars	2013	2012
1)	Foreign Exchange Earnings	9,112.87	8,530.31
2)	Foreign Exchange Outgo		
	CIF Value of imports of Raw Material, Components & Spare parts	16,322.27	14,480.49
	Capital Goods	55.24	2.79
	Others	372.66	725.37

Form 'A'

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars	Unit	Year Ended March 31, 2013	Year Ended March 31, 2012
A. Power and Fuel Consumption			
Electricity			
Purchase Unit	MWH	411,770	4,79,702
Rate / Unit	₹	6.28	4.71
Own generation Unit*	MWH	48512	77,581
Cost / Unit	₹	9.76	7.09
Furnace Oil**			
Quantity	KL	27,267	28,116
Total Amount	₹ in Crore	104	103
Average Cost per litre	₹	38.10	36.50
Diesel			
Quantity	KL	216	240
Total Amount	₹ in Crore	0.93	1.05
Average Cost per litre	₹	42.99	43.96
L.P.G./LNG/PROPANE/IPA			
Quantity	MT	6,114	4195
Total Amount	₹ in Crore	39.72	20.90
Average Cost per litre	₹	64.97	49.82
NATURAL BRIQUTTE			
Quantity	MT	0	0
Total amount	₹ in Crore	0	0
Average cost per MT	₹	0	0
B Consumption per MT of Cathode			
Electricity	MWH	1.30	1.71
Furnace Oil	KL	0.08	0.09
Diesel	KL	0.00	0.00
L.P.G. / Propane / IPA	MT	0.02	0.01

* This includes the WHRB generation also.
** This includes the FO consumed in CPP also.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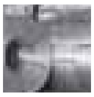
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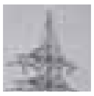
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Form 'B'

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

1.	Specific areas in which R & D carried out by the Company	Not Applicable
2.	Benefits as a result of R & D	Not Applicable
3.	Future plan of action	Not Applicable
4.	Expenditure on R & D	
	a. Capital	Not Applicable
	b. Recurring	
	c. Total	
	d. Total R & D expenditure as a percentage of total turnover	

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

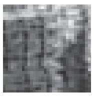
1	Efforts in brief made towards technology absorption, adaptation and innovation	As a part of process initiatives in Silvassa Automation of IPA addition in CCR process was completed Mineral based oil was replaced with synthetic oil in CCR Casting cooling water filtration system was installed in CCR
2	Benefits derived as a result of above efforts e.g., product improvement, cost reduction, product development, import substitution	The above-mentioned initiatives have resulted in a lower cost of production and better working environment
3	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), the following information may be furnished: a. Technology imported; b. Year of import; c. Has technology been fully absorbed	NIL
4	Barcode based SAP linked Unmanned Weighbridge Operation	Automation of weigh-scales for transfer of anode scarp inside the plant through SAP

For and on behalf of the Board of Directors,

Anil Agarwal
Chairman

Place: Mumbai
Dated: April 29, 2013

Excavator at Rampura Agucha Mine, HZL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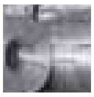
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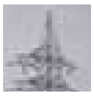
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Corporate Governance Report

Roaster at Dariba zinc smelter, HZL

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Sterlite Industries (India) Ltd. ('Sterlite' or 'the Company') believes that a high standard of corporate governance is the key to ensure business success. The Company believes in conducting its affairs in a fair and transparent manner, and maintaining the highest ethical standards in its dealings with all its constituents. Sterlite's mission is to constantly review its systems and procedures to achieve the highest level of corporate governance in the overall stakeholder interest.

The Company's Directors continue to be committed to the highest standards of corporate governance practices in their management of the Group's affairs and accountability to their shareholders. The Board believes that sound corporate governance is essential to achieve the Company's strategy to create a world-class metals and mining group and generate strong financial returns. The Directors are especially aware of the need for a strong corporate governance framework in the current climate. The requirement not only reflects the changing nature of the Group's businesses, but also the environment in which it operates. It has, therefore, adopted practices mandated in Clause 49 and established procedures and systems to be fully compliant with it.

MANAGEMENT'S PERSPECTIVE ON CORPORATE GOVERNANCE

The Company aims to achieve transparency, accountability and equity across all facets of operation and in all interactions with stakeholders. It also targets to fulfil the role of a responsible corporate representative committed to sound practices.

Sterlite adheres to good corporate practices, which constantly undergo changes and betterment. However, throughout the process, the Company keeps in mind its core goal — maximising stakeholder value. Adherence to the business ethics and commitment to Corporate Social Responsibility will help the Company achieve excellence. The Company believes that all its operations and actions must ultimately enhance overall benefits over a sustained period.

Sterlite believes that the Company's affairs shall be conducted by following the best practices and principles, irrespective of its relation to the customers, employees, stakeholders or the community. Its Corporate Governance structure is based on the following principles:

- Trusteeship: A transparent and independent Board with a balanced composition and size can provide effective leadership to the Company. The Board is the trustee for all stakeholders.
- Aim: Accountability, independence, effective internal surveillance, voluntary legal compliance and governing rules and procedures drive the Company's Corporate Governance.
- Entrepreneurship: The Company empowers the management and employees, especially women, to showcase strength, ownership, innovation and passion to excel and lead.
- Creating value: Sterlite undertakes efficient resource management to enhance enterprise value and return on investment.
- Concern and respect for people and environment: The Company works for the society and community.

The above principles are reflected in the Company's day-to-day initiatives and policies. The Board of Directors remains at the helm of affairs. They guide the Company by approving the broad framework and policies, the annual operation plans, budgets and expansion plans. The day-to-day management is performed by the Copper Management Committee (CMC) comprising the CEO, Sterlite Copper, Finance Heads, Business Heads, Head HR and Marketing. The CMC acts as the bridge between the Board and the Management.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports Sterlite's compliance with Clause 49 of the Listing Agreement with the Stock Exchanges.

THE BOARD OF DIRECTORS ('BOARD')

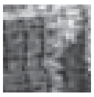
Composition of the Board

The Board reviews and approves the Company's strategic, operational and financial plans. It also guides corporate strategy, takes key strategic decisions, reviews the major plans of action, including decisions concerning the Company's capital, such as capital restructure, capital returns and security issue and buy backs, and so on. Besides, the plans of action also include risk policy, review and approval of annual budgets and business plans and monitor performance against corporate strategy.

The Company's Board comprises seven Directors. Mr. Anil Agarwal, Chairman (Non-Executive) and Mr. Navin Agarwal, Executive Vice-Chairman are the two promoter Directors and Mr. Din Dayal Jalan is the Whole-time Director. In addition, there are four Non-Executive Independent Directors, viz., Mr. Gautam Doshi, Mr. A. R. Narayanaswamy, Mr. Sandeep Junnarkar and Mr. Berjis Desai. All the Independent Directors meet the independence criteria as required under Clause 49 of the Listing Agreement. Table 1 gives the composition of the Company's Board of Directors with the details of the number of meetings attended by them and their Directorship and membership in other companies.

Number of Board Meetings

In 2012-13, the Company's Board met nine (9) times, on April 25, 2012, May 21, 2012, June 8, 2012, July 26, 2012, October 11, 2012, October 23, 2012, December 14, 2012, January 29, 2013 and March 26, 2013 The maximum gap between any two Board Meetings was less than four months. Table 1 gives the details of the Directors' Attendance Record and their Directorships/ Committee memberships in other Companies.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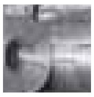
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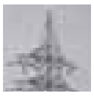
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Table 1: Composition of the Board of Directors

Name of the Directors	Category	Relationship with other Directors	Attendance particulars			No. of other Directorships and Committee Membership / Chairmanships in other Indian Public Companies		
			Number of Board Meetings		Last AGM	Other Directorships [1]	Committee Memberships [2]	Committee Chairmanships [2]
			Held	Attended				
Mr. Anil Agarwal (Chairman)	Promoter, Non-executive	Brother of Mr. Navin Agarwal	9	1	No	1	-	-
Mr. Navin Agarwal (Executive Vice-Chairman)	Promoter, Executive	Brother of Mr. Anil Agarwal	9	8	No	6	2	-
Mr. Sandeep Junnarkar	Independent – Non-Executive	None	9	9	No	8	3	-
Mr. A.R. Narayanaswamy	Independent – Non-executive	None	9	9	No	2	4	3
Mr. Gautam Doshi	Independent – Non-executive	None	9	9	Yes	9	7	3
Mr. Berjis Desai	Independent – Non-executive	None	9	1	No	9	7	1
Mr. Din Dayal Jalan[3] (Whole-time Director)	Executive	None	9	9	Yes	4	1	1

Notes:

1. The directorships held by Directors as mentioned above do not include alternate directorships and directorships of foreign companies, Section 25 companies and private limited companies.
2. In accordance with Clause 49 of the Listing Agreement, Memberships / Chairmanships of only the Audit Committees and Shareholders' / Investors' Grievance Committees of all public limited companies have been considered.
3. Mr. Din Dayal Jalan was re-appointed as a Whole-time Director from December 24, 2012 to September 30, 2014 at the Company's Board Meeting held on January 23, 2013, which is subject to approval by the Shareholders at the Company's ensuing Annual General Meeting.
4. Committee Chairmanship includes membership of the Committee and hence, the same is not included in the Committee Membership.

As detailed in the table above, none of the Directors are members of more than 10 Board-level Committees of public companies in which they are Directors, nor is a Chairman of more than five such Committees.

Directors with Material Pecuniary or Business Relationships with the Company

As mandated by Clause 49, the Independent Directors on Sterlite's Board:

a) Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management, its holding Company or its subsidiaries and associates, which may affect the independence of the Director

b) Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board

c) Have not been the Company's executive in the immediately preceding three financial years

d) Are not partners or executives or were not partners or executives during the preceding three years of the:

   (i) Statutory audit firm or the internal audit firm that is associated with the Company

(ii) Legal firm(s) and consulting firm(s) that have a material association with the Company

e) Are not the Company's material suppliers, service providers or customers or lessors or lessees, which may affect the Director's independence

f) Are not the Company's substantial shareholders, i.e. do not own 2% or more of the block of voting shares

g) Are not less than 21 years of age

Transactions with related parties are disclosed in Note no.44 forming a part of the financial statements for the year. There has been no materially relevant pecuniary transaction or relationship between the Company and its non-executive and / or independent Directors during 2012-13.

Information presented to the Board

Among other matters, information presented to the Board includes:

i. Annual operating plans and budgets and any update thereof

ii. Capital budgets and any updates thereof

iii. Annual Accounts, Half-yearly and Quarterly results for the Company and operating divisions and business segments

iv. Updates on all projects, formation of new special purposes vehicles and any new business being undertaken

v. Minutes of the meetings of the Audit Committee and other Committees of the Board

vi. Information on recruitment and remuneration of senior officers just below the level of the Board, including the appointment or removal of Chief Financial Officer and Company Secretary

vii. Materially important show cause, demand, prosecution notices and penalty notices

viii. Significant regulatory matters and matters concerning Indian Regulatory Authorities

ix. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems

x. Any material default in financial obligations to and by the Company, or substantial non-payment for the goods sold by the Company

xi. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company

xii. Details of any joint venture or collaboration agreement

xiii. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property

xiv. Significant labour problems and their proposed solutions; any significant development on the human resources/ industrial relations front, like signing of wage agreement, implementation of voluntary retirement scheme and so on

xv. Sale of material nature of investments, subsidiaries or assets, which is not in the normal course of business

xvi. Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material

xvii. Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer, and so on

xviii. Statement of significant transactions and arrangements entered by unlisted subsidiary Companies

xix. Declaration of Dividend

xx. General notices of interest of Directors

xxi. Contracts in which Directors are interested

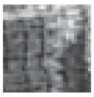
xxii. Internal audit findings (through the Audit Committee)

xxiii. Minutes, financial statements, significant investments and other significant transactions and arrangements, if any, of the subsidiary companies

Sterlite's Board is presented with detailed notes, along with the agenda papers. The Board periodically reviews the compliance status of all laws applicable to the Company, as certified by all the departmental heads as well as steps undertaken to rectify instances of non-compliances. The Board also reviews the minutes of the meetings of the Boards of all unlisted subsidiaries.

Orientation and training programme

The Company follows a system of 'Orientation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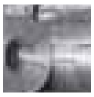
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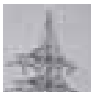
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Programme' for any new Director who joins the Company's Board. The concerned Director is taken through an orientation process, which includes plant visits and detailed presentation of the process and business of the Company, meeting with unit level and Senior Management team. The information / details about the Company from its date of incorporation, its growth, corporate actions, corporate acquisitions and plant visits to understand better the operational activities are presented to the newly inducted Board members.

Code of business ethics and conduct

The Company has a well defined and approved 'Code of Business Ethics and Conduct' ('Code of Conduct' / 'CoC') applicable to all Board members, Senior Management and employees of the Company, which also includes the applicable provisions of the U.K. Bribery Act, 2010. The CoC is available on the Company's website (www.sterlite-industries.com). All Board members and Senior Management personnel have affirmed compliance with the Code. The Chief Executive Officer (CEO) and the Whole-time Director and Chief Financial Officer (CFO) has also confirmed and certified the same (certification is enclosed at the end of this report). As an issuer of securities in the United States, the Company is subject to the US Foreign Corrupt Practices Act (FCPA) Other countries where we do business have their own anti-corruption laws. Accordingly, the Company, its subsidiaries and affiliates and all officials that act on behalf of the Company, its subsidiaries and affiliates comply fully with the FCPA and all applicable anti-corruption laws, in doing business anywhere in the world.

Risk management

The Company has adopted the Turnbull Risk Matrix framework for risk management. The matrix identifies all the major risks on standalone basis that are applicable to the copper business. All the respective operating subsidiaries have their own risk management frameworks, which are reviewed by their respective Board. During the year, the updated risk matrix was presented to the Audit Committee and Board Members on the enterprise-wide risk management. The Company takes a very structured approach to the identification and quantification of each risk and has a comprehensive risk management framework. Risks are identified through a formal risk management programme with the active involvement of business managers and senior management, both at the entity and the corporate levels. The Company maintains a risk register and matrix, which are regularly reviewed. The overall risk management programme is reviewed by the audit committee on behalf of the Board. For further information of the Company's risk management framework and policy, please refer to the details stated in the Management discussion and Analysis.

Related party transactions

All the related party transactions are strictly done on an arm's length basis. The Company presents a detailed statement of all related party transactions before the Audit Committee on a quarterly basis, specifying the nature, value, and terms and conditions of the transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company as utmost priority.

Attention of the Members is drawn to the disclosures of transactions with the related parties set out in Notes to Accounts forming a part of the Annual Report.

Statutory compliance, penalties and strictures

The Company has complied with the requirements of the Stock Exchanges / SEBI and Statutory Authority on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by these authorities in the last three years.

Whistle blower Policy

As part of the Code of Conduct, the Company has a Whistle blower Policy, where any instance of non-adherence to the Policy or any observed unethical behaviour is to be brought to the attention of the Head of Management Assurance Services. During the year, the concerns reported under this mechanism have been scrutinised and appropriate actions undertaken. It is also confirmed that no personnel has been denied access to the Audit Committee.

Shares and Convertible Instruments Held by Non-executive Directors

Table 2: Details of the shares and convertible instruments held by the Non-executive Directors, as on March 31, 2013

Name of the Director	Category	Number of shares held	Number of convertible instruments held
Mr. Anil Agarwal	Promoter	Nil	Nil
Mr. Sandeep Junnarkar	Independent	72,000	Nil
Mr. Gautam Doshi	Independent	Nil	Nil
Mr. Berjis Desai	Independent	Nil	Nil
Mr. A. R. Narayanaswamy	Independent	Nil	Nil

COMMITTEES OF THE BOARD

The Board Committees focus on specific area and make informed / appropriate decisions within the authority delegated to each Committee guided by its charter, which defines the composition, scope, responsibilities and powers of the Committee. The Committee also makes specific recommendations to the Board on various matters from time to time. All observations, recommendations and decisions are placed before the Board for information and their approval / consent.

Audit Committee

The Audit Committee entirely comprises of the Independent Directors. As on March 31, 2013, Sterlite's Audit Committee consisted of Mr. Gautam Doshi, Chairman and Mr. A. R. Narayanaswamy, Vice Chairman. It also comprises of Mr. Sandeep Junnarkar and Mr. Berjis Desai. Mr. Gautam Doshi and Mr. A.R. Narayanswamy are the financial experts in the Audit Committee. All members of the Committee have accounting and financial management knowledge and expertise.

The Committee met six (6) times during the course of the year, on April 24, 2012, May 21, 2012, July 26, 2012, October 23, 2012, December 24, 2012 and January 29, 2013. Table 3 gives attendance record of the Directors.

Table 3: Attendance record of the Audit Committee for 2012-13

Name of the Members	Category	Status	No. of Meetings Held	No. of Meetings Attended
Mr. Gautam Doshi	Independent	Chairman	6	6
Mr. A. R. Narayanaswamy	Independent	Vice Chairman	6	6
Mr. Sandeep Junnarkar	Independent	Member	6	6
Mr. Berjis Desai	Independent	Member	6	1

The Chief Executive Officer (CEO), the Whole-time Director and Chief Financial Officer (CFO), Group Director Finance, Director-Management Assurance & IT, CEO-Copper Business, representatives of the Statutory Auditors and Internal Auditors and other officers of the Finance function are regularly invited by the Audit Committee to its meetings. The Company Secretary is the Secretary to the Committee.

The functions of the Company's Audit Committee include:

1. Oversight of the Company's financial reporting process and the disclosure of its relevant information to ensure that the financial statement is correct, sufficient and credible
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
   a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
   b) Changes, if any, in accounting policies and practices and reasons for the same
   c) Major accounting entries involving estimates based on the exercise of judgment by management
   d) Significant adjustments made in the financial statements arising out of the audit findings

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e) Compliance with listing and other legal requirements relating to financial statements

f) Disclosure of any related party transactions.

g) Qualifications in the draft audit report

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval

6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems of the Company

6.A. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, and so on), the statement of funds utilised for the purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter

7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit

8. Discussion with internal auditors any significant findings and follow up thereon

9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board

10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern

11. Review of independence of auditors

12. Reviewing the implementation of applicable provisions of the Sarbanes-Oxley Act, 2002

13. Recommendation and appointment of the cost auditors

14. Reviewing the Company's risk management policies and functioning of the Whistle blower Mechanism

15. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors

16. Approval of appointment of Chief Financial Officer (CFO) (i.e. the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the candidate's qualifications, experience and background, and others

17. Reviewing any changes in the accounting policies or practices, as compared to the last completed financial year, and commenting on any deviation from the Accounting Standards

18. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

The Audit Committee is empowered, pursuant to its terms of reference to:

a) Investigate any activity within its terms of reference and to seek any information it requires from any employee

b) Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management Discussion and Analysis of financial condition and results of operations
- Statement of significant related party transactions (as defined by the Audit Committee) submitted by the management
- Management letters/letters of internal control weaknesses issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses

The Company's Audit Committee reviews the financial statements of the subsidiary companies, during the year. It also reviewed the investments made by the subsidiary companies, minutes of the Board meeting of those companies and statement of all significant transactions and arrangements entered into by the subsidiary companies. No Indian subsidiary of the Company falls under the term material non-listed Indian subsidiary as defined under Clause 49 of the Listing Agreement.

The Audit Committee is also appraised on information with regard to related party transactions by being presented with:

- A statement in summary form of transactions with related parties in the ordinary course of business
- Details of material individual transactions with related parties, which are not in the normal course of business
- Details of material individual transactions with related parties or others, which are not on an arm's length basis, along with the management's justification for the same

Shareholders' / Investors' Grievances Redressal Committee

The Shareholders' Grievance Redressal Committee of the Company reviews matters related to Grievances of the shareholders and investors. The Committee primarily focuses on review of investor complaints and its redressal, queries received from investors regarding the transfer of shares, issue of share certificates, non-receipt of Annual Report, non-receipt of declared dividends and so on and reviews the Report presented by the Company's Share Transfer Agent. The Committee comprises three members: Mr. Sandeep Junnarkar, who is the Chairman, Mr. Berjis Desai, Independent Director and Mr. D. D. Jalan, Whole-time Director are the other members. The Committee met four (4) times during the year under review, on April 24, 2012, July 26, 2012, October 23, 2012 and January 29, 2013. Table 4 gives the details of attendance.

Table 4: Attendance record of the Shareholders' / Investors' Grievances Redressal Committee for 2012-13

Name of Members	Category	Status	No. of Meetings	
Mr. Sandeep Junnarkar	Independent	Chairman	4	4
Mr. Berjis Desai	Independent	Member	4	1
Mr. D. D. Jalan	Executive	Member	4	4

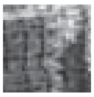
Nominations Governance and Remuneration Committee

The Company's Nominations Governance and Remuneration Committee is responsible for recommending the fixation and periodic revision of remunerations (including commissions and/or incentives, and so on) of Whole-time Directors / Executive Directors. This is done after reviewing their performance based on pre-determined evaluation parameters and the Company policy of rewarding achievements and performance. The Committee is also responsible for fixation and revision in remuneration of Managers appointed by the Company's Wholly Owned Subsidiaries under the Companies Act, 1956, pursuant to amendment in Schedule XIII of the said Act issued by the Ministry of Corporate Affairs vide notification dated July 14, 2011.

Payment of remuneration to the Executive Vice-Chairman, Managing Director and Whole-Time Director is governed by the respective agreements executed between them and the Company and are governed by the Board and shareholders' resolutions. The remuneration structure comprises the salary, commission linked to profits, perquisites and allowances for long-term incentive plan / ESOP's of Vedanta Resources plc. and retirement benefits (pension, superannuation and gratuity). Table 5 details the Remuneration Committee's composition and attendance records.

Table 5: Attendance record of the Remuneration Committee for 2012-13

Name of the Members	Category	Status	No. of Meetings	
			Held	Attended
Mr. Berjis Desai	Independent	Chairman	3	1
Mr. Gautam Doshi	Independent	Member	3	3
Mr. A. R. Narayanaswamy	Independent	Member	3	3
Mr. Anil Agarwal	Promoter, Non-Executive	Member	3	-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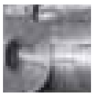
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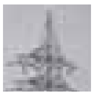
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Remuneration to Directors

Information on remuneration to Directors including Commission to Non - Executive Directors during the year ended March 31, 2013 is set forth in Table 6 below.

Table 6: Remuneration paid or payable to Directors for the year ended March 31, 2013 and relationships with each other

Name of the Director	Relationship with other Directors[1]	Sitting Fees [2]	Salary and Perquisites	Provident and Superannuation Funds	Commission to Non-Executive Directors / performance incentive for the Executive Directors[3]	Total (in ₹)	No. of Stock-holding options of the Holding Company [4]
Mr. Anil Agarwal	Brother of Mr. Navin Agarwal	NA	-	-	-	-	-
Mr. Navin Agarwal [5]	Brother of Mr. Anil Agarwal	NA	10,98,32,612	1,02,38,724	2,87,50,000	14,88,21,336	1,82,500
Mr. A. R. Narayanaswamy	None	2,70,000	-	-	15,00,000	17,70,000	-
Mr. Sandeep Junnarkar[6]	None	2,80,000	-	-	15,00,000	17,80,000	-
Mr. Gautam Doshi	None	2,70,000	-	-	15,00,000	17,70,000	-
Mr. Berjis Desai	None	50,000	-	-	15,00,000	15,50,000	-
Mr. D. D. Jalan [7]	None	0	3,22,14,313	22,81,609	70,00,000	4,14,95,922	52,500

Notes:

1. Relationship determined on the basis of criteria of Section 6 of the Companies Act, 1956.
2. Sitting fees are paid for Board level Committees like Audit Committee, Investors Grievance Committee and Remuneration Committee.
3. Commission to Non-Executive Independent Directors is payable for the financial year ended March 31, 2013. With respect to the Executive Directors (Mr. Navin Agarwal and Mr. D.D. Jalan), a performance-based incentive payment was made. The payment is based on both operational and financial performance of the Company.
4. The Company's parent / ultimate holding Company, Vedanta Resources Plc. has granted its stock options to Company's Executive Directors. The fair value for the year in relation to option granted to Mr. Navin Agarwal is ₹ 3,52,60,731 and Mr. D. D. Jalan is ₹ 96,20,215. The options have a vesting period of three years from the date of grant of options.
5. Mr. Navin Agarwal's service contract has been extended for a further period of 5 (five) years from August 1, 2008 to July 31, 2013.
6. The Company has not made any payments to M/s Junnarkar & Associates and M/s J. Sagar and Associates, in which Mr. Sandeep Junnarkar and Mr. Berjis Desai respectively, are partners.
7. Mr. D. D. Jalan was re-appointed as a Whole-time Director and service contract executed from December 24, 2012 to September 30, 2014.
8. Information relating to the Remuneration paid or payable to the director does not include payment for gratuity which provided for employees on an overall basis.

Share / Debenture Transfer Committee

The Board of Directors have delegated the power to approve share / debenture transfers, transmission and consider split / consolidation requests to the Share / Debenture Transfer Committee. The Company's Share / Debenture Transfer Committee comprises of Mr. P. Ramnath, CEO, Sterlite Copper, Mr. Sridhar Narasimhan, Vice President-Finance and Mr. Rajiv Choubey, Company Secretary and Head Legal. The Share / Debenture Transfer Committee met 23 (twenty three) times during the year.

Finance Standing Committee

The Finance Standing Committee comprises Directors and Officials of the Company, namely Mr. Navin Agarwal, Executive Vice-Chairman, Mr. D. D. Jalan, Whole-time Director & Chief Financial Officer, Mr. M. S. Mehta, CEO, Mr. Tarun Jain, Group Director Finance and Mr. P. Ramnath, CEO, Sterlite Copper. The Charter of the Committee authorises on behalf of the Company, opening and operations of bank accounts of the Company, any changes in authorised signatories for banking operations, delegation of powers for day to day indirect tax and direct tax matters, authorisation to specific employees for certain contractual obligations and such other delegations as may be required. The Committee met once during the year and other items were approved by circulation.

SUBSIDIARY COMPANIES

Clause 49 defines a 'material non-listed Indian subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

As on March 31, 2013, the Company has no such material non-listed subsidiaries.

MANAGEMENT

Disclosures by Management to the Board

All disclosures relating to financial and commercial transactions where directors may have a potential interest are provided to the Board, and the interested Directors do not participate in the discussion nor do they vote on such matters.

Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines of accounting standards referred to in Section 211(3C) of the Companies Act, 1956 together with early adoption of Accounting Standard (AS)-30 on 'Financial Instruments: Recognition and Measurement' effective April 1, 2007 and the consequential limited revisions as has been announced by the Institute of Chartered Accountants of India.

Code of Prevention of Insider Trading Practices

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its directors, management and officers. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of company, and cautioning them of the consequences of violations. The code clearly specifies, among other matters, that the Directors and specified employees of the Company can trade in the shares of the Company only during 'Trading Window Open Period'. The trading window is closed during the time of declaration of results, dividend and material events, etc. as per the Code. A yearly disclosure of shareholding is taken from all the directors and Designated Employees of the Company.

The Company Secretary is the Compliance Officer.

CEO / CFO CERTIFICATION

The CEO and CFO certification of the financial statements for the year is enclosed at the end of the report.

CORPORATE GOVERNANCE VOLUNTARY GUIDELINES 2009

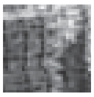
The Ministry of Corporate Affairs introduced a set of voluntary guidelines called "Corporate Governance – Voluntary Guidelines 2009" for a good corporate governance practices to enhance companies' value and stakeholders trust. The Company's polices, practices, guidelines, Charters adopt most of the elements of the Corporate Governance Voluntary Guidelines 2009.

SHAREHOLDERS

Appointment / Re-appointment of Directors

Mr. Gautam Doshi

Mr. Doshi is an Independent Non-Executive Director and was appointed to our Board of Directors in December 2001 and is the Chairman of our Audit Committee. Mr. Doshi is a Chartered Accountant and has more than 29 years of experience in the areas of audit, finance and accounting. Mr. Doshi holds Bachelor of Commerce and Master of Commerce degrees from the University of Mumbai and is a Fellow Member of the Institute of Chartered Accountants of India.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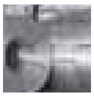
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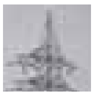
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Directorship

Public Companies

Piramal Life Sciences Limited	- Chairman of Audit committee and member of Remuneration Committee
Reliance Anil Dhirubhai Ambani Group Limited	
Reliance Big TV Limited	- Member Audit & Remuneration Committee
Reliance Broadcast Network Limited	
Reliance Communications Infrastructure Limited	- Member Audit & Remuneration Committee
Reliance Home Finance Limited	- Member Audit & Remuneration Committee
Reliance Media Works Limited	- Members Audit & Remuneration Committee - Chairman – Investor Grievance Committee
Reliance Telecom Limited	- Member Audit & Remuneration Committee
REL Utility Engineers Limited	- Chairman Audit Committee
(formerly Sonata Investments Limited)	

Private / Section 25 Company

Telecom Infrastructure Finance Private Limited

Connect Infotain Private Limited

Digital Bridge Foundation (Section 25 Company)

Mr. Sandeep Junnarkar

Sandeep Junnarkar is an Independent Non-Executive Director and was appointed to our Board of Directors in June 2001. Mr. Junnarkar is a solicitor and a partner of Messrs. Junnarkar & Associates. Prior to that, he was a partner at Messrs Kanga & Co. from 1981 until 2002. He enrolled as an Advocate in April 1976 and has over 30 years of experience as a practicing lawyer. Mr. Junnarkar specialises in banking and corporate law and regularly consults on all aspects of exchange control under the Foreign Exchange Management Act (FEMA) and the Securities Contracts (Regulation) Act (SCRA). Mr. Junnarkar has a Bachelor of Laws degree from the University of Mumbai and is a member of the Bombay Incorporated Law Society.

Directorship

Public Companies

Everest Industries Limited	- Member Audit and Remuneration Committee
Excel Crop Care Limited	- Member Remuneration Committee
IL&FS Infrastructure	
Development Corporation Limited	- Member Remuneration Committee
Jai Corp. Limited	
Jai Realty Ventures Limited	
Reliance Industrial	
Infrastructure Limited Committee	- Member Audit, Investors and Remuneration
Reliance Industrial	
Investments & Holdings Limited	
Reliance Ports and Terminals Limited	

Communication to Shareholders

Sterlite Industries (India) Ltd. puts forth key information about the Company and its performance, including quarterly results, official news releases, and presentations to analysts, on its website www.sterlite-industries.com regularly for the benefit / information of the public at large.

During the year, the quarterly results of the Company's performance have been published in leading newspapers such as The Economic Times in English and in one of the local Tamil dailies, i.e. in the vernacular. Hence, they are not separately sent to individual shareholders. Sterlite, however, furnishes the quarterly and half-yearly results on receipt of a request from any shareholder.

Green Initiative

In order to support the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, the Company sent Annual Reports, Quarterly Financial Results, Intimation for dividend payment, Abstract under Section 302 of the Companies Act, 1956, by email to those shareholders whose email ids are registered with the Company. In case the investor submits a request for providing a hard copy, it is provided separately.

Investor Grievances and Shareholder Redressal

The Company has appointed, M/s. Karvy Computershare Private Limited, as its Registrar and Share Transfer Agent, who are fully-equipped to carry out share transfer activities and redress investor complaints. Company Secretary is the Compliance Officer for redressal of all shareholders' grievances.

Disclosure on Materially Financial and Commercial Transactions with Senior Management

Disclosures on materially significant related party transactions include transactions of the Company of material nature, with its Promoters, the Directors or the management, their relatives, or subsidiaries, etc. that may have potential conflict with the interests of the Company at large.

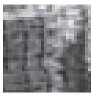
None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosures of transactions with related parties as set out in Notes to Financials, specifically, Note 44, forming a part of the annual report.

General Body Meetings

Date, time and venue for the last three annual general meetings are given in Table 7 below.

Table 7: Details of last three Annual General Meetings

Financial year	Meeting	Date	Time	Venue	Special Resolutions Passed
2009-10	AGM	June 11, 2010	12.30 p.m.	Tamira Club, Tamira Niketan, SIPCOT Industrial Complex, Madurai Bye-pass Road, T.V. Puram P.O. Tuticorin 628002, Tamil Nadu	None
2010-11	AGM	July 23, 2011	12.30 p.m.	Tamira Club, Tamira Niketan, SIPCOT Industrial Complex, Madurai Bye-pass Road, T.V. Puram P.O. Tuticorin 628002, Tamil Nadu	Amend the end use of funds of the Rights Issue of Equity Shares pursuant to the Letter of Offer dated July 28, 2004
2011-12	AGM	July 14, 2012	12.00 p.m.	Tamira Club, Tamira Niketan, SIPCOT Industrial Complex, Madurai Bye-pass Road, T.V. Puram P.O. Tuticorin 628002, Tamil Nadu	Amend the Objects clause of the MOA of the Company to include production of sulphuric acid , phosphoric acid and all other types of acid fertilisers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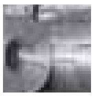
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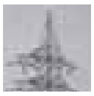
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Postal Ballot

No resolution was passed during the financial year through Postal Ballot.

No resolution is proposed to be passed through postal ballot.

Compliance

Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of Clause 49.

Non-Mandatory Requirements

The details of compliance of the non-mandatory requirements are listed below.

1. **Chairman's Office**

   The Company's Chairman is a Non-Executive Director and maintains the Chairman's office at the Company's expenses.

2. **Remuneration Committee**

   Details of the composition and function of the Remuneration Committee are given in the section 'Committees of the Board'.

3. **Shareholder Rights – furnishing of half-yearly results**

   Details of the shareholder's rights in this regard are given in the section 'Communication to Shareholders'. The Company sends its quarterly financial results and press releases to the registered e-mail addresses of the shareholders. The quarterly results are published in our website and in widely circulated newspapers.

4. **Audit Qualifications**

   During the current financial year, there are no audit qualifications in the financial statements. The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements.

5. **Training of Board Members**

   The details have been provided in a separate section in the Report.

6. **Mechanism for Evaluating Non-Executive Board Members**

   The Company proposes to adopt a mechanism based on the criteria of contribution, guidance, attendance and role played towards Company's performance for evaluating individual performance of Independent Directors.

7. **Whistle-blower Policy**

   The Company has a Whistle-blower Policy.

8. **Auditor's Certificate on Corporate Governance**

   The Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of corporate governance, as mandated in Clause 49. The certificate is annexed to this report.

Additional Shareholder's Information

In June 2007 and July 2009, the Company issued 150,000,000 and 131,906,011 American Depository Shares (ADS), which are listed and traded in the New York Stock Exchange (NYSE) of which 112,278,300 were outstanding as on March 31, 2013. In the event of stock split of face value from ₹ 2 to ₹ 1 each and Bonus in the ratio of 1:1 during 2010-11, every four (4) equity shares represent one (1) ADR as on March 31, 2013. As of the year end there were 13 registered holders of the ADS's. Citibank N.A., New York acts as the Depository for the ADS / ADR issued by the Company.

Annual General Meeting

Date: Saturday, September 28, 2013*

Time: 12.00 p.m.

Venue: Tamira Niketan
SIPCOT Industrial Complex
Madurai Bye pass Road, T. V. Puram P.O.
Tuticorin 628 002, Tamil Nadu

*Note: Subject to the Scheme of Amalgamation and Arrangement with Sesa Goa Limited

Financial Calendar

01 April to 31 March.

The tentative financial calendar for the year ending	March 31, 2014 is given below.
Board Meetings for considering the quarterly results for the first three quarters for the financial year ending March 31, 2014	Within 45 days from the end of each quarter
Board Meeting for considering audited results for the last quarter and for the financial year ending March 31, 2014	Within 60 days from the end of the financial year

*Book Closure

The books will be closed from Wednesday, September 25, 2013 to Saturday, September 28, 2013 (both days inclusive) as annual closure for the Annual General Meeting.

*Subject to the Scheme of Amalgamation and Arrangement with Sesa Goa Limited

Dividend Date

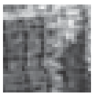
The Board of Directors in their meeting held on October 23, 2012 had declared payment of First Interim Dividend @ ₹ 1.10 per equity shares (i.e. 110%) on face value of ₹ 1 per share for 2012-13. The Company fixed Tuesday, October 30, 2012 as a Record Date which was paid on November 1, 2012. The Board has approved and declared a second Interim Dividend of ₹ 1.20 per share in its meeting held on April 29, 2013 taking the total dividend to ₹ 2.30 per equity share for 2012-13.

Table 8: Dividend History for past ten years:

Year of Dividend	Face Value	Dividend warrant dated	Percentage of dividend (%)	Paid per Share (in ₹)	Dividend Amount (₹ in Crore)
2002-03	₹ 5	29.09.2003	110.0	5.50	19.76
2003-04	₹ 5	01.10.2004	60.0	3.00	21.54
2004-05	₹ 5	08.09.2005	60.0	3.00	32.93
2005-06	₹ 2	25.09.2006	62.5	1.25	69.84
2006-07	₹ 2	11.12.2006	200.0	4.00	223.40
2007-08	₹ 2	26.08.2008	200.0	4.00	283.40
2008-09	₹ 2	24.09.2009	175.0	3.50	247.97
2009-10	₹ 2	16.06.2010	187.5	3.75	315.15
2010-11	₹ 1	27.07.2011	110.0	1.10	369.73
2011-12 (Interim)	₹ 1	03.11.2011	100.0	1.00	336.12
2011-12 (Final	₹ 1	16.07.2012	100.0	1.00	336.12
2012-13 (First Interim)	₹ 1	01.11.2012	110.0	1.10	369.73
2012-13 (Second Interim)	₹ 1	14.05.2013	120.0	1.20	403.34

Listing of Equity Shares & American Depository Shares on Exchanges along with the Stock Codes

Stock Exchanges	Code	
For Equity Shares Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 001	500900	
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex Bandra (East), Mumbai – 400 051	STER	
For ADRs	**Code**	**CUSIIP**
New York Stock Exchange 20 Broad Street New York, NY 100005 United States of America	SLT	859737207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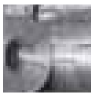
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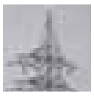
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The following Secured Redeemable Non-Convertible Debentures (NCDs) are listed with the Bombay Stock Exchange and ISIN number with National Securities Depositories Limited

Sr. no.	Description	Date of allotment	No. of NCDs	Face value	ISIN no
1	9.40% Private Placement of Secured Redeemable Non-Convertible Debentures	October 25, 2012	5,000	₹ 10 lacs each	INE268A07103
2	9.40% Private Placement of Secured Redeemable Non-Convertible Debentures	November 27, 2012	5,000	₹ 10 lacs each	INE268A07111
3	9.24% Private Placement of Secured Redeemable Non-Convertible Debentures	December 6, 2012	5,000	₹ 10 lacs each	INE268A07129
4	9.24% Private Placement of Secured Redeemable Non-Convertible Debentures	December 20, 2012	5,000	₹ 10 lacs each	INE268A07137

The ISIN number (or demat number) for Equity Shares of the Company on both the depositories, i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL), is **INE268A01049**

Debenture Trustees:

Axis Trustee Services Limited
2nd Floor, Wadia International Centre,
Pandurang Budhkar Marg
Worli, Mumbai – 400 025

All listing and custodial fees to the Stock Exchange and Depositories have been paid to the respective institutions.

Unclaimed Shares

Pursuant to the SEBI Circular and Clause 5A of the Listing Agreement regarding the procedure to be adopted for unclaimed shares issued in physical form in public issue or otherwise, the Company sent three reminders at the registered address of the shareholders of the Company.

The Company opened a separate demat account in the title of 'Sterlite Industries (India) Limited – Unclaimed Suspense Account with M/s Karvy Stock Broking Limited and credited 24,53,016 equity shares of ₹ 1 each.

As per Clause 5A of the Listing Agreement, the below details are required to be provided in the Annual Report.

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;	Nil	Nil
Number of shareholders who approached issuer for transfer of shares from suspense account during the year;	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year;	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	1083	24,53,016
The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	1083	24,53,016

Stock Data

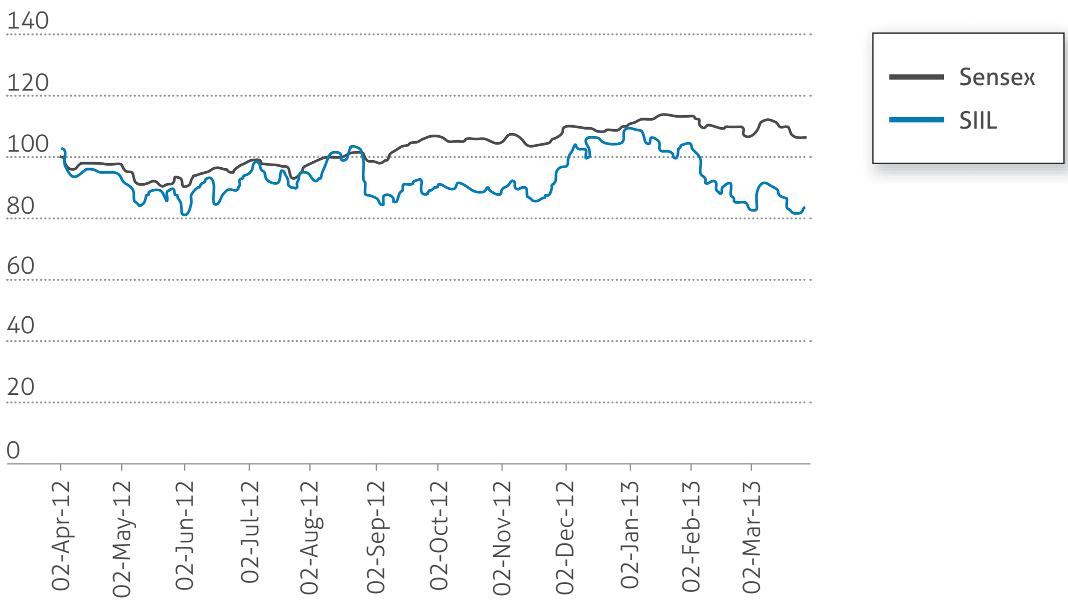
Table 9 below gives the monthly high and low prices and volumes of Sterlite Industries (India) Limited's equity shares at Bombay Stock Exchange Limited (BSE), the National Stock Exchange Limited (NSE) and the New York Stock Exchange, US (NYSE) for 2012-13.

Table 9: High and Low Prices and Trading Volumes at the BSE and NSE

	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)			NYSE1		
Month & Year	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)	High (US$)	Low (US$)	Volume (Nos.)
April 2012	113.40	101.00	14441938	113.50	100.65	100314395	8.92	7.87	18330100
May 2012	107.50	92.75	13140724	107.50	92.75	115671872	8.27	6.60	18619000
June 2012	105.40	88.60	21249584	105.55	88.40	207967256	7.63	6.42	17885900
July 2012	112.40	96.25	15588091	112.40	95.55	130444962	8.04	7.01	10404900
August 2012	114.70	94.10	13320399	114.75	94.05	129180564	8.29	6.95	11907000
September 2012	107.80	92.70	16477159	107.85	92.55	184891216	7.82	6.76	13638500
October 2012	103.90	97.20	12639078	103.90	97.10	119146088	8.00	7.20	12784100
November 2012	109.55	95.00	13032502	109.60	94.85	84226559	7.91	6.92	10725300
December 2012	122.20	106.20	15672423	122.25	106.20	140605323	8.96	7.77	12906600
January 2013	123.35	108.70	10601784	123.40	108.55	117021739	9.06	8.19	11637900
February 2013	115.60	93.10	9259042	115.70	93.05	113169352	8.58	7.02	9790900
March 2013	102.10	89.90	9989771	102.20	89.85	93524442	7.59	6.65	10987400

Stock Performance

Chart 'A' plots the movement of Sterlite's shares adjusted closing prices compared to the BSE Sensex



Closing share price of Sterlite Industries and BSE Sensex / Nifty has been indexed to base 100 on April 1, 2012.

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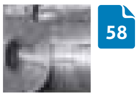

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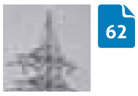

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Chart 'B' plots the movement of Sterlite's shares adjusted closing prices compared to the NIFTY.

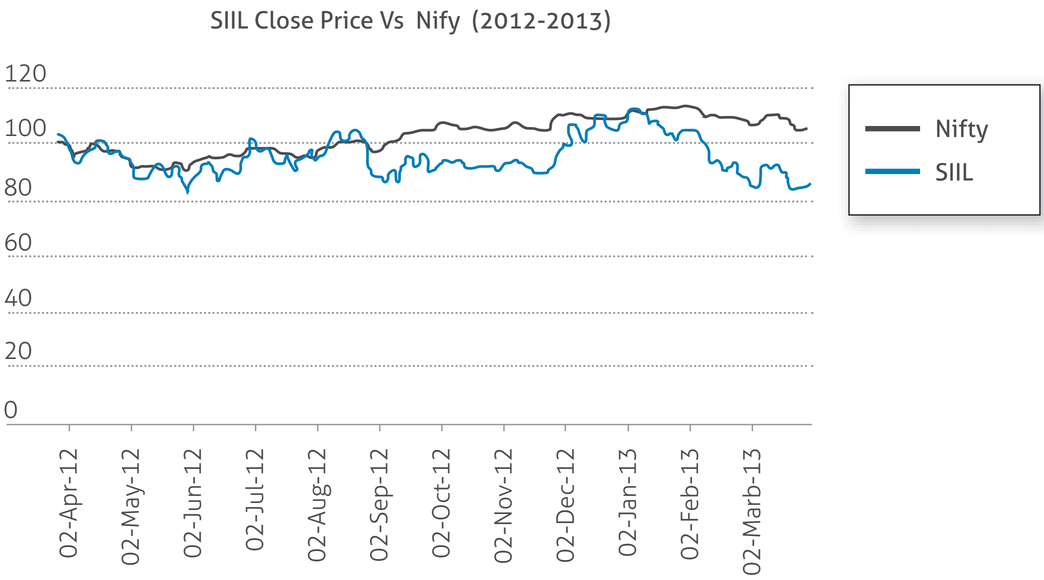
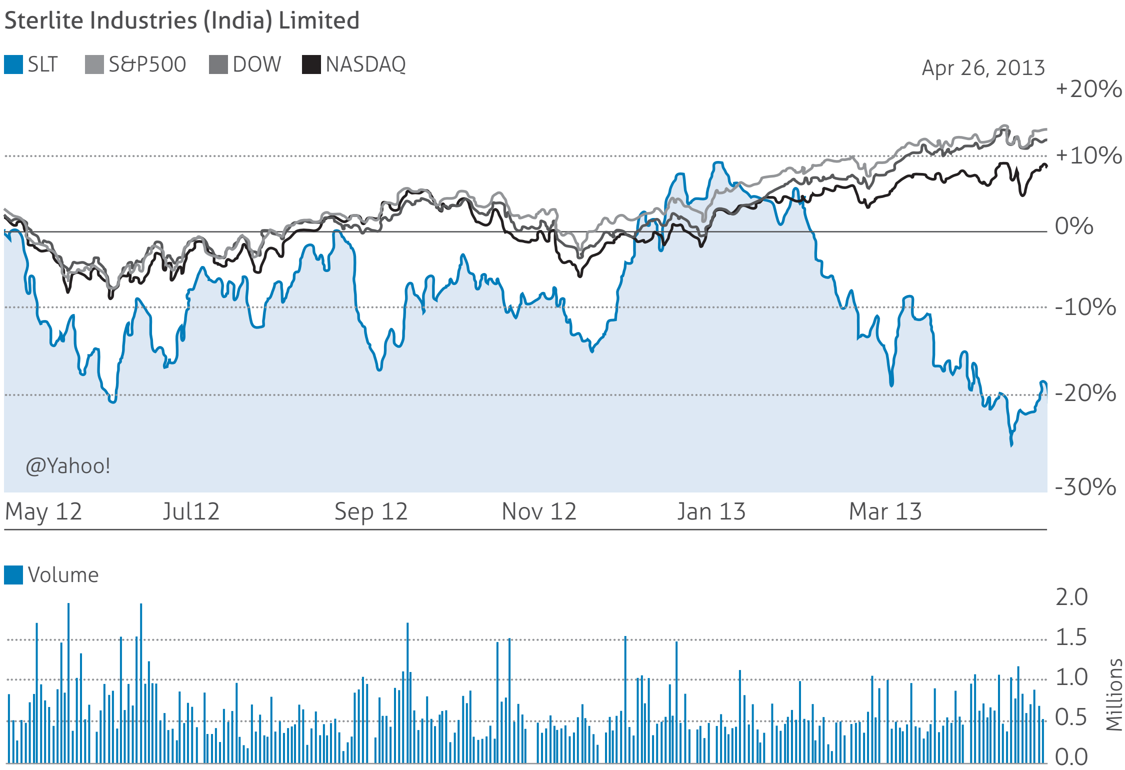


Chart 'C' plots the movement of Sterlite ADR and Dow, Nasdaq and S&P500 at NYSE



Share Transfer Agents and Share Transfer and Demat system

Sterlite executes share transfers through its share transfer agents, whose details are given below.

Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar
Madhapur, Hyderabad 500081
Fax: +91-40-4465 5000
Tel.: +91-40-2342 0818
Contact Person: Mr. K. S. Reddy
Email: einward.ris@karvy.com

In compliance with the SEBI circular dated December 27, 2002, requiring share registry in terms of both physical and electronic mode to be maintained at a single point, Sterlite has established direct connections with NSDL and CDSL, the two depositories, through its share transfer agent.

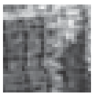
Shares received in physical form are processed and the share certificates are returned within stipulated time from the date of receipt, subject to the documents being complete and valid in all respects. The Company has, as per SEBI guidelines, offered the facility for dematerialised trading.

The Company's equity shares are under compulsory dematerialised trading. Shares held in the dematerialised form are electronically traded in the Depository. The registrar and the share transfer agent of the Company periodically receives data regarding the beneficiary holdings, so as to enable them to update their records and send all corporate communications, dividend warrants, etc.

As on 31 March 2013, dematerialised shares accounted for 97.69% of total equity.

Details of Evolution of Capital of the Company

Date of Issue	Particulars	Face Value in ₹	No. of shares	Cumulative
1975	Initial Subscription	10	70	70
1975	Issue to Promoters	10	50,000	210,000
1978-1979	Pursuant to a contract	10	210,000	420,000
1978-1979	Rights Issue	10	250,000	670,000
1980-1981	Rights Issue	10	200,000	870,000
28-Dec-87	Bonus Issue	10	355,035	1,225,035
29-Mar-88	Rights Issue	10	115,000	1,340,035
29-Mar-88	Public Issue	10	407,500	1,747,535
29-Sep-88	Conversion of FCDs	10	718,750	2,466,285
7-Sep-89	Conversion of FCDs	10	977,500	3,443,785
7-Sep-90	Conversion of FCDs	10	1,075,250	4,519,035
15-Sep-91	Conversion of FCDs	10	1,955,000	6,474,035
15-Mar-92	Conversion of FCDs	10	1,955,000	8,429,035
1-Mar-93	Bonus Issue	10	6,615,284	15,044,319
1-Jul-93	Conversion of ECBs	10	25,480	15,069,799
22-Sep-94	Conversion of ZFCDs	10	25,854,810	40,924,609
22-Sep-94	Conversion of ECBs	10	234,920	41,159,529
1-Jul-95	Warrant conversion	10	797	41,160,326
1-Jul-95	Warrant conversion	10	3,177,928	44,338,254
1-Feb-97	To the shareholders of Sterlite Communications pursuant to sanction of scheme of amalgamation by the Hon'ble Mumbai High Court	10	2,733,675	47,071,929
1-Jul-98	Conversion of FCCBs	10	560	47,072,489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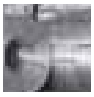
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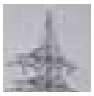
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Details of Evolution of Capital of the Company

Date of Issue	Particulars	Face Value in ₹	No. of shares	Cumulative
1-Jul-99	Conversion of warrants pursuant to preferential issue to promoters	10	9,000,000	56,072,489
15-Apr-01	Issue of shares under ESOP	10	79,996	56,152,485
30-Aug-02	Reduction of Face Value of Equity Shares	5		55,992,555
30-Aug-02	Scheme of Arrangement approved by the Hon'ble Mumbai High Court	5	(20,068,004)	35,924,551
30-Jan-04	Conversion of FCCBs	5	20,600	35,945,151
9-Feb-04	Shares Forfeited	5	(16,910)	-
9-Feb-04	Shares reissued	5	16,910	-
1-Mar-04	Bonus Issue	5	35,854,469	71,799,620
23-Sep-04	Rights Issue	5	35,860,049	107,659,669
28-Jan-05	Conversion of FCCBs	5	20,600	107,680,269
14-Mar-05	Conversion of FCCBs	5	968,200	108,648,469
28-Mar-05	Conversion of FCCBs	5	1,137,120	109,785,589
11-Apr-05	Conversion of FCCBs	5	123,500	109,909,089
16-Jun-05	Conversion of FCCBs	5	41,200	109,950,289
5-Sep-05	Conversion of FCCBs	5	370,800	110,321,089
20-Sep-05	Conversion of FCCBs	5	576,800	110,897,889
29-Sep-05	Conversion of FCCBs	5	247,200	111,145,089
14-Nov-05	Conversion of FCCBs	5	41,200	111,186,289
14-Dec-05	Conversion of FCCBs	5	164,800	111,351,089
15-Feb-06	Conversion of FCCBs	5	387,280	111,738,369
13-May-06	Sub-division of Equity Shares to ₹ 2/- each	2		279,346,173
20-May-06	Bonus Issue - 1: 1	2	279,148,238	558,494,411
22-Jun-07	Equity Shares of ₹ 2/- each representing equal nos. of American Depository Shares	2	150,000,000	708,494,411
21-Jul-09	Equity Shares of ₹ 2/- each representing equal nos. of American Depository Shares	2	123,456,790	831,951,201
31-Jul-09	Equity Shares of ₹ 2/- each representing equal nos. of American Depository Shares	2	8,449,221	840,400,422
23-Jun-10	Sub-division of Equity Shares to ₹ 1/- each	1	1,680,800,844	1,680,800,844
23-Jun-10	Bonus Issue - 1: 1	1	1,680,406,690	3,361,207,534

Reconciliation of Share Capital Audit Report

Pursuant to Clause 47 (c) of the Listing Agreement with the Stock Exchanges, certificate on half yearly basis, was issued by Mr. S Anand SS Rao, a Company Secretary in Practice for due compliance of share transfer formalities by the Company. An audit was also carried by Mr. S. Anand S. S. Rao to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

Investor Complaints

Investor complaints are monitored on a quarterly basis by the Company's Investor Grievances Committee. These complaints are handled by Karvy Computershare (P) Ltd. and the Company Secretary reviews the same. A snapshot of the same is given below in table 10.

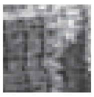
Table 10: Number and nature /request of grievances for 2012-13

Sr. no	Nature of complaints /letters and correspondence	Received	Replied	Closing Balance
1	Share Transfers	115	115	-
2	Transmission of Shares /Deletion of the name of the share certificate	41	41	-
3	Change of Address /Updation of bank mandates / ECS /Updation of signature	283	283	-
4	Conversion into Remat & Demat /Split	286	286	-
5	Issuance of duplicate share certificates	5	5	-
6	Revalidation /mandate correction /revalidation of dividend /interest warrants	541	541	-
7	Clarification on share transfers /Stop Transfers	11	11	-
8	Clarification of shares	798	798	-
9	Non-receipt of shares /new face value shares	338	338	-
10	Registration of Power of Attorney	1	1	-
11	Non-receipt of dividend /interest	996	996	-
12	Non-receipt of Annual Reports	68	68	-
13	Inclusion /Updation of Nominee Shareholder	3	3	
14	Communication to be in physical mode	91	91	-
15	Misc. requests /grievances	27	27	
16	Complaints received through Stock Exchanges, SEBI and Ministry of Corporate Affairs	47	47	-
	Total	**3,651**	**3,651**	**-**

Shareholding Pattern

Table 11: Pattern of shareholding by ownership as on March 31, 2013

	No. of Equity Shares (Face value of shareholding ₹ 1 each)	Shares held (%)
PROMOTERS HOLDING		
Indian Promoters	12,07,87,719	3.59
Foreign Promoters (excluding ADS)	167,11,44,924	49.72
PUBLIC SHAREHOLDING		
a) Banks, Financial Institutions, Insurance Companies (Central / State Govt. Institutions / Non-government Institutions)	19,19,90,108	5.71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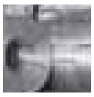
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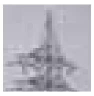
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		No. of Equity Shares (Face value of shareholding ₹ 1 each)	Shares held (%)
b)	Foreign Institutional Investors (FII's)	47,28,09,503	14.07
c)	Foreign Direct Investment (FDI)		
d)	Mutual Funds (including UTI)	11,90,76,022	3.54
e)	Private Corporate Bodies	10,29,57,140	3.06
f)	Indian Public	14,89,83,256	4.44
g)	NRIs / OCBs	62,15,870	0.18
h)	Shares held by custodians against which Depository Receipts have been issued	44,91,13,200	13.36
	Clearing Member	19,60,014	0.06
	Trusts	7,18,49,658	2.14
	Foreign Bodies – DR	43,20,120	0.13
	Grand Total	**336,12,07,534**	**100.00**

Table 12: Top Ten shareholders (including holding of less than 1% of the capital) as on March 31, 2013

Name of Shareholder	No. of shares held	% to the paid up capital
Twins Star Holdings Limited	167,11,44,924	49.72
Citibank N.A. NEW YORK, NYADR Department	44,91,13,200	13.36
The Madras Aluminium Company Limited	11,97,50,659	3.56
Life Insurance Company Limited	9,29,83,906	2.77
Bhadram Janhit Shalika	7,10,14,100	2.11
HSBC Global Investment Funds /a HSBC Global Investment	5,25,77,499	1.56
HDFC Standard Life Insurance Company Limited	2,23,33,401	0.66
LIC of India Market Plus – 1 Growth Fund	2,16,06,055	0.64
Morgan Stanley Asia (Singapore) PTE	2,12,47,841	0.63
Vanguard Emerging Markets Stock Index Fund, A series	1,97,27,380	0.59

Table 13: Pattern of shareholding by share class as on March 31, 2013

Shareholding class	Number of shareholders	Number of shares held	Shareholding (%)
Up to 5,000	2,52,401	7,60,36,037	2.26
5,001 to 10,000	2,430	1,74,64,361	0.52
10,001 to 15,000	658	80,78,297	0.24
15,001 to 20,000	412	71,75,398	0.21
20,001 to 25,000	195	44,01,828	0.13
25,001 to 50,000	410	1,45,51,772	0.43
50,001 to 100,000	170	1,17,70,733	0.35
100,001 and above	494	277,26,15,908	82.49
Equity shares underlying ADSs	1	44,91,13,200	13.36
Total	**2,57,171**	**336,12,07,534**	**100.00**

Details of public funding obtained in the last three years and outstanding warrants / ADS's and their implications on equity.

Table 14: Details of public funding obtained during the last three years and its implication on paid up Equity Share Capital

Financial Year	Amt. raised through Public Funding	Effect on paid up Equity Share Capital
2009-10	Issue of 13,19,06,011 ADS's, each representing one equity shares of face value ₹ 2 each	The number of paid up equity shares of the Company increased from 70,84,94,411 shares of ₹ 2 each to 84,04,00,422 shares of ₹ 2 each*
2009-10	Issue of Foreign Currency Convertible Notes to the tune of US$ 500 million with a maturity of 5 years and conversion price of US$ 23.33 per ADS. The conversion rate is 42.868 per US$ 1,000 principal amount outstanding on FCCNs	Assuming full conversion of FCCNs the number of ADS that arise would be 2,14,31,633
2010-11	Nil	Nil
2011-12	Nil	Nil

* The outstanding ADS as on March 31, 2013 is 112,278,300

Plant Locations

Division	Location
Copper Anodes (Smelter), Refinery, Continuous Cast Copper Rods and Captive Power Plant	SIPCOT Industrial Complex, Madurai By-pass Road, T.V. Puram PO, Tuticorin – 628 002 Tamil Nadu
Copper Cathodes (Refinery) and Continuous Cast Copper Rods	1//1/2 Chinchpada,Silvassa – 396 230 Union Territory of Dadra and Nagar, Haveli
Continuous Cast Copper Rods	209-B, Piparia Industrial Estate, Piparia, Silvassa – 396 230, Union Territory of Dadra and Nagar Haveli

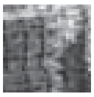
Investor Correspondence Address

For shares held in physical form:
Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar
Madhapur, Hyderabad 500081
Fax: +92-40-4465 5000
Tel.: +91-40-2342 0818
Contact Person: Mr. K. S. Reddy
Email: einward.ris@karvy.com
To the Depository Participant

For Shares held in dematerialised form:
To the Depository Participant

Compliance Officer for Investor Redressal

Mr. Rajiv Choubey, Company Secretary
Sterlite Industries (India) Ltd.
SIPCOT Industrial Complex
Madurai By-pass Road, T. V. Puram P.O.
Tuticorin 628 008, Tamil Nadu, INDIA
Tel.: +91-461- 4242 591
Fax: +91-461- 4242 829
Email: comp.sect@vedanta.co.in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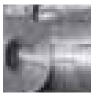
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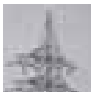
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Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF). As per the provisions of Sec. 205A(5) of the Companies Act, 1956 all unpaid / unclaimed for a period of seven years from the date of transfer to 'Unpaid Dividend Account' of the Company is credited to the Investor Education and Protection Fund.

(i) Following table gives information relating to outstanding dividend accounts and due dates for claiming.

Financial Year	Date of declaration	Last date for claiming dividend	Amount outstanding as on March 31, 2013
2005-06	25.09.2006	24.09.2013	19,92,604.25
2006-07 (Interim and Final)	11.12.2006	10.12.2013	56,37,184.00
2007-08	26.08.2008	25.08.2015	53,50,280.00
2008-09	24.09.2009	23.09.2016	44,59,119.00
2009-10	16.06.2010	15.06.2017	53,12,847.73
2010-11	27.07.2011	26.07.2018	58,12,454.50
2011-12(Interim)	29.10.2011	28.10.2018	55,17,535.00
2011-12(Final)	16.07.2012	15.07.2019	59,01,649.00
2012-13(First Interim)	01.11.2012	31.10.2019	62,99.593.30

(ii) Following amounts have been transferred to IEPF during the year.

Particulars	Date of Warrant	Due Date for transfer	Date of Transfer	Amount transferred in ₹
Dividend 2004-2005	08.09.2005	06.10.2012	03.10.2012	11,32,455

For and on behalf of the Board of Directors

Anil Agarwal
Chairman

Place: Mumbai

Date: April 29, 2013

CEO and CFO Certification

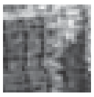
We, M. S. Mehta, Chief Executive Officer, and Mr. D. D. Jalan, Whole-time Director & Chief Financial Officer, of Sterlite Industries (India) Ltd, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet and Statement of Profit and Loss account, Cash Flow Statement and all its schedules etc. for the year ended March 31, 2013 and confirm that:
   a) Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or contain statements that might be misleading.
   b) Based on our knowledge and information, the financial statements, present in all material respects, a true and fair view of, the Company's affairs and are in compliance with the existing accounting standards and /or applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the period are fraudulent, illegal or violate the Company's code of conduct.
3. We are responsible for establishing and maintaining the internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company, and we have:
   a) designed such controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the Company's disclosure, controls and procedures; and
4. We confirm that:
   a) There are no deficiencies in the design or operation of internal controls, which could materially adversely affect the Company's ability to record, process, summarise and report financial data;
   b) There are no significant changes in internal controls during the period;
   c) All significant changes in accounting policies during the year have been disclosed in the notes to the financial statements; and
   d) There are no instances of significant fraud of which we are aware, that involves management or other employees who have a significant role in the Company's internal controls system.
5. We affirm that we have not denied any personnel, access to the Audit Committee of the company (in respect of matters involving alleged misconduct) and we have provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices.

Place : Mumbai
Date : April 29, 2013

M. S. Mehta
Chief Executive Officer

D. D. Jalan
Whole-time Director & CFO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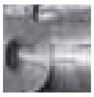
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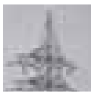
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Certification on Code of Conduct and Ethics by CEO of the Company

I, M. S. Mehta, Chief Executive Officer of Sterlite Industries (India) Ltd., hereby declare that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the financial year 2012-13.

Place : Mumbai
Date : April 29, 2013

M. S. Mehta
Chief Executive Officer

Certificate on Corporate Governance

To

The Members of Sterlite Industries (India) Limited

1. We have examined the compliance of conditions of Corporate Governance by Sterlite Industries (India) Limited (the "Company"), for the financial year ended 31 March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor expression of opinion on the financial statement of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and the management, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.
4. We state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Chaturvedi & Shah
Chartered Accountants
(Firm Registration No: 101720W)

R. KORIA
Partner
Membership No. 35629

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No: 117366W)

K. A. KATKI
Partner
Membership No. 038568

Place: Mumbai
Date: April 29, 2013

Financial Statements

Control room of cell house at Chanderiya Hydro smelter, HZL

133 - 233

Financial Statements

Independent Auditors' Report

To
The Members of
Sterlite Industries (India) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sterlite Industries (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, Including, Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

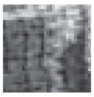
OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.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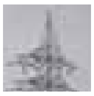
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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Act, together with the early adoption by the Company of Accounting Standard (AS) 30 Financial Instruments, Recognition and Measurement effective April 1, 2007, and the consequential limited revisions as have been announced by the Institute of Chartered Accountants of India to certain Accounting Standards, as stated in Note 2(a) and 32.

   e. On the basis of the written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

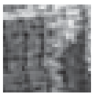
For Chaturvedi & Shah
Chartered Accountants
(Firm Registration No.: 101720W)

R. Koria
Partner
Membership No.035629

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No.: 117366W)

K. A. Katki
Partner
Membership No.038568

Place : Mumbai
Dated : April 29, 2013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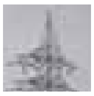
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Annexure to Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a programme of physical verification of its fixed assets in a three year period which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with such programme, the fixed assets were not due for verification by the Management during the year.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

(ii) In respect of its inventories:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

(a) The Company has granted loans to three parties during the year. At the year-end, the outstanding balances of such loans aggregated ₹ 7,223.28 Crore (Including Interest free loan of ₹ 1.03 Crore) and the maximum amount involved during the year was ₹ 7,223.28 Crore (Including Interest free loan of ₹ 1.03 Crore).

(b) The rate of interest where applicable and other terms and conditions of such loans are, in our opinion, prima facie, not prejudicial to the interest of the Company.

(c) The receipts of principal amounts and interest where applicable have been regular / as per stipulations.

(d) The loans given were not due for repayment and therefore the question of overdue principal amount does not arise.

(e) The Company has not taken any loans, secured or unsecured from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, hence requirement of clauses 4(iii) (f) and (g) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of ₹ 5 lakh in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

(vi) According to the information and explanations given to us, the Company has not accepted any deposit from the public and hence directives issued by the Reserve Bank of India and the provisions of section

58A and 58AA of the Companies Act, 1956 and rules framed there under are not applicable for the year under audit.

(vii) In our opinion, the internal audit functions carried out during the year by an external agency appointed by the Management have been commensurate with the size of the Company and the nature of its business.

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

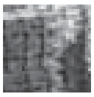
(ix) According to the information and explanations given to us in respect of statutory dues:

a) The Company has been generally regular in depositing with undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth tax, Service Tax, Custom Duty, Excise Duty and any other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Excise Duty and other material statutory dues in arrears as at March 31, 2013 for a period of more than six months from the date they became payable, other than ₹ 0.38 Crore in respect of Investor Education and Protection Fund, which is held in abeyance due to pending legal case. Additionally, ₹ 61.88 Crore in respect of Income Tax dues for the year ended March 31, 2012 (Assessment year 2012-13) and ₹ 8.85 Crore in respect of the advance tax installment falling due on September 15, 2012 (Assessment year 2013-14) have not been paid/deposited as the Company contends that these amounts are not payable considering the impending merger of the Company under the scheme of arrangement which is currently pending approval of Courts/regulatory authorities as stated in note 34 to the financial statements, and the consequential tax impact thereof with effect from the appointed date of such merger under the scheme.

b) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty and Excise Duty which have not been deposited as on March 31, 2013 on account of disputes are given below:

Name of the Statute	Nature of the dues	Forum where dispute is pending	Period to Which amount relates	Amount Involved (₹ in Crore)
Income Tax Act, 1961	Income Tax	Income tax Appellate Tribunal	2002-03 to 2005-06	31.71
		Commissioner of Income Tax (Appeals)	1990-91 to 2000-01 & 2008-09	215.52
Finance Act, 1994	Service Tax	Custom Excise Service Tax Appellate Tribunal	2002-03 to 2010-11	59.88
		Commissioner of Excise	2006-07 to 2008-09	0.31
		Deputy Commissioner	2007-08 to 2010-11	0.04
Central Excise Act, 1944	Excise Duty	High Court	2005-06 & 2010-11	24.19
		Custom Excise Service Tax Appellate Tribunal	1997-98 to 2006-07	30.76
		Commissioner of Central Excise	1998-99	7.70
		Commissioner of Central Excise (Appeals)	2000-01 to 2001-02	0.08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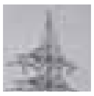
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Name of the Statute	Nature of the dues	Forum where dispute is pending	Period to Which amount relates	Amount Involved (₹ in Crore)
Customs Act, 1962	Custom Duty	Supreme Court	1996-97	0.18
		High Court	2005-06 to 2006-07	12.35
		Custom Excise Service Tax Appellate Tribunal	2004-05 to 2008-09	41.94
		Commissioner of Central Excise	2004-05, 2006-07 & 2009-10	4.27
Central Sales Tax, 1956	Sales Tax	High Court	1998-99 to 2000-01	2.09
Tamil Nadu Value Added Tax Act,2006	VAT	High Court	2006-07 to 2008-09	6.80
Tamil Nadu Tax and Consumption or Sale of Electricity Act, 2003	Generation Tax	High court	2003-04 to 2008-09	14.46
Total				**452.28**

(x) The Company does not have accumulated losses at the end of financial year. The Company has not incurred any cash losses during the financial year covered by the audit and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

(xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund, a nidhi or a mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.

(xiv) In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures & other investments. Based on our examination of the records and evaluation of the related internal controls, the Company has maintained proper records of transactions and contracts in respect of shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.

(xv) According to the information and explanations given by the management, the Company has given guarantees for loans taken by others from banks and financial institutions as mentioned in Note no. 42 (II) (b). The guarantees outstanding as at year end are for subsidiary companies and an associate company, which according to the information and explanations given to us, are prima facie not prejudicial to the interest of the Company.

(xvi) According to the information and explanations given to us, no term loans were raised during the year by the Company and therefore the question of utilization for stated purpose does not arise.

(xvii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.

(xviii) During the year the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

(xix) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 20,000 debentures of ₹ 10,00,000 each. The Company has created security in respect of the debentures issued.

(xx) The Company has not raised any money by way of public issue during the year.

(xxi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

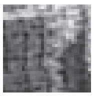
For Chaturvedi & Shah
Chartered Accountants
(Firm Registration No.: 101720W)

R. Koria
Partner
Membership No.035629

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No.: 117366W)

K. A. Katki
Partner
Memberships No.038568

Place : Mumbai
Dated : April 29, 2013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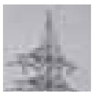
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Balance Sheet

as at March 31, 2013

₹ in Crore

Particulars	Notes	As at March 31, 2013		As at March 31, 2012
EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	3	336.12		336.12
(b) Reserves and surplus	4	25,227.25		24,401.26
			25,563.37	**24,737.38**
Non-current liabilities				
(a) Long-term borrowings	5	4,489.04		2,280.98
(b) Deferred tax liabilities (Net)	6	396.20		320.76
			4,885.24	**2,601.74**
Current liabilities				
(a) Short-term borrowings	7	5,313.48		3,049.25
(b) Trade payables	8	2,794.69		2,673.13
(c) Other current liabilities	9	1,213.99		878.72
(d) Short-term provisions	10	671.24		438.18
			9,993.40	**7,039.28**
Total			**40,442.01**	**34,378.40**
ASSETS				
Non-current assets				
(a) Fixed assets	11			
(i) Tangible assets		1,863.07		1,389.32
(ii) Intangible assets		9.07		9.76
(iii) Capital work-in-progress		505.62		803.71
		2,377.76		2,202.79
(b) Non-current investments	12	7,093.18		6,813.01
(c) Long-term loans and advances	13	8,608.62		1,078.53
(d) Other non-current assets	14	15.74		-
			18,095.30	**10,094.33**
Current assets				
(a) Current investments	15	504.30		1,726.12
(b) Inventories	16	4,491.29		2,529.07
(c) Trade receivables	17	378.58		519.86
(d) Cash and bank balances	18	1,805.77		1,975.98
(e) Short-term loans and advances	19	15,026.38		17,448.78
(f) Other current assets	20	140.39		84.26
			22,346.71	**24,284.07**
			40,442.01	**34,378.40**

The accompanying notes are forming part of the financial statements.

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants

R. Koria
Partner

For Deloitte Haskins & Sells
Chartered Accountants

K. A. Katki
Partner

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice Chairman

M. S. Mehta
Chief Executive Officer

D. D. Jalan
Whole Time Director & Chief Financial Officer

Rajiv Choubey
Company Secretary

Place : Mumbai
Dated : April 29, 2013

Statement of Profit and Loss

for the year ended March 31, 2013

₹ in Crore

Particulars	Notes	Year ended March 31, 2013	Year ended March 31, 2012
GROSS REVENUE FROM OPERATIONS		20,070.31	19,051.05
Less: Excise duty		1,149.28	958.99
Net Revenue from operations	21	18,921.03	18,092.06
Other income	22	2,093.62	2,247.68
Total Revenue		**21,014.65**	**20,339.74**
EXPENSES:			
Cost of materials consumed	23	16,582.07	16,094.40
Purchases of stock-in-trade	24	11.72	12.07
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	371.12	(68.97)
Employee benefits expense	26	110.43	92.09
Finance costs	27	615.39	597.46
Depreciation and amortisation expense		162.74	162.46
Other expenses	28	1,130.15	1,019.07
Total expenses		**18,983.62**	**17,908.58**
Profit before exceptional items and tax		2,031.03	2,431.16
Exceptional items	29	100.00	423.32
Profit before tax		**1,931.03**	**2,007.84**
Tax expense/ (benefit):			
- Current tax for the year		281.22	460.13
- Tax adjustments related to previous years		10.82	(10.82)
Net current tax expense		**292.04**	**449.31**
- Deferred tax for the year		61.72	(98.95)
Net tax expense		**353.76**	**350.36**
Profit for the year		**1,577.27**	**1,657.48**
Earnings per equity share of ₹ 1/- each	30		
- Basic		4.69	4.93
- Diluted		4.69	4.93

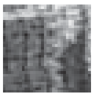
The accompanying notes are forming part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah Chartered Accountants	For Deloitte Haskins & Sells Chartered Accountants	Navin Agarwal Executive Vice Chairman	M. S. Mehta Chief Executive Officer
R. Koria Partner	K. A. Katki Partner	D. D. Jalan Whole Time Director & Chief Financial Officer	Rajiv Choubey Company Secretary

Place : Mumbai
Dated : April 29, 2013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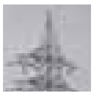
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Cash Flow Statement

₹ in Crore

		Year ended March 31, 2013		Year ended March 31, 2012	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax as per Statement of Profit and Loss		1,931.03		2,007.84
	Adjusted for:				
	- Depreciation and Amortisation expenses	162.74		162.46	
	- Dividend Income	(734.59)		(775.45)	
	- Interest & guarantee commission income	(1,276.22)		(1138.21)	
	- Finance Costs	615.39		597.46	
	- Provision for doubtful advances	-		15.80	
	- Unclaimed Liabilities written back	(2.14)		(0.30)	
	- Net gain on Sale of Current Investment	(29.46)		(55.78)	
	- (Profit)/ Loss on Sale / Discarding of Assets (Net)	(0.12)		3.26	
	- Unrealised exchange Loss/(Gain) (Net)	158.93		306.01	
	- Gain on Mark to market of Current Investments	(0.71)		-	
	- Wealth tax	0.18		0.16	
	- Gain on fair valuation of embedded derivatives	(29.91)	(1,135.91)	(245.53)	(1,130.12)
	Operating profit before working capital changes		**795.12**		**877.72**
	Adjusted for:				
	- Trade and other receivables	703.26		61.70	
	- Inventories	(1,962.22)		660.80	
	- Trade and other payables	238.13		74.30	
			(1,020.83)		796.80
	Cash generation from/(used in) Operations		**(225.71)**		**1,674.52**
	Direct taxes paid (Net of refund received)		(132.30)		(385.93)
	Net cash flow from/(used in) Operating Activities		**(358.01)**		**1,288.59**
B.	**CASH FLOW USED IN INVESTING ACTIVITIES**				
	Purchase of Fixed Assets		(227.50)		(452.37)
	Sale of Fixed Assets		8.85		5.52
	Purchase of Current Investments		(34,535.99)		(36,862.87)
	Sale of Current Investments		35,787.98		38,287.98
	Redemption/(Investment) of debentures & Equity Shares in subsidiaries including share application money		(16.80)		(52.51)
	Loans and advances to related parties		(5,609.51)		(3,588.58)
	Loans and advances repaid by related parties		800.12		1,773.02

Cash Flow Statement

₹ in Crore

	Year ended March 31, 2013	Year ended March 31, 2012
Interest Received	110.36	813.80
Dividend Received on Investments	734.59	775.45
Bank balances not considered as Cash and cash equivalents		
- Placed	(1,151.88)	(1,574.97)
- Matured	1,401.94	1,819.26
Net cash flow from/(used in) Investing Activities	**(2,697.84)**	**943.73**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance costs paid	(396.99)	(492.43)
Debenture issue expenses	(6.05)	-
Proceeds from long term borrowings	2,000.00	-
Repayment of long term borrowings	(3.23)	(21.37)
Short term borrowings (Net)	2,277.64	(625.20)
Margin money deposit	(15.02)	(16.23)
Dividend paid	(720.34)	(765.37)
Net Cash flow from/(used in) Financing Activities	**3,136.01**	**(1920.60)**
Net Increase/(decrease) in Cash and cash equivalents	80.16	311.72
Cash and cash equivalents at the beginning of the year	380.56	68.82
Balance in erstwhile SOVL taken over in Amalgamation	-	0.03
Cash and cash equivalents at the end of the year	**460.72**	**380.56**
Add: Bank balances not considered as Cash and cash equivalents	**1,345.05**	**1595.42**
Closing balance of Cash and bank balances as per Note 18	**1,805.77**	**1,975.98**

Notes:

1) The figures in bracket indicates outflow.

2) During the year 2011-12 short term loans of ₹ 3,000 Crore to associate company has been converted into 9% cumulative redeemable preference shares for a period of 10 years and the same has been considered as non cash item.

The accompanying notes are forming part of the financial statements.

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah
Chartered Accountants

R. Koria
Partner

For Deloitte Haskins & Sells
Chartered Accountants

K. A. Katki
Partner

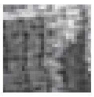
Navin Agarwal
Executive Vice Chairman

D. D. Jalan
Whole Time Director & Chief Financial Officer

M. S. Mehta
Chief Executive Officer

Rajiv Choubey
Company Secretary

Place : Mumbai
Dated : April 29, 2013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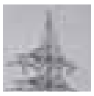
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Notes

forming part of Financial Statements for the year ended March 31, 2013

NOTE 1 COMPANY OVERVIEW

Sterlite Industries (India) Limited ("SIIL" or "the Company") is engaged in non-ferrous metals in India. SIIL was incorporated on September 8, 1975 under the laws of the Republic of India and has its registered office at Tuticorin, Tamilnadu. SIIL's shares are listed in National Stock Exchange and Bombay Stock Exchange in India. In 2007, SIIL completed its initial public offering of American Depository Shares, or ADS followed by a follow on offering in July 2009. Each ADS represents four equity shares, and is listed on the New York Stock Exchange.

SIIL is a majority-owned subsidiary of Twin Star Holdings Limited ("Twin Star") which is in turn a wholly-owned subsidiary of Vedanta Resources Plc ("Vedanta"), a public limited company incorporated in the United Kingdom and listed on the London Stock Exchange Plc. Twin Star held 54.64% of SIIL's equity as at March 31, 2013.

The Company's copper business is principally one of custom smelting and includes a copper smelter, a refinery, a phosphoric acid plant, a sulphuric acid plant, a copper rod plant and power plants at Tuticorin, Tamilnadu and a refinery and two copper rod plants at Silvassa in the Union Territory of Dadra and Nagar Haveli.

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of Accounting :

The Financial Statements are prepared as a going-concern under historical cost convention on an accrual basis in accordance with the Companies Act, 1956 read together with early adoption of Accounting Standard(AS)-30:'Financial Instruments: Recognition and Measurement' by the Company, and the consequential limited revisions to certain Accounting Standards by The Institute of Chartered Accountants of India(ICAI) which have been measured at their fair value. Accounting policies not stated explicitly otherwise are consistent with generally accepted accounting principles.

(b) Use of Estimates :

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognised in the period in which the results are known/materialised.

(c) Borrowing Cost :

Borrowing Cost attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto the date when such assets are ready for intended use. Other borrowing costs are charged as expense in the year in which they are incurred.

(d) Fixed Assets :

Fixed Assets are stated at cost (net of Modvat/Cenvat/Value Added Tax) less accumulated depreciation and impairment loss.

(e) Expenditure During Construction Period :

All pre-operative project expenditure (net of income accrued) incurred upto the date of commercial production is capitalised on commissioning of the project.

(f) Depreciation :

(i) Depreciation has been provided on Fixed Assets on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, except in respect of additions arising on account of Insurance spares, on additions/extensions forming an integral part of existing plants and on the revised carrying amount of the assets identified as impaired on which depreciation has been provided over residual life of the respective fixed assets.

(ii) Amortisation of leasehold land and buildings has been done in proportion to the period of lease.

(iii) Fixed Assets, where ownership vests with the Government/Local authorities, are amortised at the rates of depreciation specified in Schedule XIV to the Companies Act, 1956.

(g) Intangible Assets :

Intangible Assets are stated at cost of acquisition less accumulated amortisation. Technical know-how is amortised over the useful life of the underlying plant. Amortisation is done on straight line basis. Software is amortised on Straight Line basis over the useful life of the asset or 5 years which ever is earlier.

Notes

forming part of Financial Statements for the year ended March 31, 2013

(h) Investments :

(i) Investments are classified as investments in Subsidiaries, Associates, Available for Sale , Held for Trading and Held To Maturity within the meaning of Accounting Standard 30 on "Financial Instruments: Recognition and measurement" read with the limited revisions of Accounting Standard 21 on Consolidated Financial Statements & Accounting Standard 23 on Accounting for Investments in Associates.

(ii) Investments are recorded as Long Term Investments unless they are expected to be sold within one year. Investments in subsidiaries and associates are valued at cost except for investments in redeemable cumulative preference shares of associate which are at amortised cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable

(iii) Investments classified as Available for Sale are initially recorded at cost and then remeasured at subsequent reporting dates to fair value. Unrealised gains/losses on such investments are recognised directly in Investment Revaluation Reserve Account. At the time of disposal, derecognition or impairment of the investments, cumulative gain or loss previously recognised in the Investment Revaluation Reserve Account is recognised in the Statement of Profit and Loss.

(iv) Investments classified as Held for Trading that have a market price are measured at fair value & gain/loss arising on account of fair valuation is routed through Statement of Profit and Loss and those that do not have a market price and whose fair value cannot be reliably measured are carried at cost.

(v) Investments classified as Held to Maturity are measured at amortised cost using an effective interest rate method.

(i) Inventories :

(i) Inventories are valued at the lower of cost and the net realisable value other than scrap and by-products which being immaterial are valued at net realisable value.

(ii) Cost of inventories of finished goods and work-in-progress includes material cost, cost of conversion and other costs.

(iii) Cost of inventories of raw material and material cost of finished goods and work-in-progress is determined on First In First Out (FIFO) basis except Rock phosphate, Fuel stock and stores and spare parts which are valued at weighted average cost.

(j) Premium on Redemption of Debentures :

Premium on redemption of debentures is provided for on an accrual basis and charged to Statement of Profit and Loss using an effective interest rate method.

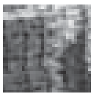
(k) Foreign Currency Transactions:

(i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the date of the transaction.

(ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of monetary items which are hedged by derivative instruments, the valuation is done as per "Accounting Standard - 30", Financial Instruments: Recognition and Measurement" read with accounting policy on derivative instruments. The fair value of foreign currency contracts are calculated with reference to current forward exchange rates for the contracts with similar maturity profile.

(iii) Non monetary foreign currency items are carried at cost.

(iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss except in respect of long term Foreign Currency Monetary Items which are not covered by Accounting Standard (AS 30) on "Financial Instruments; Recognition and Measurement" relatable to acquisition of depreciable fixed assets, such difference is adjusted to the carrying cost of the depreciable fixed assets. In respect of other long term Foreign Currency Monetary items, the same is transferred to "Foreign Currency Monetary Translation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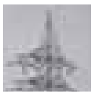
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Difference Account" and amortised over the balance period of such long term Foreign Currency Monetary items but not beyond March 31, 2020.

(l) Issue expenses:

Expenses of Debenture/Bond/Floating Rate Note issues are charged to Statement of Profit and Loss using an effective interest rate method. Expenses related to equity & equity related instruments are adjusted against the security premium account.

(m) Employee Benefits:

(i) Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered. Provision for compensated absences to employees is recognised based on undiscounted amount for the portion of accumulated leave which an employee can encash/avail.

(ii) Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation carried out as at the year end. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

(n) Revenue Recognition :

Revenue is recognised only when significant risk and reward of ownership of the goods have passed to the buyer and it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, scrap, excise duty, export incentives and are net of sales tax/Value Added Tax, rebates and discounts. Dividend income is recognised when right to receive the payment is established by the Balance Sheet Date. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

(o) Export incentives :

Export incentives other than Advance licence are recognised at the time of exports and the benefits in respect of advance licence received by the Company against export made by it are recognised as and when goods are imported against them.

(p) Purchase of copper concentrate and sale of copper and slime :

In accordance with the prevailing international market practice, purchase of copper concentrate and sale of copper and slime are accounted for on provisional invoice basis pending final invoice in terms of Purchase Contract/Sales Contract respectively. The cases where quotational period price are not finalised as at the year end are restated at forward LME/LBMA rates as on the year end date and adjustments are made based on the metal contents as per laboratory assessments done by the Company pending final invoice.

(q) Derivative Instruments :

In order to hedge its exposure to foreign exchange, interest rate and commodity price risks, the Company enters into forward, option, swap contracts and other derivative financial instruments. The Company neither holds nor issues any derivative financial instruments for speculative purposes.

Derivative financial instruments are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent balance sheet dates.

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

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and are determined to be an effective hedge are recorded in Hedging Reserve account. Any cumulative gain or loss on the hedging instrument recognised in Hedging Reserve is kept in Hedging Reserve until the forecast transaction occurs. Amounts deferred to Hedging Reserve are recycled in the Statement of Profit and Loss in the periods when the hedged item is recognised in the Statement of Profit and Loss or when the portion of the gain or loss is determined to be an in-effective hedge.

Derivative financial instruments that do not qualify for hedge accounting are marked to

Notes

forming part of Financial Statements for the year ended March 31, 2013

market at the balance sheet date and gains or losses are recognised in the Statement of Profit and Loss immediately. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Hedging Reserve is transferred to net profit or loss for the year.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value with unrealised gains or losses reported in the Statement of Profit and Loss.

(r) Convertible notes:

Convertible notes issued in foreign currency are convertible at the option of the holder into ordinary shares of the Company as per the terms of the issue. Conversion option which is not settled by exchanging a fixed amount of cash for a fixed number of shares is accounted for separately from the liability component as derivative and initially accounted for at fair value. The liability component is recognised initially at the difference between the fair value of the note and the fair value of the conversion option. Directly attributable costs are allocated to the liability component and the conversion option in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The conversion option is subsequently measured at fair value at each reporting date, with changes in fair value recognised in the Statement of Profit and Loss. The conversion option is presented together with the related liability.

(s) Taxation:

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act 1961 . Minimum Alternate Tax (MAT) paid in accordance with tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax in future years. Deferred tax resulting from "timing differences" between book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is reasonable/virtual certainty that asset will be realised in future. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off.

(t) Impairment of Assets :

(i) The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is recognised in the Statement of Profit and Loss where the carrying amount of an asset exceeds its recoverable amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

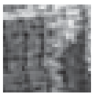
(u) Provision, Contingent Liabilities and Contingent assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Financial Statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

(v) Segment Reporting:

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

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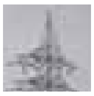
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to the operating activities of the segment.

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

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

(w) Cash Flow Statement:

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

NOTE 3 SHARE CAPITAL

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	(₹ in Crore)	Number	(₹ in Crore)
Authorised				
Equity Shares of ₹ 1/- (Previous year ₹ 1/-) each	5,000,000,000	500.00	5,000,000,000	500.00
Issued, subscribed and paid up				
Equity Shares of ₹ 1/- (Previous year ₹ 1/-) each	3,361,207,534	336.12	3,361,207,534	336.12
Less: Unpaid Allotment Money/Calls in Arrears (other than Directors)	11,790	-	11,790	-
(Current year ₹ 11,790) (Previous year ₹ 11,790)				
Total		**336.12**		**336.12**

i) Reconciliation of number of Equity Shares and amount outstanding

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	(₹ in Crore)	Number	(₹ in Crore)
Shares outstanding at beginning and at end of the year	3,361,207,534	336.12	3,361,207,534	336.12

ii) 1,671,144,924 (Previous year 1,671,144,924) equity Shares are held by Twinstar Holdings Limited, the holding Company [excluding 165,487,852 shares (Previous year 165,487,852 shares) against which ADRs are issued].

119,750,659 Equity Shares (Previous year 119,750,659) are held by The Madras Aluminium Company Limited, a fellow subsidiary Company. Vedanta Resources Plc. is the ultimate holding company and does not hold any equity shares of the Company.

iii) Details of Shareholders holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Twinstar Holdings Limited	1,671,144,924	49.72%	1,671,144,924	49.72%
CITI Bank N.A. New York (American depository shares held as depository)	449,113,200	13.36%	418,419,208	12.45%

Notes

forming part of Financial Statements for the year ended March 31, 2013

iv) Aggregate number of bonus shares allotted during the period of five years immediately preceeding March 31, 2013

Particulars	As at March 31, 2013	As at March 31, 2012
Equity shares alloted as fully paid up by way of bonus shares 2010-11	1,680,406,690	1,680,406,690

v) Other disclosures

(a) The Company has one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held and dividend as and when declared by the Company. The final dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Interim dividend is paid as and when declared by the board. In the event of liquidation of Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

(b) ADS shareholders do not have right to attend the General meeting in person and also do not have right to vote. They are represented by depository, CITI Bank N.A. New York. As on March 31, 2013, 449,113,200 equity shares were held in the form of 1,122,738,300 ADSs.

(c) For terms of conversion of 4% Convertible Senior Notes of $1,000 each, Refer Note no.5(b)

vi) In terms of Scheme of Arrangement (Scheme) as approved by the Hon'ble High Court of Judicature at Mumbai, vide its order dated April 19, 2002 the Company during 2002-2003 reduced its paid up share capital by ₹ 10.03 Crore. There are 3,75,544 equity shares of ₹ 1 each (Previous year 3,75,544 equity shares of ₹ 1 each) pending clearance from National Securities Deposit Limited/Central Depository Services Limited . The Company has filed application in Hon'ble High Court of Mumbai to cancel these shares, the final decision on which is pending. Hon'ble High Court of Judicature at Mumbai, vide its interim order dated September 6, 2002 restrained any transaction with respect to subject shares.

NOTE 4 RESERVES & SURPLUS

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Capital Reserves		
Balance as at the beginning and at the end of the year	1.71	1.71
Preference Share Redemption Reserve		
Balance as at the beginning and at the end of the year	76.88	76.88
Securities Premium Account		
Balance as at the beginning of the year	18,095.58	18,095.58
Less: Unpaid Securities Premium	(0.03)	(0.03)
Balance as at the end of the year	**18,095.55**	**18,095.55**
Debenture Redemption Reserve		
Balance as at the beginning of the year	13.50	12.00
Add: Transferred from Surplus in Statement of Profit and Loss	41.08	1.50
Balance as at the end of the year	**54.58**	**13.50**

Notes

forming part of Financial Statements for the year ended March 31, 2013

NOTE 4 RESERVES & SURPLUS (CONTD.)

(₹ in Crore)

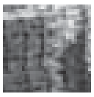
Particulars	As at March 31, 2013	As at March 31, 2012
Investment Revaluation Reserve		
Balance as at the beginning of the year	11.59	19.75
Less: Adjustment for the year on account of change in fair value of Available for Sale Investments	(6.76)	(8.16)
Balance as at the end of the year	**4.83**	**11.59**
General Reserve		
Balance as at the beginning of the year	2,570.29	1,564.17
Add: Amount transferred from Surplus in Statement of Profit and Loss	200.00	400.00
Add: Pursuant to scheme of Amalgamation of erstwhile Sterlite Opportunities & Ventures Limited with the Company	-	606.12
Balance as at the end of the year	**2,770.29**	**2,570.29**
Hedging Reserve		
Balance as at the beginning of the year	(27.45)	33.24
Add/ (Less): Effect of foreign exchange rate variations on hedging instrument outstanding at the end of the year [Net of deferred tax ₹ (0.57) Crore (Previous year ₹ 13.15 Crore)]	1.10	(27.45)
Less: Amount transferred to Statement of Profit and Loss	27.45	(33.24)
Balance as at the end of the year	**1.10**	**(27.45)**
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	3,659.19	3,089.48
Add: Profit for the year	1,577.27	1,657.48
Less: Transferred to Debenture Redemption Reserve	(41.08)	(1.50)
Interim dividend [Dividend per share ₹ 2.30/- (Previous year ₹ 1/-)]	(773.07)	(336.12)
Proposed final dividend [Dividend per share ₹ Nil (Previous year ₹ 1/-)]	-	(336.12)
Tax on dividends (Net of dividend received from Subsidiary u/s 115 O of the Income Tax Act,1961)	-	(14.03)
Transferred to General Reserve	(200.00)	(400.00)
Balance as at the end of the year	**4,222.31**	**3,659.19**
Total	**25,227.25**	**24,401.26**

During the year ended March 31, 2013 the amount of interim dividend (including proposed and final interim) recognised as distribution to shareholders was ₹ 2.30 per share (Previous year ₹ 1 per share.)

NOTE 5 LONG TERM BORROWINGS

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Secured		
Redeemable Non Convertible Debentures [a]	1,993.95	60.00
Unsecured		
Convertible Senior Notes [b]	2,408.13	2,136.68
Deferred Sales Tax Liability [d]	86.96	84.30
Total	**4,489.04**	**2,280.98**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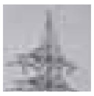
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a) Secured Redeemable Non Convertible Debentures includes:

(i) 8.24% debentures [including current maturity of long-term debt of ₹ 60.00 Crore (Refer Note no 9)] are secured by a first charge on pari passu basis in favour of the Trustees for the Debentures on the immovable properties situated at Tuticorin in the State of Tamilnadu, at Lonavala and at Pune in the State of Maharashtra, Chinchapada in the Union Territory of Dadra and Nagar Haveli and Mouje Chatral of Kalol Taluka, District Gandhi Nagar, Gujarat. These debentures have been redeemed on April 10, 2013

(ii) The Company issued secured Non Convertible Debentures (NCDs) for an aggregate amount of ₹ 2,000 Crore (Net of issue expenses ₹ 1,993.95 Crore) during the year. Out of these, ₹ 1,000 Crore NCDs are issued at a coupon rate of 9.40% p.a., while another ₹ 1,000 Crore NCDs have been issued at a coupon rate of 9.24% p.a. These NCDs are secured by way of mortgage on the immovable property of the Company situated at Sanaswadi in the State of Maharashtra and also by way of hypothecation on the movable fixed assets of its subsidiary - Sterlite Energy Limited, with a security cover of 1.25 times on the face value of outstanding NCDs at all time during the currency of NCDs. These NCDs are redeemable in tranches of ₹ 500 Crore each on October 25, 2022, November 27, 2022, December 6, 2022 and December 20, 2022. In respect of all the four tranches of NCDs, the debenture holders and the Company have put and call option respectively at the end of the 5 years from the respective date of the allotment of the NCDs.

b) In Financial Year 2009-10, US$ 500 million was raised by issue of 4% Convertible Senoir Notes of $1,000 each. Subject to certain exceptions, the note holders have an option to convert these Convertible Notes into ADSs (each ADS represents four equity shares) at any time prior to business day immediately preceding the maturity date at a conversion rate of 42.8688 ADSs per $1,000 principal amount of notes which is equal to a conversion price of approximately $23.33 per ADS . The conversion price could be subject to adjustments should certain events occur. Further, at any time after November 4, 2012, the Company has a right to redeem in whole or parts of the Convertible Notes, subject to meeting certain conditions. The amount which the Company is required to pay contractually on October 30, 2014 is US$ 500 million, unless the notes are converted, redeemed or purchased and cancelled. As on March 31, 2013, conversion option amounting to ₹ 0.27 Crore (Previous year ₹ 30.18 Crore) is included above.

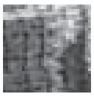
c) The Company has not defaulted in the repayment of loans and interest as at the Balance Sheet date.

d) Unsecured deferred sales tax liability outstanding as at March 31, 2013 is currently repayable in monthly instalments till March 2027.

NOTE 6 DEFERRED TAX LIABILITIES (NET)

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Deferred tax liability :		
On differences between book depreciation & tax depreciation	341.63	258.95
Reinstatement of financial assets/liabilities	18.90	20.01
Related to Convertible Senior Note	-	65.13
Amortisation of Redemption premium on Preference shares	59.13	-
On Hedging Reserve	0.57	-
Total	**420.23**	**344.09**
Deferred tax asset :		
Provision for Doubtful Advances	5.41	5.21
On Hedging Reserve	-	13.15
Related to Convertible Senior Note	16.20	-
Others	2.42	4.97
Total	**24.03**	**23.33**
Deferred Tax Liabilities (Net)	**396.20**	**320.76**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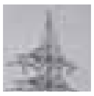
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NOTE 7 SHORT TERM BORROWINGS

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Secured		
Buyers' credit from banks [a]	2,517.91	1,705.12
Unsecured		
Buyers' credit from banks	1,381.78	846.41
Suppliers' credit (backed by Letter of credit)	1,413.79	-
Commercial papers [b]	-	497.72
Total	**5,313.48**	**3,049.25**

a) Secured by way of first charge by hypothecation on the entire stock of raw materials ,work in process and all Semi-finished, finished, Manufactured articles together with all Stores, components and spares, both present and future book debts, outstanding monies, receivables, claims and bills arising out of sale etc. and such charge in favor of the banks ranking Pari Passu inter se, without any preferences or priority to one over other(s) in any manner.

b) Maximum amount outstanding at any time during the year was ₹ 500 Crore (Previous year ₹ 2,477.58 Crore)

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

NOTE 8 TRADE PAYABLES

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
For Goods	2,663.05	2,398.20
For Others	131.64	274.93
Total	**2,794.69**	**2,673.13**

The Company has not received any intimation from "Suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at year end together with interest paid/payable under this Act have not been given.

NOTE 9 OTHER CURRENT LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Current maturities of long-term borrowings [a]	63.64	3.13
Interest accrued but not due on borrowings	130.21	66.63
Fair value Derivative Hedging payable	32.52	14.26
Unpaid/unclaimed dividends [b]	5.02	4.61
Advances from customers	50.24	73.90
Project Creditors	98.80	6.98
Other payables		
i) Statutory Liabilities (includes CST,LST,VAT,Generation tax , etc.)	40.42	26.35
ii) Related to compensation/claim [c]	550.07	423.32
iii) Others (Reimbursement of expenses, security deposit, provision for expenses, etc.)	243.07	259.54
Total	**1,213.99**	**878.72**

02-47 Strategic Report
48-73 Management Discussion and Analysis
74-97 Business Responsibility Report
98-132 Statutory Reports
133-233 Financial Statements

Notes

forming part of Financial Statements for the year ended March 31, 2013

a) Current maturities of long term borrowings includes :

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Redeemable Non Convertible Debentures	60.00	-
Deferred Sales Tax Liability	3.64	-
Term Loan from banks	-	3.13
Total	**63.64**	**3.13**

b) Does not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund except ₹ 0.38 Crore (Previous year ₹ 1.01 Crore) which is held in abeyance due to a pending legal case.

c) Refer Note no. 29

NOTE 10 SHORT TERM PROVISIONS

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits	7.12	9.42
Provision for interim dividend (Previous year - proposed dividend)	403.34	336.12
Tax on proposed dividend	-	14.48
Provision for excise duty	1.15	1.81
Provision for Tax (Net of advances)	259.63	76.35
Total	**671.24**	**438.18**

Notes

forming part of Financial Statements for the year ended March 31, 2013

NOTE 11 FIXED ASSETS

(₹ in Crore)

	Gross Block				Accumulated Depreciation/Amortisation				Net Block Before Impairment	Impairment	Net Block	
Fixed Assets	**Balance as at April 1, 2012**	**Additions**	**Deductions**	**Balance as at March 31, 2013**	**Balance up to March 31, 2012**	**For the Year**	**Deductions**	**Balance as at March 31, 2013**	**Balance as at March 31, 2013**	**Upto March 31, 2013**	**Balance as at March 31, 2013**	**Balance as at March 31, 2012**
a Tangible Assets												
Land - Freehold	12.69	-	-	12.69	-	-	-	-	12.69	-	12.69	12.69
(Previous year)	7.78	4.91	-	12.69	-	-	-	-	12.69	-	12.69	7.77
Land - Leasehold	61.44	-	-	61.44	3.72	0.27	-	3.99	57.45	-	57.45	57.72
(Previous year)	61.44	-	-	61.44	3.45	0.27	-	3.72	57.72	-	57.72	58.00
Buildings	232.01	93.63	-	325.64	45.10	7.18	-	52.28	273.36	3.50	269.86	183.41
(Previous year)	165.50	66.51	-	232.01	40.24	4.86	-	45.10	186.91	3.50	183.41	121.76
Buildings - Lease hold	6.33	-	-	6.33	2.48	-	-	2.48	3.85	-	3.85	3.85
(Previous year)	6.33	-	-	6.33	2.48	-	-	2.48	3.85	-	3.85	3.85
Railway sidings	10.38	-	-	10.38	0.28	0.55	-	0.83	9.55	-	9.55	10.10
(Previous year)	-	10.38	-	10.38	-	0.28	-	0.28	10.10	-	10.10	-
Plant and Equipment	2,579.93	459.00	0.23	3,038.70	1,461.12	141.21	0.09	1,602.24	1,436.46	60.57	1,375.89	1,058.24
(Previous year)	2,604.78	28.09	52.94	2,579.93	1,337.55	148.69	25.12	1,461.12	1,118.81	60.57	1,058.24	1,206.66
Furniture and Fixtures	15.10	0.96	0.20	15.86	8.26	0.66	0.05	8.87	6.99	-	6.99	6.84
(Previous year)	11.92	3.32	0.14	15.10	7.78	0.52	0.04	8.26	6.84	-	6.84	4.14
Vehicles	13.65	5.22	2.97	15.90	4.27	1.45	1.01	4.71	11.19	-	11.19	9.38
(Previous year)	12.88	2.45	1.68	13.65	3.92	1.18	0.83	4.27	9.38	-	9.38	8.96
Office equipment	9.38	0.65	0.14	9.89	3.93	0.44	0.03	4.34	5.55	-	5.55	5.45
(Previous year)	8.27	1.23	0.12	9.38	3.54	0.41	0.02	3.93	5.45	-	5.45	4.73
Data Processing Equipment	28.72	3.43	0.05	32.10	22.68	2.32	0.04	24.96	7.14	-	7.14	6.04
(Previous year)	26.84	1.88	0.00	28.72	20.72	1.96	-	22.68	6.04	-	6.04	6.12
Electrical Fittings	54.88	71.61	-	126.49	19.28	4.30	-	23.58	102.91	-	102.91	35.60
(Previous year)	50.62	4.26	-	54.88	16.85	2.43	-	19.28	35.60	-	35.60	33.77
Total	**3,024.51**	**634.50**	**3.59**	**3,655.42**	**1,571.12**	**158.38**	**1.22**	**1,728.28**	**1,927.14**	**64.07**	**1,863.07**	**1,389.32**
Previous year	2,956.36	123.03	54.88	3,024.51	1,436.53	160.60	26.01	1,571.12	1,453.39	64.07	1,389.32	

NOTE 11 FIXED ASSETS (CONTD.)

(₹ in Crore)

Fixed Assets	Gross Block				Accumulated Depreciation/Amortisation				Net Block Before Impairment	Impairment	Net Block	
	Balance as at April 1, 2012	Additions	Deductions	Balance as at March 31, 2013	Balance up to March 31, 2012	For the Year	Deductions	Balance as at March 31, 2013	Balance as at March 31, 2013	Upto March 31, 2013	Balance as at March 31, 2013	Balance as at March 31, 2012
b Intangible Assets												
Computer software	9.28	3.67	-	12.95	4.46	3.98	-	8.44	4.51	-	4.51	4.82
(Previous year)	9.11	0.17	-	9.28	2.98	1.48	-	4.46	4.82	-	4.82	6.13
Technical Know how	7.29	-	-	7.29	2.35	0.38	-	2.73	4.56	-	4.56	4.94
(Previous year)	7.29	-	-	7.29	1.97	0.38	-	2.35	4.94	-	4.94	5.32
Total	**16.57**	**3.67**	**-**	**20.24**	**6.81**	**4.36**	**-**	**11.17**	**9.07**	**-**	**9.07**	**9.76**
Previous year	16.40	0.17	-	16.57	4.95	1.86	-	6.81	9.76	-	9.76	
c Capital Work In Progress @											505.62	803.71
Total											**505.62**	**803.71**
(Previous year)											803.71	420.22
Total	**3,041.08**	**638.16**	**3.59**	**3,675.66**	**1,577.93**	**162.74**	**1.22**	**1,739.45**	**1,936.21**	**64.07**	**2,377.76**	**2,202.79**
Previous Year	2,972.76	123.20	54.88	3,041.08	1,441.48	162.46	26.01	1,577.93	1,463.15	64.07	2,202.79	

(i) Buildings (freehold) include (a) Cost of Shares of ₹ 750 in Co-op.housing society, (b) Cost of shares of ₹ 750 in Co-operative societies representing possession of office premises, (c) a residential flat in the joint names of the Company and Mr. D. P. Agarwal, erstwhile director of the Company.

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

(iii) Capital Work in progress is net of provision for Impairment of ₹ 17.20 Crore (Previous year ₹ 17.20 Crore).

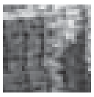
(iv) Capital work in progress includes finance costs amounting ₹ 45.17 Crore (Previous year ₹ 38.22 Crore) capitalised.

(v) Addition to Buildings includes finance costs amounting ₹ 12.19 Crore (Previous year ₹ 7.12 Crore) capitalised.

(vi) Addition to Plant and Equipment includes finance costs amounting ₹ 47.66 Crore (Previous year ₹ Nil) capitalised.

(vii) Addition to Electrical Fittings includes finance costs amounting ₹ 10.31 Crore (Previous year ₹ Nil) capitalised.

(viii) In accordance with the Accounting Standards (AS-28) on "Impairment of Assets" , based on the review carried out by the Company to identify whether the recoverable value of any fixed assets is lower than its book value, the Company has concluded that no provision is required during the current year.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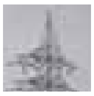
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Notes

forming part of Financial Statements for the year ended March 31, 2013

@ Capital work-in-Progress includes

(₹ in Crore)

	Current year	Previous year
Pre-operative expenditure as follows:-		
Balance at beginning of the year	105.26	60.70
Add: Pre-operative expenditure transferred from Statement of Profit and Loss		
Power & Fuel	1.86	1.82
Water charges	-	0.04
Salaries and Wages	1.83	1.80
Contributions to provident and other funds	0.08	0.04
Staff welfare expenses	0.06	0.04
Rent	0.55	0.28
Rates and Taxes	0.13	-
Insurance	0.09	0.04
Conveyance & Travelling expenses	0.98	0.57
General Expenses	7.05	3.10
Finance cost	43.06	45.77
Less: Capitalised during the year	77.99	8.94
Balance at end of the year	82.96	105.26

NOTE 12 NON CURRENT INVESTMENTS (LONG TERM INVESTMENTS) Refer Note no. 2(h) for mode of Valuation

(₹ in Crore)

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	Value in ₹ Crore	No. of Shares	Value in ₹ Crore
1. Trade Investments				
Fully paid up except otherwise stated				
A. Investment in Equity Shares				
Quoted - Subsidiary company (At cost) Long term Investments				
Hindustan Zinc Limited, of ₹ 2/-each@	2,743,154,310	1,101.50	2,743,154,310	1,101.50
Others (Available for Sale) (At fair value)				
Sterlite Technologies Limited, of ₹ 2 each (Including 60 shares held jointly with nominees)	4,261,850	9.99	4,261,850	16.75
Unquoted				
i) Subsidiary companies (At cost)				
The Bharat Aluminium Co. Limited, of ₹ 10 each	112,518,495	553.18	112,518,495	553.18
Monte Cello Corporation BV, Netherlands of Euro 453.78 each	40	204.23	40	204.23
Sterlite Infra Limited, of ₹ 10 each(including 6 shares of ₹ 10 each jointly Held by nominees	50,000	0.05	50,000	0.05
Sterlite Energy Limited, of ₹ 10 each (including 60 shares of ₹ 10 each held jointly with nominees)	1,187,314,715	1,203.98	1,187,314,715	1,203.98

02-47 Strategic Report
48-73 Management Discussion and Analysis
74-97 Business Responsibility Report
98-132 Statutory Reports
133-233 Financial Statements

Notes

forming part of Financial Statements for the year ended March 31, 2013

NOTE 12 NON CURRENT INVESTMENTS (LONG TERM INVESTMENTS) (CONTD.)

(₹ in Crore)

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of Shares	Value in ₹ Crore	No. of Shares	Value in ₹ Crore
Additional contribution on account of Fair valuation of Corporate Guarantee to the Lendors of its Subsidiary Companies*	-	43.85	-	17.92
Sterlite (USA) Inc. $.01 per share (Current year ₹ 42.77) (Previous year ₹ 42.77)	100	-	100	-
Vizag General Cargo Berth Private Limited, of ₹ 10 each	7,400	0.01	7,400	0.01
Paradip Multi Cargo Berth Private Limited, of ₹ 10 each	7,400	0.01	7,400	0.01
Sterlite Ports Limited, of ₹ 2 each (including 6 shares of ₹ 2 each held jointly with nominees)	250,000	0.05	250,000	0.05
Partly paid up:				
Sterlite Infraventure Limited, of ₹ 2 each (including 6 shares of ₹ 2 each held jointly with nominees) (₹ 0.01 approx paid up)	112,500,000	0.13	112,500,000	0.13
ii) Associate company (At cost)				
Vedanta Aluminium Limited, of ₹ 2 each (including 90 share of ₹ 2 each held jointly with nominees)	252,120,127	563.04	252,120,127	563.04
Gaurav Overseas Private Limited, of ₹ 10 each (Current year ₹ 50,000)	-	0.01	-	-
B. Investment in Preference Shares of Associate company (At amortised cost)				
Vedanta Aluminium Limited, 9% Cumulative Redeemable Preference Shares of ₹ 1,000 each	1,000,000	3,263.15	1,000,000	3,002.16
C. Investments in debentures or bonds				
Subsidiary companies (At cost)				
Investment in Vizag General Cargo Berth Private Limited, compulsorily convertible debentures - 0.1% of ₹ 1,000 each	1,500,000	150.00	1,500,000	150.00
2. Others				
Investments in Government or Trust securities				
7 Years National Savings Certificates, (Current year ₹ 10,000, Previous year ₹ 10,000) (Deposit with Sales Tax Authority)	-	0.00	-	0.00
UTI Master gain, of ₹ 10 each (Current year ₹ 4,272, Previous year ₹ 4,272)	100	-	100	-
Total		**7,093.18**		**6,813.01**

@ The Company had two call options upon expiry of five year period from April 2002, i.e on or after April 2007 to acquire further shares if any held by the Government of India. The Company exercised the first call option on August 29, 2003 and acquired an additional 18.92% of HZL's issued equity share capital increasing its shareholding to 64.92%. The second call option was exercised by the Company on July 21, 2009. The matter is under arbitration.

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(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Aggregate amount of quoted investments	1,111.49	1,118.25
Market value of quoted investments	33,243.30	36,294.96
Aggregate amount of unquoted investments	5,981.69	5,694.76

*Additional contribution represents, the fair value of commission determined in terms of AS- 30 in respect of corporate guarantee given by the Company for financial facilities availed by its wholly owned subsidiaries

NOTE 13 LONG TERM LOANS AND ADVANCES

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good		
Capital Advances	313.76	291.47
Loans and advances to related parties (Refer note no. 44) #	8,181.13	689.00
Advance Tax (Net of provisions)	83.96	83.96
Security deposits	14.10	14.10
Other advances	15.67	-
Total	**8,608.62**	**1,078.53**

Advances to related party includes:

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Vedanta Aluminium Limited	589.00	689.00
Sterlite Infra Limited	6,075.33	-
Sterlite Energy Limited	1,500.00	-
Vizag General Cargo Berth Private Limited (share application money pending allotment)	16.80	-
Total	**8,181.13**	**689.00**

NOTE 14 OTHER NON-CURRENT ASSETS

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Bank deposits@	15.74	-
Total	**15.74**	**-**

@ Fixed deposit with maturity more than twelve months of ₹ 15.74 Crore (Previous year ₹ Nil) under lien with bank

Notes

forming part of Financial Statements for the year ended March 31, 2013

NOTE 15 CURRENT INVESTMENTS (HELD FOR TRADING)

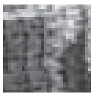
(₹ in Crore)

Particulars	As at March 31, 2013		As at March 31, 2012	
	No. of Units	Amt in ₹ Crore	No. of Units	Amt in ₹ Crore
Investments in Mutual Funds (Unquoted)				
Axis Liquid Fund - IP - Growth, of ₹ 1,000 each	192,522.93	25.03	-	-
Birla Sun Life Cash Plus - Growth, of ₹ 100 each	12,266,414.00	230.51	-	-
DSP BlackRock Liquidity Fund - IP - Daily Dividend, of ₹ 1,000 each	-	-	1,906,519	190.71
DSP BlackRock Liquidity Fund - IP - Growth, of ₹ 1,000 each	585,461.81	98.28	-	-
Religare Liquid Fund - Growth, of ₹ 1,000 each	279,312.15	45.05	-	-
Birla Sun Life Cash Plus - IP Prem - Daily Dividend, of ₹ 100 each	-	-	27,601,605	276.55
Kotak Liquid - Inst Premium Plan - Daily Dividend, of ₹ 10 each	-	-	163,677,766	200.15
DWS Insta Cash Plus Fund - Super IP - Daily Dividend, of ₹ 100 each	-	-	2,494,141	25.02
Reliance Liquid Fund - TP - IP - Daily Dividend, of ₹ 10 each	-	-	439,463,418	671.83
SBI Premier Liquid Fund - Super IP - Daily Dividend, of ₹ 1,000 each	-	-	498,716	50.03
- Tata Liquid Fund - SHIP - Daily Dividend, of ₹ 1,000 each	-	-	772,378	86.08
UTI Liquid Fund - Cash Plan - IP - Daily Dividend, of ₹ 1,000 each	-	-	595,324	60.69
ICICI Prudential Liquid - Super IP - Daily Dividend, of ₹ 100 each	-	-	16,501,705	165.06
Kotak Floater - ST - Growth, of ₹ 1,000 each	79,881.10	15.34	-	-
IDFC Cash Fund - Reg - Growth, of ₹ 1,000 each	210,574.76	30.03	-	-
Reliance Liquid Fund - TP - Growth, of ₹ 1,000 each	210,208.17	60.06	-	-
Total		**504.30**		**1,726.12**

Refer Note no. 2(h)for mode of Valuation

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Aggregate amount of unquoted investments	504.30	1,726.12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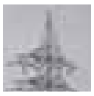
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NOTE 16 INVENTORIES

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Raw Materials and components	1,059.22	725.93
Raw Materials and components in transit	2,330.83	367.86
	3,390.05	**1,093.79**
Fuel stock	16.74	-
Work-in-progress	972.95	1,334.65
Finished goods	47.55	56.97
Stores and spares	64.00	43.66
Total	**4,491.29**	**2,529.07**

For mode of valuation for each class of inventories, Refer Note 2(i)

Broad Category of Inventories

(₹ in Crore)

	Particulars	As at March 31, 2013	As at March 31, 2012
(a)	**Work-in-progress**		
	Copper	778.62	957.99
	Slime	191.58	374.56
	Phosphoric Acid	2.75	2.10
	Total	**972.95**	**1,334.65**
(b)	**Finished goods**		
	Continuous Cast Copper Rod	9.01	4.46
	Copper Cathode	9.05	11.35
	Sulphuric Acid	5.04	3.65
	Phosphoric Acid	22.93	18.65
	Others	1.52	18.86
	Total	**47.55**	**56.97**

NOTE 17 TRADE RECEIVABLES

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, considered good	2.18	0.12
Trade receivables outstanding for a period less than six months from the date they were due for payment (unsecured, considered good)	376.40	519.74
Total	**378.58**	**519.86**

Notes

forming part of Financial Statements for the year ended March 31, 2013

NOTE 18 CASH AND BANK BALANCES

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Cash and cash equivalents		
Cash on hand	0.05	0.11
Cheques, drafts on hand	21.04	-
Balance with banks in current accounts	439.63	180.45
Bank deposits having maturity of 3 months or less	-	200.00
Sub total	**460.72**	**380.56**
Other Bank balances		
Earmarked accounts - Unpaid Dividend Accounts	4.63	4.22
Bank deposits with maturity of more than 3 months but less than 12 months, held as margin money	21.63	22.35
Bank deposits with maturity of more than 12 months	1,318.79	1,568.85
Total	**1,805.77**	**1,975.98**

NOTE 19 SHORT TERM LOANS AND ADVANCES Unsecured considered good, unless otherwise stated

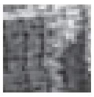
(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Loans and advances to related parties (Refer Note no. 44)	14,570.61	16,493.45
Prepaid Expenses	17.18	14.77
Sundry Deposits	8.01	1.61
Balance with Central Excise Authorities	71.56	192.27
Fair value Derivative Hedging Receivable	0.94	25.12
Export Incentive receivable	110.35	66.38
Claims receivable from Excise	27.15	417.34
Claims and other receivables cosidered good	83.27	78.16
Claims and other receivables considered doubtful	30.91	31.50
Less: Provision for doubtful claims	(30.91)	(31.50)
Others (Advances to suppliers, Excise and VAT receivables, Service Tax, etc.)	137.31	159.68
Total	**15,026.38**	**17,448.78**

NOTE 20 OTHER CURRENT ASSETS

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Assets held for disposal	4.88	11.24
Interest accrued on fixed deposits	135.51	73.02
Total	**140.39**	**84.26**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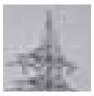
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NOTE 21 REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Gross Sale of products	19,894.56	18,916.82
Sale of services		
Job Work	13.40	27.94
Outsourcing service fees	1.08	0.95
Export Incentives	150.53	97.90
Other operating revenues:		
Sale of scrap	8.60	7.30
Sundry balances written back	2.14	0.14
Gross Revenue from operations	**20,070.31**	**19,051.05**
Less: Excise Duty on revenue from operations	1,149.28	958.99
Net Revenue from operations	**18,921.03**	**18,092.06**

Details of products sold

(₹ in Crore)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Continuous Cast Copper Rod	8,905.34	8,322.48
Copper Cathode	7,914.71	6,316.53
Anode Slime	2,245.56	3,204.88
Phosphoric Acid	552.64	723.70
Sulphuric Acid	176.46	263.46
Power sales	20.90	-
Others	78.95	85.77
Total	**19,894.56**	**18,916.82**

NOTE 22 OTHER INCOME

(₹ in Crore)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Interest Income on:		
(i) Bank Deposits	154.90	168.75
(ii) Investments (Long term)	261.09	2.28
(iii) Loans	735.52	865.57
(iv) Others	73.20	83.70
Dividend from:		
(i) Current Investments	48.67	86.64
(ii) Long term Investments - Subsidiaries	685.79	688.60
(iii) Long term Investments - Others	0.13	0.21
Net gain on sale of current investments	29.46	55.78
Profit on sale of fixed assets	0.12	-
Gain on Fair valuation of embedded derivatives	29.91	245.53
Gain on mark to market of current investments	0.71	-
Other non-operating income	74.12	50.62
Total	**2,093.62**	**2,247.68**

Notes

forming part of Financial Statements for the year ended March 31, 2013

NOTE 23 COST OF MATERIALS CONSUMED

Details of Raw Materials consumed

(₹ in Crore)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Raw Materials:		
Imported		
Copper concentrate	15,953.82	15,329.29
Rock Phosphate	407.96	479.19
Others	14.44	20.42
Total	**16,376.22**	**15,828.90**
Indigenous		
Copper concentrate	13.21	127.38
Others	192.64	138.12
	205.85	**265.50**
Total *	**16,582.07**	**16,094.40**

Imported and Indigenous Raw Materials consumption %

(₹ in Crore)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Imported	98.76	98.35
Indigenous	1.24	1.65
Total	**100.00**	**100.00**

* Includes net loss on foreign currency transactions amounting to ₹ 324.96 Crore (Previous year ₹ 456.28 Crore) considered as cost of material consumed and charged to the Statement of Profit and Loss.

NOTE 24 PURCHASES OF STOCK-IN-TRADE

Broad Category for Purchases of Stock-in-trade

(₹ in Crore)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Coal	11.18	-
Rock phosphate	-	12.07
Others	0.54	-
Total	**11.72**	**12.07**

Notes

forming part of Financial Statements for the year ended March 31, 2013

NOTE 25 CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Crore)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Opening Stock:		
Finished Goods	56.97	59.53
Work-in-progress	1,334.65	1,263.12
	1,391.62	**1,322.65**
Closing Stock:		
Finished Goods	47.55	56.97
Work-in-progress	972.95	1,334.65
	1,020.50	**1,391.62**
Net(Increase)/ decrease	**371.12**	**(68.97)**

NOTE 26 EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Salaries and Wages@	94.59	77.24
Contributions to provident and other funds	4.44	5.48
Staff welfare expenses	11.40	9.37
Total	**110.43**	**92.09**

Net of recoveries

@ Mr. D. D. Jalan, Whole time director (WTD) of the Company has been re-appointed as WTD of the Company on completion of his two years term with effect from December 24, 2012 till September 30, 2014 by the Board of Directors at their meeting held on January 29, 2013. The said approval for re-appointment is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting of the Company.Employee benefits expense includes remuneration paid to Mr. D.D. Jalan, WTD, from the date of re-appointment (i.e. December 24, 2012) amounting to ₹ 0.95 Crore which is subject to shareholders approval at the forthcoming Annual General Meeting.

@ The Company offers equity-based award plans to its employees, officers and directors through its parent Vedanta Resources Plc (The Vedanta Resources Long-Term Incentive Plan (the "LTIP"). The LTIP is the primary arrangement under which share-based incentives are provided to the defined management group. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference to the balance of basic salary and share-based remuneration consistent with local market practice.The performance condition attaching to outstanding awards under the LTIP is that of Vedanta's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three year period with the performance of the companies as defined in the scheme from the date of grant.

Under this scheme, initial awards under the LTIP were granted in February 2004 and subsequently further awards were granted in the respective years. The awards are indexed to and settled by Vedanta shares. The awards provide for a fixed exercise price denominated in Vedanta's functional currency at 10 US cents per share, the performance period of each award is three years and the same is exercisable within a period of six months from the date of vesting beyond which the option lapse. During the year, Vedanta has granted a new LTIP tranche that shall vest based on the achievement of business performance in the performance period. The vesting schedule is staggered over a period of three years. Under the scheme, Vedanta is obligated to issue the shares. Further, in accordance with the terms of agreement between Vedanta and SIIL, on the grant date fair value of the awards is recovered by Vedanta from SIIL.

Notes

forming part of Financial Statements for the year ended March 31, 2013

Amount recovered by Vedanta and recognised by the Company in the Statement of Profit and Loss for the financial year ended March 31, 2013 was ₹ 7.72 Crore (Previous Year ₹ 7.79 Crore). The Company considers these amounts as not material and accordingly has not provided further disclosures.

NOTE 27 FINANCE COSTS

(₹ in Crore)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Interest on Borrowings	444.64	422.03
Interest on delayed payment of Income tax	18.98	8.03
Other borrowing costs (includes forward premium)	146.11	82.90
Applicable net loss on foreign currency transactions and translation	5.66	84.50
Total	**615.39**	**597.46**

NOTE 28 OTHER EXPENSES

(₹ in Crore)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Consumption of stores and spare parts *	99.80	77.14
Power & fuel	489.28	390.77
Water Charges	33.41	17.93
Repairs to Machinery	78.26	68.34
Repairs to Building	3.53	1.83
Repairs Others	0.08	0.07
Excise Duty**	0.87	0.48
Other Manufacturing and Operating expenses	56.94	43.10
Rent	1.19	2.34
Rates & Taxes	2.28	2.21
Insurance	8.24	7.36
Conveyance & Travelling Expenses	7.45	7.63
Loss on sale/discarding of Fixed Assets (net)	-	3.26
Directors' Sitting Fees	0.09	0.06
General Expenses #	74.37	80.45
Payment to Auditors ##	4.43	3.77
Provision for doubtful advances	-	15.80
Net loss on foreign currency transactions	136.40	170.15
Carriage Outward	116.16	113.13
Packing Expenses	11.52	9.58
Other Selling expenses	5.85	3.67
Total	**1,130.15**	**1,019.07**

*Imported and Indigenous stores and spare parts consumed

(₹ in Crore)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Imported (₹ in Crore)	14.40	13.18
Indigenous (₹ in Crore)	85.40	63.96
Total	**99.80**	**77.14**
Imported %	14.43	17.08
Indigenous %	85.57	82.92
Total	**100.00**	**100.00**

Notes

forming part of Financial Statements for the year ended March 31, 2013

** Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and on differences between excise duty on opening and closing stock of finished goods.

General expenses include donations aggregating to ₹ 5.00 Crore (Previous Year ₹ 5.00 Crore) made during the year to Public Political Awareness Trust, for an indirect contribution to a political party.

Payment to Auditors

(₹ in Crore)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
(a) To Statutory Auditors		
For Audit	0.66	0.63
For Other services	2.93	2.51
For Out of pocket expenses	0.76	0.63
(b) To Cost Auditors for cost audit	0.08	-
Total	**4.43**	**3.77**

NOTE 29 EXCEPTIONAL ITEMS

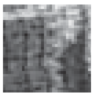
(i) In the Special Leave Petition (SLP) filed by the Company against the closure order of Tuticorin copper smelter, the Hon'ble Supreme Court vide its judgment dated April 2, 2013, has set aside the order of the Madras High Court. The Supreme Court has also directed the Company to deposit ₹ 100 Crore within three months with the District Collector Tuticorin for improvement of air and water environment quality in the vicinity of the plant. This amount has been recognized in the Statement of Profit and Loss as an exceptional item for the year ended March 31, 2013.

(ii) Asarco had filed a suit in US Court against the Company for alleged breach of the Purchase and Sale agreement signed in May 2008. US Bankruptcy Court heard the matter and vide its order dated February 13, 2012 and February 27, 2012, has ruled that Asarco is entitled to a gross amount of $ 132.75 million in incidental damages. This amount shall be reduced by USD 50 million paid to ASARCO in December 2009, making ASARCO entitled for a net amount of USD 82.75 million. The Company has recognised a liability of USD 82.75 million being ₹ 450.07 Crore (Previous year ₹ 423.32 Crore) as at year end. The Company and Asarco have filed notice of appeal against this judgment which is yet to be heard. Court has kept the hearing in abeyance.

NOTE 30 EARNINGS PER EQUITY SHARE (EPS)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Profit after tax attributable to equity share holders for Basic EPS	1,577.27	1,657.48
Profit after tax attributable to equity share holders for Diluted EPS	1,577.27	1,657.48
Weighted Average number of equity shares outstanding during the year		
For Basic EPS (Nos)	3,361,207,534	3,361,207,534
For Diluted EPS (Nos)*	3,361,207,534	3,361,207,534
Basic EPS (in ₹)	4.69	4.93
Diluted EPS (in ₹)*	4.69	4.93
Nominal Value per Share (in ₹)	1.00	1.00

* The effect of potential equity shares on account of Convertible Senior Notes is anti-dilutive and hence the same has not been considered in calculating the diluted EPS.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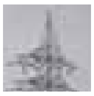
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02-47 Strategic Report
48-73 Management Discussion and Analysis
74-97 Business Responsibility Report
98-132 Statutory Reports
133-233 Financial Statements

Notes

forming part of Financial Statements for the year ended March 31, 2013

NOTE 31 EMPLOYEE BENEFITS

The employees' gratuity fund scheme , managed by Life Insurance Corporation of India (LIC), is a defined benefit plan. The present value of obligation is determined based on actuarial valuation at the year end using projected unit credit method, which recognise each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for short term compensated absences is recognised on the undiscounted value for the portion of accumulated leave which an employee can encash/avail.

Defined Contribution Plan

(₹ in Crore)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Employer's Contribution to Provident Fund	2.31	2.12
Employer's Contribution to Superannuation Fund	0.79	0.76

Defined Benefit Plan: The disclosure as required under AS 15 regarding the Company's gratuity plan (funded) is as follows:

Actuarial assumptions

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Salary growth	5.50%	5.50%
Discount rate	8.00%	8.00%
Expected return on plan assets	7.50%	7.50%
Mortality Table (LIC)	1994-96 (duly modified)	1994-96 (duly modified)

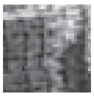
(₹ in Crore)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Expenses recognised in the income statement		
Current service cost	2.11	1.84
Interest cost	1.48	1.40
Expected return on plan assets	(0.91)	(0.77)
Net actuarial (gains)/losses recognised in the year	(0.18)	0.35
Total (Gross of recoveries)	**2.50**	**2.82**

Movement in present value of defined benefit obligation

(₹ in Crore)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Obligation at the beginning of the year	18.75	17.52
Current service cost	2.11	1.84
Interest cost	1.48	1.40
Actuarial loss on obligation	(0.11)	0.17
Benefits paid	(0.70)	(2.18)
Obligation at the end of the year	**21.53**	**18.75**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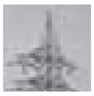
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Notes

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Movement in present value of plan assets

(₹ in Crore)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Fair value at the beginning of the year	12.34	10.26
Expected returns on plan assets	0.91	0.77
Contribution	4.49	3.67
Actuarial gains and (losses)	0.07	(0.18)
Benefits paid	(0.70)	(2.18)
Fair value at the end of the year	**17.11**	**12.34**

Amount recognised in the balance sheet

(₹ in Crore)

Particulars	2012-13	2011-12	2010-11	2009-10	2008-09
Present value of obligations at the end of the year	21.53	18.75	17.52	14.54	10.12
Less: Fair value of plan assets at the end of the year	17.11	12.34	10.26	8.75	6.35
Net liability recognised in the balance sheet	4.42	6.41	7.26	5.79	3.77
Experience Adjustment on actuarial Gain/(Loss)					
Plan Liabilities	0.13	0.07	(1.33)	(3.30)	*
Plan Assets	0.05	(0.18)	(0.07)	0.11	*

* The details of experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on "Employee Benefits" are not available in the valuation report and hence, are not furnished.

a) In the absence of detailed informations regarding Plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

b) The Contribution expected to be made by the Company during the financial year 2013-14 is ₹ 5.31 Crore (Previous year ₹ 2.62 Crore).

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

NOTE 32 Arising from the Announcement of the Institute of Chartered Accountants of India (ICAI) on March 29, 2008, the Company has, since 2008, chosen to early adopt Accounting Standard (AS) 30, Financial Instruments: Recognition and Measurement. Coterminous with this, in the spirit of complete adoption, the Company has also implemented the consequential limited revisions as have been announced by the ICAI, in view of AS-30 to certain Accounting Standards. Accordingly:

(i) Current investments which under AS-13 Accounting for Investments would have been carried at the lower of cost and fair value, have been accounted for at fair value resulting in investment being valued as at March 31,2013 at ₹ 0.71 Crore (as at March 31, 2012 ₹ Nil) above their cost and consequently, the profit after tax for the year is higher by ₹ 0.47 Crore (Previous Year higher by ₹ Nil) .

(ii) Non-current investments which under AS-13 Accounting for Investments would have been carried at cost, have been accounted for at fair value resulting in investment and investment revaluation reserve being higher by at ₹ 4.83 Crore (Previous Year higher by ₹ 11.59 Crore).

02-47 Strategic Report

48-73 Management Discussion and Analysis

74-97 Business Responsibility Report

98-132 Statutory Reports

133-233 Financial Statements

Notes

forming part of Financial Statements for the year ended March 31, 2013

(iii) In case of 4 % Convertible Senior Notes, issued in October 2009, the conversion option has been measured at the fair value through Statement of Profit and Loss and the Notes carried at amortised cost. If AS 30 had not been adopted for this transaction, other income would have been lower by ₹ 29.91 Crore (Previous Year lower by ₹ 245.53 Crore), finance costs would have been lower by ₹ 141.47 Crore (Previous Year lower by ₹ 120.99 Crore) and profit after tax would have been higher by ₹ 73.64 Crore (Previous Year lower by ₹ 84.13 Crore) for the Year ended March 31, 2013.

(iv) In case of Vedanta Aluminium Limited(VAL) 9% Cumulative Redeemable Preference shares, the redemption premium has been measured at the fair value through Statement of Profit and Loss and the Investment in Preference shares of VAL carried at amortised cost. If AS 30 had not been adopted for this transaction, other income would have been lower by ₹ 261.00 Crore (Previous Year lower by ₹ 2.15 Crore) and profit after tax would have been lower by ₹ 201.86 Crore (Previous Year lower by ₹ 1.66 Crore) for the Year ended March 31, 2013. Accordingly investment in VAL Preference share would have been lower by ₹ 263.15 Crore (Previous Year lower by ₹ 2.15 Crore)

NOTE 33 The Company (SIIL) entered into Joint venture agreement with Orissa Mining Corporation Limited (OMCL) and incorporated South West Orissa Bauxite Mining Private Limited (SWOBM) with equity contribution of ₹ 0.05 Crore in the ratio of 74 (SIIL):26 (OMCL). SWOBM was incorporated on July 15, 2009 to carry on the business of raising and mining bauxite and alumina bearing ore from the bauxite mines in the State of Orissa. As per JV agreement dated October 5, 2004 and subsequent amendment thereto in 2009, said Company was to enter into Raising contract agreement with OMCL, the lessee of Niyamgiri Mines to raise bauxite from said mines. Since Ministry of Environment & Forests (MoEF) has not granted approval for forest diversion, no mining activity has been undertaken and accordingly the raising contract agreement has not been entered into.

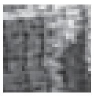
NOTE 34 The Board of Directors of the Company in its meeting held on February 25, 2012 has approved the scheme of Amalgamation and Arrangement (the Scheme) to merge into Sesa Goa Limited ('SGL') with the appointed date as April 1, 2011, subject to necessary approvals from various statutory authorities and the Jurisdictional Hon'ble High Courts. The Company shall be merged into Sesa Goa, and Sesa Goa would be the surviving company of the Merger.

Upon effectiveness of the Scheme, every shareholder of Company, holding 5 (Five) fully paid-up equity shares of ₹ 1/- each shall be entitled to receive 3 (Three) fully paid-up equity shares of ₹ 1/- each in the Sesa Goa Limited and every person holding American Depository Shares or Foreign Currency Convertible Bonds, in the Company shall be entitled to receive American Depository Shares or Foreign Currency Convertible Bonds in the Sesa Goa Limited issued on the similar terms and conditions and having proportionate underlying equity shares of the Sesa Goa Limited, issued based on the aforementioned share exchange ratio for and in exchange of the existing underlying equity shares under the American Depository Shares and Foreign Currency Convertible Bonds of the Company.

Post approval by the shareholders of the respective companies, petitions were filed in the respective Jurisdictional High Courts. The Hon'ble High Court of Bombay at Goa by its order dated April 3, 2013 approved the Scheme of Amalgamation and Arrangement and the orders from the Hon'ble High Court of Madras are awaited.

NOTE 35 With respect to Vedanta Aluminium Limited ("VAL"), an associate of the Company, the Ministry of Environment and Forests ("MOEF") rejected issuance of final stage forest clearance for Niyamgiri Mining project of Orissa Mining Corporation ("OMC") which is one of the sources of supply of bauxite to the alumina refinery. With respect to the writ petition filed by OMC challenging the aforesaid action of MOEF, the Hon'ble Supreme Court vide its order dated April 18, 2013 has directed the State Government of Orissa to place unresolved issues and claims of the local communities under the Forest Right Act and/ or other relevant Act and Regulations before the Gram Sabha. The Gram Sabha would consider these claims and communicate the same to MOEF through the State Government of Orissa within three months. On conclusion of the proceedings of the Gram Sabha, the MOEF shall take a final decision for grant of stage II forest clearance for the Niyamgiri mining project of OMC within two months.

With regard to the Expansion Project at Lanjigarh, pursuant to the Hon'ble Orissa High Court's finding in VAL's Review Petition that the clarification issued by MOEF on November 16, 2010 with regard to grant of environmental clearance lacked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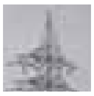
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statutory authority, VAL has applied afresh for environmental clearance and the application is under process. MOEF has now sought certain clarification from the Govt. of Orissa based on which it will advise on the public hearing for the proposed expansion project. In the meantime, VAL has put the expansion activity on hold. Due to paucity of bauxite, VAL has temporarily suspended its refinery operations at Lanjigarh from December 5, 2012. A ministerial level committee is looking into the issue of bauxite supply and is expected to submit its report shortly.

The above matters are critical to the planned operations of VAL. The management expects that with the timely support of relevant authorities adequate quantity of bauxite will be secured from Orissa / other states to continue its operations and that the above issues will be satisfactorily resolved. The management of the Company has evaluated and considered good, its loans granted and investments made in VAL aggregating to ₹ 12,136 Crore.

NOTE 36 In response to alleged public complaints of emission, Tamil Nadu Pollution Control Board (TNPCB) ordered closure of the Tuticorin Copper Smelter on March 29, 2013. The Company's appeal against the TNPCB order has been admitted by National Green Tribunal (NGT). An expert committee constituted by NGT has submitted its report and the matter is now being heard by NGT.

NOTE 37 The Central Excise Department had, in June 2010, alleged violation of Advance license conditions for the period 2005-2009. No show cause notice in this regard has been served on the Company. The Company has obtained a Writ for stay on recoveries / further proceedings from the Honourable Madras High Court, Madurai Bench in this matter. The Company has also been legally advised that the alleged charges are not legally sustainable and there is no financial liability on the Company.

NOTE 38 CIF VALUE OF IMPORTS

(₹ in Crore)

Particulars	Current year	Previous year
Raw Materials	18,613.57	14,465.20
Components and spare parts	9.78	15.29
Capital Goods	55.24	2.79
Total	**18,678.59**	**14,483.28**

NOTE 39 EXPENDITURE IN FOREIGN CURRENCY

(₹ in Crore)

Particulars	Current year	Previous year
Interest	317.40	266.27
Professional and consultation fees	13.89	21.31
Foreign travel, subscription, etc.	1.92	0.81
Technical Service Charges	3.60	4.16
Long term incentive Scheme (Net of Recovery)*	7.72	7.79
Incidental damages payable to ASARCO (Refer note No. 29)#	26.75	423.32
Others	1.38	1.71
Total	**372.66**	**725.37**

* Gross amount of ₹ 126.72 Crore (Previous year ₹ 87.70 Crore).

Current year amount represents exchange difference.

Notes

forming part of Financial Statements for the year ended March 31, 2013

NOTE 40 EARNINGS IN FOREIGN CURRENCY

(₹ in Crore)

Particulars	Current year	Previous year
Export of goods calculated on FOB basis	9,069.39	8,274.68
Management Fees	1.09	0.95
Gain on fair valuation of Embedded Derivatives	29.91	245.53
Others	16.63	9.15
Total	**9,117.02**	**8,530.31**

NOTE 41 PARTICULARS OF DIVIDEND PAID TO NON RESIDENT SHAREHOLDERS

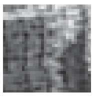
	Current year	Previous year
Number of Non resident Shareholders	1	1
Number of Shares held	1,671,144,924	1,671,144,924
Amount Remitted-Gross (₹ in Crore)	350.94	350.94
Year to which dividend relates	**2011-12** (Final)	**2010-11** (Final)
	2012-13 (Interim)	**2011-12** (Interim)

NOTE 42 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
I Contingent Liabilities		
(a) Disputed Liabilities in Appeal		
(i) Income Tax demands principally in respect of tax holiday claims, disallowances of expenditure relating to exempt income etc., transfer pricing additions, depreciation consequent to block assessment and disallowance of short term capital loss.	46.59	40.99
(ii) Sales Tax demands relating to tax on Freight.	4.25	7.26
(iii) Excise Duty relating to disputes in respect of dutiability and availing of cenvat credit on certain capital goods and other inputs.	80.86	30.37
(iv) Service Tax demands for certain services rendered.	15.08	2.81
(v) Custom Duty for import of goods.	-	6.23
(vi) FERA/FEMA matters relating to disputes in respect of certain investments into the Company.	59.90	59.90
(vii) Other matters principally related to certain indirect taxes/duties.	10.09	10.09
(b) Claims against the Company not acknowledged as debts on account of commercial disputes .	15.82	15.17

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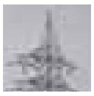
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(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
II Commitments		
(a) Capital commitments		
Estimated amount of contracts remaining to be executed on Captial Account and not provided for (net of advances)	1,507.58	1,261.33
(b) Other Commitments		
(i) The Company has given Corporate Guarantees to Banks/Financial Institutions/others on behalf of Vedanta Aluminium Limited, CMT, TCM, Sterlite Energy Limited, Talwandi Sabo Power Limited, Sterlite Infra Limited and Vizag General Cargo Berth Private Limited.	20,751.76	17,100.00
(ii) Uncalled Liability on partly paid Shares/Debentures	42.57	22.37
(iii) Estimated cost of variation in copper and precious metals quantity due to adjustments done based on metal contents as per laboratory assessments pending receipt of final invoice	14.70	47.36

NOTE 43 SEGMENT INFORMATION AS PER ACCOUNTING STANDARD 17 ON SEGMENT REPORTING FOR THE PERIOD ENDED MARCH 31, 2013

I) Information about Primary Business Segments

(₹ in Crore)

Particulars	Business Segments						Unallocated		Eliminations		Grand Total	
	Copper		Phosphoric Acid		Others							
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
REVENUE												
External Turnover	19,444.93	18,247.62	614.64	795.99	-	-	-	-	-	-	20,059.57	19,043.61
Inter-Segment Turnover	61.69	136.92	-	-	-	-	-	-	(61.69)	(136.92)	-	-
Gross Turnover	19,506.62	18,384.54	614.64	795.99	-	-	-	-	(61.69)	(136.92)	20,059.57	19,043.61
Less : Excise Duty Recovered on Sales	1,138.72	951.93	10.56	7.06			-	-	-	-	1,149.28	958.99
Total Revenue	**18,367.90**	**17,432.61**	**604.08**	**788.93**	**-**	**-**	**-**	**-**	**(61.69)**	**(136.92)**	**18,910.29**	**18,084.62**
RESULTS												
Segment Result	719.52	1,004.59	18.53	81.07	(0.30)	(0.35)	-	-	-	-	737.75	1,085.31
Unallocated Expenses	-	-	-	-	-	-	184.95	304.37	-	-	184.95	304.37
Operating Profit/(loss)	**719.52**	**1,004.59**	**18.53**	**81.07**	**(0.30)**	**(0.35)**	**(184.95)**	**(304.37)**	**-**	**-**	**552.80**	**780.94**
Less: Finance costs	-	-	-	-	-	-	615.39	597.46	-	-	615.39	597.46
Add : Other Income	-	-	-	-	-	-	2,093.62	2,247.68	-	-	2,093.62	2,247.68
Less: Income Tax (including Deferred Tax)	-	-	-	-	-	-	353.76	350.36	-	-	353.76	350.36
Less: Exceptional items	100.00	-	-	-	-	-	-	423.32	-	-	100.00	423.32
Net Profit/(Loss)	**619.52**	**1,004.59**	**18.53**	**81.07**	**(0.30)**	**(0.35)**	**939.52**	**572.17**	**-**	**-**	**1,577.27**	**1,657.48**
Segment Assets	7,934.62	6,286.38	255.90	378.59	5.01	5.03	-	-	-	-	8,195.53	6,670.00
Unallocated Corporate Assets	-	-	-	-	-	-	32,246.48	27,708.40	-	-	32,246.48	27,708.40
Total Assets	**7,934.62**	**6,286.38**	**255.90**	**378.59**	**5.01**	**5.03**	**32,246.48**	**27,708.40**	**-**	**-**	**40,442.01**	**34,378.40**
Segment Liabilities	3,199.34	2,798.06	25.02	89.78	0.01	0.01	-	-	-	-	3,224.37	2,887.85
Unallocated Corporate liabilities	-	-	-	-	-	-	11,654.27	6,753.17	-	-	11,654.27	6,753.17
Total Liabilities	**3,199.34**	**2,798.06**	**25.02**	**89.78**	**0.01**	**0.01**	**11,654.27**	**6,753.17**	**-**	**-**	**14,878.64**	**9,641.02**
Capital Expenditure	344.74	462.41	8.69	13.84	-	-	8.94	21.78	-	-	362.36	498.03
Depreciation and impairment	143.34	143.78	17.09	16.64	0.08	0.09	2.23	1.95	-	-	162.74	162.46
Non-cash Expenditure (excluding depreciation and impairment)	-	15.80	-	-	-	-	-	-	-	-	-	15.80

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Notes

(a) The Company has disclosed business segment as primary segment. Segments have been identified and reported taking into account, the different risks and returns, the organisation structure and the internal reporting systems. The main business segments are i) Copper which consist of manufacturing of copper cathode, continuous cast copper rod and anode slime ii) Phosphoric acid and iii) other business segment consits of Aluminium Foils.

(b) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consist of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

II) Information about secondary segment

(₹ in Crore)

Geographical Segment	Current Year	Previous Year
Revenue by geographical segment- Turnover		
India	9,683.74	9,801.31
Outside India	9,226.55	8,283.31
Total	**18,910.29**	**18,084.62**
Carrying Amount of Segment Assets		
India	7,991.30	6,465.77
Outside India	204.23	204.23
Total	**8,195.53**	**6,670.00**
Segment Capital Expenditure		
India	353.43	476.25
Outside India	-	-
Total	**353.43**	**476.25**

Reconciliation between segment revenue and enterprise revenue

(₹ in Crore)

Particulars	Current Year	Previous Year
Segment Revenue (net of excise duty)		
- Copper	18,306.21	17,295.69
- Phosphoric Acid	604.08	788.93
- Others	-	-
Total Segment Revenue	**18,910.29**	**18,084.62**
Enterprise Revenue		
Revenue from operations (Net) as per Statement of Profit and Loss	18,921.03	18,092.06
Less: Other operating revenues	(10.74)	(7.44)
Total enterprise revenue	**18,910.29**	**18,084.62**

Notes

forming part of Financial Statements for the year ended March 31, 2013

NOTE 44 RELATED PARTY DISCLOSURES

List of related parties and relationships

i) Entities Controlling the Company (Holding Companies)

Twinstar Holdings Limited (Intermediate Holding Company)

Vedanta Resources Holdings Limited (Intermediate Holding Company)

Vedanta Resources Plc. (Intermediate Holding Company)

Volcan Investments Limited (Ultimate Holding Company)

ii) Fellow Subsidiaries

Konkola Copper Mines Plc.

The Madras Aluminium Company Limited

Sesa Goa Limited

Sesa Resources Limited

Sesa Mining Corporation Private Limited

Vedanta Jersey Investments Limited

Cairn India Limited

iii) Subsidiaries

Hindustan Zinc Limited

Bharat Aluminium Company Limited

Copper Mines of Tasmania Pty Limited

Thalanga copper mines Pty Limited

Sterlite Energy Limited

Sterlite Infra Limited

Monte Cello B.V.

Talwandi Sabo Power Limited

Sterlite (USA) Inc

Fujairah Gold FZE

THL Zinc Ventures Limited

THL Zinc Limited

THL Zinc Holding B.V.

THL Zinc Namibia Holdings (Pty) Limited

Skorpion Zinc (Pty) Limited

Skorpion Mining Company (Pty) Limited

Namzinc (Pty) Limited

Amica Guesthouse (Pty) Limited

Rosh Pinah Health Care (Pty) Limited

Black Mountain Mining (Pty) Limited

Vedanta Lisheen Holdings Limited

Vedanta Lisheen Mining Limited

Killoran Lisheen Mining Limited

Killoran Lisheen Finance Limited

Lisheen Milling Limited

Sterlite Ports Limited

Sterlite Infraventures Limited

Paradip Multi Cargo Berth Private Limited

Vizag General Cargo Berth Private Limited

Lisheen Mine Partnership

Pecvest 17 Proprietary Limited

Lakomasko B.V. (w.e.f. November 28, 2011)

iv) Associates

Vedanta Aluminium Limited

Gaurav Overseas Private Limited

v) Key Managerial Personnel

Mr Anil Agarwal

Mr Navin Agarwal

Mr Tarun Jain

Mr D.D. Jalan

Mr M.S. Mehta

vi) Relatives of Key management Personnel

Mr Dwarka Prasad Agarwal, Father of Mr Anil Agarwal and Mr Navin Agarwal

vii) Others

Vedanta Foundation

Public and Political Awareness Trust

Anil Agarwal Foundation Trust

Vedanta Medical Research Foundation

Sterlite Technologies Limited

Sterlite Iron and Steel Company Limited

Notes

forming part of Financial Statements for the year ended March 31, 2013

viii) Transaction During the year with related parties

(₹ in Crore)

Particulars	Holding Companies		Fellow Subsidiary		Subsidiaries		Associates		Key Management Personnel		Relative of Key Managerial Personnel		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1 Income																
a Sale of products	-	-	11.19	0.17	1,455.36	4.01	-	-	-	-	-	-	18.78	22.67	1,485.33	26.85
b Outsourcing service fees	1.08	0.95	-	-	-	-	-	-	-	-	-	-	-	-	1.08	0.95
c Interest & Guarantee Commission	-	-	-	-	78.48	20.93	970.92	888.97	-	-	-	-	-	-	1,049.40	909.90
d Dividend Income	-	-	-	-	685.79	688.60	-	-	-	-	-	-	0.13	0.21	685.92	688.81
2 Expenditure																
a Long Term Incentive Plan expenses	126.72	87.70	-	-	-	-	-	-	-	-	-	-	-	-	126.72	87.70
b Purchases	-	-	5.07	7.23	1,155.99	965.63	-	-	-	-	-	-	-	-	1,161.06	972.86
c Remuneration/Sitting Fees	-	-	-	-	-	-	-	-	36.37	27.16	-	-	-	-	36.37	27.16
d Allocation of Corporate Expenses	-	-	(0.23)	(0.18)	(29.88)	(22.61)	(9.23)	(6.87)	-	-	-	-	-	-	(39.34)	(29.66)
e Management Consultancy Services incl representative office fees	27.23	23.97	-	-	(25.51)	(21.75)	-	-	-	-	-	-	-	-	1.72	2.22
f Guarantee Commission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
g Power Charges	-	-	128.80	85.93	4.28	50.53	-	-	-	-	-	-	-	-	133.08	136.46
h Recovery of deputed employees	-	-	(11.58)	(7.78)	(85.11)	(103.06)	(62.91)	(59.49)	-	-	-	-	(0.66)	(0.45)	(160.26)	(170.92)
i Recovery of other expenses	-	-	(16.83)	(8.44)	(115.76)	(61.15)	(49.75)	(26.11)	-	-	-	-	(0.04)	(0.51)	(182.38)	(96.21)
j Purchase of DEPB	-	-	-	-	-	24.52	-	-	-	-	-	-	-	-	-	24.52
k Donation	-	-	-	-	-	-	-	-	-	-	-	-	6.09	6.87	6.09	6.87
3 Dividend paid	385.69	385.69	25.15	25.15	-	-	-	-	-	-	-	-	-	-	410.84	410.84
4 Guarantees Given	-	-	-	-	15,091.37	12,561.66	5,660.39	4,538.34	-	-	-	-	-	-	20,751.76	17,100.00
5 Guarantees taken	271.95	613.88	-	-	-	-	-	-	-	-	-	-	-	-	271.95	613.88
6 Loans & Advances																
a Given/(Received) During the year	-	-	8.38	5.32	4,106.08	251.40	1,454.18	(1,056.39)	-	-	-	-	0.65	(0.21)	5,569.29	(799.88)
b Balance as at March 31, 2013	-	-	15.94	9.23	14,236.16	10,130.09	8,497.10	7,045.06	-	-	-	-	2.54	0.22	22,751.74	17,182.45
7 Investments made during the year	-	-	-	-	-	1,154.00	-	3,000.00	-	-	-	-	-	-	-	4,154.00
8 Investments as at March 31, 2013	-	-	-	-	3,256.98	3,231.06	3,826.21	3,565.20	-	-	-	-	9.99	16.75	7,093.18	6,813.01
9 Purchase/ (Sales) of Fixed Assets	-	-	-	-	-	(19.27)	-	-	-	-	-	-	-	-	-	(19.27)
10 Current Liabilities																
Balance as at March 31, 2013	121.15	153.88	-	6.32	179.08	126.12	-	-	-	-	-	-	0.05	-	300.28	286.32
11 Trade Receivables																
Balance as at March 31, 2013	-	-	-	-	462.75	17.36	-	-	-	-	-	-	18.70	18.65	481.45	36.01

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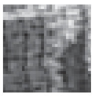
Notes

forming part of Financial Statements for the year ended March 31, 2013

ix) Details of Major Transactions with related parties :-

(₹ in Crore)

				Current Year	Previous Year
I	**Income :**				
	(a)	**Sale of products**			
		1	The Madras Aluminum Company Limited	11.19	0.17
		2	Fujairah Gold FZE	1,454.84	4.01
		3	Sterlite Technologies Limited	18.78	22.67
		4	Hindustan Zinc Limited	0.52	-
				1,485.33	**26.85**
	(b)	**Outsourcing service fees :**			
		1	Vedanta Resources Plc	1.08	0.95
				1.08	**0.95**
	(c)	**Interest & Guarantee Commission :**			
		1	Vedanta Aluminium Limited	970.92	888.97
		2	Sterlite Energy Limited	76.21	17.22
		3	Fujairah Gold FZE	0.09	-
		4	Vizag General Cargo Berth Pvt Ltd	1.49	3.02
		5	Sterlite Infra Limited	0.58	0.58
		6	Monte-Cello BV	0.11	0.11
				1,049.40	**909.90**
	(d)	**Dividend Income :**			
		1	Hindustan Zinc Limited	685.79	685.79
		2	Bharat Aluminium Company Limited	-	2.81
		3	Sterlite Technologies Limited	0.13	0.21
				685.92	**688.81**
II	**Expenditure :**				
	(a)	**Long Term Incentive Plan (including amount received from group companies) :**			
		1	Vedanta Resources Plc.	126.72	87.70
				126.72	**87.70**
	(b)	**Purchases :**			
		1	Copper Mines of Tasmania Pty Limited	1,143.23	965.63
		2	Sesa Goa Limited	5.07	7.23
		3	Fujairah Gold FZE	12.76	-
				1,161.06	**972.86**
	(c)	**Remuneration/Sitting Fees :**			
		1	Mr Navin Agarwal	14.88	12.51
		2	Mr Tarun Jain	12.08	6.92
		3	Mr D.D. Jalan (Refer Note-26)	4.15	3.40
		4	Mr M.S. Mehta	5.26	4.33
				36.37	**27.16**
	(d)	**Allocation of Corporate Expenses :**			
		1	Hindustan Zinc Limited	(18.31)	(13.81)
		2	Bharat Aluminium Company Limited	(11.57)	(8.80)
		3	The Madras Aluminum Company Limited	(0.23)	(0.18)
		4	Vedanta Aluminium Limited	(9.23)	(6.87)
				(39.34)	**(29.66)**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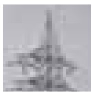
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(₹ in Crore)

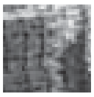
			Current Year	Previous Year
(e)	**Management Consultancy Services including representative office fees paid /(recoveries):**			
	1	Vedanta Resources Plc	27.23	23.97
	2	Hindustan Zinc Limited	(15.62)	(13.29)
	3	Bharat Aluminium Company Limited	(9.89)	(8.46)
			1.72	**2.22**
(f)	**Power Charges :**			
	1	Sterlite Energy Limited	4.28	50.53
	2	The Madras Aluminum Company Limited	128.80	85.93
			133.08	**136.46**
(g)	**Recovery of deputed employees remuneration :**			
	1	Hindustan Zinc Limited	(47.24)	(55.81)
	2	Bharat Aluminium Company Limited	(29.12)	(37.26)
	3	The Madras Aluminum Company Limited	(1.40)	(0.34)
	4	Konkola Copper Mines	-	0.11
	5	Vedanta Aluminium Limited	(62.91)	(59.50)
	6	Sesa Resources limited	(0.98)	(0.84)
	7	Sterlite Energy Limited	(3.69)	(5.54)
	8	Sesa Mining Corporation Private Limited	(0.01)	(1.76)
	9	Anil Agarwal Foundation Trust	-	(0.45)
	10	Sesa Goa Limited	(8.16)	(4.33)
	11	Talwandi Sabo Power Limited	(4.36)	(3.07)
	12	Fujairah Gold FZE	(0.21)	(0.46)
	13	Sterlite Iron and Steel Company Limited	(0.47)	(0.51)
	14	Sterlite Technologies Limited	(0.19)	(0.14)
	15	Cairn India	(1.03)	(0.10)
	16	Vizag General Cargo Berth Pvt Ltd	(0.03)	-
	17	Copper Mines of Tasmania	(0.46)	(0.92)
			(160.26)	**(170.92)**
(h)	**Recovery of expenses :**			
	1	Hindustan Zinc Limited	(56.60)	(30.64)
	2	Bharat Aluminium Company Limited	(30.94)	(21.06)
	3	The Madras Aluminum Company Limited	(1.69)	(0.79)
	4	Konkola Copper Mines	(10.50)	(7.21)
	5	Vedanta Aluminium Limited	(49.75)	(26.10)
	6	Talwandi Sabo Power Limited	(3.90)	(1.01)
	7	Sterlite Energy Limited	(5.34)	(2.15)
	8	Sterlite Infra Limited	-	(0.18)
	9	Copper Mines of Tasmania Pty Limited	(2.35)	(1.06)
	10	Fujairah Gold FZE	(0.53)	(0.36)
	11	Sterlite Technologies Limited	(0.01)	(0.00)
	12	Sesa Goa Limited	(1.67)	(0.40)
	13	Sesa Resources limited	(1.48)	(0.03)
	14	Sterlite Iron and Steel Company Limited	(0.03)	(0.51)

Notes

forming part of Financial Statements for the year ended March 31, 2013

(₹ in Crore)

			Current Year	Previous Year
	15	Sesa Mining Corporation Private Limited	(1.48)	(0.01)
	16	Black Mountain Mining (Pty) Limited	(2.09)	(1.65)
	17	Skorpion Mining Company (Pty) Limited	(6.75)	(1.19)
	18	Vedanta Lisheen Holdings Limited	(5.95)	(1.50)
	19	Vizag General Cargo Berth Pvt. Ltd	(1.32)	(0.36)
			(182.38)	**(96.21)**
(i)	**Purchase of DEPB**			
	1	Hindustan Zinc Limited	-	24.52
			-	24.52
(j)	**Donation :**			
	1	Public & Political Awareness Trust	5.00	5.00
	2	Vedanta Foundation	1.09	1.87
			6.09	**6.87**
III	**Dividend paid :**			
1	Twinstar Holdings Limited		385.69	385.69
2	The Madras Aluminum Company Limited		25.15	25.15
			410.84	**410.84**
IV	**Guarantees given :**			
1	Copper Mines of Tasmania Pty Limited		32.00	32.00
2	Thalanga Copper Mines Pty Limited		16.26	15.26
3	Vedanta Aluminium Limited		5,660.39	4,538.34
4	Sterlite Energy Limited		7,610.37	5,960.37
5	Talwandi Sabo Power Limited		3,817.51	3,423.06
6	Sterlite Infra Limited		3,073.00	2,522.72
7	Vizag General Cargo Berth Private Limited		542.23	608.25
			20,751.76	**17,100.00**
V	**Guarantees taken :**			
1	Vedanta Resources Plc		271.95	613.88
			271.95	**613.88**
VI	**Loans & Advances :**			
(a)	**Given/(Received) During the year :**			
	1	Hindustan Zinc Limited	(3.00)	2.81
	2	Fujairah Gold FZE	(0.54)	0.36
	3	Sterlite Infra Limited	216.97	79.11
	4	Bharat Aluminium Company Limited	9.25	20.70
	5	Talwandi Sabo Power Limited	3.33	0.94
	6	Vedanta Aluminium Limited	1,454.18	(1,056.39)
	7	Monte-Cello BV	-	(0.40)
	8	Sterlite Energy Limited	3,840.06	142.14
	9	Konkola Copper Mines Plc.	5.77	4.47
	10	Sesa Resources Limited	1.65	(0.17)
	11	Copper Mines of Tasmania Pty Limited	1.25	-
	12	Sesa Goa Limited	1.92	(0.73)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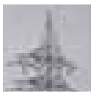
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forming part of Financial Statements for the year ended March 31, 2013

(₹ in Crore)

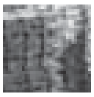
			Current Year	Previous Year
	13	Sterlite Opportunities and Ventures Limited	-	(0.04)
	14	The Madras Aluminum Company Limited	(1.31)	1.09
	15	Sesa Mining Corporation Private Limited	0.30	0.05
	16	Anil Agarwal Foundation Trust	(0.07)	(0.07)
	17	Vizag General Cargo Berth Private Limited	16.52	0.50
	18	Sterlite Iron And Steel Company Limited	0.56	0.51
	19	Sterlite Ports Limited	0.95	0.05
	20	Sterlite Infraventures Limited	0.07	0.13
	21	Paradip Multi Cargo Berth Private Limited	0.05	0.76
	22	Black Mountain Mining (Pty) Ltd	8.49	1.65
	23	Skorpion Mining Company (Pty) Ltd	6.75	1.50
	24	Vedanta Lisheen Holdings Limited	5.94	1.19
	25	Cairn India Limited	0.04	0.10
	26	Vedanta Foundation [Current year ₹ (8,000), Previous year ₹ 8,000]	(0.00)	0.00
	27	Sterlite Technologies Limited	0.16	(0.14)
			5,569.29	**(799.88)**
(b)	**Balances as at year end**			
	1	Bharat Aluminium Company Limited	34.52	25.27
	2	Konkola Copper Mines Plc	10.50	4.73
	3	Sterlite Infra Limited	6,077.50	5,860.53
	4	Sesa Resources Limited	1.71	0.06
	5	Talwandi Sabo Power Limited	4.66	1.32
	6	Sterlite Energy Limited	8,065.91	4,225.85
	7	Fujairah Gold FZE	0.53	1.07
	8	Anil Agarwal Foundation Trust	-	0.07
	9	Sesa Goa Limited	2.27	0.36
	10	Vedanta Aluminium Limited	8,497.10	7,042.91
	11	Hindustan Zinc Limited	7.23	10.23
	12	The Madras Aluminum Company Limited	0.78	2.09
	13	Sesa Mining Corporation Private Limited	0.53	0.23
	14	Copper Mines of Tasmania Pty Limited	1.25	-
	15	Vizag General Cargo Berth Private Limited	17.06	0.54
	16	Sterlite Iron and Steel Company Limited	2.22	1.66
	17	Sterlite Ports Limited	1.00	0.05
	18	Sterlite Infraventures Limited	0.20	0.13
	19	Paradip Multi Cargo Berth Private Limited	0.81	0.76
	20	Black Mountain Mining (Pty) Limited	10.14	1.65
	21	Skorpion Mining Company (Pty) Limited	8.24	1.50
	22	Vedanta Lisheen Holdings Limited	7.13	1.19
	23	Cairn India Limited	0.14	0.10
	24	Vedanta Foundation (Previous year ₹ 8,000)	-	0.00
	25	Sterlite Technologies Limited	0.31	0.15
			22,751.74	**17,182.45**

Notes

forming part of Financial Statements for the year ended March 31, 2013

(₹ in Crore)

			Current Year	Previous Year
		Loans & Advances - Current	14,570.61	16,493.45
		Loans & Advances - Non-current	8,181.13	689.00
			22,751.74	**17,182.45**
VII	**Investments made during the year :**			
	1	Vedanta Aluminium Limited	-	3,000.00
	2	Hindustan Zinc Limited (Pursuant to scheme of Amalgamation)	-	1,101.50
	3	Vizag General Cargo Berth Pvt Ltd	-	52.50
			-	**4,154.00**
VIII	**Investments as at year end :**			
	1	Bharat Aluminium Company Limited	553.18	553.18
	2	Monte Cello BV	204.23	204.23
	3	Gaurav Overrseas private Limited	0.01	-
	4	Sterlite Energy Limited	1,203.98	1,203.98
	5	Vedanta Aluminium Limited	3,826.19	3,565.20
	6	Sterlite (USA) Inc (Current and previous year ₹ 42.77)	-	-
	7	Sterlite Infra Limited	0.05	0.05
	8	Vizag General Cargo Berth Pvt Ltd	150.01	150.01
	9	Paradip Multi Cargo Berth Private Ltd	0.01	0.01
	10	Sterlite Ports Limited	0.05	0.05
	11	Sterlite Infraventures Limited	0.13	0.13
	12	Hindustan Zinc Limited	1,101.50	1,101.50
	13	Sterlite Technologies Limited	9.99	16.75
	14	Additional contribution on account of fair valuation of Corporate Guarantees	43.85	17.92
			7,093.18	**6,813.01**
IX	**Purchase/ (Sales) of Fixed Assets :**			
	1	Fujairah Gold FZE	-	(13.71)
	2	Hindustan Zinc Limited	-	(5.56)
			-	**(19.27)**
X	**Current Liabilities :**			
	1	Vedanta Resources Plc	121.15	153.88
	2	Copper Mines of Tasmania Pty Limited	176.61	125.47
	3	The Madras Aluminum Company Limited	-	5.28
	4	Konkola Copper Mines Plc	-	1.04
	5	Anil Agarwal Foundation Trust	0.05	-
	6	Fujairah Gold FZE	1.44	-
	7	Sterlite Energy Limited	1.03	0.65
			300.28	286.32
XI	**Trade Receivables :**			
	1	Fujairah Gold FZE	462.75	17.36
	2	Sterlite Technologies Limited	18.70	18.65
			481.45	**36.01**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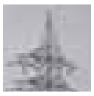
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Notes

forming part of Financial Statements for the year ended March 31, 2013

NOTE 45 In Accordance with Clause 32 of Listing Agreement, Advance(s) in the nature of Loan is/are as under: (As Certified by the Management)

a) Loans and advances in the nature of loans given to subsidiaries, associates, firms / companies in which directors are interested:

(₹ in Crore)

Name of the Company	Relationship	Balance as at March 31, 2013	Maximum Amount Outstanding during the year	Balance as at March 31, 2012
Sterlite Infraventures Limited	Subsidiary	0.07	0.07	-
Sterlite Infra Limited	Subsidiary	6,075.33	6,075.33	5,860.06
Sterlite Energy Limited	Subsidiary	8,019.61	8,019.61	4,224.61
Vedanta Aluminium Limited	Associate	7,222.27	7,222.27	6,551.36
Sterlite Ports Limited	Subsidiary	0.94	0.94	-

(b) None of the loanee have made, per se, investment in the shares of the Company.

(c) (i) Investments made by Sterlite Energy Limited in Talwandi Sabo Power Limited 40,00,50,000 shares.

(ii) Investments made by Sterlite Infra Limited in THL Zinc Ventures Limited - 1,00,001 Equity Shares & 70,00,000 Optionally Convertible Redeemable Preference Shares and in THL Zinc Holding B.V. - 37,38,000 Equity Shares & 55,00,000 Optionally Convertible Redeemable Preference Shares.

d) The above loans & advances to subsidiary fall under the category of loans & advances in the nature of loans where there is no repayment schedule and are repayable on demand and are free from interest except in case of Vedanta Aluminium Limited and Sterlite Energy Limited. The loan to Vedanta Aluminium Limited includes amount ₹ 589.00 Crore repayable after more than 7 years and loan to Sterlite Energy Limited includes amount ₹ 1,500.00 Crore repayable after 10 years.

e) As per the Company's policy, loan to employees are not considered in (a) above.

NOTE 46 DISCLOSURE ON FINANCIAL AND DERIVATIVES INSTRUMENTS

a) Derivative contracts entered into by the Company and outstandings as at Balance Sheet date

(i) To hedge currency related risks, the Company has entered into forex forward covers. The nominal amounts of such derivative contracts outstanding as at Balance sheet date are ₹ 3610.26 Crore (net of Forward Sell covers of ₹ 51.85 Crore) (Previous year ₹ 1,955.05 Crore)

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

Particulars	As at March 31, 2013		As at March 31, 2012	
	Purchases	Sales	Purchases	Sales
Forwards / Futures				
Copper (MT)	7,350	4,075	10,850	3,575
Gold (Oz)	12,370	33,576	50,402	114,806
Silver (Oz)	61,844	428,511	319,957	901,012

Notes

forming part of Financial Statements for the year ended March 31, 2013

b) All derivative and Financial instruments entered by the Company are for hedging purposes only.

c) Unhedged foreign currency exposure is as under:-

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Payable	4,800.53	2,797.74
Unsecured Borrowings -Convertible Senior note	2,408.13	2,136.68
Receivable	3.78	128.97

NOTE 47 The Company considers its investment in and loans to subsidiaries as strategic and long term in nature and accordingly, in the view of the management, any decline in value of such long term investments in subsidiaries is considered as temporary in nature and hence no provision for diminution in value is considered necessary.

NOTE 48 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Navin Agarwal	M. S. Mehta	D. D. Jalan	Rajiv Choubey
Executive Vice Chairman	Chief Executive Officer	Whole Time Director & Chief Financial Officer	Company Secretary

Place : Mumbai
Dated : April 29, 2013

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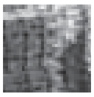
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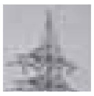


Independent Auditors' Report

To

The Board of Directors of
Sterlite Industries (India) Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **Sterlite Industries (India) Limited** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements / financial information of the subsidiaries and associates referred to below in the Other Matters paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;

(b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

(c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

OTHER MATTERS

a) We did not audit the financial statements / financial information of Monte Cello BV, Copper Mines of Tasmania Pty Limited, Thalanga Copper Mines Pty Limited, Fujairah Gold FZE, THL Zinc Ventures Ltd, THL Zinc Ltd, THL Zinc Namibia Holdings (Proprietary) Limited (Consolidated Financial Statements), Black Mountain Mining (Pty) Ltd, THL Zinc Holding B.V, Vedanta Lisheen Holdings Limited (Consolidated Financial Statements), Lakomasko B.V., Sterlite (USA) Inc., Amica Guesthouse (Proprietary) Limited, Rosh Pinah Health Care (Proprietary) Limited and Pecvest 17 Proprietary Limited, the subsidiaries, whose financial statements reflect total assets of ₹ 9,605.02 Crore as at March 31, 2013, total revenues of ₹ 8,752.73 Crore and net cash flows amounting to ₹ 177.49 Crore for the year ended on that date as considered in consolidated financial statements. The consolidated financial statements also include the Group's share of loss of ₹ Nil for the year ended March 31, 2013, in respect of RoshSkor Township (Proprietary) Limited and Gaurav Overseas Private Limited, both associate companies, whose financial statements have not been audited by us. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and associates is based solely on the reports of the other auditors.

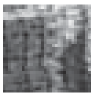
b) The financial statements of Bharat Aluminium Company Limited, Sterlite Energy Limited, Talwandi Sabo Power Limited, Sterlite Infra Limited, Sterlite Ports limited, Sterlite Infraventures Limited, Vizag General Cargo Berth Private Limited, Paradip Multi Cargo Berth Private Limited and Hindustan Zinc Limited, the subsidiaries, whose financial statements reflect total assets of ₹ 64,218.85 Crore as at March 31 2013, total revenues of ₹ 21,219.54 Crore and net cash flows amounting to ₹ 152 Crore for the year ended on that date as considered in the consolidated financial statements, have been audited by one of the joint auditors.

c) The consolidated financial statements include the Group's share of loss of ₹ 659.79 Crore for the year ended March 31, 2013 of Vedanta Aluminium Limited an associate Company, whose financial statements has been audited by one of the joint auditors.

Our opinion is not qualified in respect of above matters.

For Chaturvedi & Shah	For Deloitte Haskins & Sells
Chartered Accountants	Chartered Accountants
(Firm Registration No.: 101720W)	(Firm Registration No.: 117366W)
R. Koria	K. A. Katki
Partner	Partner
Membership No.035629	Membership No.038568

Place : Mumbai
Dated : April 29, 2013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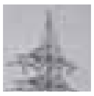
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Consolidated
Balance Sheet
as at March 31, 2013

(₹ in Crore)

Particulars	Notes	As at March 31, 2013		As at March 31, 2012
EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	5	336.12		336.12
(b) Reserves and surplus	6	50,619.05		45,719.56
			50,955.17	**46,055.68**
Minority Interest			**14,283.88**	**12,198.99**
Non-current liabilities				
(a) Long-term borrowings	7	10,623.18		7,448.64
(b) Deferred tax liabilities (net)	8	2,399.25		2,208.27
(c) Other long-term liabilities	9	1,031.79		521.61
(d) Long-term provisions	10	951.88		893.00
			15,006.10	**11,071.52**
Current liabilities				
(a) Short-term borrowings	11	7,990.01		7,023.86
(b) Trade payables		3,340.59		3,471.07
(c) Other current liabilities	12	6,101.09		5,197.83
(d) Short-term provisions	13	953.41		611.30
			18,385.10	**16,304.06**
Total			**98,630.25**	**85,630.25**
ASSETS				
Non-current assets				
(a) Fixed assets	14			
(i) Tangible assets		23,108.00		21,352.40
(ii) Intangible assets		31.19		56.87
(iii) Capital work-in-progress		17,031.55		12,092.19
		40,170.74		**33,501.46**
(b) Goodwill on consolidation	15	3,832.08		4,061.47
(c) Non-current investments	16	2,038.49		3,205.43
(d) Deferred tax assets (net)	8	14.86		-
(e) Long-term loans and advances	17	3,810.03		4,709.54
(f) Other non-current assets	18	765.61		515.27
			50,631.81	**45,993.17**
Current assets				
(a) Current investments	19	15,051.46		14,419.94
(b) Inventories	20	7,076.48		4,498.06
(c) Trade receivables	21	1,638.21		1,818.18
(d) Cash and bank balances	22	9,432.55		8,539.20
(e) Short-term loans and advances	23	14,263.24		9,941.97
(f) Other current assets	24	536.50		419.73
			47,998.44	**39,637.08**
Total			**98,630.25**	**85,630.25**

The accompanying notes are forming part of the consolidated financial statements

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants

R. Koria
Partner

For Deloitte Haskins & Sells
Chartered Accountants

K. A. Katki
Partner

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice Chairman

M. S. Mehta
Chief Executive Officer

D. D. Jalan
Whole Time Director & Chief Financial Officer

Rajiv Choubey
Company Secretary

Place : Mumbai
Dated : April 29, 2013

Consolidated
Statement of Profit and Loss
for the year ended March 31, 2013

(₹ in Crore)

Particulars	Notes	Year ended March 31, 2013	Year ended March 31, 2012
GROSS REVENUE FROM OPERATIONS	25	47,682.42	43,115.91
Less: Excise Duty		(2,520.13)	(1,936.97)
Net Revenue from operations		45,162.29	41,178.94
Other income	26	3,470.08	3,163.21
Total Revenue		**48,632.37**	**44,342.15**
EXPENSES:			
Cost of materials consumed		20,748.43	18,712.27
Purchases of Stock-in-Trade		56.74	12.07
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	134.99	119.67
Employee benefits expense	28	1,879.94	1,612.21
Finance costs	29	922.24	852.42
Depreciation and amortisation expense		2,031.78	1,829.81
Other expenses	30	11,873.31	10,859.40
Total expenses		**37,647.43**	**33,997.85**
Profit before exceptional items and tax		10,984.94	10,344.30
Exceptional items	31	117.53	472.64
Profit before tax		**10,867.41**	**9,871.66**
Tax expense (benefit):			
- Current tax for the year		2,212.92	2,248.49
- Less : MAT credit entitlement		(798.47)	(134.37)
- Tax adjustments related to previous years		25.52	(37.14)
Net current tax expense		**1,439.97**	**2,076.98**
- Deferred Tax for the year		184.43	5.39
- Deferred Tax adjustments related to previous years		(6.01)	28.18
Deferred tax		**178.42**	**33.57**
Net tax expense		**1,618.39**	**2,110.55**
Profit after tax for the year before Minority Interest and Share of Loss of Associate		9,249.02	7,761.11
Share in Loss of Associate		(659.79)	(772.27)
Less : Minority Interest		2,528.91	2,160.92
Profit for the year		**6,060.32**	**4,827.92**
Earnings per equity share of ₹ 1/- each	32		
- Basic		18.03	14.36
- Diluted		18.03	14.36

The accompanying notes are forming part of the consolidated financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Chaturvedi & Shah
Chartered Accountants

For Deloitte Haskins & Sells
Chartered Accountants

Navin Agarwal
Executive Vice Chairman

M. S. Mehta
Chief Executive Officer

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Rajiv Choubey
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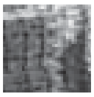
Place : Mumbai
Dated : April 29, 2013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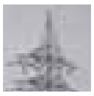
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Consolidated
Cash Flow Statement

(₹ in Crore)

	Year Ended March 31, 2013		Year Ended March 31, 2012	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax		10,867.41		9,871.66
Consolidated Share in Loss of Associate		(659.79)		(772.27)
		10,207.62		**9,099.39**
Adjusted for :				
- Bad trade receivables and advances written off	1.07		3.46	
- Depreciation and amortisation expense	2,031.78		1,829.81	
- Dividend on investments	(57.15)		(99.25)	
- Interest & guarantee commission income	(2,153.15)		(1,770.05)	
- Finance costs	922.24		852.42	
- Foreign Exchange difference	(112.95)		687.39	
- Net gain on sale of investments	(616.44)		(702.06)	
- Rollover (Gain)/Loss on forward covers	(174.44)		93.29	
- Loss /(Profit) on sale of fixed assets	27.69		(6.60)	
- Provision for bad and doubtful receivables	1.12		15.80	
- Sundry Liabilities written back	(14.39)		(31.23)	
- Deferred government grant transferred	(0.01)		(0.01)	
- Consolidated Share in Loss of Associate	659.79		772.27	
- Gain on mark to market of current investments	(536.50)		(268.09)	
- Gain on fair valuation of embedded derivatives	(29.91)		(245.53)	
		(51.25)		1,131.62
Operating profit before working capital changes		**10,156.37**		**10,231.01**
Adjusted for:				
- Trade receivables and other assets	(327.35)		(482.60)	
- Inventories	(2,596.51)		701.47	
- Trade payables and other liabilities	1,638.34		332.69	
		(1,285.52)		551.56
Cash generated from operations		8,870.85		10,782.57
Income taxes paid		(2,046.48)		(2,382.81)
Net cash generated from operating activities		**6,824.37**		**8,399.76**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment towards share application money in Joint Venture		(0.52)		(0.87)
Purchase of fixed assets & capital work-in-progress		(5,223.51)		(7,439.39)
Sale of fixed assets		8.55		43.36
Purchase of current investments		(64,093.32)		(74,705.51)
Sale of current investment		64,712.72		73,900.24
Loss on forward covers		(211.61)		(80.23)
Loans to related parties		(4,185.98)		(2,736.48)
Loans repaid by related parties		960.91		105.99
Proceed from sale of Hudbay shares		820.06		-
Payments for acquisition of new entity		-		(778.39)
Refund of purchase consideration in BMM acquisition		-		43.57

Consolidated

Cash Flow Statement

(₹ in Crore)

	Year Ended March 31, 2013	Year Ended March 31, 2012
Interest received	863.07	1,452.67
Dividend on investments	58.33	99.25
Bank balances not considered as cash and cash equivalents		
- Placed	(7,657.85)	(8,186.42)
- Matured	6,497.33	8,760.70
Net cash used in investing activities	**(7,451.82)**	**(9,521.51)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term borrowings	2,358.91	2,698.47
Repayment of Long term borrowings	(796.66)	(875.91)
Proceeds from Short Term borrowings	31,106.44	28,698.92
Repayment of Short Term borrowings	(29,721.13)	(27,475.83)
Interest and finance charges paid	(1,332.25)	(1,075.23)
Rollover Gain/(Loss) on forward covers	(27.38)	18.73
Dividend and tax thereon paid	(1,261.01)	(1,311.33)
Margin money deposit	(14.76)	(16.23)
Net Cash from financing activities	**312.16**	**661.59**
Effect of exchange rate on cash & cash equivalent	33.36	51.64
Net decrease in cash and cash equivalents	(281.93)	(408.52)
Cash and cash equivalents at the beginning of the year	1,717.51	2,123.85
Add: On acquisition of subsidiaries during the year	-	2.18
Cash and cash equivalents at the end of the year	1,435.58	1,717.51
Add: Bank balances not considered as cash and cash equivalents	7,996.97	6,821.69
Closing balance of Cash and bank balances as per Note 22	**9,432.55**	**8,539.20**

Notes:

1) The figures in bracket indicates outflow.

2) During the year 2011-12 short term loans of ₹ 3,000 Crore to associate company has been converted into 9% cumulative redeemable preference shares for a period of 10 years and the same has been considered as non cash item.

The accompanying notes are forming part of the consolidated financial statements

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants

R. Koria
Partner

For Deloitte Haskins & Sells
Chartered Accountants

K. A. Katki
Partner

Place : Mumbai
Dated : April 29, 2013

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice Chairman

M. S. Mehta
Chief Executive Officer

D. D. Jalan
Whole Time Director & Chief Financial Officer

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Company Secretary

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Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 1 COMPANY OVERVIEW

Sterlite Industries (India) Limited ("SIIL") and its consolidated subsidiaries are principally engaged in non-ferrous metals and mining & power generation in India, Australia, Namibia, South Africa and Ireland. SIIL was incorporated on September 8,1975 under the laws of the Republic of India and has its registered office at Tuticorin,Tamilnadu. SIIL's shares are listed in National Stock Exchange and Bombay Stock Exchange in India. In 2007, SIIL completed its initial public offering of American Depository Shares, or ADS followed by a follow on offering in July 2009. Each ADS represents four equity shares, and is listed on the New York Stock Exchange.

SIIL is a majority-owned subsidiary of Twin Star Holdings Limited ("Twin Star") which is in turn a wholly-owned subsidiary of Vedanta Resources Plc ("Vedanta"), a public limited company incorporated in the United Kingdom and listed on the London Stock Exchange Plc. Twin Star held 54.64% of SIIL's equity as at March 31, 2013.

NOTE 2 PRINCIPLES OF CONSOLIDATION

(a) (I) The Consolidated Financial Statements relate to Sterlite Industries (India) Limited ('the Company'), its subsidiary companies and its associate companies. The Consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements".

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

(iii) The difference between the cost of investments in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill, which is not being amortised, or Capital Reserve as the case may be. However Goodwill arising on consolidation is tested for impairment.

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

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

(vi) Investments in associate companies are accounted for using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements".

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

(viii) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

(II) Financial Statements of Foreign Subsidiaries - Monte Cello B.V., Thalanga Copper Mines Pty Limited, Copper

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

Mines of Tasmania Pty Limited , Fujairah Gold FZE, Sterlite (USA) Inc, THL Zinc Ventures Ltd, THL Zinc Ltd, THL Zinc Holding B.V., THL Zinc Namibia Holdings (Proprietary) Ltd (consolidated), Black Mountain Mining (Proprietary) Limited, Vedanta Lisheen Finance Limited (consolidated), Pecvest 17 Proprietary Limited, Amica Guesthouse (Proprietary) Limited, Rosh Pinah Health Care (Proprietary) Limited and Lakomasko B.V. have been converted in Indian Rupees at following Exchange Rates:-

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

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

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

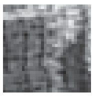
The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Company i.e March 31, 2013.

(b) For the purpose of consolidation, the financial statements of some of the subsidiaries which had been prepared in accordance with International Financial Reporting Standards / the laws of the Country in which they are incorporated, have for the purpose of this consolidation, been converted and restated where considered material, to comply with Generally Accepted Accounting principles in India.

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

Subsidiaries

			% Ownership interest held by the parent	
S. No	**Name of the Company**	**Country of Incorporation**	**March 31, 2013**	**March 31, 2012**
1	Copper Mines of Tasmania Pty Limited	Australia	100	100
2	Thalanga Copper Mines Pty Limited	Australia	100	100
3	Monte Cello B.V.	Netherland	100	100
4	Bharat Aluminium Company Limited	India	51	51
5	Sterlite Infra Limited	India	100	100
6	Talwandi Sabo Power Limited	India	100	100
7	Sterlite (USA) Inc.	USA	100	100
8	Hindustan Zinc Limited	India	64.92	64.92
9	Sterlite Energy Limited	India	100	100
10	Fujairah Gold FZE	UAE	100	100
11	THL Zinc Ventures Ltd	Mauritius	100	100
12	THL Zinc Ltd	Mauritius	100	100
13	THL Zinc Holding B.V.	Netherland	100	100
14	THL Zinc Namibia Holdings (Proprietary) Limited	Namibia	100	100
15	Skorpion Zinc (Proprietary) Limited	Namibia	100	100
16	Skorpion Mining Company (Proprietary) Limited	Namibia	100	100
17	Namzinc (Proprietary) Limited	Namibia	100	100
18	Amica Guesthouse (Proprietary) Limited	Namibia	100	100
19	Rosh Pinah Health Care (Proprietary) Limited	Namibia	69	69
20	Black Mountain Mining (Proprietary) Limited	South Africa	74	74
21	Vedanta Lisheen Holdings Limited	Ireland	100	100
22	Vedanta Lisheen Mining Limited	Ireland	100	100
23	Killoran Lisheen Mining Limited	Ireland	100	100
24	Lisheen Milling Limited	Ireland	100	100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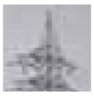
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			% Ownership interest held by the parent	
S. No	**Name of the Company**	**Country of Incorporation**	**March 31, 2013**	**March 31, 2012**
25	Killoran Lisheen Finance Limited	Ireland	100	100
26	Sterlite Ports Limited	India	100	100
27	Sterlite Infraventures Limited	India	100	100
28	Vizag General Cargo Berth Private Limited	India	74	74
29	Paradip Multi Cargo Berth Private Limited	India	74	74
30	Pecvest 17 Proprietary Limited	South Africa	100	100
31	Lakomasko B.V.	Netherland	100	100

			% Ownership interest held by the parent	
S. No	**Name of the Company**	**Country of Incorporation**	**March 31, 2013**	**March 31, 2012**
Associate				
1	Vedanta Aluminium Limited (VAL)	India	29.5	29.5
2	RoshSkor Township (Proprietary) Limited	Namibia	50	50
3	Gaurav Overseas Private Limited	India	50	-
Other Entities				
1	Lisheen Mine Partnership [50% each held by Killoran Lisheen Mining Limited & Vedanta Lisheen Mining Limited]	Ireland	100	100

NOTE 3 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of Accounting :

The Consolidated Financial Statements of the Company and its subsidiaries (together the Group) are prepared as a going-concern under historical cost convention on an accrual basis in accordance with the Companies Act, 1956 read together with early adoption of Accounting Standard(AS)-30:'Financial Instruments: Recognition and Measurement' by the Company, and the consequential limited revisions to certain Accounting Standards by The Institute of Chartered Accountants of India(ICAI) which have been measured at their fair value. Accounting policies not stated explicitly otherwise are consistent with generally accepted accounting principles.

(b) Use of Estimates :

The preparation of consolidated financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognised in the period in which the results are known/materialised.

(c) Borrowing Cost :

Borrowing Cost attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto the date when such assets are ready for intended use. Other borrowing costs are charged as expense in the year in which they are incurred.

(d) Fixed Assets :

Fixed Assets are stated at cost (net of Modvat/Cenvat/Value Added Tax) less accumulated depreciation and impairment loss.

(e) Expenditure During Construction Period:

All pre-operative project expenditure (net of income accrued) incurred upto the date of commercial production is capitalised on commissioning of the project.

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

(f) Depreciation :

(i) Depreciation has been provided on Fixed Assets on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, except in respect of additions arising on account of Insurance spares, on additions/extensions forming an integral part of existing plants and on the revised carrying amount of the assets identified as impaired on which depreciation has been provided over residual life of the respective fixed assets.

(ii) Amortisation of leasehold land and buildings has been done in proportion to the period of lease.

(iii) Fixed Assets, where ownership vests with the Government/Local authorities, are amortised at the rates of depreciation specified in Schedule XIV to the Companies Act, 1956.

(g) Intangible Assets :

Intangible Assets are stated at cost of acquisition less accumulated amortisation. Technical know-how is amortised over the useful life of the underlying plant. Amortisation is done on straight line basis. Software is amortised on Straight Line basis over the useful life of the asset or 5 years which ever is earlier.

(h) Investments :

(i) Investments are classified as investments in Subsidiaries, Associates, Available for Sale , Held for Trading and Held To Maturity within the meaning of Accounting Standard 30 on "Financial Instruments: Recognition and measurement" read with the limited revisions of Accounting Standard 21 on Consolidated Financial Statements & Accounting Standard 23 on Accounting for Investments in Associates.

(ii) Investments are recorded as Long Term Investments unless they are expected to be sold within one year. Investments in subsidiaries and associates are valued at cost except for investments in redeemable cumulative preference shares of associate which are at amortised cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

(iii) Investments classified as Available for Sale are initially recorded at cost and then remeasured at subsequent reporting dates to fair value. Unrealised gains/losses on such investments are recognised directly in Investment Revaluation Reserve Account. At the time of disposal, derecognition or impairment of the investments, cumulative gain or loss previously recognised in the Investment Revaluation Reserve Account is recognised in the Statement of Profit and Loss.

(iv) Investments classified as Held for Trading that have a market price are measured at fair value & gain/loss arising on account of fair valuation is routed through Statement of Profit and Loss and those that do not have a market price and whose fair value cannot be reliably measured are carried at cost.

(v) Investments classified as Held to Maturity are measured at amortised cost using an effective interest rate method.

(i) Inventories :

(i) Inventories are valued at the lower of cost and the net realisable value other than scrap and by-products which being immaterial are valued at net realisable value.

(ii) Cost of inventories of finished goods and work-in-progress includes material cost, cost of conversion and other costs.

(iii) Cost of inventories of raw material and material cost of finished goods and work-in-progress is determined on First In First Out (FIFO) basis except Rock phosphate, Fuel stock and stores and spare parts which are valued at weighted average cost.

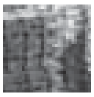
(j) Premium on Redemption of Debentures:

Premium on redemption of debentures is provided for on an accrual basis and charged to Statement of Profit and Loss using an effective interest rate method.

(k) Foreign Currency Transactions :

(i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the date of the transaction.

(ii) Monetary items denominated in foreign currencies at the year end are restated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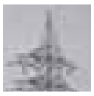
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at year end rates. In case of monetary items which are hedged by derivative instruments, the valuation is done as per "Accounting Standard - 30", Financial Instruments: Recognition and Measurement" read with accounting policy on derivative instruments. The fair value of foreign currency contracts are calculated with reference to current forward exchange rates for the contracts with similar maturity profile.

(iii) Non monetary foreign currency items are carried at cost.

(iv) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss except in respect of long term Foreign Currency Monetary Items which are not covered by Accounting Standard (AS 30) on "Financial Instruments; Recognition and Measurement" relatable to acquisition of depreciable fixed assets, such difference is adjusted to the carrying cost of the depreciable fixed assets. In respect of other long term Foreign Currency Monetary items, the same is transferred to "Foreign Currency Monetary Translation Difference Account" and amortised over the balance period of such long term Foreign Currency Monetary items but not beyond March 31, 2020.

(l) Issue expenses:

Expenses of Debenture/Bond/Floating Rate Note issues are charged to Statement of Profit and Loss using an effective interest rate method. Expenses related to equity & equity related instruments are adjusted against the security premium account

(m) Employee Benefits:

(i) Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered. Provision for compensated absences to employees is recognised based on undiscounted amount for the portion of accumulated leave which an employee can encash/avail.

(ii) Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation carried out as at the year end. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

(n) Revenue Recognition :

Revenue is recognised only when significant risk and reward of ownership of the goods have passed to the buyer and it can be reliably measured and it is reasonable to expect ultimate collection

Revenue from operations includes sale of goods, services, scrap, excise duty, export incentives and are net of sales tax/Value Added Tax, rebates and discounts.

Revenue from sale of power is recognised when delivered and measured based on contractual agreement and tariff rates approved by electricity regulatory authorities or provisional rates estimated by management based on the principles laid down under the relevant Tariff Regulations as notified by the Regulatory Commission.

Dividend income is recognised when right to receive the payment is established by the Balance Sheet Date.

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

(o) Export incentives :

Export incentives other than Advance licence are recognised at the time of exports and the benefits in respect of advance licence received by the company against export made by it are recognised as and when goods are imported against them.

(p) Purchase of copper concentrate and sale of copper and slime:

In accordance with the prevailing international market practice, purchase of copper concentrate and sale of copper and slime are accounted for on provisional invoice basis pending final invoice in terms of Purchase Contract/Sales Contract respectively. The cases where quotational period price are not finalised as at the year end are restated at forward LME/LBMA rates as on the year end date and adjustments are made based on the metal contents as per laboratory assessments done by the company pending final invoice.

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

(q) Derivative Instruments:

In order to hedge its exposure to foreign exchange, interest rate and commodity price risks, the Company enters into forward, option, swap contracts and other derivative financial instruments. The Company neither holds nor issues any derivative financial instruments for speculative purposes.

Derivative financial instruments are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent balance sheet dates.

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

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and are determined to be an effective hedge are recorded in Hedging Reserve account. Any cumulative gain or loss on the hedging instrument recognised in Hedging Reserve is kept in Hedging Reserve until the forecast transaction occurs. Amounts deferred to Hedging Reserve are recycled in the Statement of Profit and Loss in the periods when the hedged item is recognised in the Statement of Profit and Loss or when the portion of the gain or loss is determined to be an in-effective hedge.

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

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value with unrealised gains or losses reported in the Statement of Profit and Loss.

(r) Convertible notes:

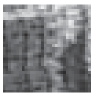
Convertible notes issued in foreign currency are convertible at the option of the holder into ordinary shares of the Company as per the terms of the issue. Conversion option which is not settled by exchanging a fixed amount of cash for a fixed number of shares is accounted for separately from the liability component as derivative and initially accounted for at fair value. The liability component is recognized initially at the difference between the fair value of the note and the fair value of the conversion option. Directly attributable costs are allocated to the liability component and the conversion option in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The conversion option is subsequently measured at fair value at each reporting date, with changes in fair value recognized in the Statement of Profit and Loss. The conversion option is presented together with the related liability.

(s) Taxation:

Provision for current tax is made after taking into consideration benefits admissible for each of the entities in the group in accordance with the provisions of applicable tax laws of the respective jurisdictions where the entities are located. Minimum Alternate Tax (MAT) paid in accordance with tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax in future years. Deferred tax resulting from "timing differences" between book profit and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is reasonable/ virtual certainty that asset will be realised in future. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the entity has a legally enforceable right for such set off.

(t) Impairment of Assets:

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/ external factors. An asset is treated as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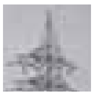
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impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is recognised in the Statement of Profit and Loss where the carrying amount of an asset exceeds its recoverable amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

(u) Provision, Contingent Liabilities and Contingent assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Financial Statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

(v) Segment Reporting:

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

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

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

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

(w) Cash Flow Statement:

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

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

Item		Particulars		As at March 31, 2013 (₹ in Crore)	Proportion to the Item
(i)	Depreciation	**BALCO has charged depreciation on certain assets at following rates as against Schedule XIV rates of The Companies Act 1956, followed by the Company:**			
		(i) Medical/Office Equipment, Air Conditioners, Furniture and Electrical Appliances.	20%	1.71	0.08%
		(ii) Personal Computer and Electronic Equipment.	33.33%	0.78	0.04%
		(iii) Leasehold land including land development expenses.	Over 20 Years	0.32	0.02%
		HZL has charged depreciation on certain assets at following rates as against Schedule XIV rates of The Companies Act 1956, followed by the company :			
		Individual items of Plant & Machinery and vehicles costing upto ₹ 25,000/-	100%	0.91	0.04%

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

Item		Particulars		As at March 31, 2013 (₹ in Crore)	Proportion to the Item
(ii)	Fixed Assets	For the purpose of depreciation, in case of HZL additions/disposals are reckoned on the first day and last day of quarter respectively.	Additions	738.79	19.81%
			Disposals	132.17	47.34%
(iii)	Inventory	BALCO, HZL, THL Zinc Namibia Holdings Limited and its subsidiaries, Vedanta Lisheen Holdings Limited and its subsidiaries and BMM has determined Cost of Inventory as per Weighted average method as against FIFO method being followed by the company.		1,156.87	19.17%

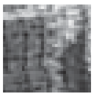
(b) The financial statements of MCBV, CMT, TCM, Fujairah Gold FZE, THL Zinc Ventures Ltd, THL Zinc Ltd, THL Zinc Holding B.V.,THL Zinc Namibia Holdings (Proprietary) Ltd (consolidated), Black Mountain Mining (Proprietary) Limited, Vedanta Lisheen Holdings Limited (consolidated), Amica Guesthouse (Proprietary) Limited, Rosh Pinah Health Care (Proprietary) Limited & Lakomasko B.V are general purpose financial reports which have been prepared in accordance with generally accepted accounting principles and complies with other requirements of the law of the country in which the companies are incorporated. The financial statements of the above foreign subsidiaries reflect total revenue of ₹11,472.12 Crore (Previous year ₹ 8,851.33 Crore) and total expenses of ₹ 8,821.28 Crore (Previous year ₹ 6,281.29 Crore) for the year ended March 31, 2013 and total assets of ₹ 20,767.43 Crore (Previous year ₹ 19,760.61 Crore) and total Liabilities of ₹ 2,538.12 Crore (Previous year ₹ 2,037.28 Crore) as on March 31, 2013.

NOTE 5 SHARE CAPITAL

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	(₹ in Crore)	Number	(₹ in Crore)
Authorised				
Equity Shares of ₹ 1/- (Previous year : ₹ 1/-) each	5,000,000,000	500.00	5,000,000,000	500.00
Issued, subscribed and paid up				
Equity Shares of ₹ 1/- (Previous year : ₹ 1/-) each	3,361,207,534	336.12	3,361,207,534	336.12
Less: Unpaid Allotment Money/Calls in Arrears (other than Directors)	11,790	-	11,790	-
(Current year ₹ 11,790) (Previous year ₹ 11,790)				
Total		**336.12**		**336.12**

i) Reconciliation of number of Equity Shares and amount outstanding

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number	(₹ in Crore)	Number	(₹ in Crore)
Shares outstanding at beginning and at end of the year	3,361,207,534	336.12	3,361,207,534	336.12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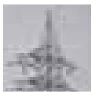
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ii) 1,671,144,924 (Previous year 1,671,144,924) equity Shares are held by Twinstar Holdings Limited, the holding company [excluding 165,487,852 shares (Previous year 165,487,852 shares) shares against which ADRs are issued].

119,750,659 Equity Shares (Previous year 119,750,659) are held by The Madras Aluminium Company Limited, a fellow subsidiary company. Vedanta Resources Plc. is the ultimate holding company and does not hold any equity shares of the Company.

iii) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Twinstar Holdings Limited	1,671,144,924	49.72%	1,671,144,924	49.72%
CITI Bank N.A. New York (American depository shares held as depository)	449,113,200	13.36%	418,419,208	12.45%

iv) Aggregate number of bonus shares allotted during the period of five years immediately preceeding March 31, 2013

Particulars	As at March 31, 2013	As at March 31, 2012
Equity shares allotted as fully paid up bonus shares in 2010-11	1,680,406,690	1,680,406,690

v) Other disclosures

(a) The Company has one class of equity shares having a par value of Re 1 per share. Each shareholder is eligible for one vote per share held and dividend as and when declared by the Company. The final dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Interim dividend is paid as and when declared by the board. In the event of liquidation of Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

(b) ADS shareholders do not have right to attend the General meeting in person and also do not have right to vote. They are represented by depository, CITI Bank N.A. New York. As on March 31, 2013, 449,113,200 equity shares were held in the form of 112,278,300 ADSs.

(c) For terms of conversion of 4% Convertible Senior Notes of $1000 each, Refer Note no. 7(e)

vi) In terms of Scheme of Arrangement (Scheme) as approved by the Hon'ble High Court of Judicature at Mumbai, vide its order dated April 19, 2002 the Company during 2002-2003 reduced its paid up share capital by ₹ 10.03 Crore. There are 3,75,544 equity shares of ₹ 1 each (Previous year 3,75,544 equity shares of ₹ 1 each) pending clearance from National Securities DepositLimited/Central Depository Services Limited . The Company has filed application in Hon'ble High Court of Mumbai to cancel these shares, the final decision on which is pending. Hon'ble High Court of Judicature at Mumbai, vide its interim order dated September 6, 2002 restrained any transaction with respect to subject shares.

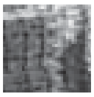
Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 6 SHARE CAPITAL

(₹ in Crore)

	As at March 31, 2013	As at March 31, 2012
Capital Reserve		
Balance as at the beginning and at the end of the year	1.71	1.71
Capital Reserve on consolidation		
Balance as at the beginning and at the end of the year	1.48	1.48
Preference Share Redemption Reserve		
Balance as at the beginning and at the end of the year	76.88	76.88
Securities Premium Account		
Balance as at the beginning of the year	18,095.59	18,095.59
Less: Unpaid Securities Premium	(0.03)	(0.03)
Balance as at the end of the year	**18,095.56**	**18,095.56**
Debenture Redemption Reserve		
Balance as at the beginning of the year	217.50	165.00
Add: Transferred from Surplus in Statement of Profit and Loss [Net of Minority Share of ₹ Nil (Previous Year ₹ 49 Crore)]	41.08	52.50
Balance as at the end of the year	**258.58**	**217.50**
Investment Revaluation Reserve		
Balance as at the beginning of the year	153.99	19.75
Add/(Less): Adjustment for the year on account of change in fair value of Available for Sale Investments	(65.24)	134.24
Less: Recycled to statement of profit & loss on sale of Available for Sale Investment	(72.33)	-
Balance as at the end of the year	**16.42**	**153.99**
General Reserve		
Balance as at the beginning of the year	8,054.90	6,611.22
Add: Utilisation of reserve towards adjustment of retirement benefit liability	-	2.76
Add: Amount transferred from Surplus in Statement of Profit and Loss	652.13	1,493.57
Less: Pursuant to scheme of amalgamation	-	(52.65)
Balance as at the end of the year	**8,707.03**	**8,054.90**
Hedging Reserve		
Balance as at the beginning of the year	(102.43)	79.91
Add/(Less): Effect of foreign exchange rate variations on hedging instrument outstanding at the end of the year [net of deferred tax ₹ (11.11) Crore (Previous year ₹ 12.95 Crore)]	30.22	(102.26)
Less : Adjustment in the cost of fixed assets	(4.64)	-
Less : Minority share	(9.44)	(0.17)
Less: Amount transferred to Statement of Profit and Loss	(107.07)	79.91
Balance as at the end of the year	**20.78**	**(102.43)**
Deferred Government Grant		
Balance as at the beginning of the year	0.20	0.21
Less: Transferred to Statement of Profit and Loss	(0.01)	(0.01)
Balance as at the end of the year	**0.19**	**0.20**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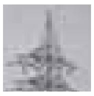
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Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 6 SESERVES & SURPLUS (CONTD.)

(₹ in Crore)

	As at March 31, 2013	As at March 31, 2012
Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	18,318.94	15,790.10
Add: Profit for the year	6,060.32	4,827.92
Less: Transferred to general reserve	652.13	1,493.57
Less: Transferred to debenture redemption reserve [Net of Minority Share of ₹ Nil (Previous Year ₹ 49 Crore)]	41.08	52.50
Less: Interim dividend [Dividend per share ₹ 2.30/- (Previous year ₹ 1/-)]	773.07	336.12
Less: Proposed dividend [Dividend per share Nil (Previous year ₹ 1/-)]	-	336.12
Less: Tax on dividends	111.25	116.84
Add: Adjustment of Minority share of dividend	-	36.07
Balance as at the end of the year	**22,801.73**	**18,318.94**
Foreign Currency Translation Reserve		
Balance as at the beginning of the year	900.83	257.54
Add/(Less): Effect of foreign exchange rate variations during the year	(262.14)	643.29
Balance as at the end of the year	**638.69**	**900.83**
Total	**50,619.05**	**45,719.56**

NOTE 7 LONG TERM BORROWINGS

(₹ in Crore)

	As at March 31, 2013	As at March 31, 2012
Secured		
- Redeemable Non Convertible Debentures	3,827.64	2,058.25
- Term loans from a bank	292.67	107.93
- Foreign currency loans from banks	1,158.46	1,000.82
- Buyer's credit from banks	2,320.86	1,832.11
	7,599.63	**4,999.11**
Unsecured		
- Deferred Sales Tax Liability	86.96	84.30
- Foreign currency Loans from banks	-	131.80
- Convertible Senior Notes	2,408.13	2,136.68
- Buyer's credit from banks	528.46	96.75
	3,023.55	**2,449.53**
Total	**10,623.18**	**7,448.64**

Terms & conditions of Long Term Borrowings

a) Secured Redeemable Non Convertible Debentures includes :

(i) 8.24% debentures [including current maturity of long-term debt of ₹ 60 Crore (Refer Note no 12)] are secured by a first charge on Pari passu basis in favour of the Trustees for the Debentures on the immovable properties situated at Tuticorin in the State of Tamilnadu, at Lonavala and at Pune in the State of Maharashtra, Chinchapada in the Union Territory of Dadra and Nagar Haveli and Mouje Chatral of Kalol Taluka, District Gandhi Nagar, Gujarat. These debentures have been redeemed on April 10, 2013.

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

(ii) The Company issued secured Non Convertible Debentures (NCDs) for an aggregate amount of ₹ 2,000 Crore (net of issue expenses ₹ 1,993.95 Crore) during the year. Out of these, ₹ 1,000 Crore NCDs are issued at a coupon rate of 9.40% p.a., while another ₹ 1,000 Crore NCDs have been issued at a coupon rate of 9.24% p.a. These NCDs are secured by way of mortgage on the immovable property of the Company situated at Sanaswadi in state of Maharashtra and also by way of hypothecation on the movable fixed assets of Sterlite Energy Limited with a security cover of 1.25 times on the face value of outstanding NCDs at all time during the currency of NCDs. These NCDs are redeemable in tranches of ₹ 500 Crore each on October 25, 2022, November 27, 2022, December 6, 2022 and December 20, 2022. In respect of all the four tranches of NCDs, the debenture holders and the Company have put and call option respectively at the end of the 5 years from the respective date of the allotment of the NCDs.

(iii) 12.25 % debentures issued by BALCO aggregating to ₹ 333.34 Crore are redeemable at par in three equal annual Installments on November 17, 2015, November 17, 2014, November 17, 2013 and are secured by first pari passu charge on the movable and immovable properties of BALCO.

(iv) 9.8% debentures issued by TSPL on a private placement basis aggregating to ₹ 1,500.35 Crore. These debentures having a tenure of 13 years from the respective date of allotment are repayable in twelve equal quarterly instalments after 10 years of the date of allotment and secured by first pari passu charge on the assets of TSPL both present and future, with a minimum asset cover of 1.25 times during the lifetime of the debentures (including the Debt Service Reserve Account) and unconditional and irrevocable corporate guarantee by the Company. Redemption of the debentures will start from March 9, 2021.

b) Term Loans from a bank taken by VGCB amounting to ₹ 292.67 Crore carries interest at the rate bank base rate plus 1.25%. These loans are repayable in 45 unequal quarterly installments commencing from December 2014 and secured by (i) a first paripassu floating charge / assignment of all revenues and receivables of VGCB from the Project or otherwise (ii) first paripassu floating charge on all the VGCB immovable and movable assets (excluding Project Site as defined in Concessional Agreement -(CA)) (iii) a first paripassu floating charge on all intangible assets (other than project site as defined in CA) including but not limited to the goodwill, undertaking, uncalled capital, and Intellectual Property Rights of VGCB (iv) a first paripassu floating charge on the Escrow Account (v) Corporate Guarantee of the Company which is valid till the tenure of the rupee term loan facility.

c) Foreign currency loans from banks includes:

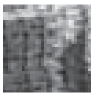
(i) External commercial borrowings (ECB) of BALCO aggregating to ₹ 1,067.81 Crore at a coupon rate linked to 6 month LIBOR plus 260 basis points. The ECB is repayable in three equal annual installments on August 11, 2018, August 11, 2017, August 11, 2016 and secured by first pari passu charges on all the fixed assets (excluding land) of the BALCO project both present and future along with secured lenders.

(ii) External commercial borrowings (ECB) of BALCO aggregating to ₹ 90.65 Crore at a coupon rate linked to 6 month LIBOR plus 345 basis points. The ECB is repayable in three equal annual installments on November 11, 2015, November 11, 2014, November 11, 2013 and secured by first pari passu charges on all movable fixed assets including plant & machinery related 1200 MW power project and 3.25 LTPA Smelter projects both present and future along with secured lenders.

d) Buyer's credit from banks under secured borrowing above includes :

(i) ₹ 96.30 Crore of BALCO at an interest rate of 6 month LIBOR plus 200 basis points. This borrowing is repayable from May 2014 to April 2016 and secured by a subservient charge on the current assets, movable fixed assets and negative lien on entire fixed assets of BALCO.

(ii) ₹ 939.34 Crore of BALCO at an interest rate of LIBOR plus 160 basis points.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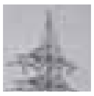
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02-47 Strategic Report

48-73 Management Discussion and Analysis

74-97 Business Responsibility Report

98-132 Statutory Reports

133-233 Financial Statements

This borrowing is repayable from April 2014 to November 2016 and secured by exclusive charge on assets to be imported under the facility.

(iii) ₹ 78.07 Crore of VGCB at an interest rate LIBOR plus 200 basis points. This borrowing is repayable from June 2013 to May 2015 and secured by unconditional and irrevocable Corporate Gurantee from the Company and exclusive charge on the assets of VGCB imported under the facility.

(iv) ₹ 692.76 Crore of TSPL at an interest rate of LIBOR plus 194 basis points. This borrowing is repayable from July 2013 to September 2014 and secured by first charge on pari passu basis on all the movable assets of TSPL and unconditional irrevocable Corporate Guarantee from the Company.

(v) ₹ 514.39 Crore of TSPL at an interest rate of LIBOR plus 190 basis points. This borrowing is repayable from April 2014 to September 2014 and secured by subservient charge on the current assets and movable fixed assets of TSPL and unconditional irrevocable Corporate Guarantee from the Company.

e) In Financial Year 2009-10, US$ 500 million was raised by issue of 4% Convertible Senior Notes of $1,000 each. Subject to certain exceptions, the note holders have an option to convert these Convertible Notes into ADSs (each ADS represents four equity shares) at any time prior to business day immediately preceding the maturity date at a conversion rate of 42.8688 ADSs per $1,000 principal amount of notes which is equal to a conversion price of approximately $23.33 per ADS . The conversion price could be subject to adjustments should certain events occur. Further, at any time after November 4, 2012, company has a right to redeem in whole or parts of the Convertible Notes, subject to meeting certain conditions. The amount which the company is required to pay contractually on October 30, 2014 is US$ 500 million, unless the notes are converted, redeemed or purchased and cancelled. As on March 31, 2013, conversion option amounting to ₹ 0.27 Crore (Previous year ₹ 30.18 Crore) is included above.

f) Unsecured Buyers' Credit for TSPL includes ₹ 528.46 Crore guaranteed by unconditional and irrevocable Corporate Guarantee from the Company. The rate of interest and other terms of repayment for these buyer's credit are based on the agreements with respective banks and the nature of such buyers' credit.

g) Unsecured deferred sales tax liability outstanding as at March 31, 2013 is currently repayable in monthly instalments till March 2027.

h) For current maturities of long-term debts, refer note number 12.

NOTE 8 DEFERRED TAX LIABILITIES (NET)

(₹ in Crore)

	As at March 31, 2013	As at March 31, 2012
(a) Major components of deferred tax arising on account of timing differences are :		
Deferred tax liability :		
On differences between book depreciation & tax depreciation	2,902.11	2,318.02
Reinstatement of financial assets/liabilities	102.85	99.30
Related to Convertible Senior Notes	-	65.14
Others	86.33	1.39
Total	**3,091.29**	**2,483.85**
Deferred tax asset :		
Provision for doubtful advances	5.84	5.21
Payment for Voluntary Retirement Schemes	69.25	71.43
Unabsorbed business loss/depreciation	518.51	171.32
Related to Convertible Senior Notes	16.20	-
Others	97.10	27.62
Total	**706.90**	**275.58**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 8 DEFERRED TAX LIABILITIES (NET) (CONTD.)

(₹ in Crore)

	As at March 31, 2013	As at March 31, 2012
Deferred Tax Liabilities (Net)	**2,384.39**	**2,208.27**
(b) Classified on a companywise basis :		
(i) Deferred tax liability	2,399.25	2,208.27
(ii) Deferred tax asset	14.86	-
Total	**2,384.39**	**2,208.27**

NOTE 9 OTHER LONG-TERM LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Creditors for capital expenditure	1,003.56	504.46
Other liabilities *	28.23	17.15
Total	**1,031.79**	**521.61**

* Includes security deposits from dealers and agents etc

NOTE 10 LONG TERM PROVISIONS

(₹ in Crore)

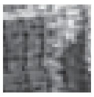
Particulars	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits *	176.12	170.47
Provision for restoration, rehabilitation and environmental costs	775.76	722.53
Total	**951.88**	**893.00**

* Includes gratuity, compensated absences etc

NOTE 11 SHORT-TERM BORROWINGS

(₹ in Crore)

	As at March 31, 2013	As at March 31, 2012
Secured		
- Loans repayable on demand from banks	234.66	217.38
- Working Capital Loans	184.50	239.65
- Buyer's Credit from banks	3,156.81	2,121.78
- Term loan from a bank	-	250.00
	3,575.97	**2,828.81**
Unsecured		
- Loans repayable on demand from banks	-	39.90
- Loans from banks	416.41	-
- Buyer's Credit from Banks	1,843.45	1,538.41
- Suppliers' credit (backed by Letter of credit)	1,413.79	-
- Commercial paper	740.00	2,572.72
- Others	0.39	44.02
	4,414.04	**4,195.05**
Total	**7,990.01**	**7,023.86**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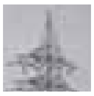
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Notes

Terms & conditions of Short Term Borrowings

a) Secured Loans repayable on demand from bank includes :

(i) Cash Credit of ₹ 104.80 Crore of BALCO, secured by way of hypothecation of stock of raw materials, work-in-progress, semi-finished, finished products, consumable stores and spares, bills receivables, book debts and all other movables, both present and future of BALCO. The charges ranks pari passu among banks under the multiple banking arrangements, both for fund based and non fund based facilities. Weighted average interest rate on cash credit utilization is 10.36%.

(ii) Bank overdraft of ₹ 129.86 Crore of Fujairah are secured against inventories and receivables of Fujairah and supported by a comfort letter issued by the Company. Interest rate on this borrowing is at LIBOR plus 160 basis points.

b) Working Capital Loan under secured borrowing above includes :

(i) ₹ 70 Crore of BALCO, secured by way of hypothecation of stock of raw materials, work-in-progress, semi-finished, finished products, consumable stores and spares, bills receivables, book debts and all other movables, both present and future of BALCO. The charges rank pari passu among banks under the multiple banking arrangements, both for fund based and non fund based facilities. Interest rate on working capital demand loan is 9.70% p.a.

(ii) ₹ 114.50 Crore of Fujairah are secured against inventories and receivables of Fujairah and supported by a comfort letter issued by the Company. Interest rate on this borrowing is at LIBOR plus 160 basis points.

c) Buyers' credit from banks under secured borrowing includes :

(i) ₹ 2,517.91 Crore of the Company secured by way of first charge by hypothecation on the entire stock of raw materials ,work in progress and all Semi-finished, finished, Manufactured articles together with all Stores, components and spares, both present and future book debts, outstanding monies, receivables, claims and bills arising out of sale etc. and such charge in favor of the banks ranking pari passu inter se, without any preferences or priority to one over other(s) in any manner.

(ii) ₹ 459.39 Crore of BALCO taken from ICICI Bank and State Bank of India are secured by way of hypothecation of stock of raw materials, work-in-progress, semi-finished, finished products, consumable stores and spares, bills receivables, book debts and all other movables, both present and future. The charges ranks pari passu among banks under the multiple banking arrangements, both for fund based and non fund based facilities. ₹ 9.74 Crore is secured by way of exclusive charge on assets to be imported under the facilities.

(iii) ₹ 2.31 Crore of VGCB taken from Axis Bank. [for security terms refer note 7(b)]

(iv) ₹ 167.46 Crore of SEL secured against first pari passu charge on entire current assets of SEL.

NOTE 12 OTHER CURRENT LIABILITIES

(₹ in Crore)

	As at March 31, 2013	As at March 31, 2012
Current maturities of long-term borrowings [a]	663.97	1,221.94
Interest accrued but not due on borrowings	200.83	150.12
Interest accrued and due on borrowings	-	0.14
Unpaid/unclaimed dividends [b]	6.67	5.88
Unpaid matured deposits and interest accrued thereon [c]	0.08	0.08
Advance from customers	195.73	182.39
Creditors for capital expenditure	2,975.01	1,934.37
Fair value Derivative Hedging payable	73.61	60.27
Related to compensation/claim (Refer note number 31)	550.07	423.32
Other liabilities [d]	1,435.12	1,219.32
Total	**6,101.09**	**5,197.83**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

a) Current maturities of long-term borrowings includes

(₹ in Crore)

	As at March 31, 2013	As at March 31, 2012
Deferred Sales Tax Liability	3.64	-
Buyer's credit from banks	389.35	1,218.81
Term loans from banks	-	3.13
Redeemable Non Convertible Debentures	226.66	-
Foreign currency loans from a bank	44.32	-
Total	**663.97**	**1,221.94**

b) Does not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund except ₹ 0.38 Crore (Previous year ₹ 1.01 Crore) which is held in abeyance due to pending legal case.

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

d) Includes statutory & other payables, reimbursement of expenses, deposits from dealers and agents etc.

NOTE 13 SHORT-TERM PROVISIONS

(₹ in Crore)

	As at March 31, 2013	As at March 31, 2012
Provision for employee benefits [a]	63.42	42.19
Provision for interim dividend (Previous year - proposed dividend)	403.34	336.12
Tax on proposed dividend	-	14.48
Provision for tax (Net of advances)	485.50	195.50
Other provisions	1.15	23.01
Total	**953.41**	**611.30**

a) Includes gratuity, compensated absences etc

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NOTE 14 FIXED ASSETS

(₹ in Crore)

Fixed Assets	Gross Block: As at April 1, 2012	Gross Block: Additions/ adjustments	Gross Block: Deductions/ adjustments	Gross Block: As at March 31, 2013	Accumulated Depreciation/Amortisation: Upto March 31, 2012	Accumulated Depreciation/Amortisation: For the Year	Accumulated Depreciation/Amortisation: Deductions/ adjustments	Accumulated Depreciation/Amortisation: Upto March 31, 2013	Net Block Before Impairment: As at March 31, 2013	Impairment: As at March 31, 2013	Net Block: As at March 31, 2013	Net Block: As at March 31, 2012
i) Tangible Assets												
Land- Freehold	274.34	42.56	(2.21)	319.11	-	-	-	-	319.11	-	319.11	274.34
(Previous year)	127.80	146.35	(0.19)	274.34	-	-	-	-	274.34	-	274.34	127.80
Land- Leasehold	204.96	12.32	1.15	216.13	33.30	1.65	-	34.95	181.18	-	181.18	171.66
(Previous year)	157.09	52.29	4.42	204.96	32.50	1.72	0.92	33.30	171.66	-	171.66	124.59
Buildings	3,304.77	205.21	1.14	3,508.84	848.23	106.90	0.15	954.98	2,553.86	3.50	2,550.36	2,453.04
(Previous year)	2,585.30	525.08	(194.39)	3,304.77	691.45	156.35	(0.43)	848.23	2,456.54	3.50	2,453.04	1,890.35
Buildings- Leasehold	6.34	-	-	6.34	2.13	-	-	2.13	4.21	-	4.21	4.21
(Previous year)	6.34	-	-	6.34	2.13	-	-	2.13	4.21	-	4.21	4.21
Plant and Equipment	26,481.60	3,074.58	68.69	29,487.49	9,217.23	1,375.28	109.38	10,483.13	19,004.36	60.57	18,943.79	17,203.80
(Previous year)	21,668.88	4,919.07	106.35	26,481.60	7,618.74	1,570.48	(28.01)	9,217.23	17,264.37	60.57	17,203.80	13,989.57
Furniture and Fixtures	63.33	4.26	0.43	67.16	29.99	5.75	0.10	35.64	31.52	-	31.52	33.34
(Previous year)	49.49	17.00	3.16	63.33	28.14	4.37	2.52	29.99	33.34	-	33.34	21.35
Berth	-	134.91	-	134.91	-	0.23	-	0.23	134.68	-	134.68	-
(Previous year)	-	-	-	-	-	-	-	-	-	-	-	-
Vehicles	226.73	24.90	21.31	230.32	38.90	23.60	(95.15)	157.65	72.67	-	72.67	187.83
(Previous year)	199.15	36.93	9.35	226.73	27.07	17.80	5.97	38.90	187.83	-	187.83	172.08
Office equipment	384.21	22.67	90.30	316.58	219.89	14.22	49.06	185.05	131.53	-	131.53	164.32
(Previous year)	321.62	41.05	(21.54)	384.21	177.65	26.51	(15.73)	219.89	164.32	-	164.32	143.97
Railway Siding	75.34	13.66	-	89.00	38.86	4.24	-	43.10	45.90	-	45.90	36.48
(Previous year)	259.47	10.38	194.51	75.34	35.17	4.04	0.35	38.86	36.48	-	36.48	224.30
Mine reserve and development	1,905.18	156.56	-	2,061.74	1,181.84	254.22	(23.19)	1,459.25	602.49	-	602.49	723.34
(Previous year)	1,631.47	274.16	0.45	1,905.18	992.59	287.86	98.61	1,181.84	723.34	-	723.34	638.88
Rehabilitation & Decommissioning Asset	175.52	11.16	-	186.68	75.48	20.64	-	96.12	90.56	-	90.56	100.04
(Previous year)	164.27	19.71	8.46	175.52	61.78	23.27	9.57	75.48	100.04	-	100.04	102.49
Total	**33,102.32**	**3,702.79**	**180.81**	**36,624.30**	**11,685.85**	**1,806.73**	**40.35**	**13,452.23**	**23,172.07**	**64.07**	**23,108.00**	**21,352.40**
Previous year	27,170.88	6,042.02	110.58	33,102.32	9,667.22	2,092.40	73.77	11,685.85	21,416.47	64.07	21,352.40	

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 14 FIXED ASSETS (CONTD.)

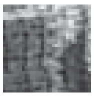
(₹ in Crore)

Fixed Assets	Gross Block: As at April 1, 2012	Gross Block: Additions/ adjustments	Gross Block: Deductions/ adjustments	Gross Block: As at March 31, 2013	Accumulated Depreciation/Amortisation: Upto March 31, 2012	Accumulated Depreciation/Amortisation: For the Year	Accumulated Depreciation/Amortisation: Deductions/ adjustments	Accumulated Depreciation/Amortisation: Upto March 31, 2013	Net Block Before Impairment: As at March 31, 2013	Impairment: As at March 31, 2013	Net Block: As at March 31, 2013	Net Block: As at March 31, 2012
ii) Intangible Assets												
Investment in Shares (Refer note 19a)	98.41	-	98.41	-	51.71	4.71	56.42	-	-	-	-	46.70
(Previous year)	98.41	-	-	98.41	47.04	4.67	-	51.71	46.70	-	46.70	51.37
Computer software	20.34	27.50	-	47.84	15.10	6.10	-	21.20	26.64	-	26.64	5.24
(Previous year)	20.16	0.18	-	20.34	10.88	4.22	-	15.10	5.24	-	5.24	9.28
Technical Know-how	7.29	-	-	7.29	2.36	0.38	-	2.74	4.55	-	4.55	4.93
(Previous year)	7.29	-	-	7.29	1.98	0.38	-	2.36	4.93	-	4.93	5.31
Total	**126.04**	**27.50**	**98.41**	**55.13**	**69.17**	**11.19**	**56.42**	**23.94**	**31.19**	**-**	**31.19**	**56.87**
(Previous year)	125.86	0.18	-	126.04	59.90	9.27	-	69.17	56.87	-	56.87	
iii) Capital work-in-progress (Refer "note l" below)											17,031.55	12,092.19
Total											**17,031.55**	**12,092.19**
(Previous year)											12,092.19	
Total	**33,228.36**	**3,730.29**	**279.22**	**36,679.43**	**11,755.02**	**1,817.92**	**96.77**	**13,476.17**	**23,203.26**	**64.07**	**40,170.74**	**33,501.46**
(Previous year)	27,296.74	6,042.20	110.58	33,228.36	9,727.12	2,101.67	73.77	11,755.02	21,473.34	64.07	33,501.46	

Reconciliation of Depreciation and amortisation expenses

(₹ in Crore)

	Year ended March 31, 2013	Year ended March 31, 2012
Depreciation on tangible and intangible assets as above	1,817.92	2,101.67
Less: Depreciation for intangible asset (adjusted) (Refer note number 19a)	(56.42)	-
Less: Adjustment to Capital Work-in-progress	(0.22)	(2.71)
Add/Less: Exchange Gain/(Loss) on Assets adjusted in Foreign currency translation reserve (Refer notes relating to fixed assets-point f)	270.50	(269.15)
As per statement of profit and loss	2,031.78	1,829.81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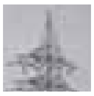
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Notes relating to fixed assets

a) In case of HZL, title deeds are still to be executed in respect of 10.63 acres of free hold land at Vishakapatnam.

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

c) Buildings (free-hold) include (a) Cost of Shares of ₹ 750 in Co-op.housing society, (b) Cost of shares of ₹ 750 in Co-operative societies representing possession of office premises, (c) a residential flat in the joint names of the Company and Mr D.P. Agarwal, erstwhile director of the Company.

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

e) Plant and Equipment of BALCO includes ₹ 119.92 Crore (previous year ₹ 120.60 Crore) pertaining to 270 MW captive power plant which has been installed at the premises of National Thermal Power Corporation Ltd. in view of convenience of operations.

f) Additions to Gross block include loss of ₹ 449.12 Crore (Previous Year gain of ₹ 520.07 Crore) and depreciation is net of gain of ₹ 270.50 Crore (Previous Year loss of ₹ 269.15 Crore) on account of translation of fixed assets and depreciation to date respectively of foreign subsidiaries, the effect of which is considered in Foreign currency translation reserve.

g) Capital work in progress is net of provision for impairment of ₹ 147 Crore (Previous year ₹ 147 Crore).

h) (i) Capital work-in-progress includes finance costs amounting ₹ 907.91 Crore (Previous Year ₹ 738.42 Crore) and exchange loss of ₹ 70.51 Crore (Previous year ₹ 222.85 Crore) capitalised during the year on account of borrowing cost and as per AS 11 respectively.

(ii) Additions/adjustments to Plant and Equipment includes exchange loss capitalised as per AS 11 amounting ₹ 55.95 Crore [Previous year ₹ 61.48 Crore].

(iii) Additions/adjustments to Buildings and Railway Siding includes capitalisation of borrowing cost of ₹ 12.19 Crore (Previous year ₹ 7.12 Crore) and ₹ Nil (Previous year ₹ 0.43 Crore) respectively.

(iv) Addition to Plant and Equipment and electrical fitting includes finance costs amounting ₹ 47.66 Crore (Previous year ₹ NIL) and ₹ 10.31 Crore (Previous year ₹ NIL) capitalised.

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

j) The Division Bench of the Hon'ble High Court of Chhattisgarh has vide its order dated February 25, 2010, upheld that the BALCO is in legal possession of 1,804.67 acres of Government land. Subsequent to the said order, the State Government has decided to issue the lease deed in favour of the BALCO after the issue of forest land is decided by the Hon'ble Supreme Court. In the proceedings before the Hon'ble Supreme Court pursuant to public interest litigations filed, it has been alleged that land in possession of BALCO is being used in contravention of the Forest Conservation Act, 1980 even though the said land has been in its possession prior to the promulgation of the Forest Conservation Act, 1980 on which its aluminium complex, allied facilities and township were constructed between 1971-76. The Central Empowered Committee of the Supreme Court has already recommended ex-post facto diversion of the forest land in possession of BALCO. The matter is presently sub-judice before the Hon'ble Supreme Court.

k) Deductions / adjustments includes reclassifications of class of assets.

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

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

(₹ in Crore)

		As at March 31, 2013	As at March 31, 2012
Balance at beginning of the year		1,955.93	867.01
Add/Less :			
(i)	Cost of materials consumed	5.20	51.77
(ii)	Power & fuel charges	163.51	302.90
(iii)	Machinery repairs	43.34	42.82
(iv)	Consumption of stores and spare parts	12.10	4.21
(v)	Employee benefits expense	78.50	58.58
(vi)	General Expenses	102.89	236.88
(vii)	Finance costs	907.91	738.42
(viii)	Depreciation and amortization expense	0.63	0.37
(ix)	Net (gain)/loss on foreign currency transactions and translation (other than considered as finance cost)	70.51	222.85
Total Expenditure		**1,384.59**	**1,658.80**
(x)	Dividend on current investments	1.48	5.59
(xi)	Interest & Other income	14.10	16.89
(xii)	Revenue	274.86	394.06
Total Income		**290.44**	**416.54**
Less: Basis adjustment of hedging reserve		4.64	-
Less: Capitalised during the year		680.28	153.34
Balance at end of the year		**2,365.16**	**1,955.93**

NOTE 15 GOODWILL ON CONSOLIDATION

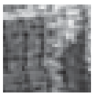
(₹ in Crore)

	As at March 31, 2013	As at March 31, 2012
Opening balance	4,061.47	3,891.83
Add: Goodwill on acquisitions	-	62.03
Add/(Less): Impact of foreign currency translation	(168.34)	107.61
Less: Written off on account of sale of Available for sale investment	(61.05)	-
Closing balance	**3,832.08**	**4,061.47**

NOTE 16 NON-CURRENT INVESTMENTS (LONG TERM INVESTMENTS)

(₹ in Crore)

	As at March 31, 2013	As at March 31, 2012
Available for Sale securities - Quoted (at fair value) *	9.99	863.54
Investment in associates - Unquoted	2,017.79	2,331.06
Other investments - Unquoted	10.71	10.83
Total	**2,038.49**	**3,205.43**
* Available for Sale securities includes		
Sterlite Technologies Limited - 4,261,850 equity shares (including 60 shares held jointly with nominees)	9.99	16.75
Hudbay Minerals Inc - 15,090,000 equity shares	-	846.79
Total	**9.99**	**863.54**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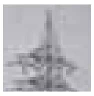
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Notes

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NOTE 17 LONG-TERM LOANS AND ADVANCES

(₹ in Crore)

	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good		
- Capital advances	1,497.66	2,876.58
- Security deposits	57.72	53.27
- Balance with Central Excise authorities and other Government authorities	88.03	67.34
- Loans and advances to related parties (refer note number 45) #	589.11	944.91
- MAT credit entitlement	1,245.02	457.12
- Advance tax (Net of provisions)	282.57	202.26
- Claims and other receivables	19.30	81.64
- Other loans and advances ^	30.62	26.42
Unsecured, considered doubtful	-	2.14
Less: Provision for doubtful loans and advances	-	(2.14)
Total	**3,810.03**	**4,709.54**

Advances to related parties includes :

Name of related party		
Vedanta Aluminium Limited	589.00	689.00
Twin star Holdings Limited	-	255.78
Madanpur South Coal Company Limited	0.11	0.13
Total	**589.11**	**944.91**

^ Includes balance with Government authorities and loans to employees etc.

NOTE 18 OTHER NON-CURRENT ASSETS

(₹ in Crore)

	As at March 31, 2013	As at March 31, 2012
Bank deposits @	473.07	443.68
Interest receivable	239.19	14.61
Balance with Environmental rehabilitation trust	53.35	56.98
Total	**765.61**	**515.27**

@ Bank deposits includes

a) Fixed deposit with maturity more than twelve months of ₹ 15.75 Crore (Previous Year ₹ 0.26 Crore) under lien with bank.

b) Restricted funds of ₹ 206.16 Crore (Previous Year ₹ 193.39 Crore) held as collateral in respect of closure costs and ₹ 251.16 Crore (Previous Year ₹ 250.03 Crore) in respect of an escrow account for future redundancy payments payable to employees in Lisheen.

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 19 CURRENT INVESTMENTS

(₹ in Crore)

	As at March 31, 2013	As at March 31, 2012
Investments in bonds - Quoted	2,151.15	1,379.61
Investments in mutual funds - Unquoted	12,790.31	13,040.33
Investment in equity shares of APGPCL- Unquoted[a]	110.00	-
Total	**15,051.46**	**14,419.94**

a) Towards the year end, on March 30, 2013, HZL has entered into a share purchase agreement with a buyer for the sale of its entire equity investments in Andhra Pradesh Gas Power Corporation Limited (APGPCL) for an aggregate consideration of ₹ 110 Crore, subject to the approval of the Board of APGPCL. Pursuant to the said agreement, Investments aggregating to ₹ 98.41 Crore which were hitherto reflected as intangible assets at cost and amortised, have been reclassified as at the year end as Current Investments -Available for sale at fair value, with the gain on fair valuation aggregating to ₹ 11.59 Crore taken to the investment revaluation reserve and the cumulative amortisation charge aggregating to ₹ 56.42 Crore (₹ 51.72 Crore for prior years and ₹ 4.70 Crore for the year) being adjusted in depreciation and amortisation expenses in the statement of profit and loss. The said transfer of investments has since been approved by APGPCL subsequent to the year end on April 10, 2013 and the sale has been concluded as on that date.

NOTE 20 INVENTORIES

(₹ in Crore)

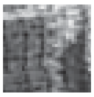
	As at March 31, 2013	As at March 31, 2012
Raw materials :		
Goods-in transit	2,787.50	455.82
Others	1,374.22	905.21
Fuel stock :		
Goods-in transit	39.22	62.09
Others	163.23	186.87
Work-in-progress	1,674.93	1,824.34
Finished goods	198.47	184.05
Stores and spares :		
Goods-in transit	19.28	55.98
Others	819.63	823.70
Total	**7,076.48**	**4,498.06**

For mode of valuation for each class of inventories, refer note number 3(i)

NOTE 21 TRADE RECEIVABLES

(₹ in Crore)

	As at March 31, 2013	As at March 31, 2012
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, considered good	267.14	108.77
- Unsecured, considered doubtful	4.16	4.89
- Less: Provision for doubtful trade receivables	(4.16)	(4.89)
Trade receivables outstanding for a period less than six months from the date they were due for payment (Unsecured, considered good)	1,371.07	1,709.41
Total	**1,638.21**	**1,818.18**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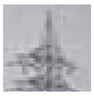
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NOTE 22 CASH AND BANK BALANCES

(₹ in Crore)

	As at March 31, 2013	As at March 31, 2012
Cash and cash equivalents		
- Balances with banks in current accounts	737.38	661.72
- Bank deposits having maturity of 3 months or less [a]	676.99	1,055.50
- Cash on hand	0.17	0.29
- Cheques, drafts on hand	21.04	-
Other bank balances		
- Earmarked accounts - Unpaid dividend accounts	6.28	5.49
- Bank deposits with maturity of more than 3 months but less than 12 months [b]	21.63	372.35
- Bank deposits with maturity of more than 12 months	7,969.06	6,443.85
Total	**9,432.55**	**8,539.20**

Includes :

a) Fixed deposit of ₹ 0.15 Crore (Previous Year ₹ 0.15 Crore) in lien with bank

b) Margin money amounting to ₹ 21.63 Crore (Previous Year ₹ 22.35 Crore)

NOTE 23 SHORT TERM LOANS AND ADVANCES

(₹ in Crore)

	As at March 31, 2013	As at March 31, 2012
Unsecured, considered good (Unless otherwise stated)		
- Loans and advances to related parties (refer note number 45)	12,602.82	8,075.39
- Prepaid Expenses	91.48	67.66
- Export incentive receivable	112.46	111.76
- Sundry deposits	32.49	27.96
- Balance with Central Excise authorities and other Government authorities	159.32	217.40
- Fair value hedging receivable	190.37	51.65
- Advance tax (Net of provisions)	5.74	6.32
- Claims and other receivables	207.79	590.03
- Other advances #	860.77	793.80
Unsecured, considered doubtful (Claims and other receivables)	30.91	32.21
Less: Provision for doubtful loans and advances	(30.91)	(32.21)
Total	**14,263.24**	**9,941.97**

Includes advance to suppliers & contractors, employees etc

NOTE 24 OTHER CURRENT ASSETS

(₹ in Crore)

	As at March 31, 2013	As at March 31, 2012
Interest accrued	530.56	399.44
Assets held for disposal	4.88	4.88
Unamortized borrowing cost	1.06	15.41
Total	**536.50**	**419.73**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 25 REVENUE FROM OPERATIONS

(₹ in Crore)

	Year ended March 31, 2013	Year ended March 31, 2012
Sale of products [a]	47,213.93	42,644.52
Sale of services	14.88	28.90
Export incentives	213.21	230.32
Other operating revenues	240.40	212.17
Gross Revenue from operations	**47,682.42**	**43,115.91**
Less: Excise Duty	(2,520.13)	(1,936.97)
Net Revenue from operations	**45,162.29**	**41,178.94**

a) With respect to supply of power by SEL to GRIDCO Limited, revenue from sale of energy is recognised on accrual basis as per tariff guidelines issued by Orissa Electricity Regulatory Commission (OERC). SEL has filed a petition with the OERC for fixation of tariff and are awaiting the final tariff order. GRIDCO has paid the monthly invoices raised by SEL at an adhoc tariff rate determined by them. The amount provisionally recognised in the books of account but not paid by GRIDCO till March 31, 2013 is ₹ 160.19 Crore (Till March 31, 2012 ₹ 107.11 Crore). In the opinion of the Management, there would be no material adverse impact on revenue recognised as a result of the final tariff order.

NOTE 26 OTHER INCOME

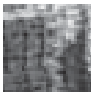
(₹ in Crore)

	Year ended March 31, 2013	Year ended March 31, 2012
Interest income on :		
(i) Bank Deposits	862.08	717.68
(ii) Investments (Long term)	397.18	28.42
(iii) Loans	726.22	875.48
(iv) Others	142.10	148.47
Dividend on current investments	57.15	99.25
Net gain on sale of current investments	604.43	702.06
Net gain on sale of Long-term Investments	12.01	-
Profit on sale of fixed assets	-	6.60
Net gain on foreign currency transactions and translation	16.84	-
Gain on fair valuation of embedded derivatives	29.91	245.53
Gain on mark to market of current investments	536.50	268.09
Other non-operating income	85.66	71.63
Total	**3,470.08**	**3,163.21**

NOTE 27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Crore)

	Year ended March 31, 2013	Year ended March 31, 2012
Opening Stock:		
Work-in-progress	1,824.34	1,831.25
Finished goods	184.05	296.81
	2,008.39	**2,128.06**
Closing Stock		
Work-in-progress	1,674.93	1,824.34
Finished goods	198.47	184.05
	1,873.40	**2,008.39**
Net(Increase)/ decrease	**134.99**	**119.67**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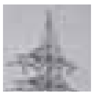
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NOTE 28 EMPLOYEE BENEFITS EXPENSE

(₹ in Crore)

	Year ended March 31, 2013	Year ended March 31, 2012
Salaries, wages and incentives @	1,601.98	1,371.03
Contributions to provident and other funds	129.91	114.32
Staff welfare expenses	148.05	126.86
Total	**1,879.94**	**1,612.21**

@ The Company offers equity-based award plans to its employees, officers and directors through its parent, Vedanta Resources Plc (The Vedanta Resources Long-Term Incentive Plan (the "LTIP").

The LTIP is the primary arrangement under which share-based incentives are provided to the defined management group. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference to the balance of basic salary and share-based remuneration consistent with local market practice.The performance condition attaching to outstanding awards under the LTIP is that of Vedanta's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three year period with the performance of the companies as defined in the scheme from the date of grant.

Under this scheme, initial awards under the LTIP were granted in February 2004 and subsequently further awards were granted in the respective years. The awards are indexed to and settled by Vedanta shares. The awards provide for a fixed exercise price denominated in Vedanta's functional currency at 10 US cents per share, the performance period of each award is three years and the same is exercisable within a period of six months from the date of vesting beyond which the option lapse. During the year, Vedanta has granted a new LTIP tranche that shall vest based on the achievement of business performance in the performance period. The vesting schedule is staggered over a period of three years.

Under the scheme, Vedanta is obligated to issue the shares. Further, in accordance with the terms of agreement between Vedanta and SIIL, on the grant date fair value of the awards is recovered by Vedanta from SIIL.

Amount recovered by Vedanta and recognised by the Company in the statement of profit and loss (net of capitalisation) for the financial year ended March 31, 2013 is ₹ 81.43 Crore (Previous Year ₹ 55.16 Crore). The Company considers these amounts as not material and accordingly has not provided further disclosures.

NOTE 29 FINANCE COSTS

(₹ in Crore)

	Year ended March 31, 2013	Year ended March 31, 2012
Interest expense [a]	734.19	576.61
Other borrowing costs	177.11	146.41
Applicable net loss on foreign currency transactions and translation	10.94	129.40
Total	**922.24**	**852.42**

a) Includes interest on delayed payment of income tax of ₹ 19.95 Crore (Previous Year ₹ 8.43 Crore)

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 30 OTHER EXPENSES

(₹ in Crore)

Particulars	Year ended March 31, 2013	Year ended March 31, 2012
Rent	8.10	6.08
Consumption of stores and spare parts	1,739.91	1,521.61
Power & fuel charges	4,419.63	4,040.07
Repairs to machinery	1,262.87	1,128.63
Repairs to building	64.21	39.33
Repairs others	162.66	151.70
Excise duty ^	9.73	(6.28)
Royalty	1,093.78	1,004.14
Mining Expenses	739.80	593.68
Rates & taxes	30.97	22.41
Insurance	100.22	100.69
Conveyance & travelling expenses	59.61	57.07
Carriage Outward	631.13	594.56
Loss on sale/discarding of Fixed Assets (net)	27.69	-
Directors' sitting fees	0.54	0.22
Payments to auditors ##	15.38	13.48
Bad trade receivables and advances written off	1.07	3.46
Provision for doubtful advances	1.12	15.80
Net loss on foreign currency transactions and translation	-	305.26
General expenses #	1,504.89	1,267.49
Total	**11,873.31**	**10,859.40**

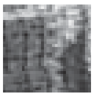
General expenses include donations aggregating to ₹ 5.00 Crore (Previous Year ₹ 5.00 Crore) made during the year to Public Political Awareness Trust, an indirect contribution to political party.

^ Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods.

Payment to statutory auditors comprise of :

(₹ in Crore)

	Year ended March 31, 2013	Year ended March 31, 2012
Audit fees	7.85	7.34
Tax Audit fees	1.38	1.07
Certifications and Others Services	4.77	4.17
Reimbursement of Expenses	1.38	0.90
Total	**15.38**	**13.48**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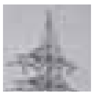
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Notes

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NOTE 31 EXCEPTIONAL ITEMS

(₹ in Crore)

	Year ended March 31, 2013	Year ended March 31, 2012
Provision for incidental damages[a]	-	423.32
Voluntary retirement expenses	17.53	49.32
Compensation towards improvement of environment[b]	100.00	-
Total	**117.53**	**472.64**

(a) Asarco had filed a suit in US Court against the Company for alleged breach of the Purchase and Sale agreement signed in May 2008. US Bankruptcy Court heard the matter and vide its order dated February 13, 2012 and February 27, 2012, has ruled that Asarco is entitled to a gross amount of $ 132.75 million in incidental damages. This amount shall be reduced by USD 50 million paid to ASARCO in December 2009, making ASARCO entitled for a net amount of USD 82.75 million. The Company has recognised a liability of USD 82.75 million being ₹ 450.07 Crore (Previous year ₹ 423.32 Crore) as at year end. The Company and Asarco have filed notice of appeal against this judgment which is yet to be heard. Court has kept the hearing in abeyance.

(b) In the Special Leave Petition (SLP) filed by the Company against the closure order of Tuticorin copper smelter, the Hon'ble Supreme Court vide its judgment dated April 02, 2013, has set aside the order of the Madras High Court. The Supreme Court has also directed the Company to deposit ₹ 100 Crore within three months with the District Collector Tuticorin for improvement of air and water environment quality in the vicinity of the plant. This amount has been recognized in the Statement of Profit and Loss as an exceptional item for the year ended March 31, 2013.

NOTE 32 EARNINGS PER EQUITY SHARE (EPS)

(₹ in Crore)

Particulars		Year ended March 31, 2013	Year ended March 31, 2012
Profit attributable to equity share holders for Basic & Diluted EPS		6,060.32	4,827.92
Weighted average number of equity shares outstanding during the year			
For Basic Earnings per Share	Nos	336,12,07,534	336,12,07,534
For Diluted Earnings per Share*	Nos	336,12,07,534	336,12,07,534
Basic EPS	₹	18.03	14.36
Diluted EPS *	₹	18.03	14.36
Nominal Value per Share	₹	1/-	1/-

* The effect of potential equity shares on account of Convertible Senior Notes is anti-dilutive and hence the same has not been considered in calculating the diluted EPS.

NOTE 33 The carrying amount of investment is net of capital reserve arising on acquisition of associate ₹ 13.52 Crore (Previous year ₹ 13.52 Crore).

NOTE 34 With respect to Vedanta Aluminium Limited ("VAL"), an associate of the Company, the Ministry of Environment and Forests ("MOEF") rejected issuance of final stage forest clearance for Niyamgiri Mining project of Orissa Mining Corporation ("OMC") which is one of the sources of supply of bauxite to the alumina refinery. With respect to the writ petition filed by OMC challenging the aforesaid action of MOEF, the Hon'ble Supreme Court vide its order dated April 18, 2013 has directed the State Government of Orissa to place unresolved issues and claims of the local communities under the Forest Right Act and rules before the Gram Sabha. The Gram Sabha would consider these claims and communicate the same to MOEF through the State Government of Orissa within three months. On conclusion of the proceedings of the Gram Sabha, the MOEF shall take a final decision for grant of stage II forest clearance for the Niyamgiri mining project of OMC within two months.

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

With regard to the Expansion Project at Lanjigarh, pursuant to the Hon'ble Orissa High Court's finding in VAL's Review Petition that the clarification issued by MOEF on November 16, 2010 with regard to grant of environmental clearance lacked statutory authority, VAL has applied afresh for environmental clearance and the application is under process. MOEF has now sought certain clarification from the Govt. of Orissa based on which it will advise on the public hearing for the proposed expansion project. In the meantime, VAL has put the expansion activity on hold. Due to paucity of bauxite, VAL has temporarily suspended its refinery operations at Lanjigarh from December 5, 2012. A ministerial level committee is looking into the issue of bauxite supply and is expected to submit its report shortly.

The above matters are critical to the planned operations of VAL. The management expects that with the timely support of relevant authorities adequate quantity of bauxite will be secured from Orissa / other states to continue its operations and that the above issues will be satisfactorily resolved. The management of the Company has evaluated and considered good, its loans granted and investments made in VAL aggregating to ₹ 12,136 Crore.

The Company has, over the period invested ₹ 3,563 Crore in VAL, by way of Equity Shares and Redeemable Cumulative Preference Shares. The Company has accounted for its share of losses of its associate, even though the carrying amount of the equity investment has reduced to Nil. The additional losses (including share of hedging reserves) of ₹ 574 Crore for the year ended March 31, 2013 have been recognised in the statement of profit and loss.

NOTE 35 In response to alleged public complaints of emission, Tamil Nadu Pollution Control Board (TNPCB) ordered closure of the Tuticorin Copper Smelter on March 29, 2013. The Company's appeal against the TNPCB order has been admitted by National Green Tribunal (NGT). An expert committee constituted by NGT has submitted its report and the matter is now being heard by NGT.

NOTE 36 Arising from the Announcement of the Institute of Chartered Accountants of India (ICAI) on March 29, 2008, the Company has, since 2008, chosen to early adopt Accounting Standard (AS) 30, Financial Instruments: Recognition and Measurement. Coterminous with this, in the spirit of complete adoption, the Company has also implemented the consequential limited revisions as have been announced by the ICAI, in view of AS-30 to certain Accounting Standards. Accordingly,

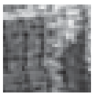
(i) current investments which under AS-13 Accounting for Investments would have been carried at the lower of cost and fair value, have been accounted for at fair value resulting in investments being valued at ₹ 551.38 Crore (Previous year ₹ 268.44 Crore) above their cost, and consequently, the profit after tax for the year is higher by ₹ 179.13 Crore (Previous year by ₹ 13.19 Crore) and investment revaluation reserve being higher by ₹ 11.59 Crore (Previous year Nil).

(ii) non-current investments which under AS-13 Accounting for Investments would have been carried at cost, have been accounted for at fair value resulting in investment and investment revaluation reserve being higher by at ₹ 4.83 Crore (Previous year ₹ 153.99 Crore).

(iii) in case of 4 % Convertible Senior Notes, issued in October 2009, the conversion option has been measured at the fair value through Statement of Profit and Loss and the Notes carried at amortised cost. If AS 30 had not been adopted for this transaction, other income would have been lower by ₹ 29.91 Crore (Previous Year ₹ 245.53 Crore), finance costs would have been lower by ₹ 141.47 Crore (Previous year ₹ 120.99 Crore) and profit after tax would have been higher by ₹ 73.64 Crore (Previous year lower by ₹ 84.13 Crore) for the Year ended March 31, 2013.

(iv) in case of Vedanta Aluminium Limited(VAL) 9% Cumulative Redeemable Preference shares, the redemption premium has been measured at the fair value through Statement of Profit and Loss and the Investment in Preference shares of VAL carried at amortised cost. If AS 30 had not been adopted for this transaction, other income would have been lower by ₹ 261.00 Crore (Previous year lower by ₹ 2.15 Crore) and profit after tax would have been lower by ₹ 201.86 Crore (Previous year lower by ₹ 1.66 Crore) for the Year ended March 31, 2013. Accordingly investment in VAL Preference share would have been lower by ₹ 263.15 Crore (Previous year lower by ₹ 2.15 Crore)

(v) With effect from April 1, 2012, Sterlite Infra Limited ("SIL"), a wholly owned subsidiary of the Company, has adopted AS 30, to conform to the group accounting policy followed in this respect. Accordingly, effective from April 1, 2012, certain foreign exchange hedging instruments which qualify for being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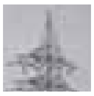
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designated as "hedges of net investment in foreign operation", have been so designated. Consequently, the unrealised mark to market exchange losses on such forward exchange contracts have been recognised in the reserves. As a result of the above, the consolidated profit after tax is higher by ₹ 178.33 Crore for the year ended March 31, 2013.

NOTE 37 The Board of Directors of the Company in its meeting held on February 25, 2012 has approved the scheme of Amalgamation and Arrangement (the Scheme) to merge into Sesa Goa Limited ('SGL') with the appointed date as April 1, 2011, subject to necessary approvals from various statutory authorities and the Jurisdictional Hon'ble High Courts. The Company shall be merged into Sesa Goa, and Sesa Goa would be the surviving company of the Merger. Upon effectiveness of the Scheme, every shareholder of Company, holding 5 (Five) fully paid-up equity shares of ₹ 1/- each shall be entitled to receive 3 (Three) fully paid-up equity shares of ₹ 1/- each in the Sesa Goa Limited and every person holding American Depository Shares or Foreign Currency Convertible Bonds, in the Company shall be entitled to receive American Depository Shares or Foreign Currency Convertible Bonds in the Sesa Goa Limited issued on the similar terms and conditions and having proportionate underlying equity shares of the Sesa Goa Limited, issued based on the aforementioned share exchange ratio for and in exchange of the existing underlying equity shares under the American Depository Shares and Foreign Currency Convertible Bonds of the Company.

Post approval by the shareholders of the respective companies, petitions were filed in the respective Jurisdictional High Courts. The Hon'ble High Court of Bombay at Goa by its order dated April 3, 2013 approved the Scheme of Amalgamation and Arrangement and the orders from the Hon'ble High Court of Madras are awaited.

NOTE 38 Prior to cessation of mining activities, Thalanga Copper Mines Pty Limited has entered into various joint venture operations for the purposes of mining and processing of copper concentrate and exploration for copper and other base metals. The Company's participating interest in these joint ventures and entitlement to output is detailed below. The joint ventures reporting date is June 30.

Name of Venture	Principal activity	Ownership Interest	
		Current Year	Previous year
Highway	Mining	70.00%	70.00%
Reward	Mining	68.85%	68.85%
Mount Windsor Joint Venture	Exploration	70.00%	70.00%
Reward Deeps & Conviction	Mining	70.00%	70.00%

Share of interest in asset/liability/income and expense of Joint Venture is NIL.

NOTE 39 HZL has entered into joint venture with "Madanpur South Coal Company Limited" where it holds 18.05 % (Previous year 18.05%) of ownership interest and has access upto 31.50 Million tonnes of coal. The details of interest in Joint Venture are as follows:

Name of the company	:	Madanpur South Coal Company Limited
Country of incorporation	:	India
Principal activities	:	Mining of coal
Ownership interest	:	18.05% (Previous year 18.05%)
Original Cost of investment	:	₹ 0.01 Crore (initial investment)

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

Aggregate amounts related to the interest of the company in joint venture:

(₹ in Crore)

	March 31, 2013	March 31, 2012
Summarised balance sheet as at		
Assets		
Fixed Assets	1.26	1.26
Current Investments	0.63	0.83
Other current assets	0.03	0.02
Cash and bank balances	0.23	0.05
Loss being excess of expenses over income	0.66	0.55
Liabilities		
Shareholders' funds	2.69	2.59
Share Application Monies	0.11	0.10
Unsecured Loan	0.01	0.02

(₹ in Crore)

	March 31, 2013	March 31, 2012
Summarised Statement of Profit and Loss for the Year Ended		
Income	-	-
Expenditure	0.11	0.15

NOTE 40 SEL has subscribed to the memorandum of association of M/s Rampia Coal Mines & Energy Private Limited, a joint venture company incorporated in India under the Companies Act, 1956 for the purpose of development of coal block. The Company has invested 2,43,48,016 (Previous year : 1,91,30,584) equity shares of ₹ 1 each amounting to ₹ 2.43 Crore (Previous year : 1.91 Crore) representing 17.391% of the total equity shares.

Following is the information pertaining to the Company's interest in the above jointly controlled entity as extracted from the financial information of the joint controlled entity :

(₹ in Crore)

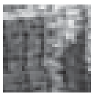
	March 31, 2013	March 31, 2012
Assets	2.40	1.91
Liabilities	0.04	0.03
Shareholders' funds	2.43	1.91
Statement of Profit and loss - Debit Balance	0.08	0.03

NOTE 41 The disclosures as required by AS 15 on "Employee Benefits" are as follows:

(₹ in Crore)

	2012-13	2011-12
(a) Defined Contribution Plan:		
Employer's Contribution to Provident Fund	46.46	42.39
Employer's Contribution to Superannuation & pension fund	28.08	26.62

The provident funds of BALCO & HZL are exempted under section 17 of Employees Provident Fund Act, 1952. Conditions for grant of exemption stipulates that the employer shall make good deficiency, if any, between the return guaranteed by the statute and actual earning of the Fund. Based on Guidance Note from The Institute of Actuaries - Valuation of Interest Guarantees on Exempt Provident Funds under AS 15 (Revised 2005) - for actuarially ascertaining such interest liability, there is no interest shortfall that is required to be met by BALCO & HZL as of March 31, 2013 and March 31, 2012. Having regard to the assets of the Fund and the return in the investments, the Company does not expect any deficiency in the foreseeable future.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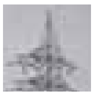
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(b) Defined Benefit Plan: The disclosure as required under AS 15 regarding the Company's gratuity plan (funded) is as follows:

The Company, BALCO, HZL have constituted a trust recognized by Income Tax authorities for gratuity to employees, contributions to the trust are funded with Life Insurance Corporation of India. Defined contribution plans in case of Black Mountain Mining (Proprietary) Limited is governed by South African fund Act. In accordance with revised Accounting Standard-15 'Employee Benefits', the Company has provided the liability on actuarial basis. As per the actuarial certificate (on which the auditors have relied), the details of the employees; benefits plan – gratuity are:

Particulars	2012-13	2011-12
Actuarial assumptions		
Salary growth	3.00%-7.20%	3.00% - 6.55%
Discount rate	8.00%-9.10%	8.00%-9.20%
Expected return on Plan Assets	7.50%-9.50%	7.50% - 9.50%
Mortality Table (LIC)	1994-96 (duly modified)	1994-96 (duly modified)
Expenses recognised in the Statement of Profit and Loss		
Current service cost	15.36	15.04
Interest cost	26.99	25.85
Expected return on plan assets	(16.70)	(12.10)
Net actuarial (gains)/losses recognised in the year	31.23	8.46
Total (Gross of recovery)	**56.88**	**37.25**
Present value of defined benefit obligation		
Balance at the beginning of the year	335.82	316.40
Current service cost	15.36	15.04
Interest cost	26.99	25.85
Actuarial loss on obligation	31.51	11.85
Benefits paid	(45.74)	(33.32)
Balance at the end of the year	**363.94**	**335.82**
Fair Value of Plan Assets		
Balance at the beginning of the year	179.02	133.32
Expected returns on plan assets	16.70	12.10
Contribution	21.21	60.56
Actuarial gains and losses	0.28	3.39
Benefits paid	(33.23)	(30.35)
Balance at the end of the year	**183.98**	**179.02**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

	2012-13	2011-12	2010-11	2009-10	2008-09
Assets and Liabilities recognised in the balance sheet					
Present value of obligations at the end of the year	363.94	335.82	316.40	192.12	164.93
Less: Fair value of plan assets at the end of the year	(183.98)	(179.02)	(133.32)	(112.17)	(98.14)
Net liability recognised in the balance sheet	**179.96**	**156.80**	**183.08**	**79.95**	**66.79**
Experience Adjustment on actuarial Gain/(Loss)					
Plan Liabilities	(29.40)	(13.66)	(28.33)	(21.95)	*
Plan Assets	0.28	4.50	2.32	0.11	*

* The details of experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on "Employee Benefits" are not available in the valuation report and hence, are not furnished.

Note:

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

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

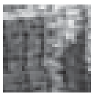
The contributions expected to be made by the Company during the financial year 2013-14 are ₹ 31.82 Crore (Previous year ₹ 19.22 Crore).

NOTE 42 A) Contingent Liabilities

(₹ in Crore)

			As at March 31, 2013	As at March 31, 2012
(a)	Disputed liabilities in appeal :			
	(i)	Income Tax demands principally in respect of tax holiday claims and disallowances of expenditure relating to exempt income etc.	1,441.09	791.26
	(ii)	Sales Tax & Entry Tax demands relating to tax on Freight, tax rate differences, stock transfer matters etc.	100.46	99.82
	(iii)	Excise Duty relating to disputes in respect of dutiability and availing of cenvat credit on certain capital goods and other inputs.	735.58	276.83
	(iv)	Service Tax demands for certain services rendered	15.08	2.81
	(v)	Custom Duty for import of goods	-	6.23
	(vi)	Other matters principally related to certain indirect taxes/duties.	80.28	90.40
(b)	Claims against the Company not acknowledged as debts relating to :			
	Energy Development Cess claimed by the Government of Chhattisgarh		394.71	350.46
	Mining cases		333.90	333.90
	Suppliers & contractors		236.78	122.19
	Others		343.55	154.47
(c)	Claim for compensation (CLZS) Land of HZL		Not Ascertainable	Not Ascertainable

(d) In TSPL, land cases filed by erstwhile owners of land in earlier years for enhancement of compensation have been dismissed by the District Judge during the previous year and only four land cases are pending decision as at March 31, 2013. The Mansa District Administration and Punjab State Power Corporation Limited (PSPCL) [formerly known as Punjab State Electricity Board (PSEB)], which acquired the land, are defending the case and TSPL has not been made party to this case. There may be a liability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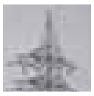
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02-47 Strategic Report

48-73 Management Discussion and Analysis

74-97 Business Responsibility Report

98-132 Statutory Reports

133-233 Financial Statements

on TSPL in case of award in favour of the land owner. TSPL has obtained legal advice that in case of such an eventuality, TSPL can remand such award and hence has been advised not to become party to these cases.

(e) TSPL has entered into a long term Power Purchase Agreement (PPA) with Punjab State Power Corporation Limited (PSPCL) for supply of power. As per the terms of the PPA, PSPCL was obligated to fulfill certain conditions including procuring interconnection and transmission facilities, arranging supply of adequate quantity of fuel for the project etc. However due to delay in fulfillment of the obligations by PSPCL as per the PPA, other related reasons and force majeure events, there has been a delay in the project as compared to the PPA timelines. On the basis of legal opinion obtained, TSPL is of the view that PSPCL would not be able to sustain any claim for liquidated damages for the above stated reasons and accordingly, no provision is considered necessary at this stage.

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

B) Capital and other commitments

(₹ in Crore)

		As at March 31, 2013	As at March 31, 2012
(a)	Capital commitments		
	Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances).	6,842.43	9,989.80
(b)	Other commitments		
(i)	The Company has given corporate guarantees to banks/ financial Institutions/others on behalf of Vedanta Aluminium Limited and certain subsidiary companies	5,803.19	4,680.15
(ii)	Export obligations against the import licenses taken for import of capital goods under the Export promotion Capital Goods Scheme and advance license.	14,607.10	14,626.69
(iii)	Customs duty bond taken for Project Import	2,311.89	781.66
(iv)	Estimated cost of variation in copper and precious metals quantity due to adjustments done based on metal contents as per laboratory assessments pending receipt of final invoice	14.70	47.36

(v) SEL has signed a long term power purchase agreement (PPA) with Gridco Limited for supply of 32% of power generated from the power station. The PPA has a tenure of twenty five years.

C) Share of Company in contingent liabilities and capital commitments of an associate are as follows :

(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
i) Contingent liabilities	640.85	157.17
ii) Capital & other commitments	3,770.00	4,606.04

NOTE 43 During the financial year 2009-10, BALCO has received a demand from Chief Electrical Inspector, Government of Chhattisgarh to pay ₹ 240.43 Crore on account of electricity duty on generation of power of its 540 MW power plant due to non submission of Eligibility certificate. The company has already applied for the eligibility certificate. On the basis of legal opinion obtained, the Company is of the view that it is legally entitled to receive the exemption from payment of electricity duty under the Industrial Policy 2001-06 and the demand raised by Chief Electrical Inspector is misconceived in law.The amount for the period subsequent to March 31, 2009 till March 31, 2013 amounts to ₹ 249.92 Crore. Therefore, based on the grounds stated above, the Company has neither recognised a provision nor disclosed as a contingent liability.

Notes

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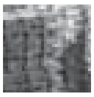
NOTE 44 SEGMENT INFORMATION AS PER ACCOUNTING STANDARD 17 ON SEGMENT REPORTING FOR THE YEAR ENDED MARCH 31, 2013

I) Information about Primary Business Segments

(₹ in Crore)

Particulars	Business Segments															
	Copper		Aluminium		Zinc& Lead		Power		Others		Unallocated		Eliminations		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
REVENUE																
External Sales	22,276.60	20,328.87	3,827.38	3,431.06	17,613.68	15,895.66	3,109.33	2,452.16	615.03	795.99	-	-	-	-	47,442.02	42,903.74
Inter Segment Sales	61.69	136.92	10.90	2.98	-	-	57.99	112.76	-	-	-	-	(130.58)	(252.66)	-	-
Gross Turnover	22,338.29	20,465.79	3,838.28	3,434.04	17,613.68	15,895.66	3,167.32	2,564.92	615.03	795.99	-	-	(130.58)	(252.66)	47,442.02	42,903.74
Less:Excise Duty recovered on Sales	1,138.72	951.93	412.55	322.20	958.30	655.78	-	-	10.56	7.06	-	-	-	-	2,520.13	1,936.97
Total Revenue	**21,199.57**	**19,513.86**	**3,425.73**	**3,111.84**	**16,655.38**	**15,239.88**	**3,167.32**	**2,564.92**	**604.47**	**788.93**	**-**	**-**	**(130.58)**	**(252.66)**	**44,921.89**	**40,966.77**
RESULTS																
Segment Result	971.68	1,256.75	84.99	175.31	6,853.72	6,653.73	621.74	344.27	10.39	74.13	-	-	-	-	8,542.52	8,504.19
Unallocated Corporate Expenses	-	-	-	-	-	-	-	-	-	-	65.77	470.68	-	-	65.77	470.68
Operating Profit/(Loss)	**971.68**	**1,256.75**	**84.99**	**175.31**	**6,853.72**	**6,653.73**	**621.74**	**344.27**	**10.39**	**74.13**	**(65.77)**	**(470.68)**	**-**	**-**	**8,476.75**	**8,033.51**
Less: Finance costs	-	-	-	-	-	-	-	-	-	-	922.24	852.42	-	-	922.24	852.42
Add : Unallocated Income	-	-	-	-	-	-	-	-	-	-	3,430.43	3,163.21	-	-	3,430.43	3,163.21
Less: Income Tax (including Deferred Tax)	-	-	-	-	-	-	-	-	-	-	1,618.39	2,110.55	-	-	1,618.39	2,110.55
Less: Exceptional items	100.00	-	-	6.19	17.53	43.13	-	-	-	-	-	423.32	-	-	117.53	472.64
Net Profit/(Loss)	**871.68**	**1,256.75**	**84.99**	**169.12**	**6,836.19**	**6,610.60**	**621.74**	**344.27**	**10.39**	**74.13**	**824.03**	**(693.76)**	**-**	**-**	**9,249.02**	**7,761.11**
OTHER INFORMATION																
Segment Assets	9,428.58	7,311.27	11,518.93	10,476.70	16,402.31	15,947.47	17,622.96	14,419.13	908.18	764.09	-	-	-	-	55,880.96	48,918.66
Unallocated Corporate Assets	-	-	-	-	-	-	-	-	-	-	42,749.29	36,711.59	-	-	42,749.29	36,711.59
Total Assets	**9,428.58**	**7,311.27**	**11,518.93**	**10,476.70**	**16,402.31**	**15,947.47**	**17,622.96**	**14,419.13**	**908.18**	**764.09**	**42,749.29**	**36,711.59**	**-**	**-**	**98,630.25**	**85,630.25**
Segment Liabilities	3,215.91	2,825.46	1,409.32	1,298.34	2,147.79	1,964.28	3,126.44	1,917.33	125.19	119.48	-	-	-	-	10,024.65	8,124.89
Unallocated Corporate Liabilities	-	-	-	-	-	-	-	-	-	-	23,366.55	19,250.69	-	-	23,366.55	19,250.69
Total Liabilities	**3,215.91**	**2,825.46**	**1,409.32**	**1,298.34**	**2,147.79**	**1,964.28**	**3,126.44**	**1,917.33**	**125.19**	**119.48**	**23,366.55**	**19,250.69**	**-**	**-**	**33,391.20**	**27,375.58**
Capital Expenditure	471.87	559.52	1,126.92	2,148.18	1,855.33	1,258.38	3,946.98	4,259.49	329.82	261.51	8.93	21.80	-	-	7,739.85	8,508.88
Depreciation & Amortisation	215.52	198.57	215.87	205.53	1,088.20	1,059.29	492.90	365.97	18.95	0.12	0.34	0.33	-	-	2,031.78	1,829.81
Non-cash Expenditure other than depreciation	-	15.80	1.07	3.14	1.12	0.33	-	-	-	-	-	-	-	-	2.19	19.27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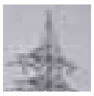
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(a) Segments have been identified and reported taking into account,the different risks and returns, the organization structure and the internal reporting systems. The main buisness segments are, (i) Copper which consist of mining of copper concentrate, manufacturing of copper cathode , continuous Cast copper rod, anode slime from purchased concentrate and manufacturing of precious metal from anode slime, (ii) Aluminium which consist of mining of bauxite and manufacturing of various aluminium products (iii) Zinc which consists of mining of ore and manufacturing of zinc and lead ingots and silver, both from own mining and purchased concentrate (iv) Power which consists of Power excluding captive power but including power facilities predominantly engaged in generation and sale of commercial power and (v) Others business segment which comprise of Phosphoric Acid, Infrastructure, Paper etc.

(b) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consist of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

II) Information about secondary segment

(₹ in Crore)

	Current Year	Previous Year
Geographical Segment		
Revenue by geographical segment		
India	25,655.67	22,855.62
Outside India	19,266.22	18,111.15
Total	**44,921.89**	**40,966.77**
Carrying Amount of Segment Assets		
India	49,130.38	41,672.76
Outside India	6,750.58	7,245.90
Total	**55,880.96**	**48,918.66**
Segment Capital Expenditure		
India	7,313.12	8,115.95
Outside India	417.80	371.13
Total	**7,730.92**	**8,487.08**

Reconciliation between segment revenue and enterprise revenue

(₹ in Crore)

Particulars	Current Year	Previous Year
Segment Revenue (net of excise duty)		
- Copper	21,137.88	19,376.94
- Aluminium	3,414.83	3,108.86
- Zinc & Lead	16,655.38	15,239.88
- Power	3,109.33	2,452.16
- Others	604.47	788.93
Total Segment Revenue	**44,921.89**	**40,966.77**
Enterprise Revenue		
Revenue from operations (Net)	45,162.29	41,178.94
Less: Other operating revenues	(240.40)	(212.17)
Total enterprise revenue	**44,921.89**	**40,966.77**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

NOTE 45 RELATED PARTY DISCLOSURES

List of related parties and relationships

A) Entities Controlling the Company (Holding Companies)

TTwin star Holdings Limited (Intermediate Holding Company)

Vedanta Resources Holdings Limited (Intermediate Holding Company)

Vedanta Resources Plc. (Intermediate Holding Company)

Volcan Investments Limited (Ultimate Holding Company)

B) Fellow Subsidiaries

The Madras Aluminium Company Limited

Konkola Copper Mines Plc.

Sesa Goa Limited

Sesa Resources Limited

Sesa Mining Corporation Private Limited

Vedanta Jersey Investment Limited

Welter Trading Limited

Sterlite Iron and Steel Company Limited

Cairn India Limited

Richter Holdings Limited

Western Clusters Limited

Westglobe Limited

C) Associates

Vedanta Aluminium Limited

RoshSkor Township (Proprietary) Limited

Gaurav overseas private Limited

D) Key Managerial Personnel

Mr. Anil Agarwal

Mr. Navin Agarwal

Mr. Tarun Jain

Mr. M.S. Mehta

Mr. D.D. Jalan

Mr. Gunjan Gupta

Mr. Akhilesh Joshi

E) Relatives of Key Management Personnel

Mr. Dwarka Prasad Agarwal - Father of Mr. Anil Agarwal and Mr. Navin Agarwal

F) Others

Anil Agarwal Foundation Trust

Madanpur South Coal Company Limited (Joint Venture)

Rampia Coal Mines & Energy Private Limited (Joint Venture)

Vedanta Medical Research Foundation

Vedanta Foundation

Public & Political Awareness Trust

Sterlite Technologies Limited

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G) Transactions / Balances with related parties

(₹ in Crore)

	Holding Companies		Fellow Subsidiary		Associates		Key Management Personnel		Relatives of Key Management Personnel		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Income :														
(i) Sale of products	-	-	11.19	0.17	81.03	59.54	-	-	-	-	161.89	213.39	254.11	273.10
(ii) Rendering of service														
a) Rent income	-	-	-	-	0.96	2.26	-	-	-	-	-	-	0.96	2.26
b) Interest & Guarantee Commission	10.72	1.52	29.83	16.73	970.92	888.97	-	-	-	-	0.14	-	1,011.61	907.22
c) Outsourcing service fees	1.08	0.95	-	-	-	-	-	-	-	-	-	-	1.08	0.95
Expenditure :														
(iii) Purchases														
a) Purchase of goods	-	-	2242.80	12.45	651.66	931.57	-	-	-	-	25.42	34.21	2,919.88	978.23
b) Power Charges	-	-	128.80	85.93	0.32	8.63	-	-	-	-	-	-	129.12	94.56
(iv) Receiving of services														
a) Long Term Incentive Plan expenses/(recovery)	126.72	87.70	(0.95)	(0.77)	(36.13)	(24.42)	-	-	-	-	-	-	89.64	62.51
b) Remuneration/Sitting Fees	-	-	-	-	-	-	41.71	31.61	-	-	-	-	41.71	31.61
c) Allocation of Corporate Expenses	-	-	(0.23)	(0.18)	(9.23)	(6.87)	-	-	-	-	-	-	(9.46)	(7.05)
d) Management Consultancy Services including representative office fees	27.23	23.97	-	-	-	-	-	-	-	-	-	-	27.23	23.97
e) (Recovery of)/Reimbursement to for deputed employees remuneration	-	-	(12.65)	(7.80)	(57.28)	(62.94)	-	-	-	-	(0.19)	(0.59)	(70.12)	(71.33)
f) (Recovery of)/Reimbursement to for other expense	-	-	(17.18)	(8.41)	(23.40)	7.94	-	-	-	-	(0.01)	0.01	(40.59)	(0.46)
g) Donation	-	-	-	-	-	-	-	-	-	-	36.41	38.86	36.41	38.86
h) Interest & Guarantee Commission	0.01	2.08	-	-	-	-	-	-	-	-	-	-	0.01	2.08
(v) Dividend paid	385.69	385.69	25.15	25.15	-	-	-	-	-	-	-	-	410.84	410.84
(vi) Guarantees given	-	-	-	-	5,660.39	4,538.34	-	-	-	-	22.17	22.17	5,682.56	4,560.51
(vii) Guarantees taken	271.95	613.88	-	-	-	-	-	-	-	-	-	-	271.95	613.88
(viii) Purchase/(Sales) of fixed assets	-	-	-	-	-	2.63	-	-	-	-	-	-	-	2.63
(ix) Balances as at year end														
a) Trade receivables	-	-	0.35	-	30.21	-	-	-	-	-	34.69	33.05	65.25	33.05
b) Loans and advances	1,199.79	692.75	3,482.53	1,269.76	8,509.30	7,057.44	-	-	-	-	0.31	0.35	13,191.93	9,020.30
c) Current liabilities	121.16	153.88	0.42	6.52	60.66	129.81	-	-	-	-	0.38	0.27	182.62	290.48
d) Investments	-	-	-	-	3,826.20	3,565.20	-	-	-	-	15.12	21.25	3,841.32	3,586.45
(x) Transactions during the year														
a) Loans and advances given / (received) during the year	507.04	692.75	2,212.77	509.65	1,451.86	(1,059.65)	-	-	-	-	(0.04)	(1.18)	4,171.63	141.57
b) Investments made during the year	-	-	-	-	-	-	-	-	-	-	0.63	0.51	0.63	0.51
c) Conversion of short term loans into preference shares	-	-	-	-	-	3,000.00	-	-	-	-	-	-	-	3,000.00

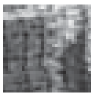
Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

H) Disclosure in respect of transactions with related parties

(₹ in Crore)

		Current Year	Previous Year
Income :			
(i)	**Sales of products:**		
	The Madras Aluminium Company Limited	11.19	0.17
	Vedanta Aluminium Limited	81.03	59.54
	Sterlite Technologies Limited	161.89	213.39
		254.11	**273.10**
(ii)	**Rendering of service**		
	a) Rent Income		
	Vedanta Aluminium Limited	0.96	2.26
		0.96	**2.26**
	b) Interest & Guarantee Commission		
	Vedanta Resources Plc	5.87	1.28
	Vedanta Aluminium Limited	970.92	888.97
	Richter Limited	4.29	-
	Vedanta Jersey Investment Limited	4.81	7.34
	Welter Trading Limited	20.73	9.39
	Twin star Holdings Limited	4.85	0.24
	Sterlite Technologies Limited	0.14	-
		1,011.61	**907.22**
	c) Outsourcing service fees		
	Vedanta Resources Plc	1.08	0.95
		1.08	**0.95**
Expenditure :			
(iii)	**Purchases :**		
	a) Purchase of goods		
	Sesa Goa Limited	6.49	9.70
	Konkola Copper Mines Plc	2,236.31	2.75
	Vedanta Aluminium Limited	651.66	931.57
	Anil Agarwal Foundation Trust	-	0.06
	Sterlite Technologies Limited	25.42	34.15
		2,919.88	**978.23**
	b) Power Charges		
	Vedanta Aluminium Limited	0.32	8.63
	The Madras Aluminium Company Limited	128.80	85.93
		129.12	**94.56**
(iv)	**Receiving of services**		
	a) Long Term Incentive Plan expenses/(recovery)		
	Vedanta Resources Plc	126.72	87.70
	The Madras Aluminium Company Limited	(0.95)	(0.77)
	Vedanta Aluminium Limited	(36.13)	(24.42)
		89.64	**62.51**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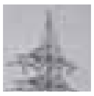
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(₹ in Crore)

		Current Year	Previous Year
b)	**Remuneration/Sitting Fees:**		
	Mr. Navin Agarwal	14.88	12.60
	Mr. Tarun Jain	12.08	6.92
	Mr. M. S. Mehta	5.26	4.33
	Mr. D.D. Jalan	4.15	3.40
	Mr. Gunjan Gupta	2.57	2.51
	Mr. Akhilesh Joshi	2.77	1.85
		41.71	**31.61**
c)	**Allocation of Corporate Expenses :**		
	The Madras Aluminium Company Limited	(0.23)	(0.18)
	Vedanta Aluminium Limited	(9.23)	(6.87)
		(9.46)	**(7.05)**
d)	**Management Consultancy Services including representative office fees :**		
	Vedanta Resources Plc	27.23	23.97
		27.23	**23.97**
e)	**(Recovery of)/Reimbursement to for deputed employees remuneration**		
	The Madras Aluminium Company Limited	(1.40)	(0.34)
	Vedanta Aluminium Limited	(57.28)	(62.94)
	Sesa Resources Limited	(1.26)	(0.86)
	Konkola Copper Mines Plc	-	0.11
	Anil Agarwal Foundation Trust	-	(0.45)
	Sesa Mining Corporation Private Limited	(0.19)	(1.77)
	Sesa Goa Limited	(8.30)	(4.33)
	Sterlite Iron And Steel Company Limited	(0.47)	(0.51)
	Sterlite Technologies Limited	(0.19)	(0.14)
	Cairn India Limited	(1.03)	(0.10)
		(70.12)	**(71.33)**
f)	**(Recovery of)/Reimbursement to for other expenses**		
	The Madras Aluminium Company Limited	(1.68)	(0.79)
	Konkola Copper Mines Plc	(10.82)	(7.21)
	Vedanta Aluminium Limited	(23.40)	7.94
	Sesa Goa Limited	(1.69)	(0.37)
	Anil Agarwal Foundation Trust	-	0.01
	Sterlite Technologies Limited	(0.01)	(0.00)
	Sterlite Iron And Steel Company Limited	(0.03)	-
	Sesa Resources Limited	(1.48)	(0.03)
	Westeren Cluster Limited	-	-
	Sesa Mining Corporation Private Limited	(1.48)	(0.01)
		(40.59)	**(0.46)**

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

(₹ in Crore)

			Current Year	Previous Year
	g)	Donation		
		Anil Agarwal Foundation Trust	0.10	0.10
		Vedanta Foundation	5.37	8.61
		Vedanta Medical Research Foundation	25.94	25.15
		Public & Political Aawareness Trust	5.00	5.00
			36.41	**38.86**
	h)	Interest & Guarantee Commission		
		Vedanta Resources Plc	0.01	0.52
		Vedanta Resources Holdings Limited	-	1.56
			0.01	**2.08**
(v)	**Dividend paid**			
		Twin star Holdings Limited	385.69	385.69
		The Madras Aluminium Company Limited	25.15	25.15
			410.84	**410.84**
(vi)	**Guarantees given**			
		Vedanta Aluminium Limited	5,660.39	4,538.34
		Rampia Coal Mines & Energy Pvt. Limited	22.17	22.17
			5,682.56	**4,560.51**
(vii)	**Guarantees taken**			
		Vedanta Resources Plc	271.95	613.88
			271.95	**613.88**
(viii)	**Purchase/ (Sales) of Fixed Assets**			
		Vedanta Aluminium Limited	-	2.63
			-	**2.63**
(ix)	**Balances as at year end**			
	a)	Trade Receivables		
		Vedanta Aluminium Limited	30.21	-
		Sterlite Technologies Limited	34.69	33.05
		Konkola Copper Mines Plc	0.35	-
			65.25	**33.05**
	b)	Loans and Advances		
		Sesa Goa Limited	2.28	0.36
		Konkola Copper Mines Plc	10.63	4.73
		Twin star Holdings Limited	631.03	256.04
		Anil Agarwal Foundation Trust	-	0.07
		Vedanta Aluminium Limited	8,497.22	7,042.91
		Madanpur South Coal Company Limited	-	0.13
		Sesa Resources Limited	1.71	0.06
		The Madras Aluminum Company Limited	0.78	2.09
		Sesa Mining Corporation Private Limited	0.53	0.23
		Sterlite Iron And Steel Company Limited	2.22	1.67
		Vedanta Resources Plc	568.76	436.71
		RoshSkor Township (Proprietary) Limited	12.08	14.53
		Vedanta Jersey Investment Limited	373.09	350.51

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(₹ in Crore)

		Current Year	Previous Year
	Welter Trading Limited	2,012.27	910.01
	Cairn India Limited	0.14	0.10
	Vedanta Foundation (Previous Year ₹ 8,000)	-	0.00
	Westeren Cluster Limited	0.01	-
	Richter Holdings Limited	1,078.87	-
	Sterlite Technologies Limited	0.31	0.15
		13,191.93	**9,020.30**
	Loans & Advances - Non-current	589.11	944.91
	Loans & Advances - Current	12,602.82	8,075.39
	Total	**13,191.93**	**9,020.30**
	c) Current Liabilities		
	Vedanta Resources Plc	121.16	153.88
	Vedanta Aluminium Limited	60.66	129.81
	The Madras Aluminum Company Limited	0.01	5.28
	Konkola Copper Mines Plc	-	1.24
	Sesa Resources limited	0.14	-
	Sesa Goa Limited	0.21	-
	Sesa Mining Corporation Private Limited	0.06	-
	Anil Agarwal Foundation Trust	0.05	-
	Sterlite Technologies Limited	0.33	0.27
		182.62	**290.48**
	d) Investments		
	Madanpur South Coal Company Limited	2.70	2.59
	Vedanta Aluminium Limited	3,826.19	3,565.20
	Rampia Coal Mines & Energy Pvt Limited	2.43	1.91
	Sterlite Technologies Limited	9.99	16.75
	Gaurav Overseas private Limited	0.01	-
		3,841.32	**3,586.45**
(x)	**Transactions during the year**		
	a) Loans and advances given / (received) during the year		
	Sesa Goa Limited	1.92	(0.73)
	Konkola Copper Mines Plc	5.90	3.68
	Twin star Holdings Limited	374.99	256.04
	Anil Agarwal Foundation Trust	(0.07)	(0.07)
	Vedanta Aluminium Limited	1,454.31	(1,058.54)
	Madanpur South Coal Company Limited	(0.13)	(0.39)
	Sesa Resources Limited	1.65	(0.18)
	The Madras Aluminum Company Limited	(1.31)	1.09
	Sesa Mining Corporation Private Limited	0.30	0.05
	Sterlite Iron And Steel Company Limited	0.55	1.67
	Vedanta Resources Plc	132.05	436.71
	RoshSkor Township (Proprietary) Limited	(2.45)	(1.11)
	Vedanta Jersey Investment Limited	22.58	44.59
	Welter Trading Limited	1,102.26	459.38

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

(₹ in Crore)

		Current Year	Previous Year
	Cairn India Limited	0.04	0.10
	Vedanta Foundation [Current Year (₹ 8,000) & Previous Year ₹ 8,000]	(0.00)	0.00
	Westeren Cluster Limited	0.01	-
	Richter Holdings Limited	1,078.87	-
	Sterlite Technologies Limited	0.16	0.15
	Rampia Coal Mines & Energy Pvt Limited (Represents advance against share application money)	-	(0.87)
		4,171.63	**141.57**
b)	**Investments made during the year**		
	Madanpur South Coal Company Limited	0.11	0.51
	Rampia Coal Mines & Energy Pvt. Limited	0.52	-
		0.63	**0.51**
c)	**Conversion of short term loans into preference shares**		
	Vedanta Aluminium Limited	-	3,000.00
		-	**3,000.00**

NOTE 46 DERIVATE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Derivative contracts outstanding as at the reporting date

(a) To hedge currency related risks, the Company has entered into forex forward covers. The nominal amounts of such derivative contracts outstanding as at Balance sheet date are ₹ 3,694.00 Crore (net of forward sell covers of ₹ 3,272.13 Crore) (Previous Year ₹ 125.28 Crore, net of forward buy covers of ₹ 3,511.18 Crore).

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

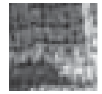
Particulars	As at March 31, 2013		As at March 31, 2012	
	Purchases	Sales	Purchases	Sales
Forwards / Futures				
Copper (MT)	10,250	7,775	15,425	19,450
Gold (Oz)	20,472	48,161	50,402	114,806
Silver (Oz)	146,879	1,276,541	319,957	943,752
Zinc (MT)	-	10,350	-	12,150
Lead (MT)	-	9,300	-	1,550
Aluminium (MT)	-	23,575		

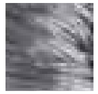
(c) All derivative and Financial instruments are entered for hedging purposes only.

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

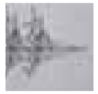
(₹ in Crore)

Particulars	As at March 31, 2013	As at March 31, 2012
Payable	10,427.67	9,412.89
Unsecured Borrowings- Convertible Senior note	2,408.13	2,136.68
Trade Receivable	108.82	252.78


World's largest integrated Zinc-lead producer.
52 Read more.


Operates one of the world's most efficient Copper smelters.
56 Read more.


Efficient Aluminium assets in India.
58 Read more.


Among the largest independent Power producers in India.
62 Read more.

NOTE 47 FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February 2011 and 21st February 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

Rs in Crore

S.No	Name of the Subsidiary Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments (excluding Investment in Subsidiary)	Total Revenue	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Dividend	Country of Incorporation
1	Bharat Aluminium Company Limited	INR	220.62	4,118.62	10,495.76	10,495.76	-	3,953.23	56.60	(1.78)	58.38	-	India
2	Sterlite Infra Limited	INR	0.05	(141.11)	5,936.70	5,936.70	-	-	(14.87)	-	(14.87)	-	India
3	Copper Mines of Tasmania Pty Limited	INR	0.00	399.92	628.77	628.77	-	1,134.17	273.58	79.68	193.90	-	Australia
		AUD Mn	0.00	70.52	110.88	110.88	-	200.01	48.25	14.05	34.19	-	
4	Thalanga Copper Mines Pty Limited	INR	3.28	(0.11)	7.72	7.72	-	1.07	(2.76)	(0.83)	(1.93)	-	Australia
		AUD Mn	0.58	(0.02)	1.36	1.36	-	0.19	(0.49)	(0.15)	(0.34)	-	
5	Monte Cello B.V.	INR	0.12	1,674.79	1,684.54	1,684.54	-	182.10	181.45	4.58	176.86	-	Netherland
		USD Mn	0.02	307.93	309.72	309.72	-	33.48	33.36	0.84	32.52	-	
6	Hindustan Zinc Limited	INR	845.06	31,430.68	35,465.41	35,465.41	14,539.88	14,731.99	7,820.12	920.64	6,899.48	1,527.23	India
7	Sterlite Energy Limited	INR	1,187.31	209.13	10,624.41	10,624.41	2.43	2,468.26	260.11	54.68	205.44	-	India
8	Fujairah Gold FZE	INR	101.75	(16.49)	829.44	829.44	-	4,318.95	(0.42)	-	(0.42)	-	UAE
		AED Mn	68.36	(11.08)	557.26	557.26	-	2,901.68	(0.28)	-	(0.28)	-	
9	Talwandi Sabo Power Limited	INR	400.05	(39.65)	8,108.31	8,108.31	1.97	-	(30.13)	-	(30.13)	-	India
10	Sterlite (USA) Inc.	INR	0.00	(0.01)	0.00	0.00	-	-	-	-	-	-	USA
		USD Mn	0.00	(0.00)	0.00	0.00	-	-	-	-	-	-	
11	THL Zinc Ventures Ltd	INR	92.46	3,766.02	3,858.53	3,858.53	-	0.00	(0.12)	-	(0.12)	-	Mauritius
		USD Mn	17.00	692.42	709.43	709.43	-	0.00	(0.02)	-	(0.02)	-	
12	THL Zinc Ltd	INR	97.69	5,820.82	5,935.27	5,935.27	-	427.28	418.69	32.16	386.53	-	Mauritius
		USD Mn	17.96	1,070.21	1,091.26	1,091.26	-	78.56	76.98	5.91	71.07	-	
13	THL Zinc Holding B.V.	INR	68.69	3,476.11	3,547.17	3,547.17	-	704.96	205.69	1.42	204.28	-	Netherland
		USD Mn	12.63	639.12	652.18	652.18	-	129.61	37.82	0.26	37.56	-	
14	THL Zinc Namibia Holdings (Proprietary) Ltd	INR	764.65	166.70	983.66	983.66	-	293.67	293.19	-	293.19	-	Namibia
		NAD Mn	1,315.70	286.83	1,692.53	1,692.53	-	505.31	504.47	-	504.47	-	
15	Skorpion Zinc (Proprietary) Limited	INR	0.00	2.78	833.13	833.13	5.57	293.56	292.96	-	292.96	293.49	Namibia
		NAD Mn	0.00	4.78	1,433.53	1,433.53	9.59	505.12	504.08	-	504.08	505.00	
16	Skorpion Mining Company (Proprietary) Limited	INR	0.00	(151.58)	258.81	258.81	-	216.23	(113.28)	23.22	(90.05)	-	Namibia
		NAD Mn	0.00	(260.82)	445.32	445.32	-	372.06	(194.91)	39.96	(154.95)	-	
17	Namzinc (Proprietary) Limited	INR	0.00	301.01	1,151.25	1,151.25	-	1,523.66	399.12	-	399.12	-	Namibia
		NAD Mn	0.00	517.94	1,980.90	1,980.90	-	2,621.69	686.75	-	686.75	-	
18	Amica Guesthouse (Proprietary) Limited	INR	0.00	(0.88)	0.23	0.23	-	1.24	0.05	-	0.05	-	Namibia
		NAD Mn	0.00	(1.51)	0.40	0.40	-	2.13	0.09	-	0.09	-	
19	Rosh Pinah Health Care (Proprietary) Limited	INR	0.00	5.09	5.21	5.21	-	0.57	(0.68)	-	(0.68)	-	Namibia

Notes

forming part of the Consolidated Financial Statements for the year ended March 31, 2013

Rs in Crore

S.No	Name of the Subsidiary Company	Reporting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments (excluding Investment in Subsidiary)	Total Revenue	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Dividend	Country of Incorporation
		NAD Mn	0.00	8.75	8.96	8.96	-	0.98	(1.17)	-	(1.17)	-	
20	Black Mountain Mining (Proprietary) Limited	INR	0.00	731.55	1,285.70	1,285.70	-	1,186.45	371.07	112.16	258.91	141.84	South Africa
		ZAR Mn	0.00	1,160.45	2,039.50	2,039.50	-	1,882.05	588.62	177.92	410.71	225.00	
21	Vedanta Lisheen Holdings Limited	INR	0.00	5.25	5.25	5.25	-	679.92	679.87	-	679.87	679.87	Ireland
		USD Mn	0.00	0.96	0.96	0.96	-	125.01	125.00	-	125.00	125.00	
22	Vedanta Lisheen Mining Limited	INR	0.00	188.97	188.97	188.97	-	111.24	70.57	20.39	50.18	-	Ireland
		USD Mn	0.00	34.74	34.74	34.74	-	20.45	12.97	3.75	9.23	-	
23	Killoran Lisheen Mining Limited	INR	0.00	88.74	88.74	88.74	-	106.67	96.67	26.88	69.79	-	Ireland
		USD Mn	0.00	16.32	16.32	16.32	-	19.61	17.77	4.94	12.83	-	
24	Killoran Lisheen Finance Limited	INR	0.00	1.49	1.49	1.49	-	-	-	-	-	-	Ireland
		USD Mn	0.00	0.27	0.27	0.27	-	-	-	-	-	-	
25	Lisheen Milling Limited	INR	0.01	371.91	371.92	371.92	-	1,547.00	198.68	25.54	173.14	-	Ireland
		USD Mn	0.00	68.38	68.38	68.38	-	284.43	36.53	4.69	31.83	-	
26	Sterlite Ports Limited	INR	0.05	(0.68)	0.43	0.43	-	-	(0.57)	-	(0.57)	-	India
27	Sterlite Infraventures Limited	INR	0.13	(0.36)	0.01	0.01	-	-	(0.06)	-	(0.06)	-	India
28	Vizag General Cargo Berth Private Limited	INR	0.01	(10.75)	629.13	629.13	8.01	0.66	(7.16)	-	(7.16)	-	India
29	Paradip Multi Cargo Berth Private Limited	INR	0.01	(0.85)	0.01	0.01	-	-	(0.04)	-	(0.04)	-	India
30	Pecvest 17 Proprietary Limited	INR	0.00	-	0.00	0.00	-	-	-	-	-	-	South Africa
		ZAR Mn	0.00	-	0.00	0.00	-	-	-	-	-	-	
31	Lakomasko B.V	INR	0.00	1.52	1.80	1.80	-	308.89	301.46	1.25	300.21	-	
		USD Mn	0.00	0.28	0.33	0.33	-	56.79	55.43	0.23	55.20	0.00	Netherlands

Exchange Rates as on 31.03.2013: 1 AUD=Rs. 56.7063, 1 USD = Rs. 54.3893, 1 AED = Rs. 14.8843,1 NAD = Rs. 5.8118, 1 ZAR = Rs. 5.8830

NOTE 48 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Navin Agarwal	M. S. Mehta	D. D. Jalan	Rajiv Choubey
Executive Vice Chairman	Chief Executive Officer	Whole Time Director & Chief Financial Officer	Company Secretary

Place : Mumbai
Dated : April 29, 2013

Notes

Notes

Corporate Information

Board of Directors

Mr. Anil Agarwal
Chairman

Mr. Navin Agarwal
Executive Vice-Chairman

Mr. Gautam Doshi
Independent Director

Mr. Berjis Desai
Independent Director

Mr. Sandeep Junnarkar
Independent Director

Mr. A. R. Narayanaswamy
Independent Director

Mr. D.D. Jalan
Whole-Time Director & CFO

Mr. M. S. Mehta
Chief Executive Officer

Mr. Rajiv Choubey
Company Secretary

Auditors

M/s. Chaturvedi & Shah

M/s. Deloitte Haskins & Sells

Registered Office

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SIPCOT Industrial Complex,
Madurai Bye Pass Road, T V Puram P.O.,
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Corporate Office

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- Standard Chartered Bank
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- Syndicate Bank

CRISIL
RESEARCH

Portfolio Credit Quality Analysis

Very Good

Portfolio Credit Quality

Sterlite Industries (I) Limited

CRISIL Research certifies that for the **Financial Year 2012-13**, the overall credit quality of Sterlite Industries (I) Limited's treasury portfolio of fixed income investments has been consistently evaluated as **'Very Good'** (highest safety from credit default on CRISIL's 4 point scale)

Sandeep Sabharwal
Senior Director, Capital Markets
CRISIL Research

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