Deloitte Haskins & Sells

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
STERLITE ENERGY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **STERLITE ENERGY LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the 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 Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. 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 31st March, 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.

Emphasis of Matter

We draw attention to Note 20 to the financial statements in respect of matter relating to accounting of revenue pending final resolution thereof by the Regulatory Commission / State Government.

Our opinion is not qualified in respect of this matter.

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 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 early adoption by the Company of Accounting Standard 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 27 of notes to the financial statements.
   (e) On the basis of written representations received from the directors as on 31st March, 2013

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taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117366W)

(Khurshed Pastakia)
(Partner)
(Membership No. 31544)

MUMBAI, April 19, 2013

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ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) Having regard to the nature of the Company's business/activities/result during the year, clauses (vi), (xii), (xiii), (xiv), (xv), (xviii), (xix) and (xx) of the Order are not applicable to the Company.

(ii) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(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.

(iii) In respect of its inventory:

(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 explanation given to us, the procedures of physical verification of inventories followed by the Management were 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.

(iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

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(v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of power. During the course of our audit, we have not observed any major weakness in such internal control system.

(vi) According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.

(vii) In our opinion, the Company has an adequate internal audit system commensurate with the size 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 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 generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. *Income tax (advance tax) has not been paid in view of Scheme of Amalgamation and Arrangement (Scheme) for merger of the Company as stated in Note no. 40 to the Financial Statements; the Company will be amalgamated into Sesa Goa Limited ('SGL') with the appointed date of January 1, 2011 and presently, the scheme is pending with High Court of Madras.*

(b) 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, Service Tax, Customs

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Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2013 on account of disputes are given below:

Statute	**Nature of Dues**	**Forum where Dispute is pending**	**Period to which the amount relates**	**Amount involved (Rs. in crores)**
Building and Other Construction Workers' (RECS) Act, 1996 and Building and Other Construction Workers' Welfare Cess Act, 1996	Building Cess	Supreme Court of India	2008-09 to 2010-11	10.29

(x) The accumulated losses of the Company at the end of the financial year are not more than fifty percent of its net worth and the Company has not incurred cash losses in the financial year 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 the repayment of dues to banks, financial institutions and debenture holders.

(xii) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.

(xiii) 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 amounting to Rs. 4950.25 crores have, *prima facie,* been used during the year for long-term investment.

(xiv) To the best of our knowledge and according to the information and

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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 DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 117366W)

Khurshed Pastakia
Partner
(Membership No.: 31544)

MUMBAI, April 19, 2013

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STERLITE ENERGY

STERLITE ENERGY LIMITED

Balance Sheet as at 31 March 2013

		NOTE NO.	As at 31 March 2013 (Rs. in Crore)	As at 31 March 2012 (Rs. in Crore)
I	**EQUITY AND LIABILITIES**			
1	**Shareholders' Funds**			
	(a) Share Capital	3	1,187.31	1,187.31
	(b) Reserves and surplus	4	209.11	3.70
2	**Non-current liabilities**			
	(a) Long-term borrowings	5	1,500.00	4.91
	(b) Long-term provisions	6	0.71	0.55
3	**Current liabilities**			
	(a) Short-term borrowings	7	6,740.71	6,905.77
	(b) Trade payables	8	41.58	39.46
	(c) Other current liabilities	9	888.54	1,110.78
	(d) Short-term provisions	10	56.44	1.93
	TOTAL		**10,624.40**	**9,254.41**
II	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets	11		
	(i) Tangible assets		7,034.56	5,786.40
	(ii) Intangible assets		2.41	-
	(iii) Capital work-in-progress		357.61	1,407.85
	(b) Non-current investments	12	402.48	401.96
	(c) Long-term loans and advances	13	67.41	107.40
	(d) Other non-current assets	14	-	0.26
2	**Current assets**			
	(a) Inventories	15	122.98	181.92
	(b) Trade receivables	16	494.69	491.77
	(c) Cash and cash equivalents	17	19.93	162.46
	(d) Short-term loans and advances	18	2,121.27	698.98
	(e) Other current assets	19	1.06	15.41
	TOTAL		**10,624.40**	**9,254.41**

See accompanying notes 1 to 49 forming part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Khurshed Pastakia
Partner

Place: Mumbai
Date: April 19, 2013

For and on behalf of the Board of Directors

S. K. Roongta
Director

Pramod Suri
Director

Sandeep Agrawal
CFO & Company Secretary

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STERLITE ENERGY

STERLITE ENERGY LIMITED

Statement of Profit and Loss for the year ended 31 March 2013

		NOTE NO.	For the year ended 31 March 2013 (Rs. in Crore)	For the year ended 31 March 2012 (Rs. in Crore)
I	Revenue from operations	20	2,460.10	1,761.58
II	Other income	21	8.16	35.81
III	**Total revenue (I + II)**		**2,468.26**	**1,797.39**
IV	**Expenses**			
	Cost of fuel consumed	22	1,148.86	1,007.63
	Unscheduled Interchange Charges (net)		42.06	55.00
	Employee benefits expense	23	14.30	15.34
	Finance costs	24	226.62	140.89
	Depreciation and amortisation	11	339.31	242.15
	Other expenses	25	437.02	300.01
	Total expenses		**2,208.17**	**1,761.02**
V	**Profit before exceptional items and tax (III - IV)**		260.09	36.37
VI	Exceptional items	29	-	40.62
VII	**Profit/ (Loss) before taxation (V - VI)**		**260.09**	**(4.25)**
VIII	**Tax expense**			
	(a) Current tax expense	26	54.68	-
	(b) Short provison for tax relating to earlier year		-	0.10
IX	**Profit/(Loss) for the year (VII - VIII)**		**205.41**	**(4.35)**
X	**Earnings [in Rs.] per equity share of Rs. 10 each**	44		
	(a) Basic		**1.73**	**(0.04)**
	(b) Diluted		**1.73**	**(0.04)**

See accompanying notes 1 to 49 forming part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Khurshed Pastakia
Partner

Place: Mumbai
Date: April 19, 2013

For and on behalf of the Board of Directors

S. K. Roongta
Director

Pramod Suri
Director

Sandeep Agrawal
CFO & Company Secretary

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STERLITE ENERGY LIMITED

Cash Flow Statement for the Year Ended March 31, 2013

STERLITE ENERGY

(Rs. in crore)

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
A. **Cash flow from Operating Activities**				
Profit before exceptional items and tax		260.09		36.37
Adjusted for :				
-Depreciation and amortisation	339.31		242.15	
-Interest Income	(3.73)		(3.08)	
-Interest Income on Fixed Deposit	(0.95)		(0.33)	
-Net Gain on Sale of current Investment	(3.46)		(2.09)	
-(Gain)/Loss on Marked to Market of Forward Covers	12.67		(11.64)	
-Rollover charges on Forward Covers	10.03		(17.43)	
-Exchange (Gain)/Loss on Borrowings	(5.56)		54.75	
-Dividend Income	-		(1.24)	
- Interest and finance charges	233.61		107.75	
- Unrealized Exchange (Gain)/Loss	(1.50)		6.49	
		580.42		375.33
Operating profit before working capital changes		840.51		411.69
Adjusted for :				
-Decrease/(Increase) in Inventories		58.94		(49.38)
-Decrease/(Increase) in Trade receivables		0.48		(369.08)
-Decrease/(Increase) in Current and Non-Current Loans and advances and Other Assets		3.50		(189.74)
-(Decrease)/Increase in Current and Non-Current Liabilities and Provisions		(21.73)		58.11
Cash generated from Operations		881.70		(138.40)
Direct Tax (Paid)/Refund		3.30		1.19
Net cash flow from/(used in) Operating Activities (I)		885.00		(137.21)
B. **Cash flow from Investing Activities**				
Purchase of fixed assets including capital work in progress, pre-operative expenses and capital advances		(601.27)		(949.45)
Sale of fixed assets		-		0.03
(Increase)/Decrease in Fixed Deposit held for more than 3 months		0.26		(0.02)
Purchase of current Investments		(2,556.65)		(4,088.20)
Sale of current investments		2,560.75		4,107.40
Dividend Received and Reinvested		-		1.96
Interest received on loan to Fellow Subsidiary (VAL)		0.03		-
Interest received on Fixed Deposit		1.12		0.39
Loan to Subsidiary		(1,435.00)		(425.00)
Loan to Fellow Subsidiary (VAL)		(70.00)		-
Repayment of Loan by Fellow Subsidiary (VAL)		70.00		-
Investment in Joint venture		(0.52)		-
Net cash flow from/(used in) Investing Activities (II)		(2,031.28)		(1,352.88)
C. **Cash flow from Financing Activities**				
Proceeds from borrowings		14,375.85		8,472.30
Repayment of borrowings		(13,127.58)		(6,740.65)
Interest and finance charges paid		(217.16)		(168.52)
Rollover Gain/(Loss) on forward covers		(27.36)		17.43
Net cash flow from/(used in) Financing Activities (III)		1,003.75		1,580.55
Net (decrease)/increase in cash and cash equivalent (I+II+III)		(142.53)		90.47
Opening balance of Cash and cash equivalents		162.46		71.99
Closing balance of Cash and cash equivalents (Refer Note 17)		19.93		162.46

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Khurshed Pastakia
Partner

For and on behalf of the Board of Directors

S.K. Roongta
Director

Pramod Suri
Director

Sandeep Agrawal
CFO & Company Secretary

Place : Mumbai
Date : April 19, 2013

Notes to the Financial Statements

1. Company Overview:

Sterlite Energy Limited (SEL), a wholly owned subsidiary of Sterlite Industries (India) Limited, is setting up a large scale domestic coal based power project with generation capacity of 2,400 MW (4 units of 600 MW each - thermal power project) at Jharsuguda, Odisha. SEL has commissioned and declared commercial production of 1 unit during the year ended March 31, 2011, 2 units during the year ended March 31, 2012 and the fourth unit during the year ended March 31, 2013. SEL, through a wholly owned subsidiary Talwandi Sabo Power Limited (TSPL), is also developing another large scale domestic coal based power project at Talwandi Sabo in Punjab, India.

SEL is a wholly owned subsidiary of Sterlite Industries (India) Limited ("SIIL") and is the flagship company of Vedanta Group focusing on the power sector. SIIL is the flagship Indian company of Vedanta group with business interests in Metal, Mining & Energy sectors.

2. Significant Accounting Policies

(a) Basis of accounting:

The financial statements are prepared as a going concern under historical cost convention on accrual basis in accordance with 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 which have been measured at their fair value. Accounting polices not stated explicitly otherwise are consistent with generally accepted accounting principles.

(b) Use of estimates:

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and disclosure of contingent 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 recognized in the period in which the results are known/ materialized.

(c) Fixed assets:

Fixed assets (tangible and intangible) are stated at cost of acquisition/construction. Cost includes non-refundable taxes and duties, borrowing cost and other expenses incidental to acquisition/ construction.

(d) Expenditure During Construction Period:

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

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Sterlite Energy Limited

(e) Borrowing cost:

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing cost is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

(f) Depreciation:

The carrying amounts of the tangible fixed assets are depreciated to their estimated residual value over the estimated useful lives of the assets using Straight Line Method subject to the minimum rates specified in Schedule XIV to the Companies Act, 1956 and rates notified by Central Electricity Regulatory Commission (CERC) under the Electricity Act, 2003. Depreciation on additions to / deletions from fixed assets is provided on pro-rata basis from / upto the date of such addition / deletion as the case may be. Useful lives considered for the purpose of depreciation rates are as follows

Particulars	Useful Life
Assets under lease (Land)	27 years
Vehicles	10 years
Office equipment	5-15 years
Furniture and Fixtures	15 years
Factory Buildings	17-27 years
Buildings (Other than Factory Building)	17-27 years
Plant and Equipment	1-17 years
SAP License	3 ½ years

(g) Inventories:

Inventories are valued at lower of cost or net realizable value, using weighted average method.

(h) Revenue Recognition:

Revenue is recognized when no significant uncertainty as to measurability or collectability exists.

Revenue from power sale to GRIDCO Limited under the long term Power Purchase Agreement (PPA), where the approval for tariff rate is awaited from Orissa Electricity Regulatory Commission (OERC)/ Central Electricity Regulatory Commission (CERC), is accounted based on provisional rates estimated by management of the company as per the principles laid down by the Tariff Regulations notified by OERC/CERC for determination of the tariff rate.

Revenue from power sales to other parties are recognized based on terms of respective agreements.

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Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

(i) Investments:

(i) 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 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.

(ii) Current investments are stated at fair value.

(j) Employee Benefits:

(i) The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.

(ii) Defined contribution plans:
The Company's contribution to Provident Fund and Superannuation Fund are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss/ Capital Work in Progress, as applicable, as incurred.

(iii) Defined benefit plans:
Employee benefits in the form of Gratuity are defined benefit obligations and are provided for on the basis of an actuarial valuation carried out using the projected unit credit method and charged to the Statement of Profit and Loss/ Capital Work in Progress, as applicable.

(iv) Liability for compensated absences is determined on the basis of an actuarial valuation carried out using the projected unit credit method and charged to the Statement of Profit and Loss/ Capital Work in Progress, as applicable.

(k) Foreign currency transactions:

(i) Transactions denominated in foreign currency are recorded at the exchange rates prevailing on the date of the transaction.

(ii) All monetary items denominated in foreign currencies at the reporting date are restated at the rate prevailing on the reporting date.

(iii) Exchange differences relating to long term monetary items falling under Accounting Standard 11 are accounted as under:

(a) In so far as they relate to the acquisition of a depreciable capital asset added to/ deducted from the cost of the asset and depreciated over the balance life of the asset.

(b) In other cases accumulated such differences in "Foreign Currency Monetary Item Translation Difference Account" and amortized to the Statement of Profit and Loss over the balance life of the long term monetary item but not beyond March 31, 2020.

(iv) Exchange difference relating to short term monetary items are accounted in the Statement of Profit and Loss.

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Sterlite Energy Limited

(l) Derivative Instruments :

In order to hedge its exposure to foreign currency risk, the Company enters into foreign currency forward contracts.

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 recognized 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 affects the Statement of Profit and Loss.

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

Derivative financial instruments that do not qualify for hedge accounting are marked to market at the Balance Sheet date and gains or losses are recognized in the Statement of Profit and Loss immediately.

(m) Taxation:

Tax expense comprises of current tax and deferred tax. Current tax is measured after taking into consideration rebate and relief available under the provisions of the Income Tax Act, 1961. Deferred Tax resulting from timing differences between book and taxable profit is accounted for using the rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonably certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situation where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

(n) Impairment of assets:

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

(o) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of economic resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

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(p) Cash and cash equivalents (for purposes of Cash Flow Statement):

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

(q) Cash flow statement:

Cash flows are reported using the indirect method, 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.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

Sterlite Energy Limited

	As at 31 March 2013		As at 31 March 2012	
	No.	(Rs. In Crore)	No.	(Rs. in Crore)
Note 3 - Shareholders' fund - share capital				
Authorised				
1,000,000,000 Redeemable Cumulative Convertible Preference Shares of Rs. 10 each.	1,000,000,000	1,000.00	1,000,000,000	1,000.00
3,500,000,000 Equity Shares of Rs. 10 each, with voting rights	3,500,000,000	3,500.00	3,500,000,000	3,500.00
	4,500,000,000	4,500.00	4,500,000,000	4,500.00
Issued				
Equity Shares of Rs. 10 each, with voting rights	1,187,314,715	1,187.31	1,187,314,715	1,187.31
Subscribed and fully Paid up				
Equity Shares of Rs.10 each fully paid, with voting rights	1,187,314,715	1,187.31	1,187,314,715	1,187.31
Total	1,187,314,715	1,187.31	1,187,314,715	1,187.31

		As at 31 March 2013		As at 31 March 2012	
(A)	**Disclosure of number of shares outstanding for each class of Shares**	No.	(Rs. in Crore)	No.	(Rs. in Crore)
	(1) EQUITY SHARES				
	Shares outstanding at the beginning of the year	1,187,314,715	1,187.31	1,187,314,715	1,187.31
	Movement during the year	-	-	-	-
	Shares outstanding at the end of the year	1,187,314,715	1,187.31	1,187,314,715	1,187.31

1,187,314,715 Equity Shares (Previous year : 1,187,314,715) are held by M/s. Sterlite Industries (India) Limited, the holding company and its nominees. The ultimate holding company Vedanta Resources Plc, United Kindom does not hold any equity in the Company

		As at 31 March 2013		As at 31 March 2012	
(B)	**Disclosure of More than 5% Shareholding**				
	Name of the Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
	Sterlite Industries (India) Limited and its nominees	1,187,314,715	100%	1,187,314,715	100%
		1,187,314,715	100%	1,187,314,715	100%

(C) **Other disclosures**

The company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. Dividend proposed (if any) by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

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Notes to Financial Statements

	As at 31 March 2013 (Rs. in Crore)	As at 31 March 2012 (Rs. in Crore)
Note 4 Shareholders' fund- Reserves and Surplus		
(a) Securities Premium Account		
Opening Balance	14.19	14.19
Movement during the year	-	-
Closing Balance	**14.19**	**14.19**
(b) Surplus/ (Deficit) in Statement of Profit and Loss		
Opening balance	(10.49)	(6.14)
Add: Net profit/(loss) for the year	205.41	(4.35)
Closing Balance	**194.92**	**(10.49)**
Total	**209.11**	**3.70**
Note 5 Long term borrowings		
Unsecured		
(a) Buyer's credit from bank	17.10	90.35
[Sterlite Industries (India) Limited. has given corporate guarantee of Rs. 400 crores against these facilities](Previous year : Rs. 1000 crores) Terms of repayment: The rate of Interest ranging from 2.16% to 2.72% and other terms of repayment for these buyer's credit are based on the agreement with the respective banks and the nature of such buyer's credit.		
Less: Current portion of long term debt	(17.10)	(85.44)
(b) Loans and advances from related parties	1,500.00	-
[From Sterlite Industries (India) Limited] Terms of repayment: The loan is for a period of 10 years taken in 3 tranches of Rs 500 Crore each. The lender and borrower both have a call and put option respectively exercisable on October 25, 2017 , November 27, 2017, December 6, 2017.		
	1,500.00	**4.91**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

Sterlite Energy Limited

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Notes to Financial Statements

		As at 31 March 2013 (Rs. in Crore)	As at 31 March 2012 (Rs. in Crore)
Note 6	**Long-term provisions**		
	(a) Provision for gratuity (Refer Note 41)	0.42	0.31
	(b) Provision for compensated absences/ leave encashment	0.29	0.24
		0.71	**0.55**
Note 7	**Short-term borrowings**		
	Secured		
	(a) Buyer's credit from bank	167.47	121.44
	(Secured against first pari passu charge on entire current assets of the Company)		
	(b) Term loan from Bank of Baroda	-	250.00
	(Secured against first pari passu charge by way of hypothecation of all the present and future movable fixed assets of the Company)		
		167.47	**371.44**
	Unsecured		
	(a) Loans and advances from related parties (repayable on demand) [From Sterlite Industries (India) Limited] (Refer Note 43)	6,519.61	4,224.61
	(b) Buyer's credit from bank	3.63	234.72
	[Sterlite Industries (India) Limited has given corporate guarantee of Rs. 400 crores against these facilities] (Previous year: Rs. 1000 crores)		
	(c) Commercial paper	50.00	2,075.00
	[Sterlite Industries (India) Limited has given corporate guarantee of Rs. 3650 crores against these facilities] (Previous year : 2350 crores)		
		6,573.24	**6,534.33**
	Total	**6,740.71**	**6,905.77**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

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Notes to Financial Statements

		As at 31 March 2013 (Rs. in Crore)	As at 31 March 2012 (Rs. in Crore)
Note 8	**Trade Payables**		
	Trade Payables:		
	-Acceptances	-	-
	-Other than Acceptances	41.58	39.46
		41.58	**39.46**
Note 9	**Other Current Liabilities**		
	(a) Current maturities of long-term debt (buyer's credit) [Refer terms of repayment in Note 5(a) above]	17.10	85.44
	(b) Interest accrued but not due on borrowings from Sterlite Industries (India) Limited	45.86	-
	(c) Interest accrued but not due on borrowings	1.73	4.37
	(d) Due to related parties	13.06	4.63
	(e) Statutory remittances	44.10	50.04
	(f) Sundry creditors-capital goods	703.54	876.63
	(g) Liability for expenses	63.15	89.67
		888.54	**1,110.78**
Note 10	**Short-term Provisions**		
	(a) Provision for gratuity (Refer Note 41)	0.02	0.01
	(b) Provision for compensated absences/ leave encashment	0.03	0.01
	(c) Provision for tax (Net tax deducted at source Rs. 0.19 crore (As at 31 March, 2012 Rs. NIL))	56.39	1.91
		56.44	**1.93**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

Sterlite Energy Limited

Note 11 - Fixed Assets (continued)

S No	Name	Gross Block					Depreciation				Net Block	
		As at 01 April 2012	Additions during the period	Adjustments during the period	Deductions/ Adjustments	As at 31 March 2013	Accumulated 01 April 2012	Depreciation Charge	Deductions / Adjustments	Accumulated 31 March 2013	As At 31 March 2013	As At 31 March 2012
		(Rs. in Crore)	(Rs. in Crore)	(Rs. in Crore)	(Rs. in Crore)	(Rs. in Crore)	(Rs. in Crore)	(Rs. in Crore)	(Rs. in Crore)	(Rs. in Crore)	(Rs. in Crore)	(Rs. in Crore)
	(A) Tangible Assets											
1	Land	93.55	8.95	-	-	102.50	-	-	-	-	102.50	93.55
		(7.90)	(85.65)	-	-	(93.55)	-	-	-	-	(93.55)	
2	Assets under lease (Land)	12.75	-	-	-	12.75	0.76	0.43	-	1.19	11.56	11.99
		(7.44)	(5.31)	-	-	(12.75)	(0.33)	(0.43)	-	(0.76)	(12.00)	
3	Factory Buildings	639.40	38.08	-	-	677.48	22.46	28.84	-	51.30	626.18	616.94
		(317.60)	(321.80)	-	-	(639.40)	(0.93)	(21.53)	-	(22.46)	(616.94)	
4	Plant and Equipment*	5,092.13	1,539.36	-	-	6,631.49	220.82	299.53	-	520.35	6,111.14	4,871.31
		(2,231.09)	(2,861.04)	-	-	(5,092.13)	(10.78)	(210.04)	-	(220.82)	(4,871.30)	
5	Furniture and Fixtures	0.49	-	-	-	0.49	0.07	0.03	-	0.10	0.39	0.42
		(0.33)	(0.16)	-	-	(0.49)	(0.05)	(0.02)	-	(0.07)	(0.41)	
6	Vehicles	-	0.14	-	-	0.14	-	0.00	-	0.0	0.14	-
		(0.07)	-	-	(0.07)	-	(0.01)	(0.01)	(0.02)	-	-	
7	Office equipment	0.77	0.11	-	-	0.88	0.30	0.13	-	0.43	0.45	0.47
		(0.62)	(0.15)	-	-	(0.77)	(0.24)	(0.06)	-	(0.30)	(0.47)	
8	Buildings (other than factory building)	202.21	0.64	-	-	202.85	10.49	10.16	-	20.65	182.20	191.72
		(202.21)	-	-	-	(202.21)	(0.43)	(10.06)	-	(10.49)	(191.72)	
		6,041.30	1,587.28	-	-	7,628.58	254.90	339.12	-	594.02	7,034.56	5,786.40
	As at 31 March 2012	(2,767.26)	(3,274.11)	-	(0.07)	(6,041.30)	(12.77)	(242.15)	(0.02)	(254.90)	(5,786.40)	
	(B) Intangible Assets											
1	SAP License	-	2.60	-	-	2.60	-	0.19	-	0.19	2.41	-
		-	-	-	-	-	-	-	-	-	-	
		-	2.60	-	-	2.60	-	0.19	-	0.19	2.41	-
	As at 31 March 2012	-	-	-	-	-	-	-	-	-	-	
	TOTAL As at 31 March 2013	6,041.30	1,589.88	-	-	7,631.18	254.90	339.31	-	594.21	7,036.97	5,786.40
	TOTAL As at 31 March 2012	(2,767.26)	(3,274.11)	-	(0.07)	(6,041.30)	(12.77)	(242.15)	(0.02)	(254.90)	(5,786.40)	

Notes :

i) * Exchange (Gain)/Loss capitalised as per Accounting Standard-11, grouped under Plant & Machinery amounted to Rs. 55.95 Crores [Previous Year : Rs. 61.48 Crores].

ii) The Company has capitalized its first unit of 600MW on March 1, 2011, second unit of 600MW on May 1, 2011, third Unit of 600MW on February 1, 2012 and fourth unit of 600 MW on March 31, 2013.

iii) All movable fixed asset (both present and future) of the Company are hypothecated as security for Secured Redeemable Non-convertible Debenture issued by the holding Company-Sterlite Industries (India) Limited.

iv) Figures in bracket represents previous year figures.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

Sterlite Energy Limited

Note 11 v)	**Fixed Assets (continued)** **Details of capital work in progress**	**As at 31 March 2013 (Rs. in Crore)**	**As at 31 March 2012 (Rs. in Crore)**
	Capital Expenditure (A)	6,993.15	6,661.49
	Expenditure During Construction Period:-		
	Expenditure incurred till beginning of the year (a)	714.72	549.98
	Expenses:		
	Manufacturing Expenses	228.35	327.05
	Employees' Remuneration and Benefits	14.29	13.58
	General expenses	10.20	91.82
	Selling and Distribution expenses	21.68	56.94
	Interest and finance expenses	98.75	76.81
	Income:		
	Revenue from Sale of Power	(274.86)	(394.06)
	Interest Income	(0.17)	(0.09)
	Dividend Income	-	(0.72)
	Other Income	(2.63)	(6.59)
	Amount Capitalised during the year (b)	**95.61**	**164.74**
	Closing Balance (B=a+b)	**810.33**	**714.72**
	Total CWIP (C= A+B)	**7,803.48**	**7,376.21**
	Less: Transferred to Asset (D)	**(7,445.87)**	**(5,968.36)**
	Total	**357.61**	**1,407.85**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

Sterlite Energy Limited

Note 12 Non-current investments
(Long term investments)

Particulars	As at 31 March 2013 (Rs. in Crore)	As at 31 March 2012 (Rs. in Crore)
Trade Investments		
(A) **Investment in equity instruments**		
400,050,000 (Previous year: 400,050,000) equity shares of Rs. 10 per equity share of Talwandi Sabo Power Limited (Subsidiary)	400.05	400.05
24,348,016 (Previous year : 19,130,584) equity shares of Rs. 1 per equity share in Rampia Coal Mines and Energy Private Limited (Joint Venture)	2.43	1.91
Total	**402.48**	**401.96**

Particulars	As at 31 March 2013	As at 31 March 2013
Aggregate amount of unquoted investments	**402.48**	**401.96**
Aggregate provision for diminution in value of investments	-	-
Total	**402.48**	**401.96**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

Sterlite Energy Limited

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Notes to Financial Statements

		As at 31 March 2013 (Rs. in Crore)	As at 31 March 2012 (Rs. in Crore)
Note 13	**Long-term loans and advances**		
	Unsecured, considered good		
	(a) Capital advances	66.96	103.76
	(b) Security Deposits	0.39	0.39
	(c) Advance tax/ Tax deduction at source (net)	0.06	3.25
		67.41	**107.40**
Note 14	**Other non-current assets**		
	(a) Bank deposits with more than twelve months' maturity*	-	0.26
		-	**0.26**
	* under lien with bank		
Note 15	**Inventories**		
	(Refer Note 2(g))		
	(a) Fuel	31.88	88.47
	Fuel-in-transit	11.74	33.86
		43.62	**122.33**
	(b) Stores and spares	78.74	57.83
	Stores and spares-in-transit	0.62	1.76
		79.36	**59.59**
		122.98	**181.92**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

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Notes to Financial Statements

		As at 31 March 2013 (Rs. in Crore)	As at 31 March 2012 (Rs. in Crore)
Note 16	**Trade receivables**		
	(Refer Note no 20 (i)& (ii))		
	Trade receivables outstanding for a period not exceeding six months from the date they are due for payment :		
	Unsecured, considered good	281.30	414.38
		281.30	**414.38**
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment :		
	Unsecured, considered good	213.39	77.39
		213.39	**77.39**
		494.69	**491.77**
Note 17	**Cash and cash equivalents**		
	Balances with banks		
	(a) In current accounts	19.93	1.37
	(b) In Deposit accounts (maturity of three months or less)	-	161.09
		19.93	**162.46**
Note 18	**Short-term loans and advances**		
	(a) Loans and advances to related parties		
	(Refer Note 43)		
	Unsecured, considered good		
	Inter company deposit	1,860.00	425.00
	Recoverable from related parties	0.32	0.01
	(b) Others		
	Unsecured, considered good		
	Advance to employees	0.66	0.34
	Sundry deposits	18.07	18.00
	Derivative assets	0.94	10.15
	Advance to trade creditors	195.86	221.56
	Entry tax deposited with authorities	15.00	15.00
	Prepaid expenses	30.42	8.92
		2,121.27	**698.98**
Note 19	**Other Current Assets**		
	(a) Unamortized borrowing cost	1.06	15.41
		1.06	**15.41**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

Sterlite Energy Limited

		For the year ended 31 March 2013 (Rs. in Crore)	For the year ended 31 March 2012 (Rs. in Crore)
Note 20	**Revenue from operations**		
	Revenue from Power Supply	2,460.10	1,761.58
		2,460.10	**1,761.58**

(i) With respect to supply of power to GRIDCO Limited, revenue from sale of energy is recognised on accrual basis as per tariff guidelines issued by Orissa Electricity Regulatory Commission (OERC). The Company 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 the Company 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 Rs.160.19 crores (Till March 31, 2012 Rs. 107.11 crores). In the opinion of the Management, there would be no material adverse impact on revenue recognised as a result of the final tariff order.

(ii) GRIDCO had withheld an amount of Rs. 94.19 crores (till March 31, 2012 Rs. 41.56 crores) towards supply of power at variable costs. However the Company has represented to the State Government that such supply of power at variable costs can be made only when the power supplied is in excess of 80% Plant Load Factor of the station. The matter is under consideration of the State Government and consequently the outstanding amount is considered as good and recoverable from GRIDCO.

		31 March 2013	31 March 2012
Note 21	**Other income**		
	Interest income		
	- On deposits	0.95	0.33
	- On others	3.73	3.08
	Dividend from current investments	-	1.24
	Profit on sale of current investments (net)	3.46	2.09
	MTM gain on Derivatives	-	29.07
	Other income	0.02	-
		8.16	**35.81**
Note 22	**Cost of fuel Consumed**		
	Opening stock	122.33	130.51
	Add: Purchases	1,070.15	999.45
	Less: Closing stock	43.62	122.33
		1,148.86	**1,007.63**
	Fuel consumed comprises:		
	Coal	1,112.37	961.19
	Oil	36.49	46.44
		1,148.86	**1,007.63**
Note 23	**Employee benefits expense**		
	Salaries and incentives	11.25	12.87
	Contribution to provident fund	0.26	0.25
	Staff welfare expenses	0.20	0.27
	Gratuity	0.04	0.13
	LTIP Charges (Refer Note 48)	2.55	1.82
		14.30	**15.34**
Note 24	**Finance costs**		
	Interest expense on loans	228.42	102.06
	Net (gain)/loss on foreign currency transactions(Refer Note 47)	(6.99)	33.14
	Other borrowing costs	0.57	0.42
	Bank charges	4.62	5.27
		226.62	**140.89**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

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Notes to Financial Statements

		For the year ended 31 March 2013 (Rs. in Crore)	For the year ended 31 March 2012 (Rs. in Crore)
Note 25	**Other expenses**		
	(i) Manufacturing and Operating Costs		
	Consumption of stores and spare parts	37.54	13.36
	Power, fuel and water	37.64	43.36
	Operation and Maintenance	117.41	114.48
	Machinery Repairs	10.47	5.90
	Building Repairs	1.71	0.66
	Other manufacturing and operating expenses	26.25	14.19
	(ii) Administration		
	Rent	0.07	0.08
	Rates and taxes	0.34	-
	Insurance	6.92	6.07
	Travelling and conveyance	1.08	0.51
	Net loss/(gain) on foreign currency transactions	0.34	25.55
	Director's sitting fees	-	0.02
	General Expense	4.91	3.21
	Legal and professional fees	2.32	5.80
	Auditors' remuneration [Refer Note (a) below]	0.52	0.46
	Mark to market loss on derivatives	22.70	-
	(iii) Selling and distribution		
	Cash discount	29.44	19.83
	Open access charges	112.56	29.63
	Energy development cess	24.49	16.63
	(iv) Other Expenses		
	Miscellaneous expenses	0.31	0.27
		437.02	**300.01**

Note (a):

	For the year ended 31 March 2013	For the year ended 31 March 2012
Auditors' remuneration includes :		
(i) for audit fees	0.44	0.30
(ii) for taxation matters	0.04	0.04
(iii) for other services	0.03	0.04
(iv) for reimbursement of expenses	0.01	0.06
	0.52	**0.46**

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Notes to Financial Statements

	For the year ended 31 March 2013 (Rs. In Crore)	For the year ended 31 March 2012 (Rs. In Crore)
Note 26 Current Tax		
Current tax (Minimum Alternate Tax)	54.68	-
	54.68	-

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

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Additional Information to the Financial Statements

27. The company had chosen to early adopt Accounting Standard (AS) 30 – 'Financial Instruments: Recognition and Measurement' effective April 1, 2007. Coterminous with this, in the spirit of complete early adoption, as has been originally announced/ encouraged by the Institute of Chartered Accountants of India (ICAI) in March 2008, the company also implemented the consequential limited revisions in view of AS 30 to certain accounting standards. Accordingly, current investments under AS 13 – 'Accounting for Investments' would have been carried at lower of cost and fair value, have been accounted for at fair value in accordance with AS 30, resulting in investment being valued at March 31, 2013 at Rs. NIL (as at March 31, 2012 – Rs. NIL) above the cost and, consequently the profit after tax for the year is higher by Rs. NIL (as at March 31, 2012 – Rs. NIL).

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

29. The company has entered into term loan facility of $140 million with India Infrastructure Finance Company (UK) Limited as lender and Rs. 5,569 Crores with syndicate of banks in an earlier financial year which was pending for compliance of pre-disbursement conditions. The company has paid Rs. 40.62 Crores in the financial year earlier to the previous financial year 2011-12 as syndication and upfront fees for the loan facility which has been fully charged off in the previous financial year 2011-12 as the company does not intend to draw funds from the facility.

30. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 172.91 crores (2012: Rs. 331.48 crores).

Particulars	**March 31, 2013** (Rs. crores)	**March 31, 2012** (Rs. crores)
Gross Capital Commitment	239.87	435.24
Less: Capital Advances	66.96	103.76
Net Capital Commitment	172.91	331.48

31. Other Commitments:

31.1 The Company 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.

31.2 Bank guarantees provided by the Company pertaining to its operations Rs.237.69 crores (March 31, 2012 : Rs. 233.23 crores)

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

Sterlite Energy Limited

32. Financial and Derivative Instruments

a) Derivative contracts entered into by the Company and outstanding as at the balance sheet date:

For hedging currency risks: - Nominal amounts of outstanding derivatives contracts entered into by the Company, along with Marked to Market (MTM) loss/ (gain) are as follows:

Particulars	March 31, 2013		March 31, 2012	
	Nominal amount	MTM loss / (gain)	Nominal amount	MTM loss / (gain)
	Rs. Crores	Rs. Crores	Rs. Crores	Rs. Crores
Forex Forward Covers	638.85	0.94	440.54	(10.15)

Derivative and financial instruments acquired by the Company are for hedging purposes only.

b) Un-hedged foreign currency exposure as at the balance sheet date is as under: -

	March 31, 2013		March 31, 2012	
	USD Millions	Rs. Crores	USD Millions	Rs. Crores
Buyer's Credit & Interest thereon	0.12	0.63	15.43	78.96
Capital Creditors	-	-	118.91	608.33

33. CIF Value of Imports

Type	March 31, 2013	March 31, 2012
	Rs. Crores	Rs. Crores
Fuel (including in transit)	200.77	109.96
Capital Goods	-	6.60
Stores & Spares (including in transit)	3.75	1.24

34. Expenditure in Foreign Currency

Type	March 31, 2013	March 31, 2012
	Rs. Crores	Rs. Crores
Technical Service Charges	110.94	48.44
Interest	9.50	20.61

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Sterlite Energy Limited

35. Details of Raw Materials consumed:

		2013		2012	
Description	**UOM**	**Quantity**	**Value (Rs. Crores)**	**Quantity**	**Value (Rs. Crores)**
Coal	MT	58,09,134	1,112.37	42,88,388	961.19
Oil	KL	6,102	36.49	8,936	46.44
Total			**1,148.86**		**1,007.63**

36. Value of Raw Material consumed:

Particulars	2013		2012	
	Value (Rs. crores)	**%**	**Value (Rs. crores)**	**%**
Imported	197.75	17%	278.30	28%
Indigenous	951.11	83%	729.33	72%
Total	**1,148.86**	**100%**	**1,007.63**	**100%**

37. Value of Components, stores and spare parts consumed:

Particulars	2013		2012	
	Value (Rs. Crores)	**%**	**Value (Rs. Crores)**	**%**
Imported	1.13	3%	0.36	3%
Indigenous	36.41	97%	13.00	97%
Total	**37.54**	**100%**	**13.36**	**100%**

38. Contingent Liabilities

	Particulars	**March 31, 2013**	**March 31, 2012**
		Rs. Crores	**Rs. Crores**
1	Bank Guarantees provided under contractual/ legal obligations*	206.14	206.14
2	Disputed liability in appeal – Building Cess under Building and Construction Workers (RECS) Act, 1996 and corresponding Welfare Cess Act, 1996*	10.29	10.29
3	Demand raised by water resources department.*	98.89	-

* No cash outflow is expected in the near future.

The Company has export obligations of Rs 5,947.76 Crores (2012: Rs. 6,708.81 Crores) against the import licenses taken for import of capital goods under Export Promotion Capital Goods and Advance License. In case the Company does not meet the required export obligation then it has to pay Rs 1,189.06 Crores (As at March 31, 2012 Rs 1,226.65 Crores) being the duty saved amount against the said import licenses along with interest.

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39. There are no Micro, Small and Medium Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2013.This information as required to be disclosed under Micro, Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

40. The Board of Directors of the Company in its meeting held on 25th February 2012 has approved the scheme of Amalgamation and Arrangement (the Scheme) for merger of the Company into Sesa Goa Limited ('SGL') with the appointed date as January 1, 2011, subject to necessary approvals from various statutory authorities and the Jurisdictional Hon'ble High Court.

The scheme shall come into effect upon sanction by the respective jurisdictional High Court and other statutory approvals ('effective date'). The Company shall be merged into SGL, and SGL shall be the surviving company of the Merger.Upon occurrence of the Effective Date, the name of SGL shall be changed from "Sesa Goa Limited" to "Sesa Sterlite Limited".

Prior to this amalgamation the parent company Sterlite Industries (India) Limited will amalgamate into SGL, thereby making Sterlite Energy Limited ('SEL') as wholly owned subsidiary of SGL. Consequent to the amalgamation of SEL, Talwandi Sabo Power Limited, the wholly owned subsidiary of the Company will become a direct subsidiary of SGL.

No consideration will be issued by SGL since SEL will be a wholly owned subsidiary.

The Hon'ble High Court of Bombay at Goa by order dated April 3, 2013 approved the Scheme of Amalgamation and Arrangement.The hearing in the Hon'ble High Court of Madras has been completed and orders are awaited

Pending requisite approvals, the financial statements of the Company has been prepared without giving effect to the proposed scheme.

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Disclosures under Accounting Standards

41. Employee Benefits:

1. Defined Benefit Plan:

Gratuity (Unfunded) :

Rs. Crores

Particulars	2013	2012
A) Actuarial assumptions		
Salary growth (p.a.)	5.50%	5.50%
Expected rate of Return on Plan Assets (p.a.)	N.A.	N.A.
Discount rate (p.a.)	8.00%	8.00%
Mortality Table	IALM(1994-96)	IALM(1994-96)
B) Amount recognized during the year		
Current service cost	0.10	0.08
Past service cost	-	-
Interest cost	0.02	-
Expected return on plan assets		-
Net actuarial (gains)/losses recognized	-	0.09
Total *	0.12	0.17
C) Movement in present value of defined benefit obligation		
Obligation at the beginning of the year	0.32	0.15
Current service cost	0.10	0.08
Past service cost	-	-
Interest cost	0.02	-
Actuarial (gains)/losses	-	0.09
Benefits paid	-	-
Obligation at the end of the year	0.44	0.32
D) Movement in present value of plan assets		
Fair value at the beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial gains /(losses)	-	-
Contributions	-	-
Benefits paid	-	-
Fair value at the end of the year	-	-

Rs. Crores

E) Amount recognized in the Balance Sheet	2013	2012	2011	2010	2009
Present value of obligations at the end of the year	0.44	0.32	0.15	N.A.	N.A.
Less: Fair value of plan assets at the end of the year	-	-	-	N.A.	N.A.
Net (Asset)/ liability recognized in the Balance Sheet	0.44	0.32	0.15	N.A.	N.A.

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Rs. Crores

F) Experience adjustment on actuarial Gain / (Loss) for Plan Obligation and Plan Assets.	2013	2012	2011	2010	2009
On Plan Obligations	-	(0.10)	-	N.A.	N.A.
On Plan Assets	-	-	-	N.A.	N.A.

*The amount is included in 'Employee benefits expense' [See Note 23 & 11]

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 Contribution expected to be made by the Company during the financial year 2013-14 is Rs. 0.10 Crores (as determined by management).

2. **Defined Contribution Plan:**

The Company has recognized for the year ended March 31, 2013, an amount of Rs. 0.46 Crores (2012: Rs. 0.39 Crores) under defined contribution plan.

Rs. Crores

Benefits (Contribution to)	2013	2012
Provident Fund	0.46	0.39
Less: Capitalised	0.20	0.14
Net Amount**	0.26	0.25

**The expenses are included in the line item – 'Contributions to provident fund' [See Note 23 & 11]

42. The Company is engaged in power generation. Considering the nature of Company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard (AS) 17- 'Segment Reporting'.

43. Related party disclosures

(a) Names of the related parties and nature of relationship where control exists:

Holding companies

Ultimate Holding Company : Vedanta Resources Plc*

Immediate Holding Company : Sterlite Industries (India) Limited (SIIL)

Intermediate Holding Companies:

Volcan Investments Limited*
Vedanta Resources Holding Limited*
Twin Star Holdings Limited*

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(b) Names of the related parties with whom transactions were carried out during the year and description of relationship:

(i) Subsidiary Company

Talwandi Sabo Power Limited

(ii) Fellow Subsidiary Companies

Bharat Aluminium Company Limited (BALCO)
Vedanta Aluminium Limited (VAL)
Vizag General Cargo Berth Private Limited
Madras Aluminium Company Limited

(iii) Joint Venture

Rampia Coal Mines and Energy Private Limited (RCMEPL)

(iv) Others

Anil Agarwal Foundation (AAF)*

(c) : Key Managerial Personnel

Mr. Agnivesh Agarwal (Director)*
Mr. Pramod Suri (Director)*
Mr. SK Roongta (Director)*
Mr. Gattu Rambhav (Manager)*

* No transaction with parties during the year

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Related party disclosures (contd.)

Transactions during the year with the related parties

Figures in Rs. Crore

S. no.	Nature of transactions	Holding company		Subsidiary		Fellow subsidiaries		Joint Venture		Other Related Parties		Total Amount	
		2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
1	Purchase of Equity Shares	-	-	-	-	-	-	0.52	0.87	-	-	0.52	0.87
2	Purchase/(sale) of Assets/Goods	(0.14)	-	0.01	-	(16.39)	(1.04)	-	-	-	0.06	(16.52)	(0.98)
3	Sale of Power	(5.33)	(50.50)			(17.59)	(44.89)					(22.92)	(95.39)
4	Purchase of Power					0.32	8.63					0.32	8.63
5	Salary personnel services and reimbursement of expenses (net)	5.78	7.85	(0.88)	(0.96)	26.40	28.72		-	-	-	31.30	35.61
6	Capital Advance transferred	-	-	-	-	-	-	-	-	-	-	-	-
7	Inter Company Deposit-taken/ (given)	3,830.00	1,625.00	(1,435.00)	(425.00)	(70.00)		-	-	-	-	2,325.00	1,200.00
8	Inter Company Deposit- repaid	(35.00)	(1,500.00)	-	-	70.00	-	-	-			35.00	(1,500.00)
9	Interest on Inter Company Deposit paid/(received)	50.96	-	-	-	(0.03)	-	-	-	-	-	50.93	-
10	Guarantee Commission	-	-	-	-	-	-	-	-	-	-	-	-
11	Inter Company Deposit Outstanding as on March 31	8,065.47	4,224.61	(1,860.00)	(425.00)							6,205.47	3,799.61
12	Guarantees Given and outstanding as at March 31	-	-	183.97	183.97	-	-	22.17	22.17	-	-	206.14	206.14
13	Guarantees Received and outstanding as at March 31	7,610.37	5,960.37	-	-	-	-	-	-	-	-	7,610.37	5,960.37
14	Investments as at March 31	-	-	400.05	400.05	-	-	2.43	1.91	-	-	402.48	401.96
15	Debit balance as at March 31	(0.18)	-	(0.32)	-	(0.26)	(0.01)	-	-	-	-	(0.76)	(0.01)
16	Credit balance as at March 31	0.14	0.59	-	-	12.92	4.04	-	-	-	-	13.06	4.63

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

Sterlite Energy Limited

Rs. in crores

Details of transactions during the year with related parties	2012-13	2011-12
1) Inter Company Deposit-Sterlite Industries (India) Limited	**(Debit)/Credit**	**(Debit)/Credit**
Deposit Received	3,830.00	1,625.00
Deposit repaid	(35.00)	(1,500.00)
Interest on deposit	50.96	-
Balance as at March 31, 2013 (including interest accrued net of TDS)	8,065.47	4,224.61
2) Inter Company Deposit-Talwandi Sabo Power Limited		
Deposit Given	(1,435.00)	(425.00)
Balance as at March 31, 2013	(1,860.00)	(425.00)
3) Inter Company Deposit-Vedanta Aluminium Limited		
Deposit Given	(70.00)	-
Deposit Received	70.00	-
Interest on Deposit Given	0.03	-
4) Salary, personnel services and reimbursement of expenses incurred on our behalf (net)		
(i) Sterlite Industries (India) Limited (SIIL)	5.78	7.85
(ii) Bharat Aluminium Company Limited (BALCO)	0.01	0.01
(iii) Vedanta Aluminium Limited (VAL)	26.43	28.83
(iv) Talwandi Sabo Power Limited (TSPL)	(0.88)	(0.96)
(v) Vizag General Cargo Berth Private Limited (VGCB)	(0.05)	(0.12)
(vi) Madras Aluminium Company Limited (MALCO)	0.01	-
5) Purchase/(Sale) of Asset/Goods		
Sale of Asset/Material to VAL	(16.39)	0.21
Purchase of Power from VAL	0.32	8.63
Sale of Power (including electricity duty) to VAL	(17.59)	(44.89)
Purchase of Asset/Material from TSPL	0.01	-
Sale of Power (including electricity duty) to SIIL	(5.33)	(50.50)
Sale of Asset/Material to SIIL	(0.14)	-
Purchase of Asset/Material from AAF	-	0.06
Transfer of land from SEL to VAL	-	(1.25)

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

Sterlite Energy Limited

6) Investment in Joint Venture (RCMEPL)		
Purchase of Equity Shares	0.52	0.87
7)Guarantees Given and outstanding		
Talwandi Sabo Power Limited	183.97	183.97
Rampia Coal Mines & Energy Private Limited	22.17	22.17
8)Guarantees Received and outstanding		
Sterlite Industries (India) Limited	**7,610.37**	**5,960.37**
9) Investments as at March 31, 2013		
Talwandi Sabo Power Limited	400.05	400.05
Rampia Coal Mines & Energy Private Limited	2.43	1.91
10) Balances outstanding as at March 31, 2013		
Due to Related Party		
Vedanta Aluminium Limited	12.92	4.04
Sterlite Industries (India) Limited	0.14	0.59
Due from Related Party		
Talwandi Sabo Power Limited	(0.32)	-
Vedanta Aluminium Limited	(0.26)	-
Sterlite Industries (India) Limited	(0.18)	-
Vizag General Cargo Berth Private Limited	-	(0.01)

Note:
All moveable fixed assets (both present and future) of the Company are hypothecated during the year as security for Secured Redeemable Non-convertible Debentures issued by the Holding Company-Sterlite Industries (India) Limited.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

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44. Earnings per Share (EPS):

Particulars	March 31, 2013	March 31, 2012
Profit/(Loss) after tax for the year attributable to equity shareholders [Rs. in crores]	205.41	(4.35)
Nominal value per share	Rs. 10	Rs. 10
Number of equity shares (in crores)	118.73	118.73
Weighted average number of equity shares for basic earnings per share (in crores)	118.73	118.73
Weighted average number of equity shares for diluted earnings per share (in crores)	118.73	118.73
Basic earnings per share [in Rs.]	1.73	(0.04)
Diluted earnings per share [in Rs.]	1.73	(0.04)

45. Components of Deferred Tax are as under

Particulars	March 31, 2013	March 31, 2012
	Rs. Crores	Rs. Crores
Deferred Tax Liability		
Depreciation	474.73	171.32
Deferred Tax Asset*		
Unabsorbed Business Loss/Depreciation	(474.73)	(171.32)
Deferred Tax Asset/ Liability (net)	-	-

*Recognised to the extent of deferred tax liability

46. Interest in Joint Venture

The Company has subscribed to the memorandum of association of M/s Rampia Coal Mines and 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 in 2.43 crores (2012: 1.91 crores) equity shares of Re. 1 each amounting to Rs. 2.43 crores (2012: Rs.1.91 crores) 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 jointly controlled entity :

Particulars	Amount in Rs. Crores	Amount in Rs. Crores
	March 31, 2013	March 31, 2012
	(Unaudited)	(Unaudited)
Assets	2.40	1.91
Liability	0.04	0.03
Equity Contribution	2.43	1.91
Share Application Money	-	-
Profit & Loss Debit Balance	0.08	0.03
Contingent Liabilities	Nil	Nil
Capital Commitments	Nil	Nil

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Sterlite Energy Limited

47. The Company has discontinued the application of paragraph 4(e) of AS-16 and applied paragraph 46A of AS-11 with retrospective effect from April 1, 2011 pursuant to the clarification issued by the Ministry of Corporate Affairs vide circular no. 25/2012 dated August 9, 2012 on notification for insertion of paragraph 46A in AS-11. Accordingly, foreign exchange loss (net) of Rs. 13.36 crores arising during the period April 1, 2011 to March 31, 2012 has been capitalised during the year ended March 31, 2013 with a corresponding credit to the Statement of Profit and Loss for the year ended March 31, 2013.

Disclosure on employee share based payments

48. 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. The grant date fair value of the awards is recovered by Vedanta from the Company.

Amount recovered by Vedanta and recognised by the Company in the Statement of Profit and Loss/Capital Work In Progress for the financial year ended March 31, 2013 is Rs 1.87 Crore (Previous Year Rs 1.69 Crore). The Company considers these amounts as not material and accordingly has not provided further disclosures.

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Previous year's figures

49. 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

S. K. Roongta
Director

Pramod Suri
Director

Sandeep Agrawal
CFO & Company Secretary

Place: Mumbai
Date : April 19, 2013