This document contains the complete audited financial statements of Vedanta Resources Plc for the year ended 31 March 2011. The information is being made available to potential financing sources for the Cairn India acquisition.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VEDANTA RESOURCES PLC

We have audited the consolidated financial statements of Vedanta Resources plc for the year ended 31 March 2011 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and the related notes 1 to 40. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the group financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the group financial statements are prepared is consistent with the group financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, contained within the Director's Report in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review;
- certain elements of the report to shareholders by the Board on directors' remuneration.

Other matter

We have reported separately on the parent company financial statements of Vedanta Resources plc for the year ended 31 March 2011 and on the information in the Directors' Remuneration Report that is described as having been audited.

Andrew Kelly (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

5 May 2011

Consolidated Financial Statements
for the Year Ended 31 March 2011

CONSOLIDATED INCOME STATEMENT

$ million	**Note**	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Continuing operations			
Revenue	3	11,427.2	7,930.5
Cost of sales		(8,107.0)	(5,761.1)
Gross profit		3,320.2	2,169.4
Other operating income		73.9	87.8
Distribution costs		(319.6)	(229.5)
Administrative expenses		(376.7)	(294.8)
Special items	5	(163.5)	(67.3)
Operating profit	9	2,534.3	1,665.6
Investment revenue	6	431.6	272.8
Finance costs	7	(534.7)	(236.6)
Other gains and losses (net)	8	252.1	139.8
Profit before taxation		**2,683.3**	**1,841.6**
Tax expense	12	(649.5)	(330.4)
Profit for the year		**2,033.8**	**1,511.2**
Attributable to:			
Equity holders of the parent		770.8	602.3
Non-controlling interests		1,263.0	908.9
		2,033.8	**1,511.2**
Basic earnings per ordinary share (US Cents)	13	283.2	219.6
Diluted earnings per ordinary share (US Cents)	13	270.2	203.2

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

$ million	Year ended 31 March 2011	Year ended 31 March 2010
Profit for the year	**2,033.8**	**1,511.2**
Income and expenses recognised directly in equity:		
Exchange differences arising on translation of foreign operations	162.6	1,308.6
Gains in fair value of available-for-sale financial assets	59.1	111.0
Gains in fair value of cash flow hedges deferred in reserves	5.4	70.9
Tax effects arising on cash flow hedges deferred in reserves	(1.7)	(24.1)
Total income recognised in equity	**225.4**	**1,466.5**
(Losses)/ gains in fair value of cash flow hedges transferred to income statement	(1.6)	56.8
Tax effects arising on cash flow hedges transferred to income statement	0.5	(19.2)
Total transferred (from) / to the income statement	**(1.1)**	**37.6**
Total comprehensive income for the year	**2,258.1**	**3,015.3**
Attributable to:		
Equity holders of the parent	886.9	1,406.2
Non-controlling interests	1,371.2	1,609.1

CONSOLIDATED BALANCE SHEET

$ million	Note	As at 31 March 2011	As at 31 March 2010
ASSETS			
Non-current assets			
Goodwill	15	12.2	12.2
Intangible assets	16	162.1	-
Property, plant and equipment	17	17,189.5	14,326.7
Financial asset investments	18	304.2	201.2
Other non-current assets	19	24.6	18.3
Other financial assets (derivatives)	28	99.4	43.7
Deferred tax assets	30	18.2	8.9
		17,810.2	**14,611.0**
Current assets			
Inventories	20	1,924.6	1,260.6
Trade and other receivables	21	1,328.6	923.6
Other current financial assets (derivatives)	28	40.9	10.4
Liquid investments	22	6,865.4	6,849.4
Cash and cash equivalents	23	911.6	390.0
Current tax assets		18.6	15.0
		11,089.7	**9,449.0**
TOTAL ASSETS		**28,899.9**	**24,060.0**
LIABILITIES			
Current liabilities			
Short term borrowings	24	(3,045.1)	(1,012.6)
Trade and other payables	26a	(3,407.5)	(2,559.2)
Other current financial liabilities (derivatives)	28	(9.3)	(38.5)
Provisions	29	(22.8)	(0.9)
Current tax liabilities		(68.2)	(71.7)
		(6,552.9)	**(3,682.9)**
Net current assets		**4,536.8**	**5,766.1**
Non-current liabilities			
Medium and long term borrowings	24	(4,435.9)	(4,383.2)
Convertible bonds	27	(2,271.5)	(2,777.8)
Trade and other payables	26b	(148.1)	(306.4)
Other financial liabilities (derivatives)	28	(94.2)	(44.7)
Deferred tax liabilities	30	(1,348.1)	(1,209.3)
Retirement benefits	32	(56.8)	(36.6)
Provisions	29	(301.5)	(167.6)
Non equity Non-controlling interests	24	(11.9)	(11.9)
		(8,668.0)	**(8,937.5)**
TOTAL LIABILITIES		**(15,220.9)**	**(12,620.4)**
NET ASSETS		**13,679.0**	**11,439.6**
EQUITY			
Share capital	33	29.7	29.6
Share premium account		196.8	196.8
Share based payment reserves	31	20.5	25.5
Convertible bond reserve		453.3	305.9
Hedging reserves		38.2	27.8
Other reserves		1,452.4	2,463.8
Treasury shares		(556.9)	(428.9)
Retained earnings		4,014.9	2,090.0
Equity attributable to equity holders of the parent		**5,648.9**	**4,710.5**
Non-controlling interests		8,030.1	6,729.1
TOTAL EQUITY		**13,679.0**	**11,439.6**

Financial Statements of Vedanta Resources Plc, registration number 4740415 were approved by the Board on 4 May 2011

MS Mehta - Director

CONSOLIDATED CASH FLOW STATEMENT

$ million	Note	Year ended 31 March 2011	Year ended 31 March 2010
Operating activities			
Profit before taxation		**2,683.3**	**1,841.6**
Adjustments for:			
Depreciation		869.0	563.0
Investment revenues		(431.6)	(272.8)
Finance costs, including foreign exchange		282.6	96.8
Share based payment charge		18.4	15.6
Impairment of asset		118.3	2.7
Other non-cash items		(7.7)	41.3
Operating cash flows before movements in working capital		**3,532.3**	**2,288.2**
Increase in inventories		(534.5)	(249.4)
(Increase)/decrease in receivables		(398.5)	16.4
Increase in payables		585.7	205.2
Cash generated from operations		**3,185.0**	**2,260.4**
Dividends received		160.4	142.7
Interest income received		194.7	150.1
Interest paid		(625.7)	(455.3)
Income taxes paid		(756.5)	(407.8)
Dividends paid		(129.9)	(117.9)
Net cash from operating activities		**2,028.0**	**1,572.2**
Cash flows from investing activities			
Net cash on acquisition of subsidiary *	34	(1,124.4)	(300.4)
Purchases of property, plant and equipment		(2,491.4)	(2,362.1)
Proceeds on disposal of property, plant and equipment		28.3	12.1
Sale/ (Purchase) of liquid investments	25	178.4	(1,663.4)
(Purchase) / sale of financial asset investments		(25.9)	17.9
Net cash used in investing activities		**(3,435.0)**	**(4,295.9)**
Cash flows from financing activities			
Issue of ordinary shares		0.1	0.7
Issue of depository receipts by subsidiary		-	1,090.1
Dividends paid to Non-controlling interests of subsidiaries		(87.4)	(68.4)
Buyback of shares		(128.0)	(348.6)
Buy out of Non-controlling interest		(122.1)	(189.7)
Increase/ (decrease) in short term borrowings	25	1,863.2	(360.6)
Increase in long-term borrowings	25	161.6	2,859.0
Net cash from financing activities		**1,687.4**	**2,982.5**
Net increase in cash and cash equivalents	25	280.4	258.8
Effect of foreign exchange rate changes	25	241.2	(249.3)
Cash and cash equivalents at beginning of year		390.0	380.5
Cash and cash equivalents at end of year	**23**	**911.6**	**390.0**

* *Includes cash paid for acquisition $1,513.0 million, settlement of shareholder's loan $87.7 million and cash acquired on acquisition $476.3 million*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company										
$ million	**Share capital**	**Share premium**	**Treasury Shares**	**Share based payment reserves**	**Convertible bond reserve**	**Hedging reserves**	**Other reserves(1)**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total equity**
At 1 April 2009	**28.9**	**21.1**	**(80.3)**	**14.0**	**111.5**	**(39.6)**	**1,168.9**	**1,888.1**	**3,112.6**	**4,458.7**	**7,571.3**
Total Comprehensive income for the period	-	-	-	-	-	67.4	736.5	602.3	1,406.2	1,609.1	**3,015.3**
Issue of convertible bond (note 27)	-	-	-	-	330.2	-	-	-	330.2	-	**330.2**
Issue of depository receipts by subsidiary(5)	-	-	-	-	-	-	-	300.1	300.1	790.0	**1,090.1**
Conversion of convertible bonds (note 27)	0.7	175.7	-	-	(109.5)	-	-	42.2	109.1	32.6	**141.7**
Convertible bond transfers	-	-	-	-	(26.3)	-	-	26.3	-	-	**-**
Transfers (2)	-	-	-	-	-	-	558.4	(558.4)	-	-	**-**
Dividends paid	-	-	-	-	-	-	-	(117.9)	(117.9)	(68.4)	**(186.3)**
Exercise of LTIP /STIP awards	-	-	-	(4.1)	-	-	-	4.1	-	-	**-**
Purchase of Treasury Shares(3)	-	-	(348.6)	-	-	-	-	-	(348.6)	-	**(348.6)**
Additional Investment in Subsidiaries	-	-	-	-	-	-	-	(96.8)	(96.8)	(92.9)	**(189.7)**
Recognition of share based payment (note 31)	-	-	-	15.6	-	-	-	-	15.6	-	**15.6**
At 31 March 2010	**29.6**	**196.8**	**(428.9)**	**25.5**	**305.9**	**27.8**	**2,463.8**	**2,090.0**	**4,710.5**	**6,729.1**	**11,439.6**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

$ million	Share capital	Share premium	Treasury Shares	Share based payment reserves	Convertible bond reserve	Hedging reserves	Other reserves[1]	Retained earnings	Total	Non-controlling interest	Total equity
	Attributable to equity holders of the Company										
At 1 April 2010	**29.6**	**196.8**	**(428.9)**	**25.5**	**305.9**	**27.8**	**2,463.8**	**2,090.0**	**4,710.5**	**6,729.1**	**11,439.6**
Total Comprehensive income for the period	-	-	-	-	-	10.4	105.7	770.8	886.9	1,371.2	**2,258.12**
Issue of Convertible Bond [4]	-	-	-	-	211.6	-	-	-	211.6	-	**211.6**
Conversion of convertible bond (note 27)	-	-	-	-	-	-	-	163.6	163.6	55.0	**218.6**
Merger of subsidiaries	-	-	-	-	-	-	-	(21.4)	(21.4)	21.4	**-**
Convertible bond transfers	-	-	-	-	(64.2)	-	-	64.2	-	-	**-**
Transfers [2]	-	-	-	-	-	-	(1,117.1)	1,117.1	-	-	**-**
Dividends paid	-	-	-	-	-	-	-	(129.9)	(129.9)	(87.4)	**(217.3)**
Exercise of LTIP /STIP awards	0.1	-	-	(23.4)	-	-	-	23.4	0.1	-	**0.1**
Purchase of Treasury Shares [3]	-	-	(128.0)	-	-	-	-	-	(128.0)	-	**(128.0)**
Additional Investment in Subsidiaries	-	-	-	-	-	-	-	(62.9)	(62.9)	(59.2)	**(122.1)**
Recognition of share based payment (note 31)	-	-	-	18.4	-	-	-	-	18.4	-	**18.4**
At 31 March 2011	**29.7**	**196.8**	**(556.9)**	**20.5**	**453.3**	**38.2**	**1,452.4**	**4,014.9**	**5,648.9**	**8,030.1**	**13,679.0**

OTHER RESERVES[1] COMPRISE:

	Currency translation reserve	Merger reserve	Investment revaluation reserve	General reserves	Total
At 1 April 2009	**(746.2)**	**4.4**	**(12.6)**	**1,923.3**	**1,168.9**
Exchange differences on translation of foreign operations	625.5	-	-	-	625.5
Revaluation of available-for-sale investments	-	-	111.0	-	111.0
Transfer from retained earnings [2]	-	-	-	558.4	558.4
At 31 March 2010	**(120.7)**	**4.4**	**98.4**	**2,481.7**	**2,463.8**
Exchange differences on translation of foreign operations	46.6	-	-	-	46.6
Revaluation of available-for-sale investments	-	-	59.1	-	59.1
Transfer from retained earnings [2]	-	-	-	(1,117.1)	(1,117.1)
At 31 March 2011	**(74.1)**	**4.4**	**157.5**	**1,364.6**	**1,452.4**

(1) Other reserves comprise the currency translation reserve, merger reserve, investment revaluation reserve and the general reserves established in the statutory accounts of the Group's Indian subsidiaries. General reserve also includes $44.3 million of debenture redemption reserve.

(2) Under Indian law, a general reserve is created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers is to ensure that if a dividend distribution in a given year is more than 10.0 % of the paid-up capital of the company for that year, then the total dividend distribution is less than the total distributable results for that year. The transfer is to reflect the general reserve at the cumulative amount attributable to the equity holder's of the parent, offset by the current period transfer of $ 596.0 million.

(3) Includes buy back of $ 66.4 million made by an independent company Gorey Investments Ltd., funded by a wholly owned subsidiary of Vedanta.

(4) This relates to the recognition of the equity component of the $ 883 million convertible bond on the removal of the cash settlement option on 28 July 2010.

(5) In June 2009, Sterlite raised US$ 1090.1 million via the issuance of American Depository Receipts. This resulted in a reduction of Vedanta's shareholding in Sterlite from 61.35% to 56.62%. This reduction has not resulted in any change in control and hence Sterlite continues to be consolidated in Vedanta's consolidated financial statements. This reduction has been accounted in Vedanta's consolidated financial statement as an equity transaction. The carrying amount of the minority interest has been adjusted to reflect the change in Vedanta's interest in Sterlite's net assets. The difference between the amount by which the minority interest is adjusted and the net consideration received of $298.2 million is recognised directly in equity and attributed to equity holders of Vedanta.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Presentation of financial statements

Compliance with applicable law and IFRS

The financial statements have been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, Article 4 of the IAS Regulation and International Financial Reporting Standards (IFRS) as adopted by the European Union and related interpretations.

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, available-for-sale financial assets, fixed rate bonds and defined benefit pension obligations that have been measured at fair value. The consolidated financial statements are presented in US dollars and all values are rounded to one decimal of the nearest million except where otherwise indicated.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

IAS 24 (amended) Related Party Disclosures

IFRIC 19 Extinguishing Financial Liabilites with Equity Instruments

IFRIC 14 (amended) Prepayments of a Minimum Funding Requirement

IFRS 9 Financial Instruments

IFRIC 13 Customer Loyalty Programmes

IFRIC 17 Distributions of Non-cash Assets to Owners

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group except for IFRS 9 Financial Instruments. We have not yet considered the quantitative impact of adoption of IFRS 9.

Going concern

The financial statements have been prepared in accordance with the going concern basis of accounting. The use of this basis of accounting takes into consideration the Group's current and forecast financing postion, additional details of which are provided in the Going Concern section of the Directors Report.

Parent company financial statements

The financial statements of the parent company, Vedanta Resources plc, have been prepared in accordance with UK GAAP, UK accounting presentation and UK company law. The Company balance sheet is presented in note 41.

2(a) Accounting policies

Basis of consolidation

The consolidated financial information incorporates the results of the Company and all its subsidiaries, being the companies that it controls. This control is normally evidenced when the Group is able to govern a company's financial and operating policies so as to benefit from its activities or where the Group owns, either directly or indirectly, the majority of a company's equity voting rights unless in exceptional circumstances it can be demonstrated that ownership does not constitute control.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with accounting policies used by the Group.

For non-wholly owned subsidiaries, a share of the profit for the financial year and net assets is attributed to the minority interests as shown in the consolidated income statement and consolidated balance sheet.

For acquisitions of additional interests in subsidiaries, where there is no change in control, the group recognises a reduction to the non-controlling interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of non-controlling interests the difference between the cash received from sale or listing of the subsidiary shares and the increase to non-controlling interest is also recognised in equity. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or upto the effective date of disposal, as appropriate.

All intercompany balances and transactions, including unrealised profits arising from intra-Group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

We have reclassified the prior year income statement to reflect the depreciation charge associated with administration and distribution activities that was previously included in cost of sales.

Adoption of new standards

In the current financial period the Group has adopted the following new standards:

The Group has adopted with effect from 1 April 2010, on a prospective basis, IFRS 3 (Revised) Business Combinations, and consequential amendments to IAS 27 (Revised) Consolidated and Separate Financial Statements.

IAS 27 (Revised) requires the effect of all transactions with non-controlling interests to be recognised in equity where there is no change in control.

The Company adopted an amendment to IAS 27 "Consolidated and Separate Financial Statements" on 1 April 2010. This requires that when a transaction occurs with non-controlling interests in company entities that do not result in a change in control, the difference between the consideration paid or received and the recorded non-controlling interest should be recognised in equity. Cash flows related to such transactions are to be reported within financing activities in the statement of cash flows. Previously these were presented as investing activities. Comparative information has been reclassified. In addition the amounts paid for the purchases of treasury shares previously presented in net cash used in investing activities are now presented in net cash from financing activities. Comparative information has been reclassified.

The adoption of the revised standard has resulted in reference to minority interests being amended to non-controlling interests. There has been no additional impact on the Group apart from the items described above.

Other amendments to accounting standards or new intepretations issued by International Accounting Standards Board, which were applicable from 1 April 2010, do not have an impact on the Group.

Revenue recognition

Revenue represents the net invoice value of goods and services provided to third parties after deducting discounts, volume rebates, outgoing sales taxes and duties, and are recognised when all significant risks and rewards of ownership of the asset sold are transferred to the customer. Revenues from sale of material by-products are included in revenue.

Dividend income is recognised when the shareholders' right to receive payment is established.

Interest income is recognised on an accrual basis in the income statement.

Certain of our sales contracts provide for provisional pricing based on the price on The London Metal Exchange Limited ("LME"), as specified in the contract, when shipped. Final settlement of the prices is based on the applicable price for a specified future period. The Company's provisionally priced sales are marked to market using the relevant forward prices for the future period specified in the contract with a corresponding adjustment to revenue.

Revenue from holding certificate contracts is recognised when goods have been delivered to a distribution warehouse or has been identified and kept separately, have been inspected by a nominee of the buyer and cash has been received. Under these arrangements, revenue is recognised once legal title has passed and all significant risks and rewards of ownership of the asset sold are transferred to the customer.

Special items

Special items are those items that management considers, by virtue of their size or incidence, should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business. The determination as to which items should be disclosed separately requires a degree of judgement.

Business combinations

The results of subsidiaries acquired or sold during the year are consolidated for the periods from, or to, the date on which control passed. Acquisitions are accounted for under the purchase method. The acquirer's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair value at the acquisition date.

To the extent that such excess purchase consideration relates to the acquisition of mining properties and leases, that amount is capitalised within property, plant and equipment as "mining properties and leases". Other excess purchase consideration relating to the acquisition of subsidiaries is capitalised as goodwill. Goodwill arising on acquisitions is reviewed for impairment annually.

Where the fair values of the identifiable assets and liabilities exceed the cost of acquisition, the surplus is credited to the income statement in the period of acquisition.

Where it is not possible to complete the determination of fair values by the date on which the first post-acquisition financial statements are approved, a provisional assessment of fair values is made and any adjustments required to those provisional fair values, and the corresponding adjustments to purchased goodwill, are finalised within 12 months of the acquisition date.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholder's proportion of the net assets or proportion of the net fair value of the assets, liabilities and contingent liabilities recognised. This accounting choice is made on a transaction by transaction basis.

Acquisition expenses are charged to income statement in line with IFRS 3 (Revised).

Property, plant and equipment

Mining properties and leases

Exploration and evaluation expenditure is written off in the year in which it is incurred.

The costs of mining properties and leases, which include the costs of acquiring and developing mining properties and mineral rights, are capitalised as property, plant and equipment under the heading 'Mining properties and leases' in the year in which they are incurred.

When a decision is taken that a mining property is viable for commercial production, all further pre-production primary development expenditure other than land, buildings, plant and equipment is capitalised as part of the cost of the mining property until the mining property is capable of commercial production. From that point, capitalised mining properties and lease costs are amortised on a unit-of-production basis over the total estimated remaining commercial reserves of each property or Group of properties.

Exploration and evaluation assets acquired are recognised as assets at their cost of acquisition subject to meeting the commercial production criteria mentioned above and are subject to impairment review.

Stripping costs and secondary development expenditure, mainly comprising of costs on blasting, haulage, excavation, etc incurred during the production stage of an ore body are charged to the income statement immediately.

In circumstances where a mining property is abandoned, the cumulative capitalised costs relating to the property are written off in the period.

Commercial reserves are proved and probable reserves as defined by the 'JORC' Code and 'SAMREC' Code. Changes in the commercial reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves.

Other property, plant and equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the income statement in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improve the economic benefits expected to arise from the asset.

Assets in the course of construction

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed. Revenue generated from production during the trial period is capitalised. Borrowing costs and certain foreign exchange gains or losses are in certain circumstances capitalised in the cost of the asset under construction. This policy is set out under ' Borrowing Costs'.

Depreciation and amortisation

Mining properties and other assets in the course of development or construction, freehold land and goodwill are not depreciated or amortised. Capitalised mining properties and lease costs are amortised once commercial production commences, as described in "Property, plant and equipment – mining properties and leases". Leasehold land and buildings are depreciated over the period of the lease or if shorter their useful economic life.

Other buildings, plant and equipment, office equipment and fixtures, and motor vehicles are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Buildings: Operations - 30 years

Administration - 50 years

Plant and equipment - 10 – 20 years

Office equipment and fixtures - 3 – 20 years

Motor vehicles - 9 – 11 years

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the income statement if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

Property, plant and equipment held for sale or which is part of a disposal Group held for sale is not depreciated. Property, plant and equipment held for sale is carried at the lower of its carrying value and fair value less disposal cost and is presented separately on the face of the balance sheet.

Impairment

The carrying amounts of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable and the carrying amount of goodwill is reviewed for impairment annually. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Whenever the carrying value of an asset exceeds its recoverable amount, an impairment loss is charged to the income statement.

The Group reviews the residual value and useful life of an asset at least at each financial year-end and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

For mining properties and leases, other investments and goodwill, the recoverable amount of an asset is determined on the basis of its value in use, being the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life, discounted using a market-based, risk-adjusted, discount rate.

For other property, plant and equipment, the recoverable amount of an asset is also considered on the basis of its net selling price, where it is possible to assess the amount that could be obtained from the sale of an asset in an arm's length transaction, less the cost of disposal.

Recoverable amounts are estimated for individual assets or, if this is not possible, for the relevant cash-generating unit.

Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when a sale is highly probable from the date of classification, management are committed to the sale and the asset is available for immediate sale in its present condition. Non-current assets are classified as held for sale from the date these conditions are met and are measured at the lower of carrying amount and fair value (less costs to sell). Any resulting impairment loss is recognised in the income statement as a special item. On classification as held for sale the assets are no longer depreciated.

Government grants

Government grants relating to Property plant and equipment are treated as deferred income and released to the income statement over the expected useful lives of the assets concerned. Other grants are credited to the income statement as and when the related expenditure is incurred.

Inventories

Inventories and work-in-progress are stated at the lower of cost and net realisable value, less any provision for obsolescence.

Cost is determined on the following bases:

- purchased copper concentrate is recorded at cost on a first-in, first-out ("FIFO") basis; all other materials including stores and spares are valued on weighted average basis;
- finished products are valued at raw material cost plus costs of conversion, comprising labour costs and an attributable proportion of manufacturing overheads based on normal levels of activity; and by-products and scrap are valued at net realisable value.

Net realisable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal.

Taxation

Tax expense represents the sum of tax currently payable and deferred tax.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided, using the balance sheet method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Exceptions to this principle are:

- Tax payable on the future remittance of the past earnings of subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future;
- Deferred income tax is not recognised on goodwill impairment which is not deductible for tax purposes or on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- Deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority upon a specific entity and the relevant Group entity intends to settle its current tax assets and liabilities on a net basis.

Retirement benefit schemes

The Group operates or participates in a number of defined benefits and contribution schemes, the assets of which are (where funded) held in separately administered funds.

For defined benefit schemes the cost of providing benefits under the plans is determined each year separately for each plan using the projected unit credit method by independent qualified actuaries. Actuarial gains and losses arising in the year are recognised in full in the income statement of the year.

For defined contribution schemes, the amount charged to the income statement in respect of pension costs and other post-retirement benefits is the contributions payable in the year.

Share based payments

Certain employees (including executive directors) of the Group receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (‘equity-settled transactions’).

The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share awards with market-related vesting conditions are determined by an external valuer and the fair value at the grant date is expensed on a straight-line basis over the vesting period based on the Group’s estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet date up to the vesting date at which point the estimate is adjusted to reflect the current expectations. No adjustment is made to the fair value after the vesting date even if the awards are forfeited or not exercised.

Provisions for liabilities and charges

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the income statement as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Restoration, rehabilitation and environmental costs

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of a mine. Costs arising from the installation of plant and other site preparation work, discounted to net present value, are provided for and a corresponding amount is capitalised at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to the income statement over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the income statement.

Costs for restoration of subsequent site damage which is caused on an ongoing basis during production are provided for at their net present values and charged to the income statement as extraction progresses. Where the costs of site restoration are not anticipated to be significant, they are expensed as incurred.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Foreign currency translation

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. For all principal operating subsidiaries, the functional currency is the local currency of the country in which it operates, except KCM where the functional currency is US dollars, since that is the currency of the primary economic environment in which it operates. In the financial statements of individual Group companies, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in other currencies are translated into functional currency at exchange rates prevailing on the balance sheet date. All exchange differences are included in the income statement, except, where the monetary item is designated as an effective hedging instrument of the currency risk of designated forecast sales, where exchange differences are recognised in equity exchange differences on foreign currency borrowings relating to assets under construction, for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

For the purposes of consolidation, the income statement items of those entities for which the US dollar is not the functional currency are translated into US dollars at the average rates of exchange during the period. The related balance sheets are translated at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of such operations, and on foreign currency borrowings to the extent that they hedge the Group's investment in such operations, are reported in other comprehensive inward and accumulated in equity.

On disposal of entities with a different functional currency to the Company's functional currency, the deferred cumulative exchange differences recognised in equity relating to that particular operation would be recognised in the income statement.

Financial asset investments

Financial asset investments are classified as available for sale under IAS 39 and are initially recorded at cost and then remeasured at subsequent reporting dates to fair value. Unrealised gains and losses on financial asset investments are recognised directly in equity. On disposal or impairment of the investments, the gains and losses in equity are recycled to the income statement.

Investments in unquoted equity instruments that do not have a market price and whose fair value cannot be reliably measured are measured at cost.

Investments in equity instruments are recorded in non-current assets unless they are expected to be sold within one year.

Liquid investments

Liquid investments represent short term current asset investments that do not meet the definition of cash and cash equivalents for one or more of the following reasons:

- They have a maturity profile greater than 90 days;
- They may be subject to a greater risk of changes in value than cash;
- They are held for investment purposes.

The change in fair value of trading investments incorporates any dividend and interest earned on the held for trading investments.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand, short-term deposits with banks and short-term highly liquid investments that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

Trade receivables

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. An allowance for impairment for trade receivables is made where there is an event, which based on previous experience, is an indication of a reduction in the recoverability of the carrying value of the trade receivables.

Trade payables

Trade payables are stated at their nominal value.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Borrowings

Interest bearing loans and overdrafts are recorded at the proceeds received. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis and charged to the income statement using the effective interest method. They are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Convertible bonds

Convertible bonds denominated in the functional currency of the issuing entity are accounted for as compound instruments. The equity components and the liability components are separated out on the date of the issue. The equity component is recognised in a separate reserve and is not subsequently remeasured. The liability component is held at amortised cost. The interest expense on the liability component is calculated by applying the effective interest rate, being the prevailing market interest rate for similar non convertible debt. The difference between this amount and interest paid is added to the carrying amount of the liability component.

Convertible bonds not denominated in the functional currency of the issuing entity or where a cash conversion option exists, are split into two components: a debt component and a component representing the embedded derivative in the convertible bond. The debt component represents a liability for future coupon payments and the redemption on the principal amount. The embedded derivative, a financial liability, represents the value of the option that bond holders have to convert into ordinary shares. At inception the embedded derivative is recorded at fair value and the remaining balance, after deducting a share of issue costs, is recorded as the debt component. Subsequently, the debt component is measured at amortised cost and the embedded derivative is measured at fair value at each balance sheet dates with the change in the fair value recognised in the income statement. The embedded derivative and the debt component are disclosed together and the current/non current classification follows the classification of the debt component which is the host contract.

The deferred tax effect arising on the movement in the fair value of the embedded derivative is provided in the income statement.

Borrowing costs

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time that the assets are substantially ready for their intended use in accordance with the Group policy which is when they are capable of commercial production. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such short term investments is also capitalised to reduce the total capitalised borrowing cost.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

Available for sale financial assets

Listed equity shares and debt instruments held by the Group that are traded in an active market are classified as being available for sale (AFS) financial assets and are stated at fair value. Unrealised gains and losses on financial asset investments are recognised directly in equity. On disposal or impairment of the investments, the gains and losses in equity are recycled to the income statement. Dividends received from investees accounted for as equity instruments are recognised in income statement when the Group receives the dividends.

Held for trading financial assets

Financial assets are classified as held for trading if they have been acquired principally for the purpose of selling in the near term. The change in fair value of trading investments incorporates any dividend and interest earned on the held for trading investments and is accounted for in the income statement.

Held-to-maturity financial assets

Financial instruments with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method.

Derivative financial instruments

In order to hedge its exposure to foreign exchange, interest rate and commodity price risks, the Group enters into forward, option, swap contracts and other derivative financial instruments. The Group does not hold 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.

Hedge accounting

The Group designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement. The hedged item is recorded at fair value and any gain or loss is recorded in the income statement 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 are recorded in equity. This includes certain non-derivative liabilities that are designated as instruments used to hedge the foreign currency risk on future, highly probable, forecast sales. Amounts deferred to equity are recycled in the income statement in the periods when the hedged item is recognised in the income statement.

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 income statement immediately.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity 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 income statement.

2(b) Critical accounting judgement and estimation uncertainty

In the course of applying the policies outlined in note 2(a), management made estimations and assumptions that impact the amounts recognised in the financial statements. Vedanta believes that judgement and estimation has been made in the following areas:

Mining properties and leases

The carrying value of mining property and leases is arrived at by depreciating the assets over the life of the mine using the unit of production method based on proved and probable reserves. The estimate of reserves is subject to assumptions relating to life of the mine and may change when new information becomes available. Changes in reserves as a result of factors such as production cost, recovery rates, grade of reserves or commodity prices could impact the depreciation rates, asset carrying values and environmental and restoration provisions.

Useful economic lives of assets and impairment

Property, plant and equipment other than mining properties and leases are depreciated over their useful economic lives. Management reviews the useful economic lives at least once a year and any changes could affect the depreciation rates prospectively and hence the asset carrying values. The Group also reviews its property, plant and equipment, including mining properties and leases, for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits such as changes in commodity prices, the Group's business plans and significant downward revision in the estimated mining reserves are taken into consideration. The carrying value of the assets of a cash generating unit (CGU) and associated mining reserves is compared with the recoverable amount of those assets, that is, the higher of net realisable value and value in use. Value in use is usually determined on the basis of discounted estimated future cash flows. This involves management estimates on commodity prices, market demand and supply, economic and regulatory climates, long term mine plan, discount rates and other factors. Any subsequent changes to cash flow due to changes in the abovementioned factors could impact on the carrying value of the assets.

Assessment of impairment at Lanjigarh Refinery

As set out in the risks and uncertainties section of this Annual Report, the planned operation of the Lanjigarh Refinery is subject to a number of legal proceedings. It has been assessed that there is no impairment of the Lanjigarh Refinery on 31 March 2011 based on the assumptions set out below-

- The State of Orissa has abundant bauxite reserves and under the terms of its MOU with the State Government of Orissa, management is confident that bauxite will be made available in the short to medium term.
- On the continued operation and planned refinery expansion, management is confident that all of the conditions for construction of the alumina refinery have been complied with, and expect the approval for the same in due course.

Should one or both of these assumptions not be borne out, a reassessment of the impairment of the Refinery would need to be made.

Assessment of impairment at Tuticorin

During the year ended 31 March 2011, the Group was ordered to close the Tuticorin smelter pursuant to an order from the Madras high Court. The Group has been successful in obtaining stay orders to allow the continued operation of the smelter while an appeal is heard in the Supreme Court.

The directors are confident that they have complied with the environmental regulations and that they will be permitted to continue operating the Tuticorin smelter in the long term. Accordingly, they have concluded that no impairment of the asset is required

Restoration, rehabilitation and environmental costs

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine. The costs are estimated on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalised when incurred reflecting our obligations at that time. A corresponding provision is created on the liability side. The capitalised asset is charged to the income statement over the life of the asset through depreciation over the life of the operation and the provision is increased each period via unwinding the discount on the provision. Management estimates are based on local legislation and/or other agreements such as the KCM acquisition agreement. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology.

Changes in the measurement of a liability relating to the decommissioning of plant or other site preparation work that result from changes in the estimated timing or amount of the cash flow or a change in the discount rate are added to or deducted from the cost of the related asset in the current period. If a change in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in the income statement. Management uses its judgement and experience to provide for and amortise these estimated costs over the life of the mine.

As per local legislation, our Indian operations provide for restoration costs in accordance with statutory requirements. In Australia, appropriate provision has been made in accordance with local legal requirements and at KCM, a provision has been recognised with reference to a plan agreed with the Government of Zambia at the time of KCM's privatisation in April 2000 and pursuant to the KCM acquisition agreement. In Namibia, South Africa and Ireland appropriate provision has been made in accordance with the local regulatory requirements.

Provisions and liabilities:

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can be reasonably estimated. The timing of recognition requires the application of judgement to existing facts and circumstances which may be subject to change. The actual cash outflows takes place over many years in the future and hence the carrying amounts of provisions and liabilities are regularly reviewed and adjusted to take into account the changing circumstances and other factors that influence the provisions and liabilities.

Management uses its judgement in estimating close down and restoration costs and the timing of expenditure, environmental clean up costs and the timing of expenditure, liabilities for retirement benefits costs and copper price participation (see note 29).

Contingencies and commitments:

In the normal course of business, contingent liabilities may arise from litigation and other claims against the company. Where it is management's assessement that the outcome cannot be reliably quantified or is uncertain the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote.. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position or profitability. These are set out in Note 35.

3. Segment informationa

The Group's primary format for segmental reporting is based on business segments. The business segments consist of aluminium, copper, zinc, iron ore and energy with residual components being reported as "Other". Business segment data includes an allocation of certain corporate costs, allocated on an appropriate basis. The risks and returns of the Group's operations are primarily determined by the nature of the different activities in which the Group is engaged. Inter-segment sales are charged based on prevailing market prices. The Group's activities are organised on a global basis.

The Group's reportable segments under IFRS 8 are as follows:

- Aluminium
- Copper-India/Australia
- Copper-Zambia
- Zinc- India
- Zinc-International
- Iron Ore
- Energy

The Energy segment includes the sales of and related costs of generating surplus power from Captive Power Plants for which the related asset carrying values are located within the other business segments.These sales and costs are allocated on a proportionate basis from the segment that owns the captive power plants.

Management monitors the operating results of reportable segments for the purpose of making decisions about resources to be allocated and for assessing performance. Segment performance is evaluated based on the EBITDA of each segment.

During the year ended 31 March 2011, the Zinc assets acquired from Anglo American Plc comprising the Skorpion mine in Namibia, the Black Mountain mine in South Africa and the Lisheen mine in Ireland. These assets are monitored together in one segment and therefore has been categorised as a separate reportable segment 'Zinc- International'.

(a) Reportable segments

The following tables present revenue and profit information and certain asset and liability information regarding the Group's reportable segments for the years ended 31 March 2011 and 2010.

Period ended 31 March 2011					**Continuing Operation**				
US $ million	**Aluminium**	**Copper-India/ Australia**	**Copper-Zambia**	**Zinc-India**	**Zinc-International**	**Iron Ore**	**Energy**	**Elimination/ Others**	**Total Operations**
REVENUE									
Sales to external customers	1,570.1	3,428.2	1,741.3	2,152.8	218.9	1,977.9	338.0	-	11,427.2
Inter-segment sales	1.5	-	83.7	-	-	1.6	0.7	(87.5)	-
Segment revenue	**1,571.6**	**3,428.2**	**1,825.0**	**2,152.8**	**218.9**	**1,979.5**	**338.7**	**(87.5)**	**11,427.2**
RESULT									
EBITDA[1]	258.2	241.5	439.9	1,220.2	101.3	1,174.1	137.8	(6.2)	3,566.8
Depreciation	(219.2)	(45.0)	(130.8)	(97.8)	(54.1)	(298.2)	(25.7)	1.8	(869.0)
Segment result before special items	**39.0**	**196.5**	**309.1**	**1,122.4**	**47.2**	**875.9**	**112.1**	**(4.4)**	**2,697.8**
Special items (note 5)	(7.8)			(4.6)		(118.3)	(0.1)	(32.7)	(163.5)
Segment result after special items	**31.2**	**196.5**	**309.1**	**1,117.8**	**47.2**	**757.6**	**112.0**	**(37.1)**	**2,534.3**
Net finance income									149.0
PROFIT BEFORE TAXATION									**2,683.3**
Tax expense									(649.5)
PROFIT AFTER TAXATION									**2,033.8**
Segments Assets	8,776.5	2,859.3	2,243.5	5,641.0	1,906.0	4,709.5	2,259.4	-	28,395.2
Unallocated Assets									504.7
TOTAL ASSETS									**28,899.9**
Segment liabilities	(4,577.0)	(2,157.4)	(827.8)	(415.1)	(479.1)	(1,113.8)	(908.2)	-	(10,478.4)
Unallocated liabilities									(4,742.5)
TOTAL LIABILITIES									**(15,220.9)**
Other segment information									
Additions to property, plant and equipment	1,371.1	132.5	295.9	297.1	1,204.7	249.8	396.7	13.6	3,961.4
Depreciation	(219.2)	(45.0)	(130.8)	(97.8)	(54.1)	(298.2)	(25.7)	1.8	(869.0)

1. EBITDA represents operating profit before special items, depreciation and amortisation

Year ended 31 March 2010	Continuing Operations							
US $ million	Aluminium	Copper-India/ Australia	Copper-Zambia	Zinc - India	Iron Ore	Energy	Elimination/ Others	Total Operations
REVENUE								
Sales to external customers	914.2	2,741.4	1,070.8	1,651.7	1,221.7	330.7	-	7,930.5
Inter-segment sales	1.6	-	12.9	-	0.8	-	(15.3)	-
Segment revenue	**915.8**	**2,741.4**	**1,083.7**	**1,651.7**	**1,222.5**	**330.7**	**(15.3)**	**7,930.5**
RESULT								
EBITDA	154.9	165.9	151.8	982.8	673.0	170.7	(3.2)	2,295.9
Depreciation	(99.6)	(42.3)	(119.3)	(64.4)	(217.3)	(21.2)	1.1	(563.0)
Segment result before special items	**55.3**	**123.6**	**32.5**	**918.4**	**455.7**	**149.5**	**(2.1)**	**1,732.9**
Special items (note 5)	(4.9)	(57.7)	-	-	(2.7)	(2.0)	-	(67.3)
Segment result after special items	**50.4**	**65.9**	**32.5**	**918.4**	**453.0**	**147.5**	**(2.1)**	**1,665.6**
Net Finance Income								176.0
PROFIT BEFORE TAXATION								1,841.6
Tax expense								(330.4)
PROFIT AFTER TAXATION								**1,511.2**
Segments Assets	7,590.2	2,921.8	2,065.2	4,488.0	4,078.5	1,964.5		23,108.2
Unallocated Assets								951.8
TOTAL ASSETS								**24,060.0**
Segment liabilities	(3,603.9)	(1,550.5)	(828.1)	(433.2)	(2,425.1)	(729.9)	-	(9,570.7)
Unallocated liabilities								(3,049.4)
TOTAL LIABILITIES								**(12,620.1)**
Other segment information								
Additions to property, plant and equipment	2,385.9	87.6	307.4	505.6	32.0	546.0	-	3,864.5
Depreciation	(99.7)	(42.3)	(119.2)	(64.4)	(217.3)	(20.1)	-	(563.0)

3. Segmental information continued

(b) Segment result after special items

$ million	Year ended 31 March 2011	Year ended 31 March 2010
Aluminium	258.2	154.9
Copper	681.4	317.7
- India/Australia	241.5	165.9
- Zambia	439.9	151.8
Zinc	1,321.5	982.8
-India	1,220.2	982.8
-International [1]	101.3	-
Iron Ore	1,174.1	673.0
Energy	137.8	170.7
Other	(6.1)	(3.2)
EBITDA	**3,566.8**	**2,295.9**
Depreciation	(869.0)	(563.0)
Special items	(163.5)	(67.3)
Segment result after special items	**2,534.3**	**1,665.6**

1. Acquired during the year ended 31 March 2011

(c) Geographical segmental analysis

The Group's operations are located in India, Zambia, Australia, Namibia, South Africa and Ireland. The following table provides an analysis of the Group's sales by geographical market, irrespective of the origin of the goods:

$ million	Year ended 31 March 2011	Year ended 31 March 2010
India	4,924.4	3,900.5
China	2,157.0	1,838.0
Far East Others	1,354.6	633.5
UK	23.8	119.5
Africa	172.3	108.7
Europe	1,047.3	378.9
Middle East	1,068.9	834.6
Asia Others	648.7	113.8
Other	30.2	3.0
Total	**11,427.2**	**7,930.5**

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by the geographical area in which the assets are located:

$ million	Carrying amount of non-current assets*		Additions to property, plant and equipment**	
	As at 31 March 2011	**As at 31 March 2010**	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Australia	15.3	14.6	1.7	4.4
India	14,278.1	12,701.4	2,309.2	3,540.2
Zambia	1,803.5	1,644.7	295.9	307.4
Namibia	578.0	-	628.2	-
Ireland	275.2	-	279.0	-
South Africa	476.7	-	297.5	-
Other	265.95	197.7	149.9	12.5
Total	**17,692.7**	**14,558.4**	**3,961.4**	**3,864.5**

**Non-current assets does not include deferred tax assets and derivative receivables.*

*** Includes acquired on acquisition of Zinc International*

4. Total Revenue

$ million	Year ended 31 March 2011	Year ended 31 March 2010
Revenue from sales of goods	11,427.2	7,930.5
Other operating income	73.9	87.8
Investment revenue	431.6	272.8
Gains / (losses) in fair value of cash flow hedge transferred to income statement	(1.6)	56.8
	11,931.1	**8,347.9**

5. Special items

$ million	Year ended 31 March 2011	Year ended 31 March 2010
Asarco transaction costs*	-	(57.7)
Voluntary retirement schemes	(12.5)	(6.9)
Acquistion related costs**	(32.7)	-
Impairment of mining reserves***	(118.3)	(2.7)
	(163.5)	**(67.3)**

* Asarco transaction costs include the loss of a $50 million deposit used as security for a letter of credit which has been encashed by the counterparty.

** Acquistion related costs include costs related to the acquisition of the Anglo Zinc assets and the proposed Cairn India acquisition.

*** The impairment of mining reserves relates to mines at Sesa Goa operated on a lease basis which have expired and have not been renewed during the year.

6. Investment revenue

$ million	Year ended 31 March 2011	Year ended 31 March 2010
Interest income on loans and receivables	19.7	17.2
Interest income on cash and bank balances	131.6	75.5
Change in fair value of financial assets held for trading	78.8	27.7
Profit on disposal of financial assets held for trading	35.4	47.8
Profit on sale of available for sale investment	5.9	7.6
Dividend income on financial assets held for trading	160.4	142.7
Expected return on defined benefit arrangements (note 32)	2.1	1.8
Foreign exchange loss on cash and liquid investments	(0.5)	(42.7)
Capitalisation of interest income	(1.8)	(4.8)
	431.6	**272.8**

7. Finance costs

$ million	Year ended 31 March 2011	Year ended 31 March 2010
Interest on bank loans and overdrafts	365.7	308.5
Coupon interest on convertible bonds (Note 27)	138.6	96.9
Accretive interest on convertible Bond	101.8	48.2
Interest on financial liability measured at fair value	-	21.7
Interest on other loans	97.3	52.3
Total interest cost	**703.4**	**527.6**
Unwinding of discount on provisions (Note 29)	7.9	4.4
Interest on defined benefit arrangements (Note 32)	6.7	5.9
Capitalisation of borrowing costs	(183.3)	(301.3)
	534.7	**236.6**

8. Other gains and losses (Net)

$ million	Year ended 31 March 2011	Year ended 31 March 2010
Exchange gains on borrowings and capital creditors	75.9	260.2
Qualifying borrowing costs capitalised (note 17)	(11.0)	(46.4)
Change in fair value of financial liabilities measured at fair value	0.4	17.5
Change in fair value of embedded derivative on convertible bonds (note 27)	188.4	(35.7)
Loss arising on qualifying hedges and non-qualifying hedges	(1.6)	(55.8)
	252.1	**139.8**

9. Profit for the year has been stated after charging / (crediting):

$ million	Year ended 31 March 2011	Year ended 31 March 2010
Depreciation on property, plant and equipment	869.0	563.0
Costs of inventories recognised as an expense	4,218.3	2,679.3
Auditors' remuneration for audit services	1.5	1.2
Research and development	0.7	1.4
Staff costs	446.9	464.5
Impairment of mining reserve	118.3	2.7
Net foreign exchange gains	(76.2)	(146.9)

10. Auditors' remuneration

The table below shows the fees payable globally to the Company's auditors, Deloitte LLP, for statutory external audit and audit related services, as well as fees paid to other accountancy firms for statutory external audit and audit related services in each of the two years ended 31 March 2011.

$ million	Year ended 31 March 2011	Year ended 31 March 2010
Fees payable to the company's auditors for the audit of		
Vedanta Resources plc annual accounts	0.6	0.4
The audit of the company's subsidiaries pursuant to legislation	0.9	0.7
Total audit fees	**1.5**	**1.1**
Fees payable to the company's auditors and their associates for other services to the Group		
Other services pursuant to legislation*	0.7	0.8
Tax services****	0.1	0.1
Corporate finance services**	5.4	0.7
Other Services***	0.3	0.2
Total non-audit fees	**6.5**	**1.8**
Total audit fees paid to the Company's auditors	**8.0**	**2.9**
Audit fees payable to other auditors of the Group's subsidiaries	0.1	0.1
Non audit fees payable to other auditors of the Group's subsidiaries	0.1	0.1
Total fees paid to other auditors	**0.2**	**0.2**

* *Other services pursuant to legislation principally comprise further assurance services, being quarterly reviews of the Group's listed Indian subsidiaries and the half year review of the Group's results.*

** *Corporate finance services principally comprise reporting accountant services relating to the raising of equity and debt and the proposed Cairn India acquisition. These assurance-related services are ordinarily provided by the auditor.*

*** *Includes certification related services.*

**** *Tax services principally comprise of certification and assurance services as required by Indian income tax regulations.*

11. Employee numbers and costs

Average number of persons employed by the Group in the year

Class of business	Year ended 31 March 2011 Number	Year ended 31 March 2010 Number
Aluminium	8,168	8,022
Copper	10,976	11,518
- India/Australia	1,414	1,370
- Zambia	9,562	10,148
Zinc	7,341	6,907
- India	5,494	6,907
- International	1,847	-
Iron Ore	4,346	2,650
Energy	220	290
Other	120	210
	31,171	**29,597**

Costs incurred during the year in respect of Employees and Executive Directors	Year ended 31 March 2011 $ million	Year ended 31 March 2010 $ million
Salaries and wages	434.7	410.7
Defined contribution pension scheme costs (Note 32)	22.3	17.7
Defined benefit pension scheme costs (Note 32)	29.3	20.5
Share based payments charge	18.6	15.6
	504.9	**464.5**

12. Tax

$ million	Year ended 31 March 2011	Year ended 31 March 2010
Current tax:		
UK Corporation tax	-	-
Foreign tax		
- India	689.4	404.1
- Zambia	-	0.1
- Australia	21.3	20.3
- Other	18.7	4.9
	729.4	**429.4**
Deferred tax: (Note 31)		
Current year movement in deferred tax	(79.9)	(99.0)
	(79.9)	**(99.0)**
Total tax expense	**649.5**	**330.4**
Effective tax rate	**24.2%**	**17.9%**

Deferred tax recycled from equity to income statement is a charge of $ 10.6 million (2010: charge of $8.5 million).

Deferred Tax in income statement:

$ million	Year ended 31 March 2011	Year ended 31 March 2010
Accelerated capital allowances	(14.4)	(71.8)
Unutilised tax losses	(32.8)	(74.6)
Other temporary differences	(32.7)	47.4
	(79.9)	**(99.0)**

No deferred tax has been recognised in respect of temporary differences associated with investments in subsidiaries where the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. The aggregate amount of temporary differences associated with such investments in subsidiaries is represented by the contribution of those investments to the Group's retained earnings and amounted to $3,966.1 million (2010: $3,076.6 million).

Overview of the Indian direct tax regime

The following is an overview of the salient features of the Indian direct tax regime relevant to the taxation of the Group:

- Companies are subject to Indian income tax on a standalone basis. There is no concept of tax consolidation or Group relief in India.
- Companies are charged tax on profits of a financial year i.e. from 1 April to 31 March, in the next year. A company's taxable profits will be subject to either regular income tax or Minimum Alternative Tax ("MAT"). Where MAT is greater than the tax on regular basis, MAT is levied.
- Regular income tax is charged on book profits (prepared under Indian GAAP) adjusted in accordance with the provisions of the (Indian) Income Tax Act, 1961. Typically the required adjustments generate significant timing differences in respect of the depreciation on fixed assets, relief for provisions and accruals, the use of tax losses brought forward and pension costs. For the financial year 2010-2011 regular income tax is charged at 30% (plus a surcharge of 7.5% in case income exceeds INR 10 million & education cess of 3% on tax and surcharge) taking the effective tax rate to 33.22%.. For the financial year 2011-12 the corporate tax rate will be 32.445 % (i.e. 30% corporate tax increased by surcharge of 5% in case income exceeds INR 10 million & education cess of 3% on tax and surcharge).
- MAT is charged on the book profits at 18% (plus a surcharge of 7.5% in case book profits exceeds INR 10 million & education cess of 3% on tax and surcharge). The effective rate of MAT is 19.93%. However, MAT paid during a year can be set off against normal tax payable in the subsequent years in the manner provided in the statute within a period of ten years succeeding the assessment year in which the MAT credit arose. The MAT rate for the financial year 2011-12 will be 18.5% (plus a surcharge of 5% in case book profits exceeds INR 10 million & education cess of 3% on tax and surcharge). The effective rate of MAT will be 20.01%.
- There are various tax exemptions or tax holidays available to companies in India subject to fulfilment of prescribed conditions. The most important ones applicable to the Group are:
  - Industrial undertakings' tax holiday: Profits of newly constructed industrial undertakings located in designated areas of India can benefit from a tax holiday. A typical tax holiday would exempt 100% of the undertaking's profits for five years, and 30% for the next five years;
  - Power plants' tax holiday: Profits on newly constructed power plants can benefit from a tax holiday. A typical holiday would exempt 100% of profits in ten consecutive years within the first 15 years of the power plants' operation. The start of the ten-year period can be chosen by a company. This exemption is available only for units set up until 31 March 2012.
  - Profits from units designated as Export Oriented Units (EOU), from where goods are exported out of India, are tax exempt up to financial year ending March 2011.
  - Profits from units located in Special Economic Zones are exempt from corporate tax to the extent of 100% of the profits for the first five years; 50% of the profits for the next five years; and for the next five years 50% of profits are exempt subject to creation of Special Economic Zone Reserve and utilisation of Special Economic Zone Reserve in the manner specified. MAT is not leviable on profits

of units located in Special Economic Zone upto financial year ending March 2011. MAT & DDT shall be applicable on SEZ developers and SEZ units w.e.f 01st April,2011.

- The Indian tax laws are subject to a thorough review and the Government has introduced draft Direct Taxes Code (DTC) for public debate. The DTC is expected to be presented again in a modified form later this year and, when enacted, is proposed to be operational from financial year 2012-13. At present there is significant uncertainty as to the form of the DTC and it is not currently considered to be substantively enacted.

- Tax returns submitted by companies are regularly subjected to a comprehensive review and challenge by the tax authorities. There is appeal procedures prescribed. Both the tax authorities and taxpayers can prefer appeals to the appellate forums (save and except the first appellate authority i.e. the Commissioner of Income Tax (Appeals) and it is not uncommon for significant or complex matters in dispute to remain outstanding for several years before they are finally resolved either in the High Court or in the Supreme Court.

Overview of the Zambian Tax Regime

The following is an overview of the salient features of the Zambian direct tax regime relevant to the taxation of the Group:

- The tax rate for income from mining operations is 30%.
- The 100% deduction for capital expenditure incurred on mining operations which had been removed in 2008-09 fiscal year was re-introduced with effect from 1 April 2009.
- Removal of windfall tax (see below) from 1 April 2009. However, a variable profits tax will still apply where income from mining activities exceeds 8% of gross sales at a rate determined according to a prescribed formula and payable only if windfall tax is not payable
- The requirement to treat hedging activities as a separate source of income from mining operations was removed.
- The period available to carry forward losses is 10 years.
- KCM must file tax returns in Zambian Kwacha. Tax losses are denominated in Kwacha but an indexation allowance applies to adjust for changes in the US dollar to Kwacha exchange rate

A windfall tax was introduced in fiscal year 2008-09 which became payable when copper is sold at prices above $ 5,512 per MT. The tax is charged at rates ranging from 25% to 75% depending on the difference between the realised price and a series of pricing thresholds ranging upward from $5,512 per MT. KCM received a letter from the Zambian Revenue Authority (“ZRA”) during the year ended 31 March 2009 confirming an interim arrangement that the company would only be required to pay windfall tax at a rate of 25% at any price above US$5,512 per MT. The company has settled the windfall tax liability with ZRA at 25 % without any penal interest and penalty and agreed to pay the windfall tax liability in five progressive instalments commencing from February 2011.

Discussions about a new tax regime for mining companies are being held with Zambian government.

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to income tax expense at the Group’s effective income tax rate for the year ended 31 March 2011 is as follows:

$ million	Year ended 31 March 2011	Year ended 31 March 2010
Accounting profit before tax	**2,683.3**	**1,841.6**
At Indian statutory income tax rate of 33.22% (2010: 33.99%)	891.4	625.9
Unrecognised tax losses	141.4	25.4
Disallowable expenses	67.1	45.4
Non-taxable income	(83.7)	(99.1)
Impact relating to changes in tax rate *	(21.9)	(24.6)
Tax holiday and similar exemptions	(334.6)	(255.1)
Minimum Alternative Tax	7.0	26.9
Adjustments in respect of previous years	(17.2)	(14.4)
At effective income tax rate of 24.2 % (2010: 17.9 %)	**649.5**	**330.4**

* *Includes impact of change in effective tax rate from 33.22% to 32.445% (refer note on Overview of the Indian direct tax regime.)*

13. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options and the Group's Convertible Bonds).

The following reflects the income and share data used in the basic and diluted earnings per share computations:

$ million	Year ended 31 March 2011	Year ended 31 March 2010
Net profit attributable to equity holders of the parent	**770.8**	**602.3**

	Year ended 31 March 2011	Year ended 31 March 2010
Weighted average number of ordinary shares for basic earnings per share (million)	272.2	274.3
Effect of dilution:		
Convertible bonds	34.3	46.7
Share options	2.2	3.7
Adjusted weighted average number of ordinary shares for diluted earnings per share	**308.7**	**324.7**

A) Earnings per share based on profit for the year

Basic earnings per share on the profit for the year	Year ended 31 March 2011	Year ended 31 March 2010
Profit for the year attributable to equity holders of the parent ($ million)	770.8	602.3
Weighted average number of shares of the Company in issue (million)	272.2	274.3
Earnings per share on profit for the year (US cents per share)	**283.2**	**219.6**

Diluted earnings per share on the profit for the year	Year ended 31 March 2011	Year ended 31 March 2010
Profit for the year attributable to equity holders of the parent ($ million)	770.8	602.3
Adjustment in respect of convertible bonds of Vedanta ($ million)	63.4	57.6
Profit for the year after dilutive adjustment ($ million)	834.3	659.9
Adjusted weighted average number of shares of the Company in issue (million)	308.7	324.7
Diluted earnings per share on profit for the year (US cents per share)	**270.2**	**203.2**

During the year ended 31 March 2011, 738,248 options issued under the Long Term Incentive Plan were converted to equity shares pursuant to vesting and exercise of the options (2010: 393,292 options).

Profit for the year would be increased if holders of the convertible bonds in Vedanta exercised their right to convert their bond holdings into Vedanta equity. The impact on profit for the year of this conversion would be the reduction in interest payable on the convertible bond net of any amount capitalised. This has been taken into account in determinig diluted EPS.

The outstanding awards under the LTIP are reflected in the diluted EPS figure through an increased number of weighted average shares.

Earnings per share based on Underlying Profit for the year

The Group’s Underlying Profit is the profit for the year after adding back special items, other gains and losses (see note 8) and their resultant tax and non-controlling interest effects, as shown in the table below:

$ million	Note	Year ended 31 March 2011	Year ended 31 March 2010
Profit for the year attributable to equity holders of the parent		770.8	602.3
Special items	4	163.5	67.3
Other gains		(252.1)	(139.9)
Non-controlling interest effect of special items and other losses		33.1	16.8
Underlying Profit for the year		**715.3**	**546.5**

Basic earnings per share on Underlying Profit for the year	Year ended 31 March 2011	Year ended 31 March 2010
Underlying profit for the year ($ million)	715.3	546.5
Weighted average number of shares of the Company in issue (million)	272.2	274.3
Earnings per share on Underlying Profit for the year (US cents per share)	**262.8**	**199.2**

Diluted earnings per share on Underlying Profit for the year	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Underlying profit for the year ($ million)	715.3	546.5
Adjustment in respect of convertible bonds of Vedanta ($ million)	63.4	57.6
Underlying profit for the year after dilutive adjustment ($ million)	778.7	604.1
Adjusted weighted average number of shares of the Company (million)	308.7	324.7
Diluted earnings per share on Underlying Profit for the year (US cents per share)	**252.3**	**186.0**

14. Dividends

$ million	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Amounts recognised as distributions to equity holders:		
Equity dividends on ordinary shares:		
Final dividend for 2009-10:27.5 US cents per share (2008-09:25 US cents per share)	75.2	70.2
Interim dividend paid during the year: 20US cents per share (2009-10:17.5 US cents per share)	54.7	47.7
	129.9	**117.9**
Proposed for approval at AGM		
Equity dividends on ordinary shares:		
Final dividend for 2010-11 32.5 US cents per share (2009-10: 27.5 US cents per share)	89.2	75.2

15. Goodwill

$ million	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Cost (gross carrying amount)	16.9	16.9
Accumulated impairment losses	(4.7)	(4.7)
Net carrying amount at 31 March	**12.2**	**12.2**

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The company has undertaken an impairment review of goodwill of US$12.2 million as at 31 March 2011. The carrying amount of goodwill was evaluated using the discounted future cash flows of the entity to which the goodwill pertains (Sterlite) and comparing this to the total carrying value of the Sterlite cash generating unit.It was determined that the carrying amount of goodwill is not impaired.

16. Intangible assets

$ million	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Exploration and evaluation acquired on acquisition	162.1	-
Net carrying amount at 31 March	**162.1**	**-**

The Intangible assets relate to the Gamsberg exploration project which was acquired during the year (refer note 34).

17. Property, plant and equipment

$ million	Mining property and leases	Leasehold land and buildings	Freehold land and buildings	Plant and equipment	Assets under construction	Other	Total
Cost							
At 1 April 2009	2,319.0	107.8	315.3	4,258.9	4,147.6	76.9	11,225.5
Additions	0.9	6.0	4.8	28.5	3,823.4	0.9	3,864.5
Transfers	76.5	2.1	269.0	2,535.0	(2,822.2)	(60.4)	-
Reclassification to accumulated depreciation	2.6	2.3	7.1	(8.2)	-	(2.0)	1.8
Additions due to acquisition	412.0	-	16.2	66.8	1.8	-	496.9
Disposals	-	(0.1)	(2.9)	(22.9)	(2.2)	(0.3)	(28.4)
Impairment of assets	(2.7)	-	-	-	-	-	(2.7)
Foreign exchange differences	310.0	4.0	55.5	538.9	513.2	7.5	1,429.1
At 1 April 2010	**3,118.3**	**122.1**	**665.0**	**7,397.0**	**5,661.7**	**22.6**	**16,986.7**
Additions	-	2.5	208.2	995.4	1,502.5	48.1	2,756.7
Transfers	72.4	-	39.1	565.3	(676.8)	-	-
Additions due to acquisition	538.5	-	121.0	530.4	14.8	-	1,204.7
Reclassification from accumulated depreciation	-	6.8	(1.8)	-	-	(0.6)	4.4
Disposals	-	(0.1)	(3.8)	(80.1)	-	(0.4)	(84.4)
Impairment of assets	(118.3)	-	-	-	-	-	(118.3)
Foreign exchange differences	5.4	-	-	13.3	8.4	-	27.1
At 31 March 2011	**3,616.3**	**131.3**	**1,027.7**	**9,421.3**	**6,510.6**	**69.7**	**20,776.9**
Accumulated depreciation and impairment							
At 1 April 2009	**513.2**	**34.3**	**64.4**	**1,212.0**	**17.8**	**35.4**	**1,877.0**
Charge for the year	208.1	7.1	4.5	348.1	-	0.9	568.7
Disposals	-	-	(0.1)	9.0	-	(25.1)	(16.2)
Reclassification to cost	2.6	2.3	7.1	(8.2)	-	(2.0)	1.8
Foreign exchange differences	81.3	0.8	8.9	134.5	-	3.2	228.7
At 1 April 2010	**805.2**	**44.5**	**84.8**	**1,695.3**	**17.8**	**12.4**	**2,660.0**
Charge for the year	289.1	0.5	29.6	543.6	-	6.2	869.0
Disposals	-	-	(3.3)	(52.5)	-	(0.2)	(56.0)
Reclassification to cost	-	6.8	(1.8)	-	-	(0.6)	4.4
Foreign exchange differences	45.2	0.1	1.3	62.9	-	0.5	110.0
At 31 March 2011	**1,139.5**	**51.9**	**110.6**	**2,249.3**	**17.8**	**18.3**	**3,587.4**
Net book value							
At 1 April 2009	1,805.8	73.4	250.9	3,046.9	4,129.9	41.5	9,348.4
At 1 April 2010	2,313.1	77.6	580.2	5,701.7	5,643.9	10.2	14,326.7
At 31 March 2011	2,476.8	79.4	917.1	7,172.0	6,492.8	51.4	17,189.5

At 31 March 2011, land having a carrying value of $ 144.3 million (31 March 2010: $37.0 million) was not depreciated. At 31 March 2011, cumulative capitalised interest and foreign exchange gains or losses included within the table above was $ 194.3 million (31 March 2010: $254.9 million). Plant and equipment include refineries, smelters, power plants and related facilities. Other tangible fixed assets include office equipment and fixtures, and light vehicles

18. Financial asset investments

Financial asset investments are required to be classified and accounted for as either available-for-sale or fair value through profit or loss.

Available-for-sale investments	**Year ended 31 March 2011 $ million**	**Year ended 31 March 2010 $ million**
At 1 April	**201.2**	**91.6**
Additions / (Disposals)	46.6	(4.5)
Movements in fair value	55.3	111.0
Exchange difference	1.1	3.1
At 31 March	**304.2**	**201.2**

Analysis of financial asset investments	**As at 31 March 2011 $ million**	**As at 31 March 2010 $ million**
Quoted	265.2	178.7
Unquoted	39.0	22.5

Quoted investments represent investments in equity securities that present the Group with opportunity for return through dividend income and gains in value. These securities are held at fair value based on market prices.

Unquoted investments include mainly an investment in the equity share capital of the Andhra Pradesh Gas Power Corporation Limited which is held at cost as it is not quoted. The increase is related to unquoted investments held by BMM and Skorpion.

19. Other non-current assets

$ million	**As at 31 March 2011**	**As at 31 March 2010**
Deposits, advances and other receivables due after one year	24.6	18.3
	24.6	**18.3**

20. Inventories

$ million	**As at 31 March 2011**	**As at 31 March 2010**
Raw materials and consumables	1,011.9	636.5
Work-in-progress	690.9	478.2
Finished goods	221.8	145.9
	1,924.6	**1,260.6**

Inventories with a carrying amount of $ 1,112.2 million (2010: $761.2 million) have been pledged as security against certain bank borrowings of the Group.

21. Trade and other receivables

$ million	As at 31 March 2011	As at 31 March 2010
Trade receivables	761.4	206.7
Amounts due from related parties (note 36)	13.6	4.4
Prepayments	93.4	55.9
Deposits with Government	141.9	189.8
Other receivables	318.3	466.8
	1,328.6	**923.6**

The credit period given to customers ranges from zero to 90 days. Other receivables primarily includes excise balances, customs balances, deposits with governments, advances to suppliers, claims receivables and other receivables.

22. Liquid investments

$ million	As at 31 March 2011	As at 31 March 2010
Bank deposits	1,929.0	1,301.4
Other investments	4,936.4	5,548.0
	6,865.4	**6,849.4**

Other investments include mutual fund investments and are fair valued through the income statement. Bank deposits are made for periods of between three months and one year depending on the cash requirements of the companies within the Group and earn interest at the respective deposit rates.

These do not qualify for recognition as cash and cash equivalents due to their maturity period and risk of change in value of the investments.

23. Cash and Cash equivalents

$ million	As at 31 March 2011	As at 31 March 2010
Cash at bank and in hand	238.5	74.7
Short-term deposits*	673.1	315.3
	911.6	**390.0**

Short-term deposits are made for periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

* *Includes $96.3 million (2010: $2.5 million) of cash held in short-term deposit accounts that is restricted in use as it relates to unclaimed deposits, dividends, interest on debentures, share application money, closure costs and future redundancy payments.*

24. Borrowings

$ million	As at 31 March 2011	As at 31 March 2010
Bank loans	5,654.9	3,597.4
Bonds	1,244.7	1,243.7
Other loans	581.4	554.7
Total	**7,481.0**	**5,395.8**
Borrowings are repayable as:		
Within one year (shown as current liabilities)	3,045.1	1,012.6
In the second year	1,914.2	759.7
In two to five years	1,324.4	2,669.9
After five years	1,197.3	953.6
Total borrowings	**7,481.0**	**5,395.8**
Less: payable within one year	(3,045.1)	(1,012.6)
Medium and long term borrowings	**4,435.9**	**4,383.2**

At 31 March 2011, the Group had available US$3,407.6 million (2010: $3,204.8 million) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. The Group also had secured $6,000.0 million acquisition facility to fund the proposed Cairn India acquisition in respect of which all conditions precedent had been met.

The principal loans held by Group companies at 31 March 2011 were as follows:

BALCO

Non convertible debentures

BALCO issued Non Convertible Debentures of $ 112.0 million to the Life Insurance Corporation of India @12.25% per annum. The Debentures are secured and have the pari passu charge on the movable and immovable properties, present and future tangible or intangible assets other than current assets of Balco to the extent of 1.33 times of the issued amount. The above loan is repayable in 3 yearly equal instalments starting November 2013.

Project Buyers' Credit

As at 31 March 2011, BALCO has extended credit terms relating to the purchase of property, plant and equipment for its project of $ 370.7 million at an average rate of LIBOR plus 247 basis points.

VAL

Rupee term Loan

VAL has taken an Indian rupee term loan of $224.0 million from ICICI Bank at an interest rate of 10.5%. The loan is not secured. Repayment is in eight equal quarterly instalments starting from July 2011.

VAL has taken an Indian rupee term loan of $168.0 million from Yes Bank at an interest rate of 11.5%. The loan is secured and has a subservient charge on present and future movable fixed asset already created.

Indian rupee term loan of $168.0 million from Bank of Baroda at an interest rate of 10.5% has been taken which is secured by first charge by way of hypothecation of all present & future movables fixed assets for the project including but not limited to plant & machinery spares, tools & accessories, base stock funded by the facility of the project. The loan is payable on December 2011.

VAL has obtained term loan of $1,119.8 million from State Bank of India at an interest rate of 7.5%. The loan is secured by the first pari passu charge on the moveable Plant & Machinery so as to provide fixed assets coverage ratio of 1.30. The loan is repayable in April 2011.

Non convertible debentures

VAL has issued Non Convertible Debentures of $89.6 million to the Life Insurance Corporation of India at a rate of 11.50% per annum. The Debentures are secured and have the first pari passu charge over the identified assets (including Land and Building) of the issuer to the extent of 1.33 times of the issued amount. Debentures are repayable in 3 yearly equal instalments starting October 2013.

External Commercial Borrowing

VAL has obtained External Commercial Borrowing loan from ICICI Bank, Singapore of $100.0 million at an interest rate of LIBOR plus 240 basis points secured by Negative Lien Undertaking on the assets of the Jharsuguda project of the company, both present and future, excluding assets already charged in favour of ICICI bank and other lenders. The repayment period is from February 2012 to August 2014.

Project Buyers' Credit

As at 31 March 2011, VAL had extended credit terms relating to purchases of property, plant and equipment for its projects amounting to $ 846.6 million. These loans bear average interest at LIBOR plus 243 basis points. These are secured by all of the fixed assets of VAL, immovable or movable, present and future, on a pari passu basis with other term lenders and with priority over other creditors.

Sterlite Energy

Project Buyers' Credit

As at 31 March 2011, SEL has extended credit terms relating to the purchase of property, plant and equipment for its project of $228.2 million at an average rate of LIBOR plus 199 basis points. The facility is unsecured.

Sterlite Industries

In February 2011 Sterlite Industries raised $291.1 million through commercial papers at an interest rate of 9.73% and repayable in June 2011. The amount outstanding as at March 2011 is $261.7 million.

Talwandi Sabo

Talwandi Sabo has issued Non Convertible Debentures of $335.9 million to ICICI Bank at a rate of 9.8% per annum. First tranche of $167.9 million was issued in December 2010 and second tranche of the balance amount was issued in January 2011. The Debentures are secured by first pari passu charge on the assets of the company both present and future, with a minimum asset cover of 1.25 times during the lifetime of the NCDs (including the Debt Service Reserve Account) and unconditional and irrevocable corporate guarantee by Sterlite Industries. Debentures have a tenure of 13 years repayable in twelve equal instalments after 10 years of allotment.

KCM

In 2009 KCM has obtained a loan of $100 million from the Development Bank of Southern Africa (5year term) and $ 191.7 million from Standard Chartered Bank (4 year term). The interest rate is 2.8% over 3 month Libor and 5.5% over 3 month LIBOR respectively. Both the loans are repayable in 12 quarterly instalments starting from the third and second year, respectively.

Vedanta Resources plc

Long-term Bonds

In July 2008, Vedanta issued $500.0 million, 8.75% bonds due January 2014, and $750.0 million, 9.50% bonds due July 2018 in the United States of America ('USA') pursuant to Rule 144A of US Securities Act of 1933 ('Securities Act') and outside of the USA in Compliance with Regulation S pursuant to the Securities Act. The bonds are unsecured and are currently rated BB by Standard & Poor's, Ba2 by Moody's and BB+ by Fitch Ratings Limited.

Syndicated Bridge Term Loan

In April 2008, the Group refinanced the short term syndicated bridge loan facility of $1,100.0 million taken out to acquire Sesa Goa. The new facility is for $1,000 million, fully drawn down at 31 March 2011, which bears interest at LIBOR plus 296 basis points. $250.0 million is repayable in April 2012 and the remaining $750 million is repayable in January 2013. The facility has been guaranteed by Vedanta and is subject to a pledge of the Group's shares in Sesa Goa Limited through its holding in Richter and Westglobe Limited.

Term Loan

In January 2010, the Group obtained a loan from Bank of Tokyo- Mitsubishi UFJ for $373 million repayable in July 2011 and bears interest at USD LIBOR plus 425 basis points.

In December 2010, the Group obtained a loan from ICICI Bank for $ 180 million repayable $90 million in December 2014 and the balance $90 million in December 2015 and bears interest rate 3 month GBP LIBOR plus 385 basis point.

In January 2011, the Group obtained a loan from ICICI Bank for $ 150 million repayable $75 million in January 2016 and the balance $75 million in January 2017 and bears interest rate 3 month USD LIBOR plus 389 basis point.

Non-equity non-controlling interests

As at 31 March 2011, non equity non-controlling interests remain of $11.9 million, being deferred shares in KCM held by ZCM. The deferred shares have no voting rights or rights to KCM's dividends, but are entitled on a winding up to a return of upto $0.99 per share once all of KCM's ordinary shares have received a distribution equal to their par value and any share premium created on their issue and which remains distributable to them.

The deferred shares are held at historic cost, being the fair value attributed to them at the time of initial acquisition of KCM in the year ended 31 March 2005. They are classified as non-current liabilities as they are repayable only on the winding up of the company, for an amount different than the pro rata share of net assets upon liquidation. The shares have been valued at $0.99 per share, which is the maximum amount payable to the deferred shareholders. These deferred shares have not been discounted as the effect would not be material.

25. Movement in Net Debt [(1)]

US$ million	Cash and cash equivalents	Liquid investments	Debt due within one year		Debt due after one year		Total Net Debt
			Debt carrying value	Debt- related derivatives [(2)]	Debt carrying value	Debt-related derivatives [(2)]	
At 1 April 2009	**380.5**	**4,532.1**	**(1,298.5)**	**8.4**	**(3,816.4)**	**(6.9)**	**(200.8)**
Cash flow	258.8	1,663.4	360.6	-	(2,859.0)	-	(576.2)
Acquisition of Subsidiaries	-	-	(12.4)	-	-	-	(12.4)
Other non-cash changes [(3)]	-	27.6	25.0	(9.3)	(351.7)	(5.1)	(313.5)
Foreign exchange differences	(249.3)	626.3	(87.3)	-	(133.9)	-	155.8
At 1 April 2010	**390.0**	**6,849.4**	**(1,012.6)**	**(0.9)**	**(7,161.0)**	**(12.1)**	**(947.2)**
Cash flow	(108.2)	(178.4)	(1,863.2)	-	(161.6)	-	(2,311.4)
Net cash flows arising on acquisition of a subsidiary	388.6	37.3	(29.4)	-	-	-	396.5
Other non-cash changes [(3)]		78.8	(96.1)	0.9	635.6	17.3	636.5
Foreign exchange differences	241.2	78.3	(43.8)	-	(20.4)	-	255.3
At 31 March 2011	**911.6**	**6,865.4**	**(3,045.1)**	**-**	**(6,707.4)**	**5.2**	**(1,970.3)**

(1) Net (debt)/ cash being total debt after fair value adjustments under IAS 32 and 39 as reduced by cash and cash equivalents and liquid investments.

(2) Debt related derivatives exclude derivative financial assets and liabilities relating to commodity contracts and forward foreign currency contracts.

(3) Other non-cash changes comprises of $462.4 million (2010: $326.7 million) of project buyers credit obtained from banks, for which there is no cash movement as it represents the refinancing of amounts previously owed to suppliers and excluded from debt. It also includes $ 59.1 million (2010 $ 27.6 million) of fair value movement in investments. A movement of $ 18.2 million (2010: $ 14.4 million) which pertains to fair value of debt related derivatives is also included in other non-cash changes.

26. Trade and other payables

(a) Current trade payables

$ million	As at 31 March 2011	As at 31 March 2010
Trade payables	1,969.0	1,390.1
Bills of exchange payable	816.6	771.7
Accruals and deferred income	272.5	72.7
Other trade payables	349.4	324.7
	3,407.5	**2,559.2**

Trade payables are non-interest bearing and are normally settled on 60 to 90-day terms. Bills of exchange are interest-bearing and are normally payable within 180 days. The fair value of trade and other payables is not materially different from the carrying values presented.

Bills of exchange payable comprise of credit availed from financial institutions for direct payment to suppliers for raw materials purchased. The arrangements are interest bearing and are normally payable within 180 days,

(b) Non-current trade payables

$ million	As at 31 March 2011	As at 31 March 2010
Other trade payables	148.1	306.4
	148.1	**306.4**

Other trade payables primarily comprise the amounts withheld as retentions, payable to suppliers of capital projects after satisfactory completion of contractual commissioning period, which are generally payable after a year.

27. Convertible bonds

$ million	Year ended 31 March 2011	Year ended 31 March 2010
A. VRJL	968.2	931.3
B. VRJL II	651.8	881.1
C. FCCB- SIIL & Sesa	651.5	965.4
	2,271.5	**2,777.8**

A. Vedanta Resource Jersey Limited (“VRJL”) issued 5.5% $1,250 million guaranteed convertible bonds on 13 July 2009. The bonds are first convertible into exchangeable redeemable preference shares to be issued by VRJL, which will then be automatically exchanged for ordinary shares of Vedanta Resources plc. The bondholders have the option to convert at any time from 24 August 2009 to 6 July 2016. The loan notes are convertible at US$ 36.48 per share at an average rate of GBP: USD of 1.6386

If the notes have not been converted, they will be redeemed at the option of the Company at any time on or after 28 July 2012 subject to certain conditions, or be redeemed at the option of the bondholders on or after 13 July 2014.

The net proceeds of the convertible issue have been split between the liability element and equity component, representing the fair value of the embedded option to convert the liability into equity of the Company, as follows:

$ million	Year ended 31 March 2011	Year ended 31 March 2010
Opening liability	**931.3**	**1,234.8**
Equity Component	-	(327.9)
Imputed Liability on issue date	--	906.9
Unwinding of Effective Interest Rate	105.8	73.7
Coupon interest paid/ accrued	(68.9)	(49.3)
Closing liability	**968.2**	**931.3**

The interest charged for the year is calculated by applying an effective interest rate of 11.4% (March 2010: 11.2%).

The fair value of the convertible bond as at 31 March 2011 is $ 1,304.9 million.

B. Vedanta Resource Jersey II Limited (“VRJL - II”) issued 4.0 % $883 million guaranteed convertible bonds on 30 March 2010. The bonds are first convertible into exchangeable redeemable preference shares to be issued by VRJL-II, which will then be automatically exchanged for ordinary shares of Vedanta Resources plc. The bondholders have the option to convert at any time from 10 May 2010 to 23 March 2017. The loan notes are convertible at US$51.9251 per share at an average rate of USD: GBP of 1.4965.

If the notes have not been converted, they will be redeemed at the option of the Company at any time on or after 14 April 2013 subject to certain conditions, or be redeemed at the option of the bondholders on or after 29 April 2013 to 30 March 2015.

At the inception the net proceeds of the convertible issue was split between the liability element and a derivative component, representing the fair value of the embedded option to convert the liability into equity of the Company. The latter was not been recorded within equity due to the existence of partial cash settlement terms within the bond which prevent the adoption of compound financial instrument accounting. During the period $ 44.8 million was debited to the value of the derivative liability with a corresponding credit taken to the income statement. This represents the movement in the fair value of the embedded option to convert to equity from the 1 April 2010 to 28 July 2010, the date of removal of cash settlement option. $211.6 million calculated as the fair value of the conversion option was reclassified to the convertible bond reserve at that date representing the value attributable to the right to convert the liability into equity of the Company.

$ million	Year ended 31 March 2011	Year ended 31 March 2010
Opening liability	**881.1**	**875.8**
Equity Component	(211.6)	
Effective interest cost	62.4	0.2
Coupon Interest paid/accrued	(35.3)	(0.1)
(Decrease) / Increase in Fair Value of derivative component	(44.8)	5.2
Closing Liability	**651.8**	**881.1**

The interest charged for the year is calculated by applying an effective interest rate of 9.3 % (2010: 6.93 %).

The fair value of the convertible bond as at 31 March 2011 was $ 907.6 million.

C. Sterlite Industries (India) Limited ("SIIL") issued 4% $500 million convertible senior notes (denominated in US Dollars) on 29 October 2009 which are due on 30 October 2014. The bonds are convertible into American Depository Share ("ADS") to be issued by SIIL. The bondholders have the option to convert at any time before 29 October 2014 at a conversion ratio of 42.8688 for every $1000 of principal which is equal to a conversion price of USD 23.33 per ADS. SIIL has the option (subject to the terms of the bond) to redeem the convertible bond at any time after 4 November 2012.

Sesa Goa Limited ("Sesa") issued 5% $500 million convertible bonds (denominated in US Dollars) on 30 October 2009 and due 31 October 2014. The bonds are convertible into ordinary shares of Sesa. The bondholders have the option to convert at any time after 10 December 2009 and before 24 October 2014 at a conversion ratio of 13837.6384 for every $100,000 principal. Sesa has the option (subject to certain conditions) to redeem the convertible bond at any time after 30 October 2012

As the functional currency of SIIL and Sesa is INR, the conversion of the convertible bonds (which are denominated in US Dollars) would not result in the settlement and exchange of a fixed amount of cash in INR terms, for a fixed number of SIIL's and Sesa's shares respectively. Accordingly, the convertible bond must be separated into two component elements: a derivative component consisting of the conversion option (carried at fair value) and a liability component consisting of the debt element of the bonds. Further details of the accounting for such instruments are provided in the Group accounting policies (note 2a).

The following table shows the movements in the SIIL and Sesa bonds during the year on an aggregated basis:

$ million	**Year ended 31 March 2011**	**Year ended 31 March 2010**
Opening Liability	**965.4**	**991.8**
Effective interest cost	71.6	39.4
Coupon Interest Paid	(34.4)	(19.3)
Conversion of bonds into equity of subsidiaries	(207.7)	(76.0)
Increase / (decrease) in Fair Value of derivative component	(143.4)	29.5
Closing Liability (including derivative component of $ 126.2 million, March 2010: $ 386.8 million)	**651.5**	**965.4**

The interest charged for the year is calculated by applying an effective interest rate of 9.9% (March 2010: 12.7%) for SIIL convertible notes and 10.1 % (March 2010: 23.4%) for Sesa convertible notes.

The fair value of the convertible bonds as at 31 March 2011 was $ 751.6 million (March 2010: 1,114 million).

28. Financial instruments

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

$ million	As at 31 March 2011	As at 31 March 2010
Financial assets		
At fair value through profit or loss		
- Held for trading	6,865.4	6,849.4
- Other financial assets (derivatives)	140.3	54.1
Cash and cash equivalents	911.6	390.0
Loan and receivables		
- Trade and other receivables	1,328.6	867.7
- Other non-current assets	24.6	18.3
Available for sale investments		
- Financial asset investments held at fair value	265.2	178.7
- Financial asset investments held at cost	39.0	22.4
Total	**9,574.7**	**8,380.6**
Financial liabilities		
At fair value through profit or loss		
- Other financial liabilities (derivatives)	(103.5)	(83.2)
Designated into fair value hedge		
- Borrowings[1]	(126.2)	(643.0)
Financial liabilities at amortised cost		
- Trade and other payables	(3,555.6)	(2,865.6)
- Borrowings[2]	(9,626.3)	(7,530.6)
Total	**(13,411.6)**	**(11,122.4)**

1 *includes embedded derivative liability portion of convertible bonds $126.2 million (2010: $ 643.1 million)*

includes amortised cost liability portion of convertible bonds $ 2,145.3 million (2010: $ 2,134.6 million)

IFRS 7 requires additional information regarding the methodologies employed to measure the fair value of financial instruments which are recognised or disclosed in the accounts. These methodologies are categorised per the standard as:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The below table summarises the categories of financial assets and liabilities measured at fair value:

$ million	As at 31 March 2011	
	Level 1	**Level 2**
Financial assets		
At fair value through profit or loss		
- Held for trading	6,865.4	-
- Other financial assets (derivatives)	-	140.3
Available for sale investments	-	
- Financial asset investments held at fair value	265.2	-
Total	**7,130.6**	**140.3**
Financial liabilities		
At fair value through profit or loss		
- Other financial liabilities (derivatives)	-	(103.5)
Designated into fair value hedge		
- Borrowings	-	(126.2)
Total	**-**	**(229.7)**

There were no transfers between Level 1 and Level 2 during the year. No financial assets or liabilities were measured by Level 3 Fair Value Measurement.

The fair value of borrowings is $10,011.2 million (2010: $8,379.4 million). For all other financial instruments, the carrying amount is either the fair value, or approximates the fair value.

The fair value of financial asset investments represents the market value of the quoted investments and other traded instruments. For other financials assets the carrying value is considered to approximate fair value.

The fair value of financial liabilities is the market value of the traded instruments, where applicable. Otherwise fair value is calculated using a discounted cash flow model with market assumptions, unless the carrying value is considered to approximate fair value.

The fair value of the embedded derivative liability of convertible bond has been calculated using the binomial and Black Scholes models with market assumptions.

Derivatives instruments and risk management

The Group's businesses are subject to several risks and uncertainties including financial risks.

The Group's documented risk management policies act as an effective tool in mitigating the various financial risks to which the businesses are exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, commodity price risk, foreign exchange risk, interest rate risk, credit risk and capital management.

Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers at both the corporate and individual subsidiary level. Each operating subsidiary in the Group has in place risk management processes which are in line with the Group's policy. Each significant risk has a designated 'owner' within the Group at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated. The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Group's Audit Committee. Key business decisions are discussed at the monthly meetings of the Executive Committee. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

Treasury management

Treasury management focuses on capital protection, liquidity maintenance and yield maximisation. The treasury policies are approved by the Board and adherence to these policies is strictly monitored at the Executive Committee meetings. Day-to-day treasury operations of the subsidiary companies are managed by their respective finance teams within the framework of the overall Group treasury policies. Long term fund raising including strategic treasury initiatives are handled by a central team while short-term funding for routine working capital requirements is delegated to subsidiary companies. A monthly reporting system exists to inform senior management of investments, debt, currency, commodity and interest rate derivatives. The Group has a strong system of internal control which enables effective monitoring of adherence to Group policies. The internal control measures are effectively supplemented by regular internal audits.

The Group uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage the treasury and commodity risks. Both treasury and commodities derivative transactions are normally in the form of forward contracts and interest rate and currency swaps and these are subject to the Group guidelines and policies. Interest rate swaps are taken to achieve a balance between fixed and floating rates (as described below under "Interest risk") and currency swaps are taken primarily to convert the Group's exposure to non-US dollar currencies to US dollar currencies.

Commodity risk

The Group is exposed to the movement of base metal commodity prices on the London Metal Exchange. Any decline in the prices of the base metals that the Group produces and sells will have an immediate and direct impact on the profitability of the businesses. As a general policy, the Group aims to sell the products at prevailing market prices. As much as possible, the Group tries to mitigate price risk through favourable contractual terms. The Group undertakes hedging activity in commodities to a limited degree. Hedging is used primarily as a risk management tool and, in some cases, to secure future cash flows in cases of high volatility by entering in to forward contracts or similar instruments. The hedging activities are subject to strict limits set out by the Board and to a strictly defined internal control and monitoring mechanism. Decisions relating to hedging of commodities are taken at the Executive Committee level and with clearly laid down guidelines for their implementation by the subsidiaries.

Whilst the Group aims to achieve average LME prices for a month or a year, average realised prices may not necessarily reflect the LME price movements because of a variety of reasons such as uneven sales during the year and timing of shipments.

Copper

The Group's custom smelting copper operations at Tuticorin is benefited by a natural hedge except to the extent of a possible mismatch in quotational periods between the purchase of concentrate and the sale of finished copper. The Group's policy on custom smelting is to generate margins from TCRCs, minimising conversion cost, generating a premium over LME on sale of finished copper, sale of by-products and from achieving import parity on domestic sales. Hence, mismatches in quotational periods are actively managed to ensure that the gains or losses are minimised. The Group hedges this variability of LME prices and tries to make the LME price a pass-through cost between purchases of copper concentrate and sales of finished products, both of which are linked to the LME price. The Company also benefits from the difference between the amounts paid for quantities of copper content received and recovered in the manufacturing process, also known as `free copper'. The Group hedges on a selective basis the free copper and revenue from variable margins on the purchases of copper concentrates by entering into future contracts.

The Group's Australian mines in Tasmania supply approximately 7% to 8% of the requirement of the custom copper smelter at Tuticorin. Hence, TCRCs are a major source of income for the Indian copper smelting operations. Fluctuations in TCRCs are influenced by factors including demand and supply conditions prevailing in the market for mine output. The Group's copper business has a strategy of securing a majority of its concentrate feed requirement under long-term contracts with mines.

KCM is largely an integrated copper producer and hence the strategy to protect the company from price fluctuations in copper is to focus on controlling KCM's costs.

For the mining assets in Australia and Zambia, part of the production may be hedged to secure cash flows on a selective basis.

Aluminium

The requirement of the primary raw material, alumina, is partly met from own sources and the rest is purchased primarily on negotiated price terms. Sales prices are linked to the LME prices. At present the Group does not hedge any aluminium production.

Zinc and lead

The sales prices are linked to the LME prices. The Group has some long term volume contracts with some customers where the prices are linked to prevailing LME prices at the time of shipment. The Group hedged part of the exports from India through forward contracts or other instruments.

Iron ore

The Group sells some portion of its iron ore production on quarterly price contracts and the balance on the basis of prevailing market prices.

Provisionally priced financial instruments

On 31 March 2011, the value of net financial liabilities linked to commodities (excluding derivatives) accounted for on provisional prices was a liability of $411.8 million (2010: liability of $274.8 million). These instruments are subject to price movements at the time of final settlement and the final price of these instruments will be determined in the financial year beginning 1 April 2011.

Set out below is the impact of 10% increase in LME prices on profit for the year and total equity as a result of changes in value of the Group's commodity financial instruments as at 31 March 2011:

Commodity price sensitivity	Closing LME as at 31 March 2011	Effect on profit of a 10% increase in the LME 31 March 2011	Effect on total equity of a 10% increase in the LME 31 March 2011
	$	($ million)	($ million)
Copper	9,400	4.6	4.6
Zinc	2,319	4.5	4.5
Lead	2,720	3.4	3.4

Commodity price sensitivity	Closing LME as at 31 March 2010	Effect on profit of a 10% increase in the LME 31 March 2010	Effect on total equity of a 10% increase in the LME 31 March 2010
	$	($ million)	($ million)
Copper	7,830	(6.1)	(6.1)
Zinc	2,360	0.3	0.3
Lead	2,120	0.1	0.1

The above sensitivities are based on volumes, costs, exchange rates and other variables and provide the estimated impact of a change in LME prices on profit and equity assuming that all other variables remain constant.

Further, the impact of a 10% increase in closing copper LME for provisionally priced copper concentrate purchase at Sterlite custom smelting operations is $37.3 million (2010: $25.5 million), which is pass through in nature and as such will not have any impact on the profitability.

Financial risk and sensitivities

The Group's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Group does not engage in speculative treasury activity but seeks to manage risk and optimise interest and commodity pricing through proven financial instruments.

(a) Liquidity

The Group requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Group generates sufficient cash flows from the 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. Anticipated future cash flows and undrawn committed facilities of $9,407.6 million (including $6,000 million for Cairn Acquisition), together with cash and liquid investments of $7,777.0 million as at 31 March 2011, are expected to be sufficient to meet the ongoing capital investment programme and liquidity requirement of the Group in the near future.

The Group has a strong balance sheet that gives sufficient headroom to raise further debt should the need arise. The Group's current ratings from Standard & Poor's, Moody's & Fitch Ratings are BB and Ba1 respectively (2010: BB and Ba1 respectively). These ratings support the necessary financial leverage and access to debt or equity markets at competitive terms. The Group generally maintains a healthy net debt-equity ratio and retains flexibility in the financing structure to alter the ratio when the need arises.

The maturity profile of the Group's financial liabilities based on the remaining period from the balance sheet date to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Group (excludes interest)

At 31 March 2011

(In $ million)

Payment due by period	< 1 year	1-2 years	2-5 years	> 5 years	Total
Trade and other payables	3,407.5	148.1	-	-	3,555.6
Bank and other borrowings	3,045.1	1,914.2	1,324.4	1,197.3	7,481.0
Convertible bonds	-	-	651.5	1,620.0	2,271.5
Derivative liabilities	9.3	-	94.2	-	103.5
Total	**6,461.9**	**2,062.3**	**2,070.1**	**2,817.3**	**13,411.6**

At 31 March 2010

(In $ million)

Payment due by period	< 1 year	1-2 years	2-5 years	> 5 years	Total
Trade and other payables	2,559.2	306.4	-	-	2,865.6
Bank and other borrowings	1,012.6	759.7	2,669.9	953.6	5,395.8
Convertible bonds	-	-	924.5	2,133.0	3,057.5
Derivative liabilities	38.5	-	44.7	-	83.2
Total	**3,610.3**	**1,066.1**	**3,639.1**	**3,086.6**	**11,402.1**

At 31 March 2011, the Group had access to funding facilities of $19,160.1 million of which $9,407.6 million was not yet drawn, as set out below.

$ million **Funding facilities**	**Total facility**	**Drawn**	**Undrawn**
Less than 1 year *	10,946.8	3,045.1	7,901.7
1-2 years	3,336.3	1,914.2	1,422.1
2-5 years and above	4,877.0	4,793.2	83.8
Total	**19,160.1**	**9,752.5**	**9,407.6**

* Includes $6,000.0 million, which the group has secured as the acquisition facility for the proposed Cairn India acquisition in respect of which all conditions precedent had been met. This is repayable between 1 to 5 years in different tranches.

At 31st March 2010, the Group had access to funding facilities of $11,378.4 million of which $3,204.8 million was not yet drawn, as set out below.

$ million **Funding facilities**	**Total facility**	**Drawn**	**Undrawn**
Less than 1 year	2,843.9	996.2	1,847.7
1-2 years	516.9	516.9	-
2-5 years and above	8,017.6	6,660.5	1,357.1
Total	**11,378.4**	**8,173.6**	**3,204.8**

(b) Foreign currency

The Group's presentation currency is the US dollar. The majority of the assets are located in India and the Indian Rupee is the functional currency for the Indian operating subsidiaries.

Foreign currency exposures are managed through the Group-wide hedging policy, which is reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. Natural hedges available in the business are identified at each entity level and hedges are placed only for the net exposure. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted for project expenditures to avoid budget overruns. Longer term exposures are unhedged. Stop losses and take profit triggers are implemented to protect entities from adverse market movements at the same time enabling them to encash in favourable market opportunities. Vedanta has hedged some of its US dollar borrowings into other foreign currency borrowings by entering into cross-currency swaps.

The carrying amount of the Group's financial assets and liabilities in different currencies are as follows:

	At 31 March 2011		At 31 March 2010	
$ million	**Financial assets**	**Financial liabilities**	**Financial assets**	**Financial liabilities**
USD	884.6	8,849.2	1,618.9	9,314.0
INR	7,959.4	4,260.9	6,508.4	1,690.6
Kwacha	44.4	27.5	59.2	22.8
JPY	93.5	8.7	-	(1.0)
AUD	5.6	23.1	15.7	14.3
CAD	249.2	-	169.0	-
EURO	134.9	116.4	0.9	71.0
ZAR	62.3	63.5	-	-
NAD	129.3	45.7	-	-
Others	11.5	16.6	8.5	10.7
Total	**9,574.7**	**13,411.6**	**8,380.6**	**11,122.4**

The Group's exposure to foreign currency arises where a Group company holds monetary assets and liabilities denominated in a currency different to the functional currency of that entity with US dollar being the major foreign currency exposure of the Group's main operating subsidiaries. Set out below is the impact of a 10% change in the US dollar on profit and equity arising as a result of the revaluation of the Group's foreign currency financial instruments:

			31 March 2011
$ million	**Closing exchange rate**	**Effect of 10% strengthening of US dollar on net earnings**	**Effect of 10% strengthening of US dollar on total equity**
INR	44.65	(167.7)	(190.3)
Australian dollar	0.9680	0.9	0.9
Kwacha	4,770	1.5	1.5

	31 March 2010		
$ million	**Closing exchange rate**	**Effect of 10% strengthening of US dollar on net earnings**	**Effect of 10% strengthening of US dollar on total equity**
INR	45.14	(131.5)	(193.9)
Australian dollar	1.0922	1.4	1.4
Kwacha	4,820	3.3	3.3

The sensitivities are based on financial assets and liabilities held at 31 March 2011 where balances are not denominated in the functional currency of the respective subsidiaries. The sensitivities do not take into account the Group's sales and costs and the results of the sensitivities could change due to other factors such as changes in the value of financial assets and liabilities as a result of non-foreign exchange influenced factors.

(c) Interest risk

At 31 March 2011, the Group's net debt of $1,970.3 million (2010: $947.1 million net debt) comprises of cash, cash equivalents and liquid investments of $7,777.0 million (2010: $7,239.4 million) offset by debt of $9,752.5 million (2010: $8,186.5 million).

The Group is exposed to interest rate risk on short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Group's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. As at 31 March 2011, 59.3% (2010: 57.7%) of the total debt was at a fixed rate and the balance was at a floating rate. The floating rate debt is largely linked to US dollar LIBOR. The Group also aims to minimise its average interest rates on borrowings by opting for a higher proportion of long-term debt to fund growth projects. The Group invests cash and liquid investments in short-term deposits and debt mutual funds, some of which generate a tax-free return, to achieve the Group's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

Floating rate financial assets are largely mutual fund investments which have debt securities as underlying asset. The returns from these financial assets are linked to market interest rate movements; however the counterparty invests in the agreed securities with known maturity tenure and return and hence has manageable risk.

The exposure of the Group's financial assets to interest rate risk is as follows:

	At 31 March 2011				At 31 March 2010			
	Floating rate financial assets	**Fixed rate financial assets**	**Equity Investments**	**Non-interest bearing financial assets**	**Floating rate financial assets**	**Fixed rate financial assets**	**Equity Investments**	**Non-interest bearing financial assets**
Financial assets	5,091.9	2,362.4	278.2	1,701.9	5,783.7	1,235.2	201.2	1,106.4
Derivative assets	-	-	-	140.3	-	-	-	54.1
Total financial assets	**5,091.9**	**2,362.4**	**278.2**	**1,842.2**	**5,783.7**	**1,235.2**	**201.2**	**1,160.5**

The exposure of the Group's financial liabilities to interest rate risk is as follows:

	At 31 March 2011			At 31 March 2010		
	Floating rate financial liabilities	**Fixed rate financial liabilities**	**Non-interest bearing financial liabilities**	**Floating rate financial liabilities**	**Fixed rate financial liabilities**	**Non-interest bearing financial liabilities**
Financial liabilities	3,820.6	6,363.4	3,124.1	4,339.6	4,890.2	1,809.4
Derivative liabilities	-	-	103.5	-	-	83.2
Total financial liabilities	**3,820.6**	**6,363.4**	**3,227.6**	**4,339.6**	**4,890.2**	**1,892.6**

The weighted average interest rate on the fixed rate financial liabilities is 7.4% (2010: 6.7%) and the weighted average period for which the rate is fixed is 3.4 years (2010: 5.6 years).

Considering the net debt position as at 31 March 2011 and the investment in bank deposits and debt mutual funds, any increase in interest rates would result in a net loss and any decrease in interest rates would result in a net gain. The sensitivity analyses below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date.

The below table illustrates the impact of a 0.5% to 2.0% decrease in interest rate of borrowings on profit and equity and represents management's assessment of the possible change in interest rates.

At 31 March 2011

Decrease in interest Rates	Effect on net earnings (in $ million)	Effect on total equity (in $ million)
	US dollar interest rate	US dollar interest rate
0.5%	12.7	12.7
1.0%	25.3	25.3
2.0%	50.7	50.7

At 31 March 2010

Decrease in interest Rates	Effect on net earnings (in $ million)	Effect on total equity (in $ million)
	US dollar interest rate	US dollar interest rate
0.5%	10.9	10.9
1.0%	21.7	21.7
2.0%	43.4	43.4

(d) Credit risk

The Group is exposed to credit risk from trade receivables, liquid investments and other financial instruments.

The Group has clearly defined policies to mitigate counterparty risks. Cash and liquid investments are held primarily in mutual funds and banks with good credit ratings. Defined limits are in place for exposure to individual counterparties in case of mutual fund houses and banks.

The large majority of receivables due from third parties are secured. Moreover, given the diverse nature of our businesses trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of the Group's net sales or for any of the Group's primary businesses during the year ended 31 March 2011 and in the previous year. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Group does not expect any material risk on account of non-performance by any of our counterparties.

The Group's maximum exposure to credit risk at 31 March 2011 is $9,574.7 million (2010: $8,380.6 million).

Of the year end trade and other receivable balance the following were past due but not impaired as at 31 March 2011

$ million	2011	2010
Less than 1 month	14.2	200.2
Between 1 - 3 months	6.1	68.2
Between 3 - 12 months	8.7	31.3
Greater than 12 months	17.0	8.9
Total	**46.0**	**308.6**

Derivative financial instruments

The fair value of all derivatives is separately recorded on the balance sheet within other financial assets (derivatives) and other financial liabilities (derivatives), current and non current. In addition, the derivative component of certain convertible bonds is shown as part of the overall convertible bond liability (see Note 27). Derivatives that are designated as hedges are classified as current or non-current depending on the maturity of the derivative.

Embedded derivatives

Derivatives embedded in other financial instruments or other contracts are treated as separate derivative contracts, when their risks and characteristics are not closely related to those of their host contracts.

Cash flow hedges

The Group also enters into forward exchange and commodity price contracts for hedging highly probable forecast transactions and accounts for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognised in equity until the hedged transactions occur, at which time the respective gains or losses are transferred to the income statement.

The fair value of the Group's open derivative positions at 31 March 2011, recorded within other financial assets (derivatives) and other financial liabilities (derivatives) is as follows:

$ million	As at 31 March 2011		As at 31 March 2010	
	Liability	**Asset**	**Liability**	**Asset**
Current				
Cash flow hedges				
- Commodity contracts	-	-	-	-
- Forward foreign currency contracts	(0.2)	8.1	(10.2)	3.9
- Interest rate swap (floating to fixed)	-	-	-	-
Fair value hedges				
- Commodity contracts	(3.3)	0.2	(0.8)	-
- Forward foreign currency contracts	-	0.3	(6.3)	3.9
-Interest rate swap	-	-	-	-
- Others(Foreign Currency Swap)	-	-	(12.1)	-
Non Qualifying hedges				
- Commodity contracts	(5.0)	3.1	(1.0)	2.6
- Forward foreign currency contracts	(0.8)	29.2	(8.1)	-
Total	**(9.3)**	**40.9**	**(38.5)**	**10.4**
Non-current				
Fair value hedges				
- Forward foreign currency contracts	-	-	-	-
- Interest rate swap	-	-	-	-
- Others(Foreign Currency Swap)	(94.2)	99.4	(44.7)	43.7
Total	**(94.2)**	**99.4**	**(44.7)**	**43.7**
Grand Total	**(103.5)**	**140.3**	**(83.2)**	**54.1**

The majority of cash flow hedges taken out by the Group during the year comprise forward foreign currency contracts for firm future commitments.

Non-qualifying hedges

The majority of these derivatives comprise copper sale and purchase contracts at Sterlite custom smelting operations which are economic hedges but which do not fulfil the requirements for hedge accounting of IAS 39 Financial Instruments: Recognition and Measurement.

Fair value hedges

The fair value hedges relate to forward covers taken to hedge currency exposure on purchase of raw materials & capital imports.

Hedging reserves reconciliation

$ million	Hedging reserves	Non-controlling interests *	Total
At 1 April 2009	**(39.6)**	**(1.3)**	**(40.9)**
Amount recognised directly in equity	40.7	6.1	46.8
Amount charged to income statement	28.4	9.2	37.6
Exchange difference	(1.7)	0.9	(0.8)
At 1 April 2010	**27.8**	**14.9**	**42.7**
Amount recognised directly in equity	7.7	(3.9)	3.7
Amount charged to income statement	2.3	(3.3)	(1.1)
Exchange difference	0.4	0.0	0.4
At 31 March 2011	**38.2**	**7.7**	**45.7**

29. Provisions

$ million	Restoration, rehabilitation and environmental	KCM Copper Price Participation	Other	Total
At 1 April 2009	**37.0**	**115.7**	**19.7**	**172.4**
(Credited)/charged to income statement	(14.9)	13.7	(4.9)	(6.1)
Unwinding of discount	0.2	3.9	0.2	4.3
Cash paid	0.6	(7.9)	0.5	(6.8)
Exchange differences	2.4		2.3	4.7
At 1 April 2010	**25.3**	**125.4**	**17.8**	**168.5**
Acquisition	121.2	-	19.3	140.5
(Credited)/charged to income statement	2.2	(0.9)	1.1	2.4
Unwinding of discount	0.7	6.6	0.7	7.9
Cash paid	0.1	-	3.9	4.0
Exchange differences	0.9	-	-	0.9
At 31 March 2011	**150.4**	**131.1**	**42.8**	**324.3**
Current 2011	-	-	22.8	22.8
Non-current 2011	150.4	131.1	20.0	301.5
	150.4	**131.1**	**42.8**	**324.3**
Current 2010	-	-	0.9	0.9
Non-current 2010	25.3	125.4	16.9	167.6
	25.3	**125.4**	**17.8**	**168.5**

Restoration, rehabilitation and environmental

The provisions for restoration, rehabilitation and environmental liabilities represent the Directors' best estimate of the costs which will be incurred in the future to meet the Group's obligations under existing Indian, Australian,Zambian, Namibian, South African and Irish law and the terms of the Group's mining and other licences and contractual arrangements. These amounts become payable on closure of mines and are expected to be incurred over a period of 3 to 20 years.

KCM Copper Price Participation

KCM Copper Price Participation relates to provision in respect of a price participation agreement in Zambia which requires KCM to pay ZCCM an agreed annual sum when copper price exceeds specified levels and specific triggers. The timing of the outflow is dependent on future copper prices as well as dividends paid.

Other

Other includes provision on post retirement medical benefits and insurance claim receivables.

30. Deferred tax

The Group has accrued significant amounts of deferred tax. The majority of the deferred tax liability represents accelerated tax relief for the depreciation of capital expenditure and the depreciation on mining reserves created on acquisitions, net of losses carried forward by KCM

The amounts of deferred taxation on temporary differences, provided and not provided, in the accounts are as follows:

Provided – liabilities/ (assets)

$ million	As at 31 March 2011	As at 31 March 2010
Accelerated capital allowances	1,773.9	1,639.0
Unutilised tax losses	(377.3)	(406.9)
Other temporary differences	(66.7)	(31.7)
	1,329.9	**1,200.4**
Recognised as:		
Deferred tax liability provided	1,348.1	1,209.3
Deferred tax asset recognised	(18.2)	(8.9)
	1,329.9	**1,200.4**

Unrecognised deferred tax assets

$ million	As at 31 March 2011	As at 31 March 2010
Unutilised tax losses	(252.0)	(128.4)

The above relates to the tax effect of $ 356.9 million (2010: 190.2 million) of unutilised tax losses of the Company and VRHL which have no expiry period and $ 490.8 million (2010: 223.5 million) of unutilised tax losses and capital allowances for VAL. No benefit has been recognised for these items on the grounds that their successful application against future profits is not probable in foreseeable future.

Deferred tax asset

$ million	As at 31 March 2011	As at 31 March 2010
At 1 April	**8.9**	**11.2**
Credited / (Charged) to income statement	17.3	(2.2)
Charged directly to equity	(8.3)	-
Foreign exchange differences	0.3	(0.1)
At 31 March	**18.2**	**8.9**

The Group has $ 1,234.9 million of unutilised tax losses at KCM (2010: $1,356.3 million) which expire in the period 2016 to 2019 and have been offset against accelerated capital allowances at the same entity.

Deferred tax liability

$ million	As at 31 March 2011	As at 31 March 2010
At 1 April 2010	**1,209.3**	**1,010.6**
Addition due to acquisition	195.9	160.6
Credited to income statement	(62.6)	(101.2)
Charged directly to equity	2.3	8.5
Foreign exchange differences	14.1	124.6
Prior year adjustments	(10.9)	6.2
At 31 March 2011	**1,348.1**	**1,209.3**

No deferred tax has been recognised in respect of temporary differences associated with investments in subsidiaries where the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. The aggregate amount of temporary differences associated with such investments in subsidiaries is represented by the contribution of those investments to the Group's retained earnings and amounted to $3,966.1 million (2010: $3,076.6 million).

31. Share based payments

Employee share schemes

The Group aims to provide superior rewards for outstanding performance and a high proportion of 'at risk' remuneration for Executive Directors. Three employee share schemes were approved by shareholders on Listing. The Board has no present intention to introduce any further share schemes.

The Vedanta Resources Long-Term Incentive Plan (the 'LTIP')

The LTIP is the primary arrangement under which share-based incentives are provided to the Executive Directors and the wider management group. The maximum value of shares that can be conditionally awarded to an Executive Director in a year is 100% of annual salary. In respect of Messrs Navin Agarwal and MS Mehta, salary means the aggregate of their salary payable by Vedanta and their gross salary payable by Sterlite. The maximum value of shares that can be awarded to members of the wider management group is calculated by reference to the base salary, share based remuneration already received and consistent with local market practice.

The performance condition attaching to outstanding awards under the LTIP is that the Company's performance, measured in terms of Total Shareholder Return ('TSR') (being the movement in a company's share price plus reinvested dividends), is compared over the performance period with the performance of the companies as defined in the scheme from the date of grant. The extent to which an award vests will depend on the Company's TSR rank against a group of peer companies ("Adapted Comparator Group") at the end of the performance period. The vesting schedule is shown in the table below, with adjusted straight-line vesting in between the points shown and rounding down to the nearest whole share.

Vedanta's TSR Performance against Adapted Comparator Group

	% of award vesting
Below median	-
At median	40
At or above upper quartile	100

The performance condition will be measured by taking the Company's TSR over the four weeks immediately preceding the date of grant and over the four weeks immediately preceding the end of the performance period, and comparing its performance with that of the comparator group described above. The information to enable this calculation to be carried out on behalf of the Remuneration Committee ('the Committee') will be provided by the Company's advisers. The Committee considers that this performance condition, which requires that the Company's total return has out-performed a group of companies chosen to represent the mining sector, provides a reasonable alignment of the interests of the Executive Directors and the wider management group with those of the shareholders.

No awards will vest unless the Committee is satisfied that the Company's TSR performance reasonably reflects the Company's underlying financial performance.

Initial awards under the LTIP were granted on 26 February 2004 with further awards being made on 11 June 2004, 23 November 2004, 1 February 2006, 1 February 2007, 14 November 2007,1 February 2009, 1 August 2009, 1 January 2010, 1 April 2010, 1 July 2010, 1 October 2010 and 1 January 2011. The exercise price of the awards is 10 US cents per share and the performance period is one year for the February 2007 awards and three years for all other awards, with no re-testing being allowed. The exercise period is six months from the date of vesting. Further details on the LTIP would be available in the Remuneration Report of the Annual Report for FY 2011.

Year of Grant	Exercise Date	Exercise price US cents per share	Options outstanding 1 April 2010	Options granted during the year	Options lapsed during the year	Options lapsed during the year owing to performance conditions	Options exercised during the year	Options outstanding at 31 March, 2011
2007	14 November 2010 to 14 May 2011	10	1,302,649		44,200	460,339	735,088	63,022
2009	1 February 2012 - 1 August 2012	10	11,200		11,200			
2009	1 August 2012 – 1 February 2013	10	2,348,150		189,800	21,027	3,160	2,134,163
2010	1 January 2013 – 1 July 2013	10	14,000					14,000
2010	1 April 2013 – 1 September 2013	10		4,000	4,000			
2010	1 July 2013 – 1 December 2013	10		7,500				7,500
2010	1 October 2013 – 1 March 2014	10		6,700				6,700
2011	1 January 2014 – 1 July 2014	10		2,700				2,700
			3,675,999	**20,900**	**249,200**	**481,366**	**738,248**	**2,228,085**

As at 31 March 2011 all the options granted on 1 February 2009 and 1 April 2010, were lapsed and all the remaining unexercised options granted on 14 November 2007, 1 August 2009, 1 January 2010, 1 July 2010, 1 October 2010 and 1 January 2011 remain unexercised. The Weighted average share price for the share options exercised during the year was £ 23.86.

All share-based awards of the Group are equity-settled as defined by IFRS 2 "Share Based Payment". The fair value of these awards has been determined at the date of grant of the award allowing for the effect of any market-based performance conditions. This fair value, adjusted by the Group's estimate of the number of awards that will eventually vest as a result of non-market conditions, is expensed uniformly over the vesting period.

The fair values were calculated using the Monte Carlo model with suitable modifications to allow for the specific performance conditions of the LTIP. The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends and the risk free rate of interest. A progressive dividend growth policy is assumed in all fair value calculations. Expected volatility has been calculated using historical share prices over the period to date of grant that is commensurate with the performance period of the option. The share prices of the mining companies in the Adapted Comparator Group have been modelled based on historical price movements over the period to date of grant which is also commensurate with the performance period for the option. The history of share prices is used to determine the volatility and correlation of share prices for the companies in the Adapted Comparator Group and is needed for the Monte Carlo simulation of their future TSR performance relative to the Company's TSR performance. All options are assumed to be exercised six weeks after vesting.

The assumptions used in the calculations of the charge in respect of the LTIP awards granted during the year are set out below:

	LTIP April 2010	LTIP July 2010	LTIP October 2010	LTIP January 2011
Date of grant	1-Apr-10	1-Jul-10	1-Oct-10	1-Jan-11
Number of instruments	4,000	7,500	6,700	2,700
Exercise price	US $ 0.10	US $ 0.10	US $ 0.10	US $ 0.10
Share price at the date of grant	GBP £27.76	GBP £21.25	GBP £21.65	GBP £25.17
Contractual life	3 Years	3 Years	3 Years	3 Years
Expected volatility	70%	70%	70%	70%
Expected option life	3.2 Years	3.2 Years	3.2 Years	3.2 Years
Expected dividends	1.4% pa	1.4% pa	1.4% pa	1.4% pa
Risk free interest rate	2.3% pa	2.3% pa	2.3% pa	2.3% pa
Expected annual forfeitures	13.5% pa	13.5% pa	13.5% pa	13.5% pa
Fair value per option granted	GBP £18.925	GBP £14.487	GBP £14.760	GBP £17.160

The Group recognised total expenses of $18.4 million and $15.6 million related to equity settled share based payment transactions in the year ended 31 March 2011 and 31 March 2010 respectively.

32. Retirement benefits

The Group operates pension schemes for the majority of its employees in India, Australia, Africa and Ireland.

(a) Defined contribution schemes

Indian pension schemes

Central Provident Fund

The Central Provident Fund relates to all full time Indian employees of the Group. The amount contributed by the Group is a designated percentage of 12% of basic salary less contributions made as part of the Pension Fund (see below), together with an additional contribution of 12% of salary made by the employee.

The benefit is paid to the employee on their retirement or resignation from the Group.

Superannuation

Superannuation, another pension scheme applicable in India, is applicable only to senior executives. Certain companies hold policies with the Life Insurance Corporation of India (“LIC”), to which they contribute a fixed amount relating to superannuation, and the pension annuity is met by the LIC as required, taking into consideration the contributions made. Accordingly, this scheme has been accounted for on a defined contribution basis and contributions are charged directly to the income statement.

Pension Fund

The Pension Fund was established in 1995 and is managed by the Government. The employee makes no contribution to this fund but the employer makes a contribution of 8.33% of salary each month subject to a specified ceiling per employee. This must be provided for every permanent employee on the payroll.

At the age of superannuation, contributions cease and the individual receives a monthly payment based on the level of contributions through the years, and on their salary scale at the time they retire, subject to a maximum ceiling of salary level. The Government funds these payments, thus the Group has no additional liability beyond the contributions that it makes, regardless of whether the central fund is in surplus or deficit.

Australian Pension Scheme

The Group also operates defined contribution pension schemes in Australia. The contribution of a proportion of an employee's salary into a superannuation fund is a compulsory legal requirement in Australia. The employer contributes 9% of the employee's gross remuneration where the employee is covered by the industrial agreement and 12% of the basic remuneration for all other employees, into the employee's fund of choice. All employees have the option to make additional voluntary contributions.

Zambian Pension Scheme

The KCM Pension Scheme is applicable to full time permanent employees of KCM (subject to the fulfilment of certain eligibility criteria). The management of the scheme is vested in the trustees consisting of representatives of the employer and the members. The employer makes a monthly contribution to the KCM Pension Scheme of an amount equal to 11% of that month's pensionable salary and the member makes monthly contributions to the fund of an amount equal to 5% of that month's pensionable salary.

All contributions to the KCM Pension Scheme in respect of a member cease to be payable when the member attains normal retirement age of 55 years, or upon leaving the service of the employer, or when the member is permanently medically incapable of performing duties in the service of the employer. Upon such cessation of contribution on the grounds of normal retirement, or being rendered medically incapable of performing duties, or early voluntary retirement within five years of retirement, the member is entitled to receive an immediate annual pension equal to his accrued pension. The member is allowed to commute his/her accrued pension subject to certain rules and regulations. The trustees of the KCM Pension Scheme may also allow the purchase of an annuity for the benefit of members from a life assurance company or other providers of annuities, subject to statutory regulations.

The Group has no additional liability beyond the contributions that it makes, regardless of whether the KCM Pension Scheme is in surplus or deficit. Accordingly, this scheme has been accounted for on a defined contribution basis and contributions are charged directly to the income statement.

Skorpion Zinc, Namibia Provident Fund

The Skorpion Zinc Provident Fund is a defined contribution fund and is compulsory to all full time employees under the age of 60. Company contribution to the fund is a fixed percentage of 8% per month of pensionable salary, whilst the employee contribute 7% with the option of making additional contributions, over and above the normal contribution, up to a maximum of 12%.

Normal retirement age is 60 years and benefit payable is the members fund credit which is equal to all employer and employee contributions plus interest. The same applies when an employee resigns from the company. The Fund provides disability cover which is equal to the member's fund credit and a death cover of 2 times annual salary in the event of death before retirement. The latest actuarial value was performed at 28 February 2011. At that date the Fund was credit. Current membership total is 721.

Black Mountain (Pty) Limited, South Africa Pension & Provident Funds

Black Mountain Mining (Pty) Ltd has two retirement funds, both administered by Alexander Forbes, a registered financial service provider. Both funds form part of the Alexander Forbes umbrella fund and are defined contribution funds. The purpose of the funds is to provide retirement and death benefits to all eligible employees.

Lisheen Mine, Ireland Pension Funds

Lisheen Pension Plan is for all employees. Lisheen pays 5% and employees pays 5% with the option to contribute AVC's if desired. Executive contributions 15% by company and 15% by the employee with the option to contribute AVC's if desired. Death benefit is three times salary for employees and four times salary for executives. Pension and Life Cover ceases at 65.

(b) Defined benefit schemes

India

The Gratuity schemes are defined benefit schemes which are open to all Group employees in India who have a minimum of five years of service with their employing company. These schemes are funded by the Group in some subsidiaries. Based on actuarial valuation, a provision is recognised in full for the projected obligation over and above the funds held in scheme. In case where there is no funding held by the scheme, full provision is recognised in the balance sheet. Under these schemes, benefits are provided based on final pensionable pay.

The assets of the schemes are held in separate funds and a full actuarial valuation of the schemes is carried out on an annual basis.

MALCO

MALCO contributes to the LIC Fund based on an actuarial valuation every year. MALCO's Gratuity scheme is accounted for on a defined benefit basis. The latest actuarial valuation was performed as at 31 March 2011 using the projected unit credit actuarial method. At that date the fund was in deficit.

BALCO

At BALCO, all employees who are scheduled to retire on or before 31 March 2011 are covered by the LIC and remaining contributions to the LIC have been made upto 31 March 2013 and have been accounted for on a defined contribution basis. The Gratuity scheme is accounted for as a defined benefit scheme for all employees scheduled to retire after 31 March 2013 and who are not covered by the LIC. A provision is recognised based on the latest actuarial valuation which was performed as at 31 March 2011 using the projected unit actuarial method. At that date the fund was in deficit.

HZL

HZL contributes to the LIC based on an actuarial valuation every year. HZL's Gratuity scheme is accounted for on a defined benefit basis. The latest actuarial valuation was performed as at 31 March 2011 using the projected unit actuarial method. At that date the fund was in deficit.

VAL

VAL contributes to the LIC based on an actuarial valuation. Liabilities with regard to the Gratuity scheme are fully provided in the Balance Sheet and are determined by actuarial valuation as at the balance sheet date and as per gratuity regulations for the company. The latest actuarial valuation was performed as at 31 March 2011 using the projected unit actuarial method. At that date the fund was in deficit.

TSPL

TSPL contributes to the LIC based on an actuarial valuation. Liabilities with regard to the Gratuity scheme are fully provided in the Balance Sheet and are determined by actuarial valuation as at the balance sheet date and as per gratuity regulations for the company. The latest actuarial valuation was performed as at 31 March 2011 using the projected unit actuarial method.

Sterlite

Sterlite does not contribute to the LIC. Liabilities with regard to the Gratuity scheme are fully provided in the Balance Sheet and are determined by actuarial valuation as at the balance sheet date and as per gratuity regulations for the company. The latest actuarial valuation was performed as at 31 March 2011 using the projected unit actuarial method. At that date the fund was in deficit.

Sesa Goa

Sesa Goa contributes to the LIC based on actuarial valuation every year. Sesa Goa's Gratuity scheme is accounted for on a defined benefit basis. The latest actuarial valuation was performed as at 31 March 2011 using the projected unit actuarial method. At that date the fund was in deficit.

Zambia

Specified permanent employees of KCM are entitled to receive medical and retirement severance benefits. This comprises two months' basic pay for every completed year of service with an earliest service start date of 1 July 2004. Under this scheme, benefits are provided based on final pensionable pay and a full actuarial valuation of the scheme is carried out on an annual basis. The accruals are not contributed to any fund and are in the form of provisions in KCM's accounts.

On the death of an employee during service, a lump sum amount is paid to his dependants. This amount is equal to sixty months' basic pay for employees who joined before 1 April 2000 and thirty months' basic pay for employees who joined on or after 1 April 2000. For fixed term contract employees, the benefit payable on death is thirty months' basic pay

As at 31 March 2011, membership of pension schemes across MALCO, BALCO, HZL, VAL, Sterlite, Sesa and KCM stood at 28,905 employees (31 March 2010: 29,637). The deficits, principal actuarial assumptions and other aspects of these schemes are disclosed in further detail in notes (d) and (e) below.

(c) Pension scheme costs

Contributions of $41.2 million and $ nil million in respect of defined benefit schemes were outstanding and prepaid respectively as at 31 March 2011 (2010: $36.7 million and $ nil million respectively)

Contributions to pension schemes in the year ending 31 March 2012 are expected to be around $9.8 million.

$ million **Pension Scheme Costs**	**Year ended** **31 March 2011**	**Year ended** **31 March 2010**
Defined contribution pension schemes	22.3	17.7
Defined benefit pension schemes	29.3	20.5
	51.6	**38.2**

(d) Principal actuarial assumptions.

Principal actuarial assumptions used to calculate the defined benefit schemes' liabilities are:

	MALCO		BALCO		Sterlite		HZL		KCM		VAL		Sesa Goa	
Particulars	**Mar-11**	**Mar-10**	**Mar-11**	**Mar-10**	**Mar-11**	**Mar-10**	**Mar-11**	**Mar-10**	**Mar-11**	**Mar-10**	**Mar-11**	**Mar-10**	**Mar-11**	**Mar-10**
Discount rate	7.5%	7.5%	8.0%	7.5%	8.0%	7.5%	8.0%	7.5%	16.95 %	18.6 %	8.0%	7.5%	8.0%	8.0%
Salary increases	6.0%	6.0%	5.0 % for office staff, 3.0 % Non office	5.0 % for office staff, 3.0 % Non office	5.5%	5.0%	5.5%	5.0%	5.0%	5.0%	5.5%	5.5%	5.0%-7.0%	5.0% - 7.0%
Funding rate of return	-	-	9.4%	-	7.5%	7.5%	9.5%	9.0%	-	-	8.0%	7.5%	8.0%-9.4%	8.0% - 9.3%
Number of employees	78	133	4,167	4,843	1,765	1,839	6,642	6,805	9,366	9,790	3,395	3,180	3,277	3,047

Assumptions regarding mortality for Indian entities are based on mortality table of LIC (1994-96) as subsequently modified.

Assumptions regarding mortality for KCM are based on World Health Organisation Life Tables for 1999 applicable to Zambia which has been taken as a reference point. Based on this a mortality table which is appropriate for the workers of Konkola Copper Mines plc has been derived.

(e) Balance sheet recognition

The amounts included in the balance sheet arising from the Group's obligations in respect of its defined benefit pension schemes are as follows:

	31-Mar-11								31-Mar-10							
$ million	**MALCO**	**BALCO**	**Sterlite**	**HZL**	**KCM**	**VAL**	**Sesa Goa**	**Total**	**MALCO**	**BALCO**	**Sterlite**	**HZL**	**KCM**	**VAL**	**Sesa Goa**	**Total**
Fair value of pension scheme assets	0.2	1.7	2.3	25.8	-	1.3	8.0	39.3	-	-	1.9	22.9	-	0.3	7.5	32.6
Present value of pension scheme liabilities	-	(23.5)	(3.9)	(38.5)	(19.6)	(0.8)	(9.8)	(96.1)	(0.2)	(13.3)	(3.2)	(27.5)	(16.1)	(0.4)	(8.6)	(69.3)
Deficit in pension scheme recognised in balance sheet	**0.2**	**(21.8)**	**(1.6)**	**(12.7)**	**(19.6)**	**0.5**	**(1.8)**	**(56.8)**	**(0.2)**	**(13.3)**	**(1.3)**	**(4.6)**	**(16.1)**	**(0.1)**	**(1.1)**	**(36.7)**
Deferred tax	(0.1)	7.1	0.5	4.0	6.4	(0.1)	0.6	18.4	0.1	4.5	0.4	1.5	5.5	-	0.4	12.4
Net pension liability	**0.1**	**(14.7)**	**(1.1)**	**(8.7)**	**(13.2)**	**0.4**	**(1.2)**	**(38.4)**	**(0.1)**	**(8.8)**	**(0.9)**	**(3.1)**	**(10.6)**	**(0.1)**	**(0.7)**	**(24.3)**

(f) Amounts recognised in income statement in respect of defined benefit pension schemes:

	31-Mar-11								31-Mar-10							
Particulars	**MALCO**	**BALCO**	**Sterlite**	**HZL**	**KCM**	**VAL**	**Sesa Goa**	**Total**	**MALCO**	**BALCO**	**Sterlite**	**HZL**	**KCM**	**VAL**	**Sesa Goa**	**Total**
Current service cost	0.1	0.5	0.4	1.6	1.6	0.2	0.5	4.9	-	0.5	0.3	1.2	2.5	0.2	0.4	5.1
Actuarial (gains)/losses	0.1	5.2	0.3	11.0	2.6	0.2	1.0	20.4	(0.1)	1.9	0.7	3.4	5.1	-	0.3	11.3
Expected return on scheme assets	-	(0.2)	(0.1)	(2.2)	-	-	-	(2.5)	-	-	(0.1)	(1.7)	-	-	-	(1.8)
Interest cost of scheme liabilities	-	0.8	0.3	2.2	2.7	-	0.7	6.7	-	0.8	0.2	1.6	2.7	-	0.6	5.9
Total charge/(credit) to income statement	**0.2**	**6.3**	**0.9**	**12.6**	**6.9**	**0.4**	**2.2**	**29.5**	**(0.1)**	**3.2**	**1.1**	**4.5**	**10.3**	**0.2**	**1.3**	**20.5**

(g) Movements in the present value of defined benefit obligations

The movement during the year ended 31 March 2011 of the present value of the defined benefit obligation was as follows:

	31-Mar-11								31-Mar-10							
Particulars	**MALCO**	**BALCO**	**Sterlite**	**HZL**	**KCM**	**VAL**	**Sesa Goa**	**Total**	**MALCO**	**BALCO**	**Sterlite**	**HZL**	**KCM**	**VAL**	**Sesa Goa**	**Total**
At 1 April 10	**(0.2)**	**(13.3)**	**(3.2)**	**(27.5)**	**(16.1)**	**(0.4)**	**(8.6)**	**(69.3)**	**(0.5)**	**(12.0)**	**(2.0)**	**(19.3)**	**(13.9)**	**(0.2)**	**(5.0)**	**(52.9)**
At acquisition							-	-							(2.0)	(2.0)
Current service cost	(0.1)	(0.5)	(0.4)	(1.6)	(1.6)	(0.2)	(0.5)	(4.9)	-	(0.5)	(0.3)	(1.2)	(2.5)	(0.2)	(0.4)	(5.1)
Gratuity benefits paid	0.2	5.6	0.3	4.2	3.4	-	1.0	14.7	0.3	3.3	0.3	0.8	8.0	-	0.5	13.2
Interest cost of scheme liabilities	-	(0.8)	(0.3)	(2.2)	(2.7)	-	(0.7)	(6.7)	-	(0.8)	(0.2)	(1.6)	(2.7)	-	(0.6)	(5.9)
Actuarial gains/(losses)	(0.1)	(5.2)	(0.3)	(11.0)	(2.6)	(0.2)	(1.0)	(20.4)	0.1	(1.9)	(0.7)	(3.4)	(5.1)	-	(0.3)	(11.3)
Exchange difference	0.2	(9.3)	-	(0.4)	-	-	-	(9.5)	(0.1)	(1.5)	(0.3)	(2.8)	-	-	(0.8)	(5.5)
At 31 March 11	**-**	**(23.5)**	**(3.9)**	**(38.5)**	**(19.6)**	**(0.8)**	**(9.8)**	**(96.1)**	**(0.2)**	**(13.3)**	**(3.2)**	**(27.5)**	**(16.1)**	**(0.4)**	**(8.6)**	**(69.3)**

(h) Movements in the fair value of scheme assets

$ million	As at 31 March 2011	As at 31 March 2010
At 1 April	**32.6**	**23.4**
Acquisition	-	2.4
Contributions received	11.5	15.5
Benefits paid	(14.7)	(13.2)
Expected return on plan asset	2.6	1.8
Foreign exchange differences	7.3	2.7
At 31 March	**39.3**	**32.6**

(i) Five year history

Defined benefit pension plan

$ million	As at 31 Mar 11	As at 31 Mar 10	As at 31 Mar 09	As at 31 Mar 08	As at 31 Mar 07
Experience (losses)/gains arising on scheme liabilities	(20.4)	(11.3)	7.8	1.4	2.9
Difference between expected and actual return on plan assets	-	-	0.1	-	(0.1)
Fair value of pension scheme assets	39.3	32.6	23.6	26.8	17.0
Present value of pension scheme liabilities	(96.1)	(69.3)	(52.9)	(69.3)	(52.3)
Deficits in the schemes	(56.8)	(36.7)	(29.3)	(42.5)	(35.3)

33. Share capital

	At 31 March 2011		At 31 March 2010	
Authorised	**Number**	**$ million**	**Number**	**$ million**
Ordinary shares of 10 US cents each	400,000,000	40.0	400,000,000	40.0
Deferred shares of £1 each	50,000	0.0	50,000	0.0
	400,050,000	**40.0**	**400,050,000**	**40.0**

Ordinary shares issued and fully paid	**Number**	**$ million**	**Number**	**$ million**
Ordinary shares of 10 US cents each	296,845,751	29.7	296,101,246	29.6
Deferred shares of £1 each	50,000	-	50,000	-
	296,895,751	**29.7**	**296,151,246**	**29.6**

During the year ended 31 March 2011, the Company issued 738,248 shares to the employees pursuant to the LTIP scheme (2010: 418,532 shares).

The holders of deferred shares do not have the right to receive notice of any general meeting of the Company nor the right to attend, speak or vote at any such general meeting. The deferred shares have no rights to dividends and, on a winding-up or other return of capital, entitle the holder only to the payment of the amounts paid on such shares after repayment to the holders of Ordinary Shares of the nominal amount paid up on the Ordinary Shares plus the payment of £100,000 per Ordinary Share. Of the 50,000 deferred shares, one deferred share was issued at par and has been fully paid, and 49,999 deferred shares were each paid up as to one-quarter of their nominal value.

During the year ended 31 March 2011, the Company continued its share buy-back programme and purchased 3,126,133 of its own shares (2010: 11,502,873) which are held in treasury. At 31 March 2011, the total number of shares held in treasury was 24,206,816 (2010: 21,080,683).

34. Business Combinations

On 3 December 2010 Vedanta Resources plc through its subsidiary THL Zinc Limited, acquired 100% equity of Anglo Base Namibia Holdings (Pty) Ltd which is the holding co. of the Skorpion Namibian assets for a total consideration of $ 706.7 million. The operating and financial results of Skorpion Zinc, Namibia have been consolidated effective from 3 December 2010, which was the date of acquisition. Skorpion Zinc, Namibia is invloved in mining and smelting of zinc.

The fair values and business combination accounting set out in this annual report are provisional for the 12 month period from the date of acquisition.

The fair value of the identifiable assets and liabilities of Skorpion Zinc, Namibia as at the date of the acquisition were estimated as follows:

$ million	Fair value
Assets	
Non-current assets	
Property, plant and equipment	628.2
Financial assets investments	3.0
Current assets	
Inventories	53.3
Trade and other receivables	3.9
Cash and cash equivalents	119.5
	176.7
Liabilities	
Current liabilities	
Trade and other payables	(21.7)
Current tax liabilities	(0.2)
	(21.9)
Non-current liabilities	
Deferred tax liabilities	(30.6)
Provisions	(48.7)
	(79.3)
Net assets	**706.7**
Satisfied by:	
Cash consideration paid	706.7

Since the date of acquisition, Skorpion Zinc has contributed $112.2 million to the revenue and $18.6 million to the net profit of the Group for the year ended March 2011. If Skorpion Zinc had been acquired at the beginning of the year, the revenue of the Group would have been $342.2 million higher and the net profit of the Group would have been $80.4 million higher.

Acquistion costs related to Skorpion Zinc, charged to income statement is $1.93 million.

On 4 February 2011 Vedanta Resources plc through its subsidiary THL Zinc Limited, acquired 74% equity of Black Mountain Mining (Pty) Ltd for a total consideration of $ 260.2 million. Shareholder's loan from Anglo to Black Mountain Mines was taken over by Vedanta of amount $87.7 million.. The operating and financial results of Black Mountain Mines, South Africa have been consolidated effective from 4 February 2011, which was the date of acquisition. Black Mountain Mines, South Africa holds two key assets, which includes Black Mountain mine and the Gamsberg exploration project

The fair value of the identifiable assets and liabilities of Black Mountain Mines as at the date of the acquisition were provisionally estimated as follows:

$ million	Fair value
Assets	
Non-current assets	
Intangibles	162.1
Property, plant and equipment	297.5
Financial assets investments	10.8
	470.4
Current assets	
Inventories	34.8
Trade and other receivables	29.9
Cash and cash equivalents	31.6
	96.3
Liabilities	
Current liabilities	
Borrowings	(117.1)
Trade and other payables	(12.4)
Current tax liabilities	(8.9)
	(138.4)
Non-current liabilities	
Deferred tax liabilities	(124.8)
Provisions	(29.9)
	(154.7)
Net assets	**273.6**
Less: Non controlling recognised on acquisition -	(13.4)
	260.2
Satisfied by:	
Cash consideration paid	260.2

Since the date of acquisition, Black Mountain Mines has contributed $55.3 million to the revenue and $4.9 million to the net profit of the Group for the year ended March 2011. If Black Mountain Mines had been acquired at the beginning of the year, the revenue of the Group would have been $230.5 million higher and the net profit of the Group would have been $53.8 million higher.

Non controlling interest has been measured on a cost basis. Acquistion costs related to Black Mountain Mines, charged to income statement is $0.86 million.

On 15 February 2011 Vedanta Resources plc through its subsidiary THL Zinc Holding BV, acquired 100% equity of Anglo Americal Lisheen Finance Limited for a total consideration of $ 546.2 million. The operating and financial results of Lisheen Mines, Ireland have been consolidated effective from 15 February 2011, which was the date of acquisition. Lisheen Mines, Ireland is mainly invloved in mining and production of zinc concentrate.

The fair value of the identifiable assets and liabilities of Lisheen mines as at the date of the acquisition were estimated as follows:

$ million	Fair value
Assets	
Non-current assets	
Property, plant and equipment	278.9
	278.9
Current assets	
Inventories	18.2
Trade and other receivables	14.8
Cash and cash equivalents	325.2
Liquid investments	37.3
	395.5
Liabilities	
Current liabilities	
Trade and other payables	(22.8)
Current tax liabilities	(3.0)
	(25.8)
Non-current liabilities	
Deferred tax liabilities	(40.5)
Provisions	(61.9)
	(102.4)
Net assets	**546.2**
Satisfied by:	
Cash consideration paid	546.2

Since the date of acquisition, Lisheen Mines has contributed $51.4 million to the revenue and $11.2 million to the net profit of the Group for the year ended March 2011. If Lisheen Mines had been acquired at the beginning of the year, the revenue of the Group would have been $291.9 million higher and the net profit of the Group would have been $101.4 million higher.

Acquistion costs related to Lisheen mines, charged to income statement is $5.7 million.

35. Commitments, guarantees and contingencies

Commitments

The Group has a number of continuing operational and financial commitments in the normal course of business including:

- Exploratory mining commitments;
- Mining commitments arising under production sharing agreements; and
- Completion of the construction of certain assets.

$ million	As at 31 March 2011	As at 31 March 2010
Capital commitments contracted but not provided	3,737.1	4,065.4

Commitments at 31 March 2011 primarily related to the expansion projects at HZL $ 144.2 million (2010: $85.6 million), KCM $ 127.4 million (2010: $180.0 million), VAL $ 538.7 million (2010: $1,013.6 million), SEL $ 121.9 million (2010: $258.6 million), BALCO $516.6 million (2010: $512.8 million) and Talwandi Sabo $ 1,818.4 million (2010: $1,589.4 million).

Guarantees

Companies within the Group provide guarantees within the normal course of business. Guarantees have also been provided in respect of certain short-term and long-term borrowings.

A summary of the most significant guarantees is set out below:

As at 31 March 2011, $240.0 million of guarantees were advanced to banks in the normal course of business (2010: $133.3 million). The Group has also entered into guarantees advanced to the customs authorities in India of $1,077.2 million relating to the export of iron ore and payment of import duties on purchases of raw material (2010: $908.3 million).

Export obligations

The Indian entities of the Group have export obligations of $5,691.7 million (2010: $5,091.2 million) on account of concessional rates of import duty paid on capital goods under the Export Promotion Capital Goods Scheme and under Advance Licence Scheme for import of raw material laid down by the Government of India.

In the event of the Group's inability to meet its obligations, the Group's liability would be $711.6 million (2010: $723.0 million), reduced in proportion to actual exports. This liability is backed by bonds executed in favour of the customs department amounting to $ 1,710.5 million (2010: $958.2 million).

Guarantees to suppliers

The Group has given corporate guarantees to certain suppliers of concentrate. The value of these guarantees was $120.0 million at 31 March 2011 (2010: $170.0 million).

Environmental and terminal benefits ('ETB') cash reserve account – KCM

Pursuant to the terms of the shareholders' agreement between VRHL and ZCI dated 5 November 2004, KCM is expected to contribute a minimum of $10 million (with a maximum of $18.0 million) in any financial year to ensure that the amount of ETB liabilities are covered by a cash reserve when the life of the Konkola Ore Body comes to an end. The ETB liabilities refer to KCM's obligations in relation to the environment and any terminal benefits payable to its employees. As at 31 March 2011, ETB liabilities provided for were $86.0 million (2010: $76.0 million), although these liabilities are likely to fluctuate at each future reporting date.

Contingencies

The Company has the following significant contingencies. With regard to the claims against Group companies included below, unless stated, no provision has been made in the financial statements as the Directors believe that it is not probable that the claim will give rise to a material liability.

MALCO claims with Tamil Nadu Electricity Board ('TNEB')

TNEB is claiming $22.6 million from MALCO for an electricity self-generation levy for the period from May 1999 to June 2003. This claim has arisen since the commissioning of MALCO's captive power plant in 1999. The company has sought an exemption from the application of this levy from the Government of Tamil Nadu. The application is under consideration. Meanwhile, the Madras High Court has in its recent Order, remitted back the case to the State of Tamil Nadu, to take a decision afresh on the representation for grant of tax exemption on consumption of electricity and directed to pass a detailed speaking order.

HZL: Department of Mines and Geology

The Department of Mines and Geology of the State of Rajasthan issued several show cause notices in August, September and October 2006 to HZL, totalling $74 million. These notices alleged unlawful occupation and unauthorised mining of associated minerals other than zinc and lead at HZL's Rampura Agucha, Rajpura Dariba and Zawar mines in Rajasthan during the period from July 1968 to March 2006. HZL believes that the likelihood of this claim becoming an obligation of the company is unlikely and thus no provision has been made in the financial statements. HZL has filed writ petitions in the High Court of Rajasthan in Jodhpur and has obtained a stay in respect of these demands.

RICHTER: Income Tax

The Indian tax authorities have served a show cause notice on an indirect subsidiary of Vedanta Resources plc, Richter Holdings Ltd ('Richter'), for alleged failure to deduct withholding tax on capital gain on the alleged indirect acquisition of shares in Sesa Goa Ltd in April 2007. Richter has applied to the larger bench of the Karnataka High Court to seek to quash the notice in view of the established legal position. The Court has granted stay of proceedings for two months from 19 April 2011. Vedanta believes that neither Richter nor any other member of the Group is liable for such withholding tax and intends to defend this position vigorously.

Miscellaneous Disputes – Sterlite, HZL, MALCO and BALCO

The Indian excise and related indirect tax authorities have made several claims against the above companies for additional excise and indirect duties. The claims mostly relate either to the assessable values of sales and purchases or to incomplete documentation supporting the companies' returns.

The approximate value of claims against the companies total $583.5 million (2010: $380.4 million), of which $6.4 million (2010: $10.4 million) is included as a provision in the balance sheet as at 31 March 2011. In the view of the Directors, there are no significant unprovided liabilities arising from these claims.

36. Related party transactions

The information below sets out transactions and balances between the Group and various related parties in the normal course of business for the year ended 31 March 2011.

Sterlite Technologies Limited ('STL')

$ million	31 March 2011	31 March 2010
Sales to STL	137.8	165.0
Reimbursement of expenses	-	0.1
Purchases	5.3	-
Net Interest Received	0.2	0.1
Net amounts receivable at year end	13.3	4.4

Sterlite Technologies Limited is related by virtue of having the same controlling party as the Group, namely Volcan. Pursuant to the terms of the Shared Services Agreement dated 5 December 2003 entered into by the Company, Sterlite and STL, the Company and Sterlite provide various commercial services in relation to STL's businesses on an arm's length basis and at normal commercial terms. For the year ended 31 March 2011, the commercial services provided to STL were performed by certain senior employees of the Group on terms set out in the Shared Services Agreement. The services provided to STL in this year amounted to $nil (2010: $27,154).

Vedanta Foundation (formerly Sterlite Foundation)

During the year $ 1.7 million was paid to the Vedanta Foundation (2010: $1.1 million).

Vedanta Foundation is a registered not-for-profit entity engaged in computer education and other related social and charitable activities. The major activity of the Vedanta Foundation is providing computer education for disadvantaged students. The Vedanta Foundation is a related party as it is controlled by members of the Agarwal family who control Volcan. Volcan is also the majority shareholder of Vedanta Resources Plc.

Sesa Goa Community Foundation Limited

Following the acquisition of Sesa Goa, the Sesa Goa Community Foundation Limited, a charitable institution, became a related party of the Group on the basis that key management personnel of the Group have significant influence on the Sesa Goa Community Foundation Limited. During the year ended 31 March 2011, $0.7 million (2010: $0.7 million) was paid to the Sesa Goa Community Foundation Limited.

The Anil Agarwal Foundation

During the year, $0.4 million (2010: $0.6 million) was received from the Anil Agarwal Foundation towards reimbursement of administrative expenses. The Anil Agarwal Foundation is a registered not-for-profit entity engaged in social and charitable activities. The Anil Agarwal Foundation is controlled by members of the Agarwal family.

Henry Davis York

$ million	31 March 2011	31 March 2010
Consultancy services	1.2	0.4

Henry Davis York provides consultancy services to a subsidiary of the group. The executive management of Henry Davis York hold a similar office at the said subsidiary

Sterlite Iron and Steel Limited

$ million	31 March 2011	31 March 2010
Reimbursement of expenses	0.1	0.1
Receivable at year end	0.3	-

Sterlite Iron and Steel Limited is a related party by virtue of having the same controlling party as the Group, namely Volcan.

Sterlite Shipping Venture Limited

$ million	31 March 2011	31 March 2010
Reimbursement of expenses	-	0.01

Sterlite Shipping Venture Limited is controlled by members of the Agarwal family.

Vedanta Medical Research Foundation

$ million	31 March 2011	31 March 2010
Donation	9.5	-
Loan balance receivable	-	3.5
Other amount receivable at year end	-	4.5

Vedanta Medical Research Foundation (formerly Vedanta Medical Research Association) is a related party of the Group on the basis that key management personnel of the Group exercise significant influence.

Vedanta University

$ million	31 March 2011	31 March 2010
Reimbursement of expenses	-	(0.1)

Vedanta University is a related party of the Group on the basis that key management personnel of theGroup exercise significant influence.

Volcan Investments Limited

$ million	31 March 2011	31 March 2010
Reimbursement of expenses	0.2	-

Remuneration of key management personnel

The remuneration of the directors and the key management personnel of the Group are set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

$ million	Year ended 31 March 2011	Year ended 31 March 2010
Short-term employee benefits	8.8	8.7
Post employment benefits	0.6	0.5
Share based payments	5.0	9.4
	14.4	**18.6**

37. Share transactions

BALCO Option

The Company purchased a 51.0% holding in BALCO from the Government of India on 2 March, 2001. Under the terms of this shareholder's agreement ("SHA") for BALCO, the Company has a call option that allows it to purchase the Government of India's remaining ownership interest in BALCO at any point from 2 March, 2004. The Company exercised this option on 19 March, 2004. However, the Government of India has contested the validity of the option and the valuation. The Company sought an interim order from the High Court of Delhi to restrain the Government of India from transferring or disposing of its shareholding pending resolution of the dispute. The High Court directed on 7 August, 2006 that the parties attempt to settle the dispute by way of a mediation process as provided for in the SHA. However, as the dispute could not be settled through mediation, it has been referred to arbitration as provided for in the SHA. Arbitration proceedings commenced on 16 February 2009 and final hearing was held between 27 August 2010 and 29 August 2010. In view of the Judgement delivered by the Division Bench of the Bombay High Court on section 111A of the Companies Act, 1956, an additional hearing was held on 9 October 2010 giving opportunity to the parties to make their submissions on the same before the Arbitration Tribunal. The Arbitration Tribunal in its majority award dated 25th January 2011 has rejected the claims of Sterlite on the ground that clauses on call option, right of first refusal, tag along right, restriction on transfer of shares are violative of section 111A(2) of the Companies Act, 1956. Sterlite has on 23rd April 2011, filed an application under section 34 of the Arbitration and Conciliation Act, 1996 in the High Court of Delhi for setting aside the award dated 25th January, 2011 to the extent to which it holds that clause 5.8, 5.3, 5.4 and 5.1(a) of the SHA is void, ineffective and inoperative by virtue of being violative of sub-section (2) of 111A of the Companies Act, 1956. The listing of the application is awaited.

HZL Option

The Company's wholly-owned subsidiary, Sterlite Opportunities and Ventures Limited ("SOVL"), had two call options to purchase all of the Government of India's shares in HZL at fair market value. SOVL exercised the first call option on August 29, 2003 and acquired an additional 18.9% of HZL's issued share capital, increasing its shareholding to 64.9%. As of March 31, 2009 and 2010, the Government of India's holding in HZL was 29.5%. The second call option provides SOVL the right to acquire the Government of India's remaining 29.5% share in HZL. This call option is subject to the right of the Government of India to sell 3.5% of HZL to HZL employees. This call option is also subject to the Government of India's right, prior to the exercise of this call option, to sell its shares in HZL through a public offer. From April 11, 2007, SOVL has the right to exercise the second call option. The option has no expiry date. The Company has exercised the second call option in its letter dated July 21, 2009. The Government has stated that they are maintaining the same stand as in BALCO on the validity of the call option and has refused to act upon the second call option. The Company has invoked the Arbitration clause for referring the matter to arbitration and has appointed its arbitrator, and has requested the Government to nominate its arbitrator nominee so that Arbitral Tribunal is constituted. As the Government of India has not appointed its arbitrator, the Company had filed Arbitration application u/s 11(6) of the Arbitration and Conciliation Act 1996 in the Delhi High Court for constitution of arbitral tribunal. The Delhi High Court has in its order dated 18th May 2010 directed the parties to appoint mediators for mediation of the dispute and if mediation fails, arbitration will commence. The Government of India and SOVL has appointed mediators, respectively. Depending upon the outcome of the mediation process the arbitration would commence.

Share Purchases

During financial year 2011, the Group increased its holding in certain of its subsidiaries through open market purchases. The details of such purchases are as follows:

a) 5,344,702 shares of Sterlite Industries (India) Limited accounting for 0.64% of SIIL's total equity.

b) 2,045,000 shares of Sesa Goa accounting for 0.25% of Sesa's total equity.

c) 250,364 shares of MALCO accounting for 0.22% of MALCO's total equity.

The aggregate amount on these transactions of $62.9million was recorded within equity.

38. Subsequent events

Subsequent to the balance sheet date of 31 March 2011 the Group through its subsidiary Sesa Goa acquired 200 million shares amounting to 10.4% stake in Cairn India Limited from Petronas International Corporation Ltd ("Petronas") at a price of INR 331 per share, resulting in total cash consideration of approximately $1.5 billion

On 30 April 2011, the Open Offer by Sesa Goa Limited with respect to the acquisition of shares in Cairn India Limited closed. Sesa Goa Limited received acceptances for circa 8.1% of the total shares of Cairn India Limited, at a total cost of $1.2 billion.

39. Principal Subsidiaries

The consolidated financial statements comprise the financial statements of the following principal subsidiaries:

Subsidiaries	Principal activites	The Company's economic percentage holding		Country of incorporation	Immediate holding company	Immediate percentage holding	
		31-Mar-2011	31-Mar-2010			31-Mar-2011	31-Mar-2010
Direct Subsidiaries of the Parent Company							
Vedanta Resources Holding Limited ('VRHL')	Holding company	100.00%	100.00%	Great Britain	VR plc	100.00%	100.00%
Vedanta Resources Jersey Limited('VRJL")	Financing company	100.00%	100.00%	Jersey(CI)	VR plc	100.00%	100.00%
Vedanta Resources Jersey II Limited('VRJL-II')	Financing company	100.00%	100.00%	Jersey(CI)	VR plc	100.00%	100.00%
Vedanta Finance (Jersey) Limited ('VFJL')	Financing company	100.00%	100.00%	Jersey(CI)	VR plc	100.00%	100.00%
Vedanta Resources Investments Limited('VRIL")	Financing company	100.00%	100.00%	Great Britain	VR plc	100.00%	100.00%
Vedanta Jersey Investments Limited	Financing company	100.00%	100.00%	Jersey(CI)	VR plc	100.00%	100.00%
Indirect Subsidiaries of the Parent Company							
Bharat Aluminium Company Limited ('BALCO')	Aluminium mining and smelting	29.34%	29.01%	India	Sterlite	51.00%	51.00%
Copper Mines Of Tasmania Pty Limited ('CMT')	Copper mining	57.53%	56.88%	Australia	MCBV	100.00%	100.00%
Fujariah Gold	Gold & Silver processing	57.53%	56.88%	UAE	CMT	100.00%	100.00%
Hindustan Zinc Limited ('HZL')	Zinc and mining and smelting	37.35%	36.93%	India	SOVL	64.92%	64.92%
The Madras Aluminium Company Limited ('MALCO')	Energy generation	94.76%	94.54%	India	Twin Star	78.76%	94.54%
Monte Cello BV ('MCBV')	Holding company	57.53%	56.88%	Netherlands	Sterlite	100.00%	100.00%
Monte Cello Corporation NV (MCNV')	Holding company	100.00%	100.00%	Netherlands	Twin Star	100.00%	100.00%
Konkola Copper Mines PLC ('KCM')	Copper mining and smelting	79.40%	79.40%	Zambia	VRHL	79.40%	79.40%
Sterlite Energy Limited ('SEL')	Energy generation	57.53%	56.88%	India	Sterlite	100.00%	100.00%
Sesa Goa Limited ('Sesa Goa')	Iron Ore	55.13%	57.41%	India	Finsider	46.20%	48.32%
Sesa Industries Limited *	Iron Ore	-	50.64%	India	Sesa Goa	-	88.25%
Sesa Resources Limited (Formerly V S Dempo)	Iron Ore	55.13%	57.41%	India	Sesa Goa	100.00%	100.00%
Sesa Mining Corporation Private Limited (Formerly DMCL)	Iron Ore	55.13%	57.41%	India	Sesa Resources	100.00%	100.00%

Subsidaries	Principal activites	The Company's economic percentage holding		Country of incorporation	Immediate holding company	Immediate percentage holding	
		31-Mar-2011	31-Mar-2010			31-Mar-2011	31-Mar-2010
					Limited		
Goa Maritime Private Limited	Iron Ore	27.56%	28.71%	India	Sesa Resources Limited	50.00%	50.00%
Sterlite Industries (India) Limited ('Sterlite')	Copper smelting	57.53%	56.88%	India	Twin Star	54.64%	54.00%
Sterlite Opportunities and Venture Limited (SOVL')	Holding company	57.53%	56.88%	India	Sterlite	100.00%	100.00%
Sterlite Infra Limited ('SIL') (Earlier Sterlite Paper Limited)	Non-trading	57.53%	56.88%	India	Sterlite	100.00%	100.00%
Thalanga Copper Mines Pty Limited ('TCM')	Copper mining	57.53%	56.88%	Australia	MCBV	100.00%	100.00%
Twin Star Holdings Limited ('Twin Star')	Holding company	100.00%	100.00%	Mauritius	VRHL	100.00%	100.00%
Vedanta Aluminium Limited ('VAL')	Alumina mining, aluminium refining and smelting	87.47%	87.28%	India	Twin Star	45.50%	45.50%
Richter Holding Limited('Richter')	Financing company	100.00%	100.00%	Cyprus	VRCL	100.00%	100.00%
Westglobe Limited	Financing company	100.00%	100.00%	Mauritius	Richter	100.00%	100.00%
Finsider International Company Limited	Financing company	100.00%	100.00%	Great Britain	Richter	100.00%	100.00%
Vedanta Resources Finance Limited ('VRFL')	Financing company	100.00%	100.00%	Great Britain	VRHL	100.00%	100.00%
Vedanta Resources Cyprus Limited ('VRCL')	Financing company	100.00%	100.00%	Cyprus	VRFL	100.00%	100.00%
Welter Trading Limited	Financing company	100.00%	100.00%	Cyprus	VRCL	100.00%	100.00%
Lakomasko BV	Financing company	100.00%	100.00%	Netherlands	VRHL	100.00%	100.00%
THL Zinc Ventures Limited (Former THL KCM Limited)	Financing company	100.00%	100.00%	Mauritius	Sterlite Infra	100.00%	100.00%
Twin Star Energy Holdings Limited (Former THL Aluminium)	Financing company	100.00%	100.00%	Mauritius	VRHL	100.00%	100.00%
THL Zinc Limited (Former KCM Holdings Limited)	Financing company	100.00%	100.00%	Mauritius	THL Zinc Ventures Ltd	100.00%	100.00%
Sterlite (USA) Inc.	Financing company	57.53%	56.88%	USA	Sterlite	100.00%	100.00%
Talwandi Sabo Power Limited	Energy generation	57.53%	56.88%	India	SEL	100.00%	100.00%
Allied Port Services Pvt Ltd	Port Service	87.47%	87.28%	India	VAL	100.00%	100.00%
Konkola Resources Plc	Holding company	100.00%	-	Great Britain	VRHL	100.00%	-
Vizag General Cargo Berth Pvt. Limited	Infrastructure	42.58%	-	India	Sterlite	74.00%	-

Subsidiaries	Principal activites	The Company's economic percentage holding		Country of incorporation	Immediate holding company	Immediate percentage holding	
		31-Mar-2011	31-Mar-2010			31-Mar-2011	31-Mar-2010
Twin Star Mauritius Holdings Limited ('TMHL')	Holding company	100.00%	-	Mauritius	Twin Star Energy Holdings Ltd.	100.00%	-
THL Namibia Holdings (Pty) Limited ('VNHL)	Mining and Exploration	57.53%	-	Namibia	Sterlite Infra	100.00%	-
Skorpion Zinc (Pty) Limited ('SZPL')	Acquisition of immovable and movable properties	57.53%	-	Namibia	VNHL	100.00%	-
Namzinc (Pty) Limited ('SZ')	Mining	57.53%	-	Namibia	SZPL	100.00%	-
Skorpion Mining Company (Pty) Limited ('NZ')	Mining	57.53%	-	Namibia	SZPL	100.00%	-
Amica Guesthouse (Pty) Ltd	Accomodation and catering services	57.53%	-	Namibia	SZPL	100.00%	-
Roshkor Township (Pty) Limited	Development of town and delivering of utilities	28.77%	-	Namibia	SZPL	50.00%	-
Rosh Pinah Healthcare (Pty) Ltd	Leasing out of medical equipment and building and conducting services related thereto	36.82%	-	Namibia	SZPL	64.00%	-
Black Mountain Mining (Pty) Ltd	Mining	42.58%	-	South Africa	THL Zinc Ltd	74.00%	-
THL Zinc Holding BV	Financing company	57.53%	-	Netherlands	Sterlite Infra	100.00%	-
Lisheen Mine Partnership	Mining Partnership Firm	57.53%	-	Ireland	Vedanta Base Metals (Ireland) Ltd	100.00%	-
THL Zinc Holding Cooperative U.A	Non-Trading Company	57.53%	-	Netherlands	THL Zinc Ltd	100.00%	-
Pecvest 17 Properietory. Ltd.	Investment Company	57.53%	-	South Africa	THL Zinc Ltd	100.00%	-
Vedanta Lisheen Finance Limited ('VLFL')	Investment Company	57.53%	-	Ireland	THL Zinc Holding BV	100.00%	-
Vedanta Base Metals (Ireland) Limited	No Operations	57.53%	-	Ireland	VLFL	100.00%	-
Vedanta Lisheen Mining Limited	Mining	57.53%	-	Ireland	VLFL	100.00%	-
Killoran Lisheen Mining Limited	Mining	57.53%	-	Ireland	VLFL	100.00%	-
Killoran Lisheen Finance Limited	Investment Company	57.53%	-	Ireland	VLFL	100.00%	-
Lisheen Milling Limited	Manufacturing	57.53%	-	Ireland	VLFL	100.00%	-

Subsidaries	Principal activites	The Company's economic percentage holding		Country of incorporation	Immediate holding company	Immediate percentage holding	
		31-Mar-2011	31-Mar-2010			31-Mar-2011	31-Mar-2010
Killoran Concentrates Limited	No Operations	57.53%	-	Ireland	VLFL	100.00%	-
Killoran Lisheen Limited	No Operations	57.53%	-	Ireland	VLFL	100.00%	-
Killoran Lisheen Holdings Limited	No Operations	57.53%	-	Ireland	Killoran Lisheen ltd.	100.00%	-
Azela Limited	No Operations	57.53%	-	Ireland	Killoran Lisheen ltd.	100.00%	-
Paradip Port Services Pvt Limited	Infrastructure	42.58%	-	India	Sterlite	74.00%	-
MALCO Power Company Limited	Investment Company	57.53%	-	India	Sterlite	100.00%	-
Malco Industries Limited	Investment Company	57.53%	-	India	Sterlite	100.00%	-

The Group owns directly or indirectly through subsidiaries, more than half of the voting power of all of its subsidiaries as mentioned in the list above, and the Group is able to govern its subsidiaries' financial and operating policies so as to benefit from their activities.

* Now merged with Sesa Goa Ltd.

40. Ultimate controlling party

At 31 March 2011, the ultimate controlling party of the Group was Volcan, which is controlled by persons related to the Executive Chairman, Mr Anil Agarwal. Volcan is incorporated in the Bahamas, and does not produce Group accounts.

41. Company balance sheet

$ million	Note	31March 2011	31March 2010
Fixed assets			
Tangible assets	43	0.1	0.2
Investments in subsidiaries	44	1,061.8	713.3
Investment in preference shares of subsidiaries	45	178.9	178.9
Financial asset investment	46	0.5	0.5
Derivative asset		6.0	0.0
		1,247.3	**892.9**
Current Assets			
Debtors due within one year	47	323.2	587.8
Debtors due after one year	47	3,857.7	3,350.6
Current asset investments	48	262.0	199.1
Cash at bank and in hand		1.0	1.4
		4,443.9	**4,138.9**
Creditors: amounts falling due within one year			
Trade and other creditors	49	(33.7)	(78.0)
External borrowings	49	(370.6)	(186.2)
Loan from subsidiary	49	(188.4)	(180.4)
		(592.7)	**(444.6)**
Net current assets		**3,851.2**	**3,694.3**
Total assets less current liabilities		5,098.5	4,587.2
Creditors: amounts falling due after one year			
Loan from subsidiary	50	(1,669.4)	(1,224.9)
External borrowings	50	(2,420.4)	(2,592.7)
Derivative liabilities	50	-	(12.1)
		(4,089.8)	**(3,829.7)**
Net assets		**1,008.7**	**757.5**
Capital and reserves			
Called up share capital	51	29.7	29.6
Share premium account	51	196.8	196.8
Share-based payment reserve	51	20.5	25.6
Convertible bond reserve	51	453.3	305.9
Other reserves	51	(1.8)	(1.8)
Treasury shares	51	(490.6)	(428.9)
Profit and loss account	51	800.8	630.3
Shareholders' funds	**51**	**1,008.7**	**757.5**

42. Company accounting policies

The Vedanta Resources plc ('the Company') balance sheet and related notes have been prepared in accordance with United Kingdom Generally Accepted Accounting Principles and UK company law ('UK GAAP'). The financial information has been prepared on an historical cost basis. As permitted by the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements.

Significant accounting policies

Investments in subsidiaries

Investments in subsidiaries represent equity holdings in subsidiaries 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.

Investment in preference shares of subsidiaries

Investments in preference shares of subsidiaries are stated at fair value. The fair value is represented by the face value of the preference shares as the investments are redeemable at any time for their face value at the option of the Company.

Currency translation

Transactions in currencies other than the functional currency of the Company, being US dollars, are translated into US Dollars at the spot exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in other currencies at the balance sheet date are translated into US dollars at year end exchange rates, or at a contractual rate if applicable.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and provision for impairment.

Deferred taxation

Deferred taxation is provided in full on all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, subject to the recoverability of deferred tax assets. Deferred tax assets and liabilities are not discounted.

Share-based payments

The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share awards with market-related vesting conditions are determined by an external valuer and the fair value at the grant date is expensed on a straight-line basis over the vesting period based on the Company’s estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet date up to the vesting date at which point the estimate is adjusted to reflect the current expectations. No adjustment is made to the fair value after the vesting date even if the awards are forfeited or not exercised. Amounts recharged to subsidiaries in respect of awards granted to employees of subsidiaries are recognised as intercompany debtors until repaid.

Borrowings

Interest bearing loans are recorded at the net proceeds received i.e. net of direct transaction costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on accruals basis and charged to the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Convertible Bonds

The Convertible bonds issued by VRJL and VRJL-II (note 50) are accounted for as a compound instrument. The gross proceeds (net of issue costs) were lent to the Company by VRJL and VRJL-II. The equity component has been recognised in a separate reserve of the company and is not subsequently remeasured. The recognition of the equity component by the company acts to reduce the payable to VRJL and VRJL-II which arises once the gross proceeds are borrowed. The liability component is held at amortised cost. The interest expensed on the liability component is calculated by applying an effective interest rate. The difference between this amount and interest paid is added to the carrying amount of the liability component.

The bonds are first convertible into preference shares of the issuer having a paid value of $100,000 per Preference share, which are exchanged immediately for ordinary shares of the Company.

Financial instruments

The Company has elected to take the exemption provided in paragraph 3C (b) of FRS 25 in respect of these parent company financial statements. Full disclosures are provided in note 28 to the consolidated financial statements of the Group for the period ended 31 March 2011.

Derivative financial instruments

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 profit and loss account. The hedged item is recorded at fair value and any gain or loss is recorded in the profit and loss account and is offset by the gain or loss from the change in the fair value of the derivative.

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 profit and loss account immediately.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

Cash flow statement

The Company's individual financial statements are outside the scope of FRS 1 Cash Flow Statements because the Company prepares publicly available consolidated financial statements, which include a consolidated cash flow statement. Accordingly, the Company does not present an individual company cash flow statement.

Related party disclosures

The Company's individual financial statements are exempt from the requirements of FRS 8 Related Party Disclosures because its individual financial statements are presented together with its consolidated financial statements. Accordingly, the individual financial statements do not include related party disclosures.

Financial guarantees

Guarantees issued by the Company on behalf of other Group companies are designated as 'Insurance Contracts'. Accordingly these are shown as contingent liabilities. (Note 52)

43. Company tangible fixed assets

	US$million
Cost	
At 1 April 2010	**1.2**
Additions	**0.0**
At 31 March 2011	1.2
Accumulated depreciation	
At 1 April 2010	**1.0**
Charge for the period	**0.1**
At 31 March 2011	1.1
Net book value	
At 1 April 2010	0.2
At 31 March 2011	0.1

44. Investments in subsidiaries

	US$million
Cost	
At 1 April 2010	**713.3**
Additions	**348.5**
At 31 March 2011	1,061.8

At 31 March 2011, the Company held 144,538,524 shares in VRHL (2010: 139,559,950 shares), being 100% of VRHL's issued equity share capital. During the year the Company invested $348.5 million to acquire 4,978,572 ordinary shares issued by VRHL for $1 each at a premium of $69 each. The Company also held one deferred share in VRHL (2010: one). At 31 March 2011, the Company held 2 shares in Vedanta Finance Jersey Limited ('VFJL') (2010: two), 2 shares in Vedanta Resources Jersey Limited ('VRJL') (2010: two), 2 shares in Vedanta Resources Jersey II Limited ('VRJL-II') (2010: two), 2 shares in Vedanta Jersey Investment Limited ('VJIL') (2010: two), being 100% of its issued equity share capital.

VRHL is an intermediary holding company incorporated in England and Wales. VFJL, VRJL and VRJL-II are companies established to raise funds for the Vedanta Group via convertible bond issue and are incorporated in Jersey.

A detailed list of subsidiary investments held indirectly by the Company can be seen in Note 39.

45. Investment in preference shares of subsidiaries

	US$million
Fair value	
At 1 April 2010	**178.9**
Additions	**-**
At 31 March 2011	**178.9**
As 1 April 2009	**2.6**
Additions	176.3
At 31 March 2010	**178.9**

As at 31 March 2011, the Company held 178,916,000 preference shares in VFJL (2010: 178,916,000). These shares entitle the holder to a dividend of 4.6% of their face value.

46. Financial asset investment

	US$ million
Fair value	
At 1 April 2010	**0.5**
Fair value movement in investment	**0.0**
At 31 March 2011	**0.5**
At 1 April 2009	**0.2**
Fair value movement in investment	0.3
At 31 March 2010	**0.5**

The investment relates to an equity investment of shares in Victoria Gold Corporation. At 31 March 2011, the investment in Victoria Gold Corporation was revalued.

47. Company debtors

$ million	31 March 2011	31 March 2010
Amounts due from subsidiary undertakings	4,176.2	3,938.0
Prepayments and accrued income	4.3	0.2
Other taxes	0.4	0.2
Total	**4,180.9**	**3,938.4**
Debtors due within one year	323.2	587.8
Debtors due after one year	3,857.7	3,350.6
Total	**4,180.9**	**3,938.4**

Amounts due from subsidiary undertakings

At 31 March 2011, the Company had loans due from VRHL of US$1,965.8 million (2010: US$1,894.4 million) which represented the downstreaming of funds to the subsidiaries. Out of the total loan, amount of US$579.3 million bears interest at US dollar six months LIBOR plus 350 basis points, US$500 million at 5.8%, US$250 million at 8.95%, US$200 million at 5.9%, US$182.0 million at 9.7%, US$156.4 million at 8.95% and US$98.1 million at 8.8%. In addition to the loans, the Company was owed US$269.4 million of accrued interest (2010: US$127.0 million).

At 31 March 2011, the Company had loan of US$ 892 million (2010: US$892 million), US$500 million (2010: US$500 million), US$500 million (2010: US$350 million) and US$16.3 million (2010: nil) receivable from Richter, Welter, KCM and TMHL respectively and US$32.3 million of other amounts due from subsidiary undertakings (2010: US$ 30.4 million).

48. Company current asset investments

$ million	31 March 2011	31 March 2010
Bank term deposits	261.0	197.6
Short term unit trusts and liquid funds	1.0	1.5
Total	**262.0**	**199.1**

49. Company creditors: amounts falling due within one year

$ million	31 March 2011	31 March 2010
Trade creditors	(1.7)	(44.2)
Accruals and deferred income	(32.0)	(33.8)
External Borrowings	(370.6)	(186.2)
Loan from Subsidiary	(188.4)	(180.4)
Total	**(592.7)**	**(444.6)**

The Loan from ICICI Bank of US$186.2 million was repaid on its due date in June 2010.

The external borrowings above represent a loan taken from Bank of Tokyo-Mitsubishi UFJ Ltd ('BTMU') at an interest rate of USD LIBOR plus 425 basis points. The loan is short-term and repayable in July 2011.

50. Company creditors: amounts falling due after one year

$ million	31 March 2011	31 March 2010
Loan from subsidiary	(1,669.4)	(1,224.9)
Bond & Loans	(2,420.4)	(2,592.7)
Derivative liability	-	(12.1)
Total	**(4,089.8)**	**(3,829.7)**

Loans from subsidiaries include a loan of US$981.2 million from VRJL relating to its issue of US$1.25 billion convertible bonds (bond issued in July 2009) and of US$688.2 million from VRJL-II related to its issue of US$883 million convertible bond (bond issued in March 2010). During 2011, interest was charged at the effective interest rate of 11.22% and interest rate of 9.79% respectively.

In December 2010 the Company obtained a loan from ICICI bank for US$ 180 million at an interest rate of 3 month GBP LIBOR plus 385 basis points. Out of this US$90 million is repayable in December 2014 and remaining US$90 million is repayable in December 2015.

51. Company reconciliation of movement in equity shareholders' funds

	Share capital	Share premium account	Share-based payment reserve	Convertible bond reserve	Treasury Shares	Profit and loss account	Other Reserves	Total
Equity shareholders' funds at 1 April 2010	**29.6**	**196.8**	**25.6**	**305.9**	**(428.9)**	**630.3**	**(1.8)**	**757.5**
Profit for the year	-	-	-	-	-	212.7	-	212.7
Dividends paid	-	-	-	-	-	(129.9)	-	(129.9)
Issue of convertible bond	-	-		211.6	-	-	-	211.6
Exercise of LTIP awards	0.1	-	(23.5)	-	-	23.5	-	0.1
Recognition of share based payments	-	-	18.4	-	-	-	-	18.4
Convertible bond reserve transfer	-	-	-	(64.2)	-	64.2	-	-
Movement in fair value of financial investments (note 43)	-	-	-	-	-	-	-	-
Purchase of Treasury Shares	-	-	-	-	(61.7)	-	-	(61.7)
Equity shareholders' funds at 31 March 2011	**29.7**	**196.8**	**20.5**	**453.3**	**(490.6)**	**800.8**	**(1.8)**	**1,008.7**

52. Company contingent liabilities

a. The Company has guaranteed US$ 1,250 million convertible bonds issued by VRJL (2010: US$: 1,250 million). See note 27 to the Group financial statements for further details on the convertible bonds.

b. The Company has given corporate guarantee to Vedanta Aluminium Ltd for an amount of

US$ 3,310 million up to 31 March 2011.

c. The Company also has issued other guarantees of US$ 220 million supplied to concentrate suppliers.

d. The Company has given corporate guarantee to Konkola Copper Mines for an amount of US$400 million up to 31 March 2011.

e. The Company has guaranteed US$ 883 million convertible bonds issued by VRJL-II (2010: US$883 million). See note 27 to the Group financial statements for further details on the convertible bonds.

53. Company Share-Based payment

The Company had certain LTIP awards outstanding as at 31 March 2011. See note 31 to the Group financial statements for further details on these share-based payments.

Independent Auditor's Report to the Members of Vedanta Resources plc

We have audited the financial statements of Vedanta Resources plc for the year ended 31 March 2011 which comprise the company balance sheet and the related Notes 41 to 53. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the parent Company financial statements for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the parent company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Respective responsibilities of Directors and Auditor

In our opinion the parent company financial statements:

- give a true and fair view of the parent Company's affairs as at 31 March 2011;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the parent Company financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other Matter

We have reported separately on the Group financial statements of Vedanta Resources plc for the year ended 31 March 2011.

Andrew Kelly (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

Summary consolidated income statement

	Year ended	Year ended	Year ended	Year ended	Year ended
$ million	**31 March 11**	**31 March 10**	**31 March 09**	**31 March 08**	**31 March 07**
Revenue	**11,427.2**	**7,930.5**	**6,578.9**	**8,203.7**	**6,502.2**
EBITDA	**3,566.8**	**2,295.9**	**1,612.2**	**3,010.4**	**2,703.0**
Depreciation	(869.0)	(563.0)	(473.2)	(429.1)	(195.4)
Exceptional/special items	(163.5)	(67.3)	(31.9)	11.1	(1.7)
Operating profit	**2,534.3**	**1,665.6**	**1,107.0**	**2,592.4**	**2,505.9**
Share of (loss)/profit in associate	-	-	-	-	(1.3)
Non-operating exceptional/special items	-	-	-	-	-
Profit before interest and taxation	**2,534.3**	**1,665.6**	**1,107.0**	**2,592.4**	**2,504.6**
Net finance (costs)/investment revenues	**149.0**	**176.0**	**74.0**	**170.8**	**(20.2)**
Profit before taxation	**2,683.3**	**1,841.6**	**1,181.0**	**2,763.2**	**2,484.4**
Taxation	(649.5)	(330.4)	(280.5)	(757.7)	(672.7)
Profit after taxation	**2,033.8**	**1,511.2**	**900.5**	**2,005.5**	**1,811.7**
Equity Non-controlling interests	1,263.0	908.9	681.1	1126.5	877.5
Profit attributable to equity shareholders in parent	**770.8**	**602.3**	**219.4**	**879.0**	**934.2**
Dividends	(129.9)	(117.9)	(118.8)	(104.3)	(84.3)
Retained profit	**640.9**	**484.4**	**100.6**	**774.7**	**849.9**
Basic earnings per share (US cents per share)					
Profit for the financial year	283.2	219.6	76.4	305.4	325.6
Underlying Profit for the financial year	262.8	199.2	109.3	303.9	327.0
Dividend per share (US cents per share)	52.5	45.0	41.5	36.5	29.3

$ million	31 March 2011	31 March 2010	31 March 2009	31 March 2008	31 March 2007
Goodwill	12.2	12.2	12.2	13.3	12.1
Intangible assets	162.1	-	-	-	-
Property, plant and equipment	17,189.5	14,326.7	9,348.4	8,354.5	3,838.0
Fixed asset investments/associate	304.2	201.2	91.6	30.0	34.6
Total fixed assets	**17,668.0**	**14,540.1**	**9,452.2**	**8,397.8**	**3,884.7**
Stocks	1,924.6	1,260.6	909.3	1,298.8	879.7
Debtors	1,328.6	1,019.9	902.4	1,232.8	1,122.1
Cash & Liquid Investments	7,777.0	7,239.4	4,912.6	5,106.7	2,185.2
Total current assets	**11,030.2**	**9,519.9**	**6,724.3**	**7,638.3**	**4,187.0**
Short term borrowings	(3,045.1)	(1,012.6)	(1,298.5)	(1,417.2)	(249.1)
Other current liabilities	(3,485.0)	(2,670.3)	(2,136.8)	(2,102.5)	(1,336.8)
Total current liabilities	**(6,530.1)**	**(3,682.9)**	**(3,435.3)**	**(3,519.7)**	**(1,585.9)**
Net current assets/(liabilities)	**4,515.4**	**5,837.0**	**3,289.0**	**4,118.6**	**2,601.1**
Total assets less current liabilities	**22,168.1**	**20,377.1**	**12,741.2**	**12,516.4**	**6,485.8**
Long term borrowings	(6,707.4)	(7,161.0)	(3,816.4)	(1,556.9)	(1,477.7)
Other long term liabilities	(247.3)	(351.1)	(136.1)	(83.9)	(106.4)
Provisions	(1,706.4)	(1,413.5)	(1,205.4)	(1,608.5)	(690.9)
Total long term liabilities	**(8,656.1)**	**(8,925.6)**	**(5,157.9)**	**(3,249.3)**	**(2,275.0)**
Equity Non-controlling interests	(8,030.1)	(6,729.1)	(4,458.7)	(5,360.6)	(1,824.5)
Non equity Non-controlling interest	(11.9)	(11.9)	(11.9)	(59.4)	(59.4)
Net assets attributable to the equity holders of the parent	**5,648.9**	**4,710.5**	**3,112.6**	**3,847.1**	**2,326.9**

Turnover	2011 $ million	2010 $ million	2009 $ million	2008 $ million	2007 $ million
Aluminium	1,570.1	914.2	906.6	1,140.2	993.4
Copper:-	5,169.5	3,812.2	3,311.0	4,221.9	3,569.3
India/Australia	3,428.2	2,741.4	2,537.9	3,118.8	2,553.4
Zambia	1,741.3	1,070.8	773.1	1,103.1	1,015.9
Zinc-	2,371.7	1,651.7	1,209.1	1,941.5	1,888.1
India	2,152.8	1,651.7	1,209.1	1,941.5	1,888.1
International	218.9	-	-	-	-
Iron ore	1,977.9	1,221.7	1,070.4	888.9	-
Energy	338.0	330.7	51.3		
Other	-	-	-	11.3	51.4
Group	**11,427.2**	**7,930.5**	**6,548.4**	**8,203.7**	**6,502.2**

EBITDA	2011 $ million	2010 $ million	2009 $ million	2008 $ million	2007 $ million
Aluminium	258.2	154.9	177.4	380.7	415.4
Copper	681.4	317.7	222.9	667.3	833.9
India/Australia	241.5	165.9	293.7	327.2	365.6
Zambia	439.9	151.8	(70.8)	340.1	468.3
Zinc	1,321.5	982.8	603.3	1380.1	1,453.9
India	1,220.2	982.8	603.3	1380.1	1,453.9
International	101.3	-	-	-	-
Iron ore	1,174.1	673.0	557.1	585.6	-
Energy	137.8	170.7	53.3	-	-
Other	(6.2)	(3.2)	(1.8)	(3.3)	(0.2)
Group	**3,566.8**	**2,295.9**	**1,612.2**	**3,010.4**	**2,703.0**

EBITDA Margin	2011 %	2010 %	2009 %	2008 %	2007 %
Aluminium	16.4	16.9	20.9	33.4	42.4
Copper	13.2	13.8	6.7	15.8	23.3
India/Australia	7.0	6.1	11.6	10.5	36.9
Zambia	25.3	14.2	(9.2)	30.8	18.2
Zinc	55.7	59.5	50.1	71.1	78.1
India	56.7	59.5	50.1	71.1	78.1
International	46.3	-	-	-	-
Iron ore	59.4	55.1	52.1	65.9	-
Energy	40.8	51.6	-	-	-
Group	**31.2**	**29.0**	**24.5**	**36.7**	**41.8**

Production	2011 000's mt	2010 000's mt	2009 000's mt	2008 000's mt	2007 000's mt
Aluminium	641	533	462	396	351
BALCO	255	268	357	358	313
MALCO	-	-	23	38	38
VAL JHARSUGDA	386	264	82	-	-
Copper	521	507	446	489	455
Sterlite	304	334	313	339	313
KCM	217	173	133	150	142
Iron Ore (WMT)	21,075	21,412	15,986	11,469	-
Zinc	712	578	552	426	348

Cash costs of production	2011 US cents/lb	2010 US cents/lb	2009 US cents/lb	2008 US cents/lb	2007 US cents/lb
Aluminium – BALCO Plant –I	-	-	85.6	82.7	68.5
Aluminium – BALCO Plant- II	80.9	69.6	73.6	75.9	76.5
BALCO (Other than Alumina)	45.7	39.1	39.0	36.5	33.6
Aluminium – MALCO	-	-	121.5	102.4	75.5
Aluminium-VAL JHARSUGDA	82.6	77.2	99.0	-	-
Copper – Sterlite*	4.0	10.4	3.1	1.8	6.1
Copper – KCM	197.5	184.4	258.4	191.5	173.6
Zinc including Royalty	44.9	38.6	32.2	40.1	39.1
Zinc without Royalty	36.7	31.7	27.6	31.1	27.5

Cash costs of production in INR	2011 INR/ mt	2010 INR/ mt	2009 INR/ mt	2008 INR/ mt	2007 INR/ mt
Aluminium – BALCO Plant –I	-	-	86,626	73,369	68,389
Aluminium – BALCO Plant- II	81,299	72,717	74,517	67,336	76,376
BALCO (Other than Alumina)	45,898	40,868	39,772	32,382	33,545
Aluminium – MALCO	-	-	123,001	90,846	75,378
Aluminium-VAL JHARSUGDA	82,958	80,710	100,182	-	-
Copper – Sterlite*	4,062	10872	3,138	1,597	6,090
Zinc including Royalty	45,119	40,319	32,621	35,575	39,037
Zinc without Royalty	36,831	33,073	27,973	27,591	27,455

*only smelting cost

Capital expenditure	2011 $ million	2010 $ million	2009 $ million	2008 $ million	2007 $ million
Sustaining	239.5	184.4	306.3	256.9	259.9
Expansion	2,471.3	3,679.6	3,021.3	1,997.7	869.0
Total capital expenditure	**2,710.8**	**3,864.0**	**3,327.6**	**2,254.6**	**1128.9**

Net cash/(debt)	2011 $ million	2010 $ million	2009 $ million	2008 $ million	2007 $ million
Aluminium	(3,145.3)	(2,320.2)	(1,931.2)	(1,171.2)	(229.6)
Copper	146.3	996.9	1,341.4	1,934.4	179.4
India/Australia	396.0	1,288.2	1,545.9	1,976.2	106.4
Zambia	(249.7)	(291.3)	(204.5)	(41.6)	73.0
Zinc	3,779.5	2,628.6	1,891.6	1,925.2	1067.7
India	3,403.4	2,628.6	1,891.6	1,925.2	1067.7
International	376.1	-	-	-	-
Iron Ore	1,983.2	96.6	(372.8)	(459.5)	-
Energy	(433.5)	(270.8)	-	-	-
Other	(4,300.4)	(2,078.3)	(1,129.8)	(86.2)	(584.8)
Group	**(1,970.3)**	**(947.2)**	**(200.8)**	**2,142.7**	**432.7**

	2011 %	2010 %	2009 %	2008 %	2007 %
Gearing	12.6	7.5	2.6	-	-

	2011 $ million	2010 $ million	2009 $ million	2008 $ million	2007 $ million
Group Free Cash Flow	2,423.2	1,814.3	1,733.8	2,216.9	1,504.2

	2011 $ million	2010 $ million	2009 $ million	2008 $ million	2007 $ million
Capital Employed	15,649.3	12,373.6	7,772.1	7,064.8	3,718.7

	2011 %	2010 %	2009 %	2008 %	2007 %
ROCE	21.0	19.9	24.4	45.6	78.5

GLOSSARY AND DEFINITIONS

5S

A Japanese concept laying emphasis on housekeeping and occupational safety in a sequential series of steps as Sort (Seiri); Set in Order (Seiton); Shine (Selso); Standardise (Seiketsu); and Sustain (Shitsuke)

Adapted Comparator Group

The new comparator group of companies used for the purpose of comparing TSR performance in relation to the LTIP, adopted by the Remuneration Committee on 1 February 2006 and replacing the previous comparator group comprising companies constituting the FTSE Worldwide Mining Index (excluding precious metals)

AGM or Annual General Meeting

The annual general meeting of the Company which is scheduled to be held at 3.00 pm, UK time, on 27 July 2011.

AE

Anode effects

AGRC

Ararat Gold Recovery Company incorporated in Armenia, engaged in gold mining and processing

AIDS

Acquired Immune Deficiency Syndrome

Aluminium Business

The aluminium business of the Group, comprising its fully-integrated bauxite mining, alumina refining and aluminium smelting operations in India, and trading through the Bharat Aluminium Company Limited and The Madras Aluminium Company Limited, companies incorporated in India

Articles of Association

The articles of association of Vedanta Resources plc

Attributable Profit

Profit for the financial year before dividends attributable to the equity shareholders of Vedanta Resources plc

BALCO

Bharat Aluminium Company Limited, a company incorporated in India.

BMM

Black Mountain Mining Pty

Board or Vedanta Board

The board of directors of the Company

Board Committees

The committees reporting to the Board: Audit, Remuneration, Nominations, and Health, Safety and Environment, each with its own terms of reference

Businesses

The Aluminium Business, the Copper Business and the Zinc Business together

Capital Employed

Net assets before Net (Debt)/Cash

Capex

Capital expenditure

Cash Tax Rate

Current taxation as a percentage of profit before taxation

CEO

Chief executive officer

CII

Confederation of Indian Industries

CLZS

Chanderiya lead and zinc smelter

CO2

Carbon dioxide

CMT

Copper Mines of Tasmania Pty Limited, a company incorporated in Australia

Combined Code or the Code

The Combined Code on Corporate Governance published by the Financial Reporting Council in June 2008

Company or Vedanta

Vedanta Resources plc

Company financial statements

The audited financial statements for the Company for the year ended 31 March 2011 as defined in the Independent Auditors' Report on the individual Company Financial Statements to the members of Vedanta Resources plc

Convertible Bonds

$725 million 4.60% guaranteed convertible bonds due 2026, issued by a wholly-owned subsidiary of the Company, Vedanta Finance (Jersey) Limited ('VFJL'), and guaranteed by the Company, the proceeds of which are to be applied towards re-financing subsidiary indebtedness, the Company's capital expenditure programme including the Jharasaguda aluminium smelter project and other general corporate purposes

$1,250 million 5.5% guaranteed convertible bonds due 2016, issued by a wholly owned subsidiary of the Company, Vedanta Resource Jersey Limited ("VRJL") and guaranteed by the Company, the proceeds of which are to be applied for to support its organic growth pipeline, to increase its ownership interest in its subsidiaries and for general corporate purposes.

$883 million 4.0% guaranteed convertible bonds due 2017, issued by a wholly owned subsidiary of the Company, Vedanta Resource Jersey II Limited ("VRJL-II") and guaranteed by the Company, the proceeds of which are to be applied for to refinance debt redemptions and for general corporate purposes.

$500 million 4.0% guaranteed convertible bonds due 2014, issued by a subsidiary of the Company, Sterlite Industries (India) Limited ("SIIL"), the proceeds of which are to be applied for to for expansion of copper business, acquisition of complementary businesses outside of India and any other permissible purpose under, and in compliance with, applicable laws and regulations in India, including the external commercial borrowing regulations specified by the RBI.

$500 million 5.0% guaranteed convertible bonds due 2014, issued by a subsidiary of the Company, Sesa Goa Limited ("Sesa"), the proceeds of which are to be applied for to expand the Issuer's mining operations, for exploration for new resources, and to further develop its pig iron and metallurgical coke operation

Copper Business

The copper business of the Group, comprising:

- a copper smelter, two refineries and two copper rod plants in India, trading through Sterlite Industries (India) Limited, a company incorporated in India;
- one copper mine in Australia, trading through Copper Mines of Tasmania Pty Limited, a company incorporated in Australia; and
- an integrated operation in Zambia consisting of three mines, a leaching plant and a smelter, trading through Konkola Copper Mines PLC, a company incorporated in Zambia

CREP

Corporate responsibility for environmental protection

Cents/lb

US cents per pound

CRRI

Central Road Research Institute

CSR

Corporate social responsibility

CTC

Cost to company, the basic remuneration of executives in India, which represents an aggregate figure encompassing basic pay, pension contributions and allowances

CY

Calendar year

Deferred Shares

Deferred shares of £1.00 each in the Company

DGMS

Director General of Mine Safety in the Government of India

Directors

The Directors of the Company

Dollar or $

United States dollars, the currency of the United States of America

DRs

Depositary receipts of 10 US cents, issuable in relation to the $725 million 4.6% guaranteed convertible bonds due 2026

EBITDA

Earnings before interest, taxation, depreciation, goodwill amortisation/impairment and special items

EBITDA Margin

EBITDA as a percentage of turnover

Economic Holdings or Economic Interest

The economic holdings/interest are derived by combining the Group's direct and indirect shareholdings in the operating companies. The Group's Economic Holdings/Interest is the basis on which the Attributable Profit and net assets are determined in the consolidated accounts

E&OHSAS

Environment and occupational health and safety assessment standards

E&OHSEnvironment and occupational health and safety management system

EPS

Earnings per ordinary share

ESOP

Employee share option plan

ESP

Electrostatic precipitator

Executive Committee

The Executive Committee to whom the Board delegates operational management and comprising the Executive Directors and the senior management within the Group

Executive Directors

The Executive Directors of the Company

Expansion Capital Expenditure

Capital expenditure that increases the Group's operating capacity

Financial Statements or Group financial statements

The consolidated financial statements for the Company and the Group for the year ended 31 March 2011 as defined in the Independent Auditors' Report to the members of Vedanta Resources plc

Free Cash Flow

Cash flow arising from EBITDA after net interest (including gains on liquid investments and adjusted for net interest capitalised), taxation, Sustaining Capital Expenditure and working capital movements

FY

Financial year

GAAP , including UK GAAP and Indian GAAP

Generally Accepted Accounting Principles, the common set of accounting principles, standards and procedures that companies use to compile their financial statements in their respective local territories

GDP

Gross domestic product

Gearing

Net Debt as a percentage of Capital Employed

GJ

Giga joule

Government or Indian Government

The Government of the Republic of India

Gratuity

A defined contribution pension arrangement providing pension benefits consistent with Indian market practices

Group

The Company and its subsidiary undertakings and, where appropriate, its associate undertaking

HSE

Health, safety and environment

HZL

Hindustan Zinc Limited, a company incorporated in India

IAS

International Accounting Standards

ICMM

International Council on Mining and Metals

IFRI C

International Financial Reporting Interpretations Committee

IFRS

International Financial Reporting Standards

INR

Indian Rupees

Interest Cover

EBITDA divided by finance costs

ISO 9001

An international quality management system standard published by the International Organisation for Standardisation

ISO 14001

An international environmental management system standard published by the International Organisation for Standardisation

KCM or Konkola Copper Mines

Konkola Copper Mines PLC, a company incorporated in Zambia

KDMP

Konkola deep mining project

Key Result Areas or KRA s

For the purpose of the remuneration report, specific personal targets set as an incentive to achieve short-term goals for the purpose of awarding bonuses, thereby linking individual performance to corporate performance

KLD

Kilo litres per day

KPI s

Key performance indicators

Kwh

Kilo-watt hour

Kwh/d

Kilo-watt hour per day

LIBOR

London inter bank offered rate

LIC

Life Insurance Corporation

Listing or IPO (Initial Public Offering)

The listing of the Company's ordinary shares on the London Stock Exchange on 10 December 2003

Listing Particulars

The listing particulars dated 5 December 2003 issued by the Company in connection with its Listing

Listing Rules

The listing rules of the Financial Services Authority, with which companies with securities that are listed in the UK must comply

LME

London Metals Exchange

London Stock Exchange

London Stock Exchange plc

Lost time injury

An accident/injury forcing the employee/contractor to remain away from his/her work beyond the day of the accident

LTIFR

Lost time injury frequency rate: the number of lost time injuries per million man hours worked

LTIP

The Vedanta Resources Long-Term Incentive Plan or Long-Term Incentive Plan

MAL CO

The Madras Aluminium Company Limited, a company incorporated in India

Management Assurance Services

The function through which the Group's internal audit activities are managed

MAT

Minimum alternative tax

MIS

Management information system

MOEF

The Ministry of Environment & Forests of the Government of the Republic of India

mt or tonnes

Metric tonnes

MU

Million Units

MW

Megawatts of electrical power

NCCBM

National Council of Cement and Building Materials

Net (Debt)/Cash

Total debt after fair value adjustments under IAS 32 and 39, cash and cash equivalents and liquid investments

NGO

Non-governmental organisation

NIHL

Noise induced hearing loss

Non-executive Directors

The Non-Executive Directors of the Company

OHSAS 18001

Occupational Health and Safety Assessment Series (standards for occupational health and safety management systems)

Ordinary Shares

Ordinary shares of 10 US cents each in the Company

PBT

Profit before tax

PF C

Per fluorocarbons

PH C

Primary health centre

PPE

Personal protective equipment

Provident Fund

A defined contribution pension arrangement providing pension benefits consistent with Indian market practices

Recycled water

Water released during mining or processing and then used in operational activities

Relationship Agreement

The agreement dated 5 December 2003 between the Company, Volcan Investments Limited and members of the Agarwal family that regulates the ongoing relationship between them, the principal purpose of which is to ensure that the Group is capable of carrying on business independently of Volcan, the Agarwal family and their associates

Return on Capital Employed or ROCE

Profit before interest, taxation, special items, tax effected at the Group's effective tax rate as a percentage of Capital Employed

The Reward Plan

The Vedanta Resources Share Reward Plan, a closed plan approved by shareholders on Listing in December 2003 and adopted for the purpose of rewarding employees who contributed to the Company's development and growth over the period leading up to Listing in December 2003

RO

Reverse osmosis

SA 8000

Standard for Social Accountability based on international workplace norms in the International Labour Organisation ('ILO') conventions and the UN's Universal Declaration of Human Rights and the Convention on Rights of the Child

Senior Management Group

For the purpose of the remuneration report, the key operational and functional heads within the Group

Sesa Goa

Sesa Goa Limited, a company incorporated in India engaged in the business of mining iron ore

SEWT

Sterlite Employee Welfare Trust, a long-term investment plan for Sterlite senior management

The Share Option Plan

The Vedanta Resources Share Option Plan, a closed plan approved by shareholders on Listing in December 2003 and adopted to provide maximum flexibility in the design of incentive arrangements over the long term

SHGs

Self help groups

SID

Senior Independent Director

SO2

Sulphur dioxide

SBU

Strategic Business Unit

SOTL

Sterlite Optical Technologies Limited, a company incorporated in India

SOVL

Sterlite Opportunities and Ventures Limited, a company incorporated in India

Special items

Items which derive from events and transactions that need to be disclosed separately by virtue of their size or nature

SPM

Suspended particulate matter. Fine dust particles suspended in air

Sterling, GBP or £

The currency of the United Kingdom

Sterlite

Sterlite Industries (India) Limited, a company incorporated in India

Sterlite Energy Limited (SEL)

Sterlite Energy Limited, a company incorporated in India

Sterlite Gold

Sterlite Gold Limited, a company incorporated in Canada which has its main subsidiary in Armenia

Superannuation Fund

A defined contribution pension arrangement providing pension benefits consistent with Indian market practices

Sustaining Capital Expenditure

Capital expenditure to maintain the Group's operating capacity

TCM

Thalanga Copper Mines Pty Limited, a company incorporated in Australia

TC/RC

Treatment charge/refining charge being the terms used to set the smelting and refining costs

TGS

Tail gas scrubber

TGT

Tail gas treatment

TLP

Tail Leaching Plan

tpa

Metric tonnes per annum

TPM

Tonne per month

TSR

Total shareholder return, being the movement in the Company's share price plus reinvested dividends

Turnbull Guidance

The revised guidance on internal control for directors on the Combined Code issued by the Turnbull Review Group in October 2005

Twin Star

Twin Star Holdings Limited, a company incorporated in Mauritius

Twin Star Holdings Group

Twin Star and its subsidiaries and associated undertaking

Underlying EPS

Underlying earnings per ordinary share

Underlying Profit

Profit for the year after adding back special items and other gains and lossed and their resultant tax and Non-controlling interest effects

US cents

United States cents

VAL

Vedanta Aluminium Limited, a company incorporated in India

VFD

Variable frequency drive

VFJL

Vedanta Finance (Jersey) Limited, a company incorporated in Jersey

Volcan

Volcan Investments Limited, a company incorporated in the Bahamas

VRCL

Vedanta Resources Cyprus Limited, a company incorporated in Cyprus

VRFL

Vedanta Resources Finance Limited, a company incorporated in the United Kingdom

VRHL

Vedanta Resources Holdings Limited, a company incorporated in the United Kingdom

VSS

Vertical Stud Söderberg

Water Used for Primary Activities

Total new or make-up water entering the operation and used for the operation's primary activities; primary activities are those in which the operation engages to produce its product

WBCSD

World Business Council for Sustainable Development

ZCI

Zambia Copper Investment Limited, a company incorporated in Bermuda

ZCCM

ZCCM Investments Holdings plc, a company incorporated in Zambia

Zinc Business

The zinc-lead business of the Group, comprising its fully-integrated zinc-lead mining and smelting operations in India, and trading through the Hindustan Zinc Limited, a company incorporated in India

PRODUCTION AND RESERVES SUMMARY

Copper

Copper Production Summary

Facility	Product	Year ended 31 March 2011 mt	Year ended 31 March 2010 mt
Tuticorin	Copper anode	304,964	333,924
	Sulphuric acid	968,760	1,036,353
	Phosphoric acid	154,232	205,844
	Copper cathode	141,281	154,177
	Copper rods	54,006	55,893
Silvassa	Copper cathode	162,710	180,024
	Copper rods	133,886	140,989
KCM	Copper cathode	216,499	172,828

Copper Mining Summary

		Ore mined		Copper concentrate		Copper in concentrate	
Mine	Type of mine	31 March 2011 mt	31 March 2010 mt	31 March 2011 mt	31 March 2010 mt	31 March 2011 mt	31 March 2010 mt
Mt Lyell (CMT)	Underground	1,976,177	1,875,970	83,940	84,227	22,929	23,777
Konkola (KCM)	Underground	9,976,599	8,365,571	269,130	241,882	89,751	78,905

Copper Mine Resource and Reserve Summary

		Resources				Reserves	
Mine	Type of mine	Measured and indicated million mt	Copper grade %	Inferred million mt	Copper grade %	Proved and probable reserves million mt	Copper grade %
Mt Lyell (CMT)	Underground	4.1	1.2	24.1	1.1	9.7	1.2
Konkola (KCM)	Underground	100.8	1.6	219.6	2.7	385.6	1.6

Resources are additional to Reserves

Aluminium, Alumina and Bauxite

Aluminium Production Summary

Company	**Year ended 31 March 2011 mt**	Year ended 31 March 2010 mt
BALCO	255,298	268,425
MALCO	-	-
VAL	385,363	264,315

Alumina Production Summary

Company	**Year ended 31 March 2011 mt**	Year ended 31 March 2010 mt
BALCO	-	42,896
MALCO	-	-
VAL	706,640	762,195

Bauxite Production Summary

Company	**Year ended 31 March 2011 mt**	Year ended 31 March 2010 mt
BALCO – Mainpat	564,608	486,429
BALCO – Bodai Daldali	506,108	300,000
MALCO	-	-

Bauxite Mine Resource and Reserve Summary

Mine	Resources				Reserves	
	Measured and indicated million mt	Aluminium grade %	Inferred million mt	Aluminium grade %	Proved and probable reserves million mt	Aluminium grade %
BALCO						
Manipat	-	-	5.0	48.1	2.4	46.8
Bodai-Daldali	-	-	2.0	48.0	3.0	45.8
Pandrapat	-	-	8.0	48.0	-	-
Jamirapat	-	-	15.7	50.5	-	-
Total BALCO	**-**	**-**	**30.7**	**49.3**	**5.4**	**46.3**

Resources are additional to Reserves

Zinc and Lead

Zinc and Lead Production Summary:

Company	**Year ended 31 March 2011 mt**	Year ended 31 March 2010 mt
HZL		
Zinc	712,471	578,411
Lead	57,294	64,319

Zinc and Lead Mining Summary:

a) Metal mined & metal concentrate

		Ore mined		Zinc concentrate		Lead concentrate	
		31 March 2011	31 March 2010	**31 March 2011**	31 March 2010	**31 March 2011**	31 March 2010
Mine	Type of mine	**mt**	mt	**mt**	mt	**mt**	mt
Rampura Agucha	Open cut	6,149,165	5,135,625	1,319,245	1,155,849	117,272	89,205
Rajpura Dariba	Underground	496,234	501,282	40,246	36,865	7,937	7,456
Sindesar Khurd	Underground	654,050	444,715	53,118	38,007	18,959	13,372
Zawar	Underground	240,550	1,020,250	-	-	-	-
Total		**7,539,999**	**7,101,872**	**1,412,609**	**1,230,721**	**144,168**	**110,033**

b) Metal in Concentrate (MIC)

		Zinc in concentrate		Lead in concentrate	
		31 March 2011	31 March 2010	**31 March 2011**	31 March 2010
Mine	Type of mine	**mt**	mt	**mt**	mt
Rampura Agucha	Open cut	677,426	612,937	68,773	55,098
Rajpura Dariba	Underground	23,193	21,960	5,220	5,345
Sindesar Khurd	Underground	26,695	19,753	10,415	8,036
Zawar	Underground	24,810	28,122	3,521	17,368
Total		**752,125**	**682,772**	**87,928**	**85,847**

Zinc and Lead Mine Resource and Reserve Summary

Zinc India

	Resources						Reserves		
Mine	Measured and indicated million mt	Zinc grade %	Lead grade %	Inferred million mt	Zinc grade %	Lead grade %	Proved and probable reserves million mt	Zinc grade %	Lead grade %
Rampura Agucha	21.0	14.7	1.9	23.6	11.8	1.9	69.7	14.3	2.0
Rajpura Dariba	7.9	7.3	2.1	32.5	7.8	2.1	9.1	6.8	1.8
Zawar	25.2	5.0	1.8	32.7	4.9	2.6	7.8	3.7	2.0
Kayar	6.3	10.8	1.5	4.3	9.8	1.8	-	-	-
Sindesar Khurd	17.0	5.7	3.7	40.8	4.9	3.1	10.1	4.9	2.8
Bamnia Kalan	1.7	5.3	1.8	3.4	5.0	3.8	-	-	-
Total	**79.1**	**8.4**	**2.2**	**137.3**	**6.92**	**2.5**	**96.7**	**11.7**	**2.0**

Resources are additional to Reserves

Zinc International

			Resources					Reserves	
Mine	Measured and indicated million mt	Proved and Zinc grade %	Lead grade %	Zinc Inferred million mt	Lead grade %	probable grade %	Zinc reserves million mt	Lead grade %	grade %
Skorpion	0.1	7.4	-	1.2	8.9	-	6.4	10.2	-
BMM									
-Deeps	9.5	2.9	3.8	9.6	2.8	2.6	6.8	3.0	3.2
-Broken Hill	0.2	2.4	2.0	-	-	-	-	-	-
-Swartberg	16.4	0.7	2.9	31.9	0.7	2.7	-	-	-
- Gamsberg	100.8	6.7	-	85.6	7.1	-	-	-	-
Lisheen	-	-	-	0.6	7.1	2.8	5.8	11.0	1.8

Resources are additional to Reserves

Zinc Production Summary:

Company	Year ended 31 March 2011 mt
Skorpion	49,698

Zinc and Lead Mining Summary:

a) Metal mined & metal concentrate

Mine	Type of mine	Ore mined 31 March 2011 mt	Zinc concentrate 31 March 2011 mt	Lead concentrate 31 March 2011 mt
Skorpion	Underground	486,102	-	-
BMM and Gamsberg	Underground	246,947	15,259	13,183
Lisheen	Underground	158,440	42,661	6,562
Total		**891,489**	**57,920**	**19,745**

b) Metal in Concentrate (MIC)

Mine	Type of mine	Zinc in concentrate 31 March 2011 mt	Lead in concentrate 31 March 2011 mt
BMM and Gamsberg	Underground	7,593	9,324
Lisheen	Underground	22,775	3,913
Total		**30,368**	**13,237**

Previous year numbers are not provided since Anglo Zinc assets were acquired during 2010-11

Iron ore

Iron Ore Production Summary

Company	**Year ended 31 March 2011 mt**	Year ended 31 March 2010 mt
Sesa Goa		
Saleable Iron Ore	21.1	21.4
Goa	11.6	12.0
Karnataka	3.3	4.0
Orissa	1.5	1.9
Dempo	4.6	3.6

Iron Ore Resource and Reserve Summary

	Resources				Reserves	
Mine	Measured and indicated million mt	Iron ore grade %	Inferred million mt	Iron ore grade %	Proved and probable reserves million mt	Iron ore grade %
Ore:	92.9	51.9	37.74	52.0	175.6	56.6

Comprises mines that Sesa owns or has rights to.

Resources are additional to Reserves

Source Of information:

In respect of all businesses, the information has been certified by in house geologist on behalf of Group management.

Basis of Preparation

Ore reserves and mineral resources reported herein comply with the 'Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves', other than those relating to Konkola Copper Mines plc ('KCM') which complies with the South African Code for Reporting of Mineral Reserves and Mineral Resources (the 'SAMREC Code'). The former code is prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists, and Minerals Council of Australia, and is commonly referred to as the 'JORC Code'. As at the date of this document, the editions of the JORC and SAMREC Codes in force are dated December 2004 and March 2000, respectively. The JORC and SAMREC Codes recognise a fundamental distinction between resources and reserves.

The terms and definitions in the SAMREC Code are consistent with those used in the JORC Code with minor differences in terminology – the JORC Code uses the term Ore Reserve whilst the SAMREC Code uses the term Mineral Reserve. For the purposes of ore and mineral resources reported herein, the term ore resources have been used throughout.

Mineral resources are based on mineral occurrences quantified on the basis of geological data and an assumed cut-off grade, and are divided into Measured, Indicated and Inferred categories reflecting decreasing confidence in geological and/or grade continuity. The reporting of resource estimates carries the implication that there are reasonable prospects for eventual economic exploitation. An Ore or Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource. It includes the effect of dilution and losses which may occur when the material is mined. Appropriate assessments, which may include feasibility studies, need to have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors.

These assessments demonstrate at the time of reporting that extraction could be reasonably justified. Ore Reserves are sub-divided in order of decreasing confidence into Proved Ore Reserves and Probable Ore Reserves.

The Measured and Indicated mineral resources have been reported as being inclusive of those mineral resources modified to produce the ore reserves, in addition to the ore reserves. The resource and reserve estimates provided herein comply with the resource and reserve definitions of the JORC Code, other than those relating to KCM which comply with the SAMREC Code.