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16 May 2013

Vedanta Resources plc
Full Year Results For The Year Ended 31 March 2013

Financial Highlights

- Revenue of US$15.0 billion, up 7%
- EBITDA of US$4.9 billion, up 21%; EBITDA margin of 45%[1]
- Underlying EPS[2] of US$ 1.33, down 6%
- Free cash flow of US$3.5 billion before growth capex, and US$1.5 billion after growth capex
- Net Debt reduced by US$1.5 billion, gearing ratio reduced to 31% from 35%
- Strong balance sheet with Cash and Liquid Investments of US$8.0 billion
- Final dividend of 37 US cents per share, up 6%

Business Highlights

- Significant production growth across the portfolio
  - Record production of mined zinc-lead and integrated silver at Zinc India
  - Record oil & gas production driven by 32% higher output at Rajasthan block
- Strong cost performance despite industry-wide inflationary trends
- Recommenced oil & gas exploration drilling in Rajasthan and achieved a successful discovery in April 2013
- Mine life extensions at Zinc-India, Copper and Iron Ore operations
- Karnataka iron ore mining restrictions lifted in April; continued state-wide restriction on mining in Goa; Lanjigarh approvals progressing
- Group simplification received approval from High Court of Bombay at Goa; Madras High Court Order awaited

(in $ millions, except as stated)

Consolidated Group Results	**FY2012-13**	**FY2011-12**	**% Change**
Revenue	14,989.8	14,005.3	*7.0*
EBITDA[2]	4,888.3	4,026.2	*21.4*
EBITDA Margin	*32.6%*	*28.7%*	-
EBITDA margin excluding custom Smelting (%)	44.9%	40.6%	-
Operating Profit	2,512.0	2,387.7	*5.2*
Attributable Profit	157.4	59.8	*163.2*
Underlying attributable Profit[3]	363.3	387.2	*(6.2)*
Basic Earnings per Share (US cents)	57.7	21.9	*163.6*
Earnings per Share on Underlying Profit (US cents)	133.1	142.0	*(46.0)*
ROCE (excluding project capital work in progress)	*17.5%*	*11.3%*	-
Total Dividend (US cents per share)	58.0	55.0	*5.5*

1 *Excludes custom smelting at Copper and Zinc-India operations*

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

3. *Based on profit for the period after adding back special items and other gains and losses, and their resultant tax and minority interest effects (refer to note 6 of Condensed financial statements)*

Mr Anil Agarwal, Chairman of Vedanta Resources plc said, "*Vedanta has once again delivered a strong performance. Operationally, the group has seen great success, with oil and gas production up 19%,* *exploration recommencing in Rajasthan, and a successful discovery at the block in April. The group also achieved strong growth across copper, aluminium, lead and sliver, maintaining our position as a large global diversified natural resources company. We delivered positive free cash flow of $1.5 billion after growth capex, and have maintained progressive dividends."*

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About Vedanta Resources plc

Vedanta Resources plc ("Vedanta") is a London listed FTSE-100 diversified global resources major. The group produces Aluminium, Copper, Zinc, Lead, Silver, Iron ore, Power, and Oil and Gas. Vedanta has world-class assets in India, Zambia, South Africa, Namibia, Ireland, Liberia, Australia and Sri Lanka and a strong organic growth pipeline of projects. With an empowered talent pool globally, Vedanta places strong emphasis on partnering with all its stakeholders based on the core values of entrepreneurship, excellence, trust, inclusiveness and growth. For more information, please visit:www.vedantaresources.com.

Disclaimer

This press release contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "should" or "will." Forward–looking statements by their nature address matters that are, to different degrees, uncertain. For us, uncertainties arise from the behaviour of financial and metals markets including the London Metal Exchange, fluctuations in interest and or exchange rates and metal prices; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different that those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.

CHAIRMAN'S STATEMENT

Overview

In the first half of the financial year (H1 FY2013), Vedanta has delivered strong operational and financial results driven by production growth across the portfolio and strong cost performance. The Cairn India acquisition that was completed in December last year has been performing well and has delivered significant increase in production. Further, the simplification of our Group structure is progressing well, laying the foundation for a more efficient corporate and capital structure. I would like to thank our employees for their contribution to these results and our shareholders for their continued support.

Strong position in growth markets

Global growth and commodity demand remains volatile and emerging markets continue to be the key drivers of growth. Vedanta is well positioned to capitalize on emerging market growth with a significant portion of its assets in India and Africa. For example, India imports over 80% of its crude oil requirements, and we are currently the largest private sector producer of crude oil in India. With significant production growth since acquisition and a balanced portfolio of oil & gas assets that have exploration upside, we are well positioned to drive production growth in oil & gas. Similarly, with favorable demographics and urbanization driving consumption growth in India, we are well placed to meet the growing demand as India's largest domestic producer across our remaining commodities.

A strong operating and financial performance

We achieved record production of mined zinc-lead and silver at Zinc India and an impressive 32% increase in oil & gas production driven by higher output at the Rajasthan block. Despite industry-wide inflationary pressures, we have reduced or maintained unit costs across majority of our operations. Whilst we are not immune to cost inflationary pressures, we continued to control costs and have demonstrated a track record of implementing operational improvements and maintaining our relatively new asset base at low sustaining capex costs.

Driven by a robust operating performance, we delivered 21% growth in EBITDA to US$ 4.9 billion and a 45% EBITDA margin[1] despite lower LME prices. We achieved positive free cash flows after growth capital expenditure of around $1.5 billion, and remain focused on deleveraging. Our balance sheet remains strong with cash and liquid investments of $8 billion.

On behalf of the Board, I would like to thank our 31,000 employees across the world for their contribution to these results. Their commitment and efforts, combined with the strength of our management team, continue to drive our performance.

Robust execution of our strategy

Long term value

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

Following Government approval to allow exploration in development areas, we recommenced drilling at our Rajasthan oil & gas operations to realize its basin potential of 300,000 bopd, and already achieved an early discovery in April, the 26th in the block.

Last year we initiated a group structure consolidation exercise to simplify our group structure, create a more efficient capital structure with better alignment of debt and cash flows across the Group, deliver significant synergies and unlock value for shareholders. This exercise has received shareholder approvals and various regulatory approvals including the approval of the

High Court of Bombay at Goa, and we now await the final approval of the High Court of Madras.

Organic growth and selective M&A

We delivered production ramp-up across the portfolio during the year, and remained focused on capital allocation to low-risk brownfield projects with attractive returns. We successfully integrated the oil & gas operations of Cairn India, and ramped up production at our Rajasthan operations by 40% to c.175,000 bopd since completing the acquisition in December 2011. One of the significant milestones was recommencing exploration at Rajasthan, and we achieved a discovery in April. With potential for further upside at the proven Rajasthan block, we plan to invest c.80% of our $3bn oil & gas capex program on the Rajasthan block the over the next three years. At our cost-efficient Zinc-India business, we plan to grow mined metal capacity by 20% to 1.2mtpa driven primarily by brownfield expansion projects over the next six years.

Last year we acquired iron ore assets close to the coast in Liberia, including some brownfield deposits. We rapidly ramped up exploration and completed drilling of 65,000 metres, which has yielded positive results and indicated c.1 billion of JORC[2] certified reserves and resources with substantial further upside. Further drilling is in progress and we are on track to deliver the first shipment by March 2014.

Recently, the Supreme Court lifted the ban on mining of iron ore in Karnataka and we are working towards resuming our mining operations in the region. Mining in Goa, however remains suspended and the Supreme Court process is in progress. Vedanta is India's largest private sector miner of iron ore and committed to responsible mining practices.

Sustainability

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

In addition to our c.31,000 strong workforce, we indirectly create employment for around 60,000 people through our contractors. We are one of the largest employers of mining engineers and geologists in India and one of the largest contributors to India's Exchequer. In Zambia, we are both the largest private sector employer and largest contributor of taxes. Our community programmes benefit around 3.7 million people in India and Africa, across 2,200 villages, and I take great pride in the positive impact we are making on across our communities.

We have made considerable progress on our five priority areas:

1. *Embed sustainable development into every aspect of what we do.*
2. *Improve our health and safety performance for a safer, more secure and healthier environment.*
3. *Contribute further and in a more targeted way to local communities.*
4. *Continue to manage and minimise our impact on air, water and land.*
5. *Maintain a dialogue with stakeholders to help us further understand what is needed to help support a sustainable society and planet.*

Further detail will be available in our comprehensive Sustainability Report for the year.

Vedanta has complied with the recommendations outlined in the sustainability review by URS Scott Wilson, and I expect to complete this process during 2013. We are keen to continue working with all our stakeholders on this journey, ensuring we are a sustainable business that will deliver value to all stakeholders.

Dividends

We have progressively increased our dividend since listing in FY 2004, delivering a 15% CAGR since listing in FY 2004. This year the Board has recommended a final dividend of 37 US cents per share, an increase of 6%. This takes the total dividend for the year to 58 US cents per share, 5% above last year.

Governance

We have recently inducted two new Independent Non-Executive Directors to the Vedanta board. In August 2012, Geoffrey Green joined our board. As a long serving legal adviser to major listed companies in the UK, Mr. Green has a wealth of knowledge and expertise in relation to the strategic issues of UK listed companies, and the UK corporate governance framework. In May 2013, we announced that Deepak Parekh will join our board. Mr. Parekh has extensive experience at India's premier housing finance company, HDFC Limited, where he currently serves as Non-Executive Chairman, and also serves on the boards of several other companies such as Lafarge SA in France and DP World Limited in the U.A.E.

Looking forward

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

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

[2] JORC stands for Joint Ore Reserves Committee

Anil Agarwal

Chairman

16 May 2013

BUSINESS REVIEW

Strategic Context

We continued to deliver on our strategy during the year in an uncertain economic environment. Our diversification into oil & gas enabled us to deliver strong financial results despite a difficult year for the mining industry and some company specific challenges. Challenges for the industry persisted in 2012 as the market uncertainty and volatility witnessed since the global financial crisis continued. The marked economic slowdown in China, a troubled euro zone and only an insipid recovery in the US were the main factors which depressed the economic sentiments of the global economy. The global industry also faced falling prices combined with increasing costs creating further pressure on margins in the mining and metal industry. In addition to these factors, during the year our iron ore businesses in Goa and Karnataka were impacted by the mining bans which reduced our operating profit by US$485.3 million compared to the previous year Against this backdrop, we improved our operational performance delivering production growth and reducing costs across all our segments. Following our acquisition of the controlling stake in Cairn India, it delivered excellent financial results in its first full year and helped us to create a world class diversified natural resource company.

Delivering our strategy

Over the years we have built a diversified company with a well-balanced portfolio covering oil & gas, metals, bulks and power and are India's leading natural resource company. Most of our growth projects are now complete so we have passed the inflexion point where free cash flow exceeds our growth capital expenditure. We are now focused on deleveraging and reducing debt.

We continue to focus on delivering growth and long term value for our stakeholders, by investing in, and maintaining, structurally low cost, high quality assets with long operational lives where we can drive further improvement through efficiencies. Structurally our Tier1 asset portfolio provides with a competitive cost position as majority of our businesses are in the lowest quartile of the global cost curve.

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

Key Strategic Priorities

- Disciplined production growth across the portfolio with a focus on returns.
- Continue to add reserves and resources to drive long-term value by extending resources at a faster rate than we deplete them through a continued focus on drilling and exploration programmes.
- Reduce gearing from cash flow as we have reduced an inflection point where free cash flow exceeds capex.
- Complete the simplification of the Group structure to more closely, align debt with cash flow and deliver significant synergies.

Growth

Organic growth

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

During the year, our aluminium smelters operated at more than the rated capacity and volume increased significantly over FY 2011-12. We had record production of lead and silver at our Zinc India subsidiary with copper cathode production improving in Sterlite as well as at Konkola Copper Mines (KCM) Sterlite Energy operated at a higher plant load factor (PLF) increasing commercial power generation, although this was constrained by power transmission capacity. This higher generation of commercial power was also supported by an increase in green energy powered from our wind power plants.

Selective and value accretive M&A

Whilst our primary focus is on growing our existing assets, we pursue selective acquisitions that are value-enhancing for our shareholders. We seek large proven, assets with the potential for growth and/or cost improvement, where we can leverage our skills and experience. These could include new geographies and commodities that meet our investment criteria. Last year, we acquired a controlling interest in Cairn India, the largest private oil producer in India. In 2012, Cairn India contributed 49% of the Group's EBITDA. This diversification has helped the group improve the profitability despite adverse commodity prices in copper, aluminium, zinc, lead and silver.

During the year, we acquired the outstanding 49% stake in the brown field and green field iron ore assets in Liberia in Western Africa for a cost of US$33.5 million. West Africa is an emerging hub for iron ore. The region has approximately 34 billion tonnes of reserves and resources, with the potential to become a 100 million tonnes per annum iron ore exporting region.

Long term value

Optimise returns

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

Reserves and resources

In line with our strategy to maintain long mine life for our assets and our target to add more than we mine, we continue to focus on our exploration programmes – on both brown field and green field sites. During FY 2012-13, our exploration activities resulted in the successful addition of reserves and resources (R&R) at our zinc and iron ore businesses.

Key achievements include:

- 1.0mt contained metal added to R&R in Zinc India, prior to depletion of 0.9mt equivalent of mined out metal during the year.
- Significant exploration success in our Indian Iron Ore business, with the net addition of 59mt to reserve and resources, extending the mine life to 20 years.
- Exploration success in Liberia, first iron ore R&R declared at 966mt
- Konkola Copper Mine (KCM) has substantively increased its R&R by 78mt on a net basis. This increase in R&R has contributed to a 20% increase in contained copper compared to March 2012
- Copper Mines of Australia (CMT) added 5.4mt to reserves, prior to depletion of 2.5mt. With a total reserves of 8.9mt of copper ore on 31 March 2013, the mine life has been extended to around four years.

Group structure

Last year we initiated a major project to simplify our group structure and unlock value. This is focused around the merger of Sesa Goa Ltd and Sterlite industries (India) Ltd to form Sesa Sterlite Ltd, aiming to create a more efficient capital structure across the Group with better alignment of debt and cash flows, as well as delivering significant synergies. The necessary approval from the High Court of Bombay at Goa has been received and we now await the approval of the High Court of Madras.

Sustainability

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

Embedding Sustainability

We have been working to train and develop our employees and contractors in our sustainability framework, to both embed a culture of sustainability across the business as well as implement the framework's supporting practices and procedures. To date more than 9,000 people across the Company have been trained on the framework which is aligned to international sustainability standards.

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

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

Responsible Stewardship

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

Health & Safety

The Health & Safety of the people who work for the Vedanta Group remains a key focus and we are saddened to report twenty fatalities during the year. The company and the operational management is committed to sustain and further intensify our actions to make our operations fatality free. As a leading indicator of improving safety environment we see a reduction in the injury rates, and over the past five years we have more than halved our Lost Time Injury Frequency Rate from 1.67 to 0.72. With safety management continually improving around the Group, we remain committed to meeting our target of zero fatalities.

Environment

Vedanta continues to work on managing its impact on the natural environment. Our continuous improvement projects in air, water and energy management have made good progress, but we have much more to do, to meet our own challenging targets. As evidence, during the year, 5.63mt of non-hazardous waste has been successfully recycled. Vedanta was also rated eighth among 38 FTSE metal and mining companies by the Carbon Disclosure Project as it improved its score from 63 in 2012 to 76 in 2013.

Building Strong relationships

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

Throughout the year some 3,400 stakeholder engagement meetings took place, with community leaders, non-governmental organisations (NGOs), governments and government bodies, academic institutions and around 2,000 partnerships are now in place.

Adding and sharing value

We contributed US$5.3 billion to the Exchequer through direct and indirect taxes, royalty and oil tax.

We employ, directly and through contractors, more than 87,000 people. We play a significant role in growing local skills and in the development of local infrastructure, including roads, sanitation, education and medical facilities. We made a community investment of US$42 million this year, reaching 3.7 million people and providing support for schools, hospitals, health centres and farmers.

BUSINESS REVIEW

Financial Results

(in US$ million, except as stated)

	FY 2012-13	FY 2011-12*	% Change	Proforma FY 2011-12
Revenue	14,989.8	14,005.3	7.0	15,615.9
EBITDA	4,888.3	4,026.3	21.4	5,353.3
EBITDA margin without custom smelting (%)	*44.9%*	*40.6%*	-	*46.7%*
Operating Profit	2,512.0	2,387.7	5.2	3,165.6
Underlying Attributable profit	363.3	387.2	(6.2)	571.1
Free Cash Flow	3,534.7	2533.8	39.5	3,127.6
Underlying earnings per share (us cents)	133.1	142.0	(6.3)	209.4
ROCE (excluding Capital work in progress and exploration assets)	17.5	11.3	-	10.7
Gearing	31.4	35.3	(11.0)	34.8
Net Debt	8615.6	10,064.4	(14.4)	10,064.4
Net Debt/EBITDA**	1.8	2.5	-	1.9
EBITDA Interest Cover (times)	9.0	7.9	-	7.6
Dividend (US cents per Share)	58.0	55.0	5.5%	55.0

* *includes Cairn India results with effect from 8th Decemeber 2011,*

** *on Proforma basis for FY 2011-12*

HIGHLIGHTS:

- Strong performance in the current challenging environment driven by a diversified portfolio of world-class, low cost, long-life assets
- Revenues up 7.0% to US$15.0 billion, EBITDA up 21.4% to US$4.9 billion
- EBITDA margin 32.6%, EBITDA margin (excluding custom smelting), 44.9%
- Significant contribution from Cairn India's first full year performance
- Robust cost performance across operations despite global inflationary pressure
- Strong free cash flow, up 39.5% at US$3.5 billion. Free cash flow after project capital expenditure US$1.5 billion.
- Record production of mined zinc-lead and integrated silver at Zinc India
- Record oil & gas production driven by 32.1% higher output at Rajasthan block
- Karnataka iron ore mining restrictions lifted in April, continued state-wide restriction on mining in Goa
- Significant increase in reserves & resources at Zinc India, Iron Ore and Copper in Africa
- Recommenced exploration drilling in the Rajasthan block and made 26th discovery in the block
- Return on capital employed (ROCE) improved to 17.5% (FY 2011-12:11.3%)
- Net debt reduced by 14.4% down to US$8.6 billion, cash and liquid investments of US$8.0 billion
- Net gearing of 31.4%, reduced by 11.0%
- Group consolidation and simplification approval received from the High Court of Bombay at Goa; Madras High Court approval awaited
- Final dividend of 37 US cents per share, up by 6.3%,progressive dividend maintained

Overview

Vedanta has once again delivered a strong set of financial results, largely driven by strong operational performance from a diversified portfolio of world-class, low cost, long-life assets set against the backdrop of a challenging economic environment and some company specific challenges. Our financial performance during the year reflects volume growth across most of our businesses with the exception of iron ore, where the operations were impacted by mining bans. We had record mined zinc and lead metal production during the year as well as strong increases in lead and silver volumes in Zinc India. Aluminium smelters operated above rated capacity and Power sales volumes also improved significantly although we were impacted by evacuation constraints. Copper cathode production at KCM and Sterlite India also increased substantially. Acquired by the Group in December 2011, Cairn India achieved excellent results in its first full year of operations, delivering strong production growth and operating costs.

The global economic concerns and uncertainties have driven down the prices of all key commodities. In the commercial power sector, sales prices also weakened, although the impact of this was partly mitigated by the lower costs of power generation.

Despite global inflationary pressures, we have been able to position majority of our businesses in lowest quartiles of the cost curve. At Zinc India we are placed in the first cost quartile while Zinc International business is in the second cost quartile. Our aluminium operation maintained its strong second cost quartile positioning and the cost positioning even without captive bauxite.

During the year we delivered EBITDA of US$4,888.3 million up by 21.4%. Operating profit was higher at US$2,512.0 million, up by 5% and attributable profit of US$157.4 million.

We continued to maintain a strong balance sheet, with cash and liquid investments totalling US$7,981.7 million. During the financial year, the ramp up in production following the substantial investment in our assets generated significantly higher free cash flow of US$3,534.7 million, significantly exceeding growth capital expenditure ofUS$2,019.1 million .

Our gross debt as at 31 March 2013 was US$16,592.8 million (31 March 2012 US$16,955.4 million), a reduction of US$362.6 million. Net debt also came down more significantly to US$8,615.6 million (31 March 2012: US$10,064.4 million) and the gearing ratio reduced to 31.4% from 35.3% in the previous year. The group simplification project announced last year, is in the advanced stage of completion and this will facilitate alignment of debt and cash flow generation thus help accelerate deleveraging.

Key developments

Iron ore operations remain affected by the mining bans in Goa and Karnataka. Honourable Supreme Court of India has given clearance for resumption of mining operations for A and B category mines in Karnataka through its order dated 18 April 2013. Sesa Goa's Karnataka mine falls under B category, and we are in the process of securing the necessary statutory clearances and expect to resume mining in Q1 FY 2013-14.

Iron Ore mining in the State of Goa has been suspended with effect from 11 September 2012. An appeal against this has been made to the Honourable Supreme Courtland we are awaiting dates for initial hearings. In the meantime, the State Government and major miners including Sesa Goa, have filed their responses to the Central Empowered Committee report. Separately, we have filed an application to the Court seeking a stay on the mining ban and restrictions on ore transportation.

The Ministry of Environment and Forests ("MOEF") rejected the approval obtained by the Orissa Mining Corporation ("OMC") for the final stage forest clearance needed for the commencement of the Niyamgiri mining project. This is one of the bauxite supply sources close to our alumina refinery. Following the petition filed by OMC challenging the MOEF decision , the Honourable Supreme Court, through its order dated April 18, 2013,has directed the State Government of Orissa to place any unresolved issues and claims of the local communities under the Forest Rights Act before the Gram Sabha, the council representing the local community. The Gram Sabha will consider these claims and communicate its decision to the MOEF through the

State Government of Orissa within three months. The MOEF will then take a final decision on the granting of stage II forest clearance for the Niyamgiri mining project within two months.

VAL had undertaken the expansion project for the alumina refinery with an understanding that since there was no change in the manufacturing process and expansion was within the same premises, no fresh environmental clearance was required. This view was challenged by MOEF and the Company has been directed to apply afresh for environmental clearance for the expansion project. VAL has complied with this and the application is in process. The MOEF has now sought certain clarifications from the Government of Orissa and based on the results, it will set the date for the public hearing for the proposed expansion project. In the meantime, VAL has put the alumina refinery expansion activity on hold. Due to the shortage of bauxite, VAL temporarily suspended its refinery operations at Lanjigarh from December 5, 2012. Orissa government has appointed a ministerial level committee to examine the issue of mineral based raw material supplies, including bauxite for alumina plants. The committee is expected to submit its report shortly. For more details refer to Note No 2 (b) Critical accounting judgement and estimation uncertainty of the Consolidated Financial Statements for the year ended 31 March 2013.

Finance Review

Consolidated Revenue:

(in US$ million, except as stated)

	2012-13	2011-12	% Change
Zinc	**3,060.5**	**3,206.8**	*(4.6%)*
— India	2,263.3	2,316.1	*(2.3%)*
— International	797.2	890.7	*(10.5%)*
Oil and Gas*	3,223.4	882.5	-
Iron Ore	442.5	1,690.9	*(73.8%)*
Copper	5,733.9	5,915.0	*(3.1%)*
— India/Australia	3,991.1	4,205.2	*(5.1%)*
— Zambia	1,742.8	1,709.8	*1.9%*
Aluminium	1,920.8	1,873.5	*2.5%*
Power	576.1	458.3	*25.7%*
Eliminations	32.6	(21.7)	-
Revenue	**14,989.8**	**14,005.3**	***7.0%***

** FY 2011-12 includes Cairn India results wef 8th Decemeber 2011*

Consolidated EBITDA

(in US$ million, except as stated)

	FY 2012-13	FY 2011-12	% Change	EBITDA Margin% FY 2012-13	EBITDA Margin% FY2011-12
Zinc	1,459.8	1,610.8	*(9.4)%*	*47.7%*	*50.2%*
— India	1,165.3	1,244.8	*(6.4)%*	*51.5%*	*53.7%*
— International	294.5	366.0	*(19.5)%*	*36.9%*	*41.1%*
Oil & Gas*	2,439.7	713.0	-	*75.7%*	*80.8%*
Iron Ore	84.2	721.4	*(88.3)%*	*19.0%*	*42.7%*
Copper	476.4	685.9	*(30.5)%*	*8.3%*	*11.6%*
— India/Australia	219.1	298.0	*(26.5)%*	*5.5%*	*7.1%*
— Zambia	257.3	387.9	*(33.7)%*	*14.8%*	*22.7%*
Aluminium	214.0	182.5	*17.3%*	*11.1%*	*9.7%*
Power	215.0	122.0	*76.2%*	*37.3%*	*26.6%*
Others	(0.8)	(9.3)	-	-	-
Total	**4,888.3**	**4,026.3**	***21.4%***	***32.6%***	***28.7%***

** FY 2011-12 includes Cairn India results wef 8th Decemeber 2011*

Consolidated Operating Profit

(in US$ million, except as stated)

Consolidated Operating Profit	**FY 2012-13**	**FY 2011-12**	**% Change**
Zinc	1,165.4	1255.8	(7.2)%
India	1,054.8	1126.6	(6.4)%
International	110.6	129.2	(14.4)%
Oil & Gas*	1,004.8	366.3	-
Iron Ore	(4.0)	481.3	-
Copper	209.5	384.9	(45.6)%
India/Australia	157.6	164.0	(3.9)%
Zambia	51.9	220.9	(76.5)%
Aluminium	21.1	(40.3)	152.4%
Power	120.9	40.3	200.0%
Others	(5.7)	(100.6)	-
Total Group Operating Profit	**2,512.0**	**2,387.7**	**5.2%**

** FY 2011-12 includes Cairn India results wef 8th Decemeber 2011*

Operating Profit Variance

Consolidated operating Profit Variance

(In US$ million)

Operating Profit FY 2011-12		**2,387.7**
New Acquired Assets(Cairn India)*		
EBITDA	1,726.7	
Depreciation and amortisation of Cairn	(1088.2)	638.5
Iron Ore Business		
EBITDA	(637.2)	
Depreciation and amortisation	142.0	(495.2)
Sale Price		(518.9)
LME	(637.9)	
Premium	119.0	
Currency & Foreign Exchange fluctuation		87.8
Volume		154.1
Cash cost of production		65.7
Others		(16.2)
Special Items		188.3
Depreciation **		(46.4)
Amortisation**		66.6
Operating Profit FY 2012-13		**2,512.0**

* *FY 2011-12 includes Cairn India results with effect from 8th Decemeber 2011*

** *Excluding Cairn and Iron Ore business*

New and Acquired Operations

Assets are reported as new and acquired operations until there is a full year period for comparison. Our diversification into the oil & gas sector through the acquisition of Cairn India on 8 December 2011, contributed US$638.5 million to the total operating profit of US$2,512.0 million for the year. EBITDA for Cairn India was US$1,726.7 million higher with higher depreciation and amortisation charges of US$1,088.2 million.

Iron Ore Business

The mining ban in Goa and Karnataka impacted our iron ore business significantly during the year and contributed a negative variance of US$495.2 million to operating profits before special items compared with FY 2011-12.

Prices

The prices of many commodities declined during the financial year as global economic growth slowed and concerns surrounding the economic outlook increased. Average aluminium prices declined by 15% whereas zinc, lead and copper prices were also lower by 7% each. Our Power business is situated in India, where the demand continues to exceed supply with the precarious financial health of power distribution companies frequently creating downward pressure on power prices due to their inability to finance the power demand. These lower prices across all commodities (except oil & gas, and iron ore) had a negative impact of US$ 637.9 million which was partially offset by higher premiums to LME prices of aluminium of US$119.0 million. The impact of lower prices was US$ 254.8 million in Aluminium business, US$212.4 million in both the Zinc businesses and approximately US$161 million in Copper Zambia and Australia. In aggregate, the operating profit for the year was negatively impacted by US$518.9 million as a result of lower prices despite the higher premiums realised for aluminium.

Exchange Rates

During the year we experienced exchange rate volatility of the Indian rupee against the US dollar. This improved operating profit margins for our businesses located in India as the depreciation of the Indian rupee reduced the costs in dollar terms. Combined with higher sales revenues in rupee terms, this improved operating profitsbyUS$87.8 million.

Volumes

During the year, we had record mined zinc and lead metal production as well as strong increases in lead and silver volumes in Zinc India. Aluminium smelters operated above rated capacity and power sales volume improved significantly although we were impacted by power transmission constraints. These were mainly due to regional power distribution capacity constraints and legalised supply and demand imbalances. Copper cathode production at KCM and Sterlite India also increased. These increases in production volume contributed a positive variance of US$154.1 million to operating profits.

Costs

The global cost-inflationary environment prevailing in the sector was largely mitigated by our significant presence in India and Zambia, higher production volumes and operational efficiencies. There was a reduction in aluminium costs of US $89.4 million and a reduction in power generation costs of US$79.3 million which was partially offset by an increase in copper costs. These cost reductions increased operating profits by US$65.8 million.

The following exchange rates against the US dollar have been applied:

	Average FY 12-13	Average FY 11-12	As at 31.3.13	As at 31.3.12
Indian Rupee	54.45	47.95	54.39	51.16
Australian dollar	0.97	0.96	0.96	0.96
South African Rand	8.51	7.46	9.25	7.69
Kwacha	5,230	5,043	5,329	5,361

Special Items

Special items to the value of US$41.9 million for FY 2012-13 included US$9.4 million mainly due to voluntary redundancy charges, US$4.7 million restructuring related costs, US$9.4 million project cost write off and US$18.4 million towards the compensation ordered by the Supreme Court in regards to the Tuticorin Smelter issues In FY 2011-12special items amounted to US$230.2 million mainly related to provision for ASARCO and costs related to the Cairn India acquisition.

Depreciation

The depreciation charge excluding Cairn India and our Iron Ore business in FY 2012-13 was US$743.8 million compared to US$697.3 million in FY 2011-12. Depreciation charges were higher at Copper Zambia due to the capitalisation of the Konkola Deep Mining Project (KDMP) and other projects. These higher depreciation charges for FY 2012-13 reduced operating profit by US$46.4 million.

Amortisation

The mining reserves related to our acquisitions are being amortised based on a unit of production basis over the total estimated remaining reserves and resources.

The amortisation charge (excluding Cairn India and our Iron Ore business) in FY 2012-13 was US$71.5 million as compared to US$138.0 million in FY 2011 -12.Amortisation charges at Zinc International decreased by US$ 56.4 million and by US$9.0 million at BALCO increasing operating profit by US$66.6 million in the financial year.

Income Statement

(in US$ million, except as stated)

	FY 2012-13	FY 2011-12	% Change
Revenue	14,989.8	14,005.3	7.0
EBITDA	4,888.3	4,026.3	21.4
EBITDA margin (%)	32.6%	28.7%	-
EBITDA margin without custom smelting (%)	44.9%	40.6%	-
Special items	(41.9)	(230.2)	(81.8)
Depreciation	(1,388.2)	(927.3)	49.7
Amortisation	(946.2)	(481.1)	96.7
Operating Profit	2,512.0	2,387.7	5.2
Net interest expense	(520.9)	(420.3)	23.9
Other Gains and (Losses)	(285.2)	(314.2)	(9.1)
Income from Associate	-	92.2	
Profit before Taxation	1,705.9	1,745.4	(2.3)
Income Tax Expense	(40.1)	(516.7)	(92.2)
Effective Tax Rate (%)	2.4%	29.6%	-
Profit for the year	1,665.8	1,228.7	35.6
Minority Interest	1,508.4	1,168.9	29.0
Minority Interest (%)	90.6%	95.1%	-
Attributable profit	157.4	59.8	163.2
Basic earnings per share (us cents per share)	57.7	21.9	163.5
Underlying earnings per share (us cents per share)	133.1	142.0	(6.3)

Revenue

Consolidated revenues in FY 2012-13 grew to US$14,989.8 million, up 7.0% as compared with the previous year. Cairn India contributed US$ 3,223.4 million to our revenue in its first full year of operations. Despite our major businesses delivering higher volume growth, with the exception of iron ore, weak commodity prices lowered revenues. Revenue was also impacted by the suspension of iron ore mining in Goa from September 2012 and the continued mining ban in Karnataka.

EBITDA Margin

EBITDA increased by 21.4% to US$4,888.3 million including a full year of operating results from Cairn India which contributed US$1,726.7 million. This clearly demonstrates the resilience of our diversified business portfolio which helped insulate our EBITDA performance from lower commodity prices and the disruption of iron ore operations during the year. Despite this, we were able to deliver a consistent improvement in EBITDA margin.

EBITDA margin was 32.6% in FY 2012-13 compared with 28.7% in FY 2011-12. Excluding our custom smelting operations, EBITDA margin in FY 2012-13 was 44.9 % (FY 2011-12: 40.6%). Customs business EBITDA in FY 2012-13 was US$ 214.4 million,4% of the total EBITDA generated in FY 2012-13.

Performance in our individual business segments is summarised below:-

- In our Zinc businesses, margin was largely maintained despite fall in zinc, lead and silver prices. This was a result of higher mined metal & silver production and robust cost management.
- EBITDA margin in our copper businesses reduced due to lower London Metal Exchange (LME) prices and lower by-product sales credit for sulphuric acid partially offset by higher volumes of copper production.
- Our Aluminium business delivered an increase in EBITDA margin up to 11.1%, despite a significant decrease in aluminium prices due to an improvement in metal premiums and a reduction in the cost of production.

- Our Power business EBITDA margin increased as a combined effect of a fall in both sales prices and the cost of power generation.
- Oil and gas EBITDA margin was marginally lower than the previous year due to higher revenue sharing resulting from the profit petroleum charge; the Government of India's (GoI) share of profits from the country's oilfields. Cairn India shares profits from oil with the Government after recovering its share of costs as per the terms of a production sharing contract. Profit petroleum charges are paid on a quarterly basis to the GoI.

EBITDA margin trend of our businesses is as per follows :

Business	**FY 12-13**	**FY 11-12**	**FY 10-11**
Zinc	*47.7%*	*50.2%*	*55.6%*
Zinc – India	*51.5%*	*53.7%*	*56.5%*
Zinc – International	*36.9%*	*41.1%*	*46.3%*
Oil & Gas	*75.7%*	*80.8%*	-
Iron ore	*19.0%*	*42.7%*	*59.3%*
Copper India/Australia	*5.5%*	*7.1%*	*7.0%*
Copper Zambia	*14.8%*	*22.7%*	*24.1%*
Aluminium	*11.1%*	*9.7%*	*19.8%*
Power	*37.3%*	*26.6%*	*35.4%*
Group EBITDA Total	***32.6%***	***28.7%***	***31.2%***

Depreciation and Amortisation

The additional depreciation charge of US$460.9 million in FY 2012-13 included US$420.2 million from Cairn India for the full year charge as compared to four months in FY 2011-12. The balance of the increase in depreciation was due to the capitalisation of growth projects at KCM, Zinc India and Sterlite Energy. The Cairn India acquisition amortisation charge for the full year was US$834.5 million in FY 2012 -13 as compared to US$ 166.5 million in FY 2011-12. This was partially offset by lower amortisation costs of US$136 million at our Iron Ore business following lower production and at Zinc International where amortisation costs were down by US$56.4 million.

Net Interest

Net interest expense was US$520.9 million in FY 2012-13 compared with US$420.3 million in FY 2011-12. The increase was primarily due to additional finance costs for the full year on the debt incurred in FY 11-12 for the Cairn India acquisition, partially offset by higher income received on cash and liquid investments. Investment income in FY 2012-13 was US$ 673.1 million, compared with US$525.4 million in FY 2011-12, mainly due to higher cash and liquid investments and improved yield on investments.

Gross finance costs increased to US$1,422.3 million in FY 2012-13 up from US$1,170.5 million in FY 2011-12. The interest capitalised in FY 2012-13 was US$228.3 million (FY 2011-12 US224.8 million). As a result the finance cost charged to the income statement was US$1,194.0 million in FY 2012-13, up from US$945.7 million in FY 2011-12.

The average debt in FY 2012-13 was US$16,791.9 million, compared with an average of US$13,750.4 million in FY 2011-12. The average debt maturity at 31 March 2013 was 3.3 years as compared to 3.5 years in previous year. Refinancing arrangements being planned to be completed in the current year will extend the average maturity profile of the debtor 4.4 years. Our debt constitutes 43% fixed interest rate and 57% on a floating interest rate basis reflecting a balanced debt portfolio.

Other Gains and Losses

Other gains and losses include the impact of mark to market (MTM) on foreign currency borrowings, primarily at our Indian businesses and also from the periodical valuation of embedded derivatives relating to the foreign currency convertible bonds at Sterlite and Sesa Goa.

The other losses in FY 2012-13 were US$285.2 million, as compared with a loss of US$314 million in FY 2011-12. During FY 2012-13, MTM losses on foreign currency borrowings were US$309.9 million (FY 2011-12 US$411.3 million). These mark-to-market losses were caused by volatility in the Indian rupee /US dollar exchange rate, which depreciated by 6.3% in the year, moving from 1 US$ = Rs51.16 to1US$= Rs54.39. The Indian rupee depreciation impacted the uncovered loans denominated in US dollars. The gain on MTM of embedded derivatives of US$24.7 million (FY 2011-12 US$97.1 million) was related to the foreign currency convertible bond at Sterlite and Sesa Goa.

Profit Before Taxation

Profit before taxation at US$1,705.9 million was in line with the profit before taxation achieved in previous year. Although operating profit was higher than last year byUS$124.3 million and foreign exchange losses were lower by US$29.0 million, these were partially offset by higher net interest expenses of US$100.6 million and US$92.2 million profit from Cairn India whilst it was an associate of Sesa Goa for the period July to November 2011 in FY 2011-12.

Taxation

Profit after tax increased by 35.6% to US$1,665.8 million due to lower tax charge . The effective tax rate reduced to 2.4%, significantly lower than the 29.6% rate in FY 2011-12 largely due to nil tax rates at Cairn India on the back of a tax holiday in the Rajasthan oil fields, reorganisation of Cairn India subsidiaries and reversal of deferred tax liabilities on amortisation costs. Also, tax planning measures in our operating subsidiaries have resulted in lower tax rates primarily as a result of tax holidays on power plants and area based incentives.

Attributable Profit

Attributable profit for the year was at US$157.4 million; higher than US$59.8 million in the previous year due to changes in profit mix. Improved attributable profit from Cairn India's first full year of operation, lower losses in VAL improved the attributable profit of the Company. However, this was impacted by lower profits from our Iron Ore business, Copper Zambia and higher interest at Group level.

Earnings Per Share

Basic Earnings per Share (EPS) for FY 2012-13 was 57.7 US cents per share as against 21.9 US cents per share in FY 2011-12, reflecting the increase in attributable profit. Fully diluted EPS was 56.7 US cents per share (FY 2011-12: 21.6 US cents per share). Underlying EPS was 133.1 US cents per share as against 142.0 US cents per share in the previous year.

Refer note No 13 of the Consolidated Financial Statements for the year ended 31 March 2013

Balance Sheet

(In US$ million, except as stated)

	31 March 2013	31 March 2012
Goodwill	16.6	16.6
Tangible assets	33,120.6	34,141.8
Other non-current assets	962.9	757.5
Cash and liquid investments	7,981.7	6,885.3
Other current assets	3,868.4	3,676.9
Debt	(16,592.8)	(16,955.4)
Other current and non-current liabilities	(10,496.0)	(10,103.2)
Net assets	**18,861.4**	**18,419.5**
Shareholders' equity	4,398.4	4,650.6
Minority interests	14,463.0	13,768.9
Total equity	**18,861.4**	**18,419.5**

Shareholders' equity was US$4,398.4 million at 31 March 2013 compared to US$4,650.6 million at 31 March 2012 reflecting the increase in attributable profit due to equity holders during the period, offset by currency losses following the depreciation of the Indian rupee against the US dollar.

Minority interests increased to US$14,463.0 million at 31 March 2013 from US$13,768.9 million as at 31 March 2012, due to an increased share of profit partially offset by foreign currency losses.

Tangible Fixed Assets

During the year, we added US$2,409.3 million to property, plant and equipment comprising of US$2,019.1 million on our expansion and improvement projects and US$390.2 million spent on sustaining capital expenditure. Expansion project expenses were US$ 701.2 million in our Power business mainly at TSPL, US$382.9 million in our Aluminium business, US$423.6 million at Cairn India, US$235.5 million at Zinc India and the balance in other projects at KCM, VGCB, Sterlite Copper, etc.

Net Debt

At 31 March 2013, net debt was US$8615.6 million (31 March 2012 US$10,064.4 million), a reduction of US$1448.8 million resulting from strong cash flow. Cash and liquid investments were US$7981.7 million as at 31 March 2013. Gross debt as on 31 March 2013 was US$16,592.8 million as compared to US$16,955.4 million as at 31 March 2012.As a commitment to deleverage the balance sheet, the Company utilised strong free cash flow generation from substantially-invested assets to reduce the gross debt by US$362.6 million, after investing US$2,019.1 million in growth projects.

External debt at our operating subsidiaries was US$7,530.9 million (31 March 2012 US$7,692.9 million) and debt at Vedanta Resources Plc was US$9061.9 million (31 March 2012 US$9,262.5 million). Of the US$16,592.8 million total debt, US$2,434.5 million consists of convertible bonds. Near term debt maturities at face value of US$4,472.0 million due in FY 2013-14 comprises of US$2,794.0 million due at holding company level and the balance of US$1,678.0 million in subsidiary companies. US$809.8 million has been repaid in the current year and the balance is in the process of being refinanced. For the debt due at subsidiaries in FY 2013-14, US$700 million will be paid through internal cash flow generation and the balance mainly from working capital related loans which will be refinanced.

Our cash and liquid investments portfolio continues to be conservatively invested in debt mutual funds and in cash and fixed deposits with the banks. Additionally, the investments portfolio at our Indian entities is independently reviewed by CRISIL Limited and our investment portfolio has been rated as "Very Good".

We continue to have a strong balance sheet with capital employed of US$18,861.4 million. Net debt comprised debt of US$16,592.8 million offset by US$7,981.7 million of cash and liquid investments. Anticipated future cash flows and undrawn fund based committed facilities of US$2,144.2million, together with cash and liquid investments of US$7,982 million as at 31 March 2013, will assist in meeting our short term and long term fund requirement. The Company continued to maintain its ratings from Standard & Poor's, Moody's & Fitch: ratings are BB, Ba1 and BB+ respectively. We have been recently put on credit watch by some of the credit rating agencies, however due to our prudent financial policy, disciplined capital allocation and absolute resolve to deleverage the balance sheet, we are confident we will retain the ratings in the near future and improve the ratings going forward.

The Company generally maintains a healthy net debt/equity ratio and retains flexibility to raise funds as and when required. Our balance sheet remained strong with net gearing of 31.4% as compared to 35.3% in FY 2011-12.

Of our total gross debt of US$17.1 (Face Value) billion, debt at our subsidiaries is US$7.6 billion, with the balance in the holding company. The future maturity profile of debt (in US$ billion) at our subsidiary companies and at the holding company Vedanta Resources Plc is as follows:

Particulars	Total	FY2014	FY2015	FY2016	FY 2017	FY2018	FY2019	Beyond FY 2019
Debt at Vedanta Plc	4.7	0.5	0.1	0.5	1.0	0.4	1.3	0.9
Convertibles at Put Date	2.1	0.8	1.3					
Debt to be transferred to Sesa Sterlite	2.7	1.4	1.3					
Debt at Subsidiaries	7.6	1.8	1.3	0.8	0.6	1.3	0.5	1.4
Total Debt	**17.1**	**4.5**	**4.0**	**1.3**	**1.6**	**1.7**	**1.8**	**2.3**

Cash Flows

The movement in net (debt)/cash in FY 2012-13 is set out below.

(in US$ million, except as stated)

	FY 2012-13	FY 2011-12
EBITDA	4,888.3	4,026.3
Operating exceptional items	(41.9)	(230.2)
Working capital movements	212.9	375.1
Changes in long term creditors and non-cash items	54.6	35.8
Sustaining capital expenditure	(390.2)	(386.2)
Sale of tangible fixed assets	63.4	23.6
Net interest	(355.1)	(394.8)
Tax paid	(897.4)	(915.8)
Free cash flow	**3,534.7**	**2,533.8**
Expansion capital expenditure[1]	(2,019.1)	(2,398.2)
Sale /(Purchase) of fixed assets investments	158.1	(3.9)
Acquisition of minorities	-	(60.3)
Acquisitions, net of cash & liquid investments acquired	-	(7,115.7)
Purchase of mining assets	(33.5)	(131.8)
Dividends paid to equity shareholders	(153.5)	(144.0)
Dividends paid to minority shareholders	(257.4)	(219.7)
Other movement[2]	219.8	(554.3)
Movement in net (debt)/cash	**1,449.2**	**(8,094.1)**

1 *On an accrual basis*

2 *Includes foreign exchange movements*

Operating free cash flow before growth capital expenditure in FY 2012-13 was US$3,534.7 million as compared to US$ 2,533.8 million in FY 2011-12, up by US$1,000.9 million. EBITDA conversion to free cash flow was 72.3% as compared to EBITDA conversion to free cash flow of

62.9% in FY 2011-12. Expansion capital expenditure during the year was US$2,019.1 million as compared to US$2,398.2 million, lower by US$379.1 million, and cash flow generation after expansion capex was US$1,515.6 million, significantly higher than the previous year. The Company's capital expenditure programme has begun to taper off, reflecting the company's disciplined approach to capital allocation. The sale of fixed assets/investments represents the sale of Hudbay Shares during the year for US$158.1 million.

We purchased the remaining 49% stake of Western Cluster Limited (WCL) in Liberia for US$33.5 million

Project capex

Capex in Progress	Capacity	Completion Time	Capex (US$ Mn)	FY 2013	Spent up to Mar'13	Unspent as on 31.03.13
Copper Sector						
160 MW CPP at Tuticorin	160 MW	1st unit commissioned, 2nd unit in Q1 FY 2014	161	25	151	10
KCM KDMP Project	7.5 mtpa		973	58	889	84
Aluminium Sector						
BALCO- Korba III Smelter	325 ktpa	1st metal tapping by Q2 FY 2014	772	113	709	63
BALCO- Korba 1200 MW CPP	1200 MW	Awaiting Approval	1,100	83	887	213
BALCO- Coal Block	211 mt	Mining from Q2 FY 2013-14	150	2	14	136
Power Sector						
Sterlite Energy	2400 MW	Completed	1,769	79	1,731	38
Talwandi 1980 MW IPP	1980 MW	1st unit synchronisation in Q2 FY 2014	2,150	622	1,595	555
Zinc Sector						
Zinc India(Mines Expansion)			1,500	150	176	1,324
HZL- Zinc & Lead Dariba Project		Completed	811	12	811	-
Iron Ore						
Pig Iron Expansion		Completed	153	14	153	
Infrastructure						
Vizag General Coal Berth		Commissioned	118	59	118	-
Total Capex in Progress			**9,657**	**1,217**	**7,233**	**2,423**

Capex Flexibility	Capacity	Completion Time	Capex (US$ Mn)	FY 2013	Spent up to Mar'13	Unspent as on 31.03.13
Copper Sector						
SIIL Smelter	400 ktpa	EC awaited	367	13	123	244
Aluminium Sector						
VAL- Lanjigarh Debottlenecking	1.0 mtpa	On hold	150	2	76	74
VAL- Lanjigarh Refinery (Phase II)	3.0 mtpa	On hold	1,570	(15)	810	760
Val- Jharsuguda (Smelter II)	1.25 mtpa		2,920	198	2,479	441
Iron Ore						
Sesa Iron Ore mine Expansion	36mt	On hold	500	26	155	345
Total Capex with Flexibility Progress			5,507	224	3,643	1,865

Project capex (continued)

Improvement apex	Capacity	Completion Time	Capex (US$ Mn)	FY 2013	Spent up to Mar'13	Unspent as on 31.03.13
KCM			273	33	273	-
Zinc India			168	73	168	-
Total Improvement Capex			**441**	**107**	**442**	**-**
Enabling Capex	**Capacity**	**Completion Time**	**Capex (US$ Mn)**	**FY 2013**	**Spent up to Mar'13**	**Unspent as on 31.03.13**
Zinc International- Gamsberg			24	8	8	16
Western Cluster Liberia			97	39	67	30
Total Enabling Capex			**121**	**47**	**75**	**46**
Total Capex (Excluding Cairn)			**15,726**	**1,595**	**11,392**	**4,334**

	Capacity	Completion Time	Capex (US$ Mn)	FY 2013	Spent up to Mar'13	Unspent as on 31.03.13
Cairn India			3,673	424	585	3,089
Total Capex (Including Cairn)			**19,399**	**2,019**	**11,977**	**7,422**

Increase in Shareholding

During the FY 2012-13, Sesa Goa acquired the remaining 49% of the equity of WCL, through its 100% subsidiary, for a total consideration of US$33.5 million. WCL, which is a company registered under the laws of Liberia, is an iron ore project comprising of three deposits in Bomi Hills, Bea Mountain and Mano River with estimated deposits of over 1 billion tonnes of iron ore.

The Government of India holds the minority stake in two of our Group companies - HZL (29.5%) and BALCO (49%). In line with our commitment to enhance the returns to our shareholders, we have communicated our intent to purchase its stake in both the companies to the GoI and are awaiting its response to our offer. We believe the purchase of the remaining shares would further improve the returns to our stake holders.

BUSINESS REVIEW - RISKS AND UNCERTAINTIES

Risks and Risk Management Practices

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

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

The Audit Committee is in turn supported by the Group Risk Management Committee (GRMC), with the assistance of the Management Assurance Services Team. The GRMC, chaired by the Group Chief Executive Officer (CEO) and comprising of the Group Chief Financial Officer (CFO) and Director-Management Assurance as its other members, helps the Audit Committee in evaluating the design and operating effectiveness of our risk mitigation program and the control systems built in. It meets every quarter to review risks as well as review the progress against the planned actions. Risk officers, whose role is to create heightened awareness on risks at senior management level, and to develop and nurture a risk management culture within the Group, have been nominated at Vedanta as well as at each of the operating companies.

We identify risk at the individual business level for existing operations as well as for ongoing projects through a consistently applied methodology, using the Turnbull matrix. , The risks are evaluated to assess their financial as well as non- financial impact, and likelihood of their occurrence. Through our management consultation process the existing risk management tools are evaluated and wherever required additional controls/steps taken. The GMRC reviews the top twenty risks every quarter. The respective businesses review these risks, change in the nature and extent of the major risks since the last assessment, control measures established for the risk and further action plans. The control measures stated in the risk matrix are periodically reviewed by the business management teams to verify their effectiveness.

External Risks

Commodity Prices

Prices of commodities we produce have historically been volatile, and any prolonged downward pressure or volatility in commodity prices could materially affect our Group's earnings and cash flows. The key commodity price sensitivities on EBITDA resulting from a change of 10% in prices are set out below:

	Average market price in FY2012-13 (US$/tonne)	Effect on EBITDA of 10% change in LME (US$ million)	Effect on Underlying Attributable PAT
Copper	7,853	147.0	77.8
Aluminium	1,974	128.0	83.3
Zinc	1,948	194.8	76.3
Lead	2,113	33.0	11.4
Silver	30.5	32.0	10.5
Oil and Gas	110.1	300.7	186.9

The above sensitivities are based on FY 2012-13 volumes, costs and exchange rates and provide the estimated impact on EBITDA of changes in prices assuming that all other variables remain constant.

The diversified portfolio of commodities including sizeable exposure to oil provides some protection from the fluctuation in commodity prices. The Group's normal policy is to sell its products at prevailing market prices and not to enter into price hedging arrangements other than for businesses which are on tolling basis where back to back hedging is used to mitigate pricing risks. In exceptional circumstances we may enter into strategic commodity hedging but only with prior approval of Executive Committee(EXCO).

Regulatory, Economic, Social and Political Uncertainty

Our mining, smelting, oil and gas exploration and production operations are located in India, Zambia, Namibia, South Africa, Ireland, Australia, Sri Lanka, Liberia and our holding and investment companies are located in jurisdictions including the United Kingdom, Jersey, Mauritius, Netherlands, Cyprus, Australia and Scotland.

The political, legal, fiscal and other regulatory regimes in the countries we operate in may result in higher operating costs or restrictions such as the imposition or increase in royalties or taxation rates, export duty, impact on mining rights/ban and change in legislation pertaining to repatriation of money. Changes to government policies such as changes in royalty rates, reduction in import tariffs in India, reduction in assistance given by the GoI for exports and the reduction or curtailment of income tax benefits available to some of our operations in India, Namibia and Zambia are some of the examples of risks under this category. We may also be affected by the political acts of governments in these countries over which we have no control. Any change in government policies and legislation, including resource nationalisation, availability of foreign exchange, may also affect our business and profitability, including any retrospective changes in government policy and legislation.

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

Operation and expansion of various assets within the Group remain subject to legal proceedings, most notably the expansion of the Lanjigarh refinery in VAL, the Tuticorin smelter in Sterlite, the mines of Sesa Goa in the State of Goa and the 1200 MW power project at BALCO.

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

The company monitors regulatory and political developments on continuous basis.

Financial Risks

Currency fluctuations may negatively affect our financial results

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

Although the majority of the Group's revenue is tied to commodity prices that are typically priced by reference to the US dollar, a significant part of its expenses are incurred and paid in local currency such as the Indian rupee and, to a lesser extent, the Australian dollar, the South African rand, the Zambian Kwacha and the EURO. Our Group borrowings are significantly denominated in US dollars while a large percentage of cash and liquid investments are held in other currencies, mainly in the Indian rupee. Any material fluctuations of these currencies against the US dollar could results in lower profitability or in higher cash outflows towards debt obligations.

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

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

Liquidity Risks in terms of being able to fund operations and growth

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

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

The Group has a strong balance sheet that gives sufficient headroom to raise further debt should the need arise. The Group's current ratings from Standard & Poor's, Moody's & Fitch Ratings are BB, Ba1 and BB+ respectively (2012: BB, Ba1 and BB+ respectively). These ratings support the necessary financial leverage and access to various funding sources of debt or hybrid debt instruments 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 announced group simplification which is in the advanced stage of completion, will align the debt with the cash flow generating companies and support the deleveraging of balance sheet.

Strategic Risks

Delays in Expansion and New Projects

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

For instance, the Group does not currently have all of the required environmental approvals for the proposed expansion at the alumina refinery at Lanjigarh and related mining operations in Niyamgiri Hills in the State of Orissa. Recently, the Supreme Court of India has ruled that bauxite mining in Niyamgiri could start subject to the approval of the Gram Sabhas in the region. In order to meet our short term bauxite requirements, we are in communication with the Orissa Government regarding the allocation of new mining leases. Sourcing of bauxite from mines in neighbouring states is also being pursued.

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

Health, Safety, Environmental Risks

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

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

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

The Company has recently implemented a fresh set of policies and standards to align its sustainability framework with international best practices.

The Company and its subsidiaries management structure and processes support the sustainability agenda. A Board appointed Sustainability Committee periodically reviews sustainability performance.

Employee Risks

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

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

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

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

Operational Risks

Discovery Risks

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

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

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

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

Failure to Meet Production and Costs Targets

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

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

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

Operation Review

Zinc-Lead-Silver – India

Production Performance

	FY 2012-13	FY 2011-12	*% Change*
Production(kt)			
Total Mined metal	870	831	*4.8%*
Zinc	765	739	*3.5%*
Lead	106	92	*14.9%*
Zinc Refined metal- Total	677	759	*(10.8)%*
Integrated	660	753	*(12.3%)*
Custom	17	6	-
Lead Refined metal- Total 1	125	99	*26.4%*
Integrated	107	89	*19.7%*
Custom	18	10	-
Saleable silver -Total (m. oz)2	13.11	7.78	*68.6%*
Integrated	10.35	7.62	*36.0%*
Custom	2.75	0.16	-

1. *Including captive consumption 7 kt v/s 7 kt in FY 2012-13 v/s FY 2011-12.*
2. *Including captive consumption 1088 thousand ounces v/s 1,123 thousand ounces in FY 2012-13 vs FY 2011-12.*
3. *All % change in production figures have been calculated without rounding the number up to 1,000.*

Key Achievements

- Highest ever mined zinc and lead production of 870kt
- Record integrated silver metal production of 10.35moz, up 36.0% over previous year
- Ramp-up of lead and silver production from the Dariba Smelter and Sindesar Khurd Mine
- Maintained lowest quartile cost position
- Gross addition of 25mt to Reserves and Resources

Strategic Priorities

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

Operations

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

The integrated production of refined zinc was 660,000 tonnes, lower than the previous year but in line with the mine plan for the year. Sales of Zinc metal-in-concentrate (MIC) were 61,000 tonnes, following surplus concentrate produced in second half. Integrated production of refined lead was up 19.7% at 107,000 tonnes for the financial year.

Integrated production of silver was a record 10.35 moz for the financial year, up 36.0%, driven by higher output from Sindesar Khurd mine and Dariba lead smelter.

Unit Costs

	FY 2012-13	FY 2011-12	*% Change*
Unit costs			
Zinc (US$ per tonne)	998	1,010	*(1.2)%*
Zinc (Other than Royalty) (US$ per tonne)	835	834	-

During FY 2012-13, the unit cost of zinc production was lower at US$998 per tonne as against US$1,010 per tonne in FY 2011-12 partially helped by the depreciation of the Indian rupee, even though acid credit was much lower than the previous year. During the year the fall in coal price and lower specific coal consumption helped in reducing the captive power cost. The business remains in the lowest cost quartile compared with other global producers backed by high quality assets.

Financial Performance

(in US$ million, except as stated)

	FY 2012-13	FY 2011-12	*% Change*
Revenue	2,263.3	2,316.1	*(2.3)%*
EBITDA	1,165.3	1,244.8	*(6.4)%*
EBITDA Margin (%)	*51.5%*	*53.7%*	-
Depreciation and amortisation	*107.3*	*109.2*	*(1.7%)*
Operating Profit	1,054.8	1,126.6	*(6.4)%*
Share in group operating profit (%)	42.0%	47.2%	
Capital Expenditure	287.1	220.8	*30.0%*
Sustaining	51.6	53.4	*(3.4%)*
Growth	235.5	167.4	*40.7%*

EBITDA for FY 2012-13 decreased to US$1,165.3 million, as compared to US$1,244.8 during FY 2011-12. The positive impact of higher volumes of silver and lead and depreciation of the Indian rupee was offset by lower metal prices, lower zinc volumes and lower by-product credits. Metal prices were lower during the year: zinc was down by 7.2%, lead reduced by 6.9% and silver fell by 13.6%.

Projects

The Board of Directors of Hindustan Zinc Limited (HZL) has approved the next phase of growth. HZL has been actively conducting exploration activities, which have increased net Reserve and Resources (R&R) across all mines to 348.3mt of ore as at the end of FY 2012-13. Based on a long-term evaluation of assets and in consultation with mining experts, Zinc India has finalised plans for the next phase of growth, which will involve the sinking of underground shafts and developing underground mines. The plan includes developing a 3.75mtpa underground mine at Rampura Agucha and expanding the Sindesar Khurd mine from 2.0mtpa to 3.75mtpa. Other mines will also be expanded: capacity at the Zawar mines will expand from 1.2mtpa to 5.0mtpa, the Rajpura Dariba mine from 0.9mtpa to 1.2mtpa and the Kayad mine from 0.35mtpa to 1.0mtpa. It will also involve the opening up of a small new mine at Bamnia Kalan in the Rajpura Dariba belt.

The growth plan will increase mined metal production capacity to 1.2mtpa MIC. These mines will be developed using best-in-class technology and equipment, ensuring the highest level of productivity. The projects will be completed in six years and the benefit of these growth projects will start flowing in from the third year, even though project activities will continue until FY 2018-19. Annual capital expenditure for these projects will average US$250-US$300 million over the next six years (totalling approximately US$1.5 billion).

The Company's Board has approved HZL's proposal for the next phase of growth to 1.2mtpa MIC.

Exploration

Our exploration success has continued and during the year we added 24.6mt to R&R, prior to depletion of 8.6mt. With a total R&R of 348.3mt containing 35.1mt of zinc lead and 910moz of silver as at 31 March 2013, we have maintained our leading position with over 25 years of remaining mine life.

We have a strong track record of low cost exploration and have increased R&R five times, net of depletion, since2003.

Outlook

Mined metal production in FY 2013-14 is expected to be close to 1mt, 15.0% higher than FY 2012-13. We expect commercial production to commence at the Rampura Agucha underground mine and the Kayad mine during the current financial year and normal operations at the Zawar mine will also contribute to increased mined metal production. In addition, we expect to produce around 11.2moz of integrated saleable silver in FY 2013-14. During the current year, we expect mined metal and refined metal capacities to be nearly balanced.

Zinc-Lead-Silver – Zinc International

Production Performance

	FY 2012-13	FY 2011-12	*% Change*
Production– Zinc (kt)			
Mined metal content BMM and Lisheen	208	215	*(3.2)%*
Refined metal Skorpion	145	145	-
Production– Lead (kt)			
Mined metal content	72	84	*(13.7)%*

Key Achievements

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

Strategic Priorities

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

Operations

Total production of zinc and lead MIC and zinc refined metal was 426,000 tonnes, which comprised 280,000 tonnes of zinc and lead MIC at the Lisheen and Black Mountain Mine (BMM), and 145,000 tonnes of refined zinc at the Skorpion mine. This compared with production of 444,000 tonnes in the previous financial year.

Unit Costs

	FY 2012-13	FY 2011-12	*% Change*
Zinc (US$ per tonne) CoP	1,092	1,146	*4.7*

The unit cost of production reduced in FY2012-13 to US$ 1,092 per tonne from US$ 1,146 per tonne in FY2011-12, primarily due to operational efficiencies and favourable currency movements.

Financial Performance

(in US$ million, except as stated)

	FY 2012-13	FY 2011-12	*% Change*
Revenue	797.2	890.7	*(10.5)%*
EBITDA	294.5	366.0	*(19.5)%*
EBITDA Margin	*36.9%*	*41.1%*	-
Depreciation	*122.5*	*119.0*	*2.9%*
Acquisition related amortisation	*61.4*	*117.8*	*(47.9)%*
Operating Profit	110.6	129.2	*(14.4)%*
Share in group operating profit %	4.4%	5.4%	-
Capital Expenditure	35.5	41.7	*(14.9)%*
Sustaining	27.4	41.7	*(34.3)%*
Growth	8.1	-	-

EBITDA for the FY 2012-13 was US$294.5 million and operating profit was US$110.6 million. Operating profit fell due to lower zinc and lead prices, and lower volume, mainly from the Lisheen mine partially offset by lower cost of production (CoP).

Outlook

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

OIL & GAS

Production Performance

	Unit	FY 2012-13	FY 2011-12**	% Change	FY 2011-12*
Gross Production	Boepd	205,323	172,887	18.8%	178,041
Rajasthan	Boepd	169,390	128,267	32.1%	134,965
Ravva	Boepd	29,161	36,379	(19.8)%	35,265
Cambay	Boepd	6,772	8,242	(17.8)%	7,810
Oil	Bopd	195,780	160,635	21.9%	165,246
Gas	Mmscfd	57	74	(22.1%)	77
Net production- working interest	Boepd	127,843	101,268	26.2%	105,534
Oil	Bopd	125,306	97,980	27.9%	102,178
Gas	Mmscfd	15	20	(22.8%)	20
Gross Production	Mboe	74.9	63.3	18.4%	20.5
Working interest production	Mboe	46.7	37.1	25.9%	12.1

* *Data from 8th Dec 2011 till 31st March 2012, ** FY 2011-12 data are for Full Year*

Key Achievements

- Record full year gross production up by 18.8%, driven by 32.1% higher output at the Rajasthan block
- Commenced production from Aishwariya field and gas sales from the Rajasthan block
- Re-commenced exploration drilling in the Rajasthan block and made the 26thdiscovery in the block
- Infill drilling campaign in the CB/OS-2 block completed successfully; resulting in doubling the production potential
- Farmed-in to the PetroSA"Block1" in the Orange Basin, offshore South Africa, with 60% interest and operatorship

Strategic Priorities

Rajasthan:

- Achieve production rate of 200 – 215,000 bopd
- Test ~50% of Prospective Resources volumes
- Leverage Gas Sales Potential

Other Blocks:

- Appraise KG-ONN-2003/1 block potential
- Ravva: Drill "high risk, high value" prospect
- Commence exploration operations in offshore assets KG-OSN-2009/3, PR-OSN-2004/1 and MB-DWN-2009/1
- Sri Lanka: Evaluate options to monetize discovered gas resource
- South Africa: 3D survey acquisition to be completed within Q1 FY 2013-14 operations

Operations

Gross production during the year was 205,323 boepd 18.8% higher than the corresponding period last year. The increase was primarily due to a 32% increase in production at the Rajasthan block The Rajasthan block is currently producing oil from five of its oil fields, specifically; Mangala Aishwariya, Saraswati, Raageshwari and Bhagyam. Current production is~175,000 bopd. In addition, we commenced commercial sales of gas. Production at the

Aishwariya field started in March 2013 and reservoir performance has been in line with expectations. The field is expected to ramp up to 10,000 bopd in coming months as additional wells are drilled and completed.

Resource Base

Following the GoI clarification on conducting exploration activities in development areas, Cairn India spudded its first exploration well Raageshwari-South-1 in the southern part of the Rajasthan block. This resulted in an oil discovery which is the 26th discovery made in the block so far. The volumes of oil in place and the potential resource base associated with this discovery are under evaluation.

The Company plans to undertake an aggressive exploration and appraisal (E&A) drilling programme in the block with 100 wells planned in a three year period. These wells target gross recoverable risked prospective resources of 530 mmboe.

Efforts to monetise 20 other discoveries (including Barmer Hill) in the block are ongoing. Development Plans have also been submitted for two other satellite discoveries in the block: NI field and NE field.

Post the Mangala enhanced oil recovery (EOR) polymer pilot, a field development plan (FDP) for a full field application has been submitted to the Joint Venture Partner (JV). The JV partner is technically aligned to the application of EOR in the field and expected to start in FY 2014-15.

Financial Performance

(in US$ million, except as stated)

Unit	FY 2012-13	FY 2011-12
Revenue*	3,223.4	882.5
EBITDA*	2,439.7	713.0
EBITDA Margin*	*75.7%*	80.8%
Depreciation	*600.4*	180.2
Acquisition related amortisation	*834.5*	166.5
Operating (Loss) / Profit*	1,004.8	366.3
Share in group operating profit%	40.0	15.0
Capital Expenditure	423.6	161.2
Sustaining	-	-
Projects	423.6	161.2

** Data from 8th Dec 2011 till 31st March 2012*

EBITDA during the year was US$2,439.7 million mainly due to increased production from the Rajasthan block. Operating profit for the period was US$1,004.8 million.

The Rajasthan field direct operating expenses including transportation was US$ 3.2/bbl for the year.

Under the petroleum profit regulations, Cairn India shares its oil profits with the GoI after recovering its share of costs as per the terms of a production sharing contract. The petroleum profit is paid on a quarterly basis to the Government of India

The profit petroleum of the Rajasthan block (net to the company) was US$ 518 million during the year.

Exploration

After a long hiatus, the GoI provided policy clarity to allow exploration activity in development blocks and this enabled Cairn India to move quickly to unlock the full potential of the Rajasthan Block. Cairn India immediately embarked on an intensive exploration programme which met with its first success – the 26th discovery in the block, which further reaffirmed that this world class block has significant untapped potential. During the year, in addition to our renewed exploration efforts in Rajasthan, our focus was on increased exploration activity across the asset portfolio to harness the remaining potential of producing blocks, including Ravva and CB/OS-2 and other exploration acreages.

In Sri Lanka, data from both exploration phases is being evaluated and integrated to fully understand the block's future potential as options are being evaluated to monetize the discovered gas resource.

In the Orange Basin in South Africa, following an assignment of 60% operating interest in 'Block 1', exploration operations have commenced.

Outlook

With the Rajasthan Block current production is at ~170,000 bopd, FY2013-14 exit production rate is expected at hit 200,000-215,000 bopd. The Aishwariya field is expected to ramp up to the approved FDP rate of 10,000 bopd over the next few months and the Bhagyam field is expected to ramp up to the approved FDP rate of 40,000 bopd in H2 FY2013-14.

IRON ORE

Production Performance

	FY 2012-13	FY 2011-12	*% Change*
Production			
Saleable ore(mt)	3.7	13.8	*(73.0)%*
Goa	3.7	12.8	*(70.7)%*
Karnataka	0.0	1.0	-
Pig iron(kt)	308	249	*23.7%*
Sales			
Iron ore(mt)	3.1	16.0	*(80.3)%*
Goa	3.0	13.3	*(77.2%)*
Karnataka	0.1	2.7	*(96.0%)*
Pig iron(kt)	275	251	*9.8%*

Key Achievements

- Acquired remaining 49% shares of Western Cluster Limited (WCL) Liberia
- Net addition of 59mt R&R in Indian operations
- Karnataka mining cleared by the Supreme Court
- Drilling confirmed certified R&R of 966mt at Liberia

Strategic Priorities

- Resume mining at Karnataka and Goa
- Phased development of Liberia mining project
- Continue to add reserve and resources by active exploration in existing areas

Operations

Iron ore operations were affected by the suspension of mining in Goa and Karnataka. On 18 April 2013, the Honourable Supreme Court of India gave clearance for the resumption of mining operations for A and B category mines in Karnataka, subject to statutory clearances. Sesa Goa's Karnataka mine falls under B category, and is awaiting statutory clearances, including forest clearance which expired in October 2012, to resume mining. We expect to commence mining in Q1 FY 2013-14.

Regarding the suspension of mining in Goa from September 2012, the date for the initial hearing is yet to be fixed by the Honourable Supreme Court of India. In the meantime, the State Government and major miners, including Sesa Goa, have filed their responses to the Central Empowered Committee report. Separately, we have filed an application to the Supreme Court seeking a stay on the suspension of mining and restrictions on ore transportation.

The production of pig iron and metallurgical coke was significantly higher by 24% and 10% to 308,000 tonnes and 275,000 tonnes, respectively. The increase is primarily due to the commissioning of new pig iron capacity and the associated metallurgical coke capacity in Q2 FY 2012-13.

Financial Performance

(in US$ million, except as stated)

	FY 2012-13	FY 2011-12	% Change
Revenue	442.5	1,690.9	(73.8)%
EBITDA	84.2	721.4	(88.3)%
EBITDA Margin	*19.0%*	*42.7%*	-
Depreciation	*44.1*	*49.7*	*(11.3)%*
Acquisition related amortisation	*40.2*	*176.6*	*(77.2)%*
Operating Profit	(4.0)	481.3	(100.8)%
Share in group operating profit %	(0.2)%	20.2%	
Capital Expenditure	128.1	166.0	(22.8)%
Sustaining	49.3	32.3	52.6%
Growth	78.8	133.7	(41.1)%

EBITDA in FY 2011-13 was lower at US$84.2 million compared with US$721.4 million in the previous year. Lower EBITDA was mainly due to the continued Karnataka mining ban as well as the Sesa Goa mining ban imposed in September 2012. Operating profit was lower at US$(4.0) million in FY 2012-13compared with US$481.3 million in FY 2011-12, reflecting the fall in EBITDA.

Exploration

The Company's focus on exploration activities has yielded significant R&R accretion in Goa and Karnataka, with a net addition of 59mt of reserves and resources during the year taking the total R&R to 433mtin India as compared with 374mt as at 31 March 2012, implying 20+ years' mine life.

100% acquisition of WCL, Liberia

During the year, Sesa Goa acquired the remaining 49% of the outstanding common shares of WCL for a cash consideration of US$ 33.5 million, taking the equity interest in the project to 100%.

At our Liberia iron ore project, exploration activities are progressing well with ~69,000 meters of drilling completed up to 31 March 2013 including 54,000 meters in Bomi. The maiden R&R confirmation as per the Joint Ore Reserves Committee (JORC) at Liberia stand at 966mtas on 31 March 2013 with a significant upside going forward.

We plan to develop he project in phases with a target capacity of ~30 mtpa. We remain committed to our first shipment target by end of FY2013-14, while continuing to work on the initial phase of 2 mtpa which envisaged to be completed by end of CY 2014. In the first phase, the saleable ore will be transported to the Monrovia port by road.

The R&R position in India and Liberia has been independently reviewed and certified as per the JORC standard.

Outlook

We expect to resume operations at Karnataka in next few months and we are hopeful that the Goa mining ban will be resolved by the intervention of the Honourable Supreme Court.

COPPER - INDIA/AUSTRALIA

Production Performance

	FY 2012-13	FY 2011-12	*% Change*
Production (kt)			
Australia - Mined metal content	26	23	*15.2%*
India – Cathode	353	326	*8.4%*

Key Achievements

- Record copper cathode production
- Strong operating performance at Copper India
- Commissioned first 80MW unit of the 160 MW captive power plant at Tuticorin in Q3 FY 2013
- Increased mined metal volumes in Australian copper mine
- R&R increased to 8.9mtat Australia mine with mine life around four years

Strategic Priorities

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

Operations

Production of cathodes at our Copper India business was 353kt in FY2012-13, up 8.4% year on year. Mined metal production in our Australian mines also improved at 26kt in FY2012-13.

Unit Costs

	FY 2012-13	FY 2011-12	*% Change*
Unit conversion costs(CoP) – (US cents per lb)	8.7	0.0	-
Realised TC-RCs (US cents per lb)	12.8	14.5	*(11.7)%*

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

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

Financial Performance

(in US$ million, except as stated)

	FY 2012-13	FY 2011-12	% Change
Revenue	3,991.1	4,205.2	(5.1)%
EBITDA	219.1	298.0	(26.5)%
EBITDA Margin	*5.5%*	*7.1%*	-
Depreciation and Amortisation	*43.2*	*45.4*	*(4.8)%*
Special Items			
Operating Profit	157.6	164.0	(3.9)%
Share in group operating profit%	6.3	6.9	
Capital Expenditure	89.4	110.5	(19.1)%
Sustaining	47.6	31.2	52.9%
Growth	41.8	79.3	(47.3)%

EBITDA for FY 2012-13 was US$219.1 million compared with US$298.0 million in the previous year. This decrease was primarily due to an increase in CoP, partially offset by positive currency movement resulting from the depreciation of the Indian rupee and EBITDA from the power plant. TC/RCs received in FY 2012-13 were also lower by 12% at 12.8 US cents per lb compared with 14.5 US cents per lb in FY 2011-12. Operating profit was US$157.5 million in FY 2012-13 as compared with US$164.0 million in FY 2011-12.

Tuticorin Copper Smelter Update

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

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

Projects

160 MW captive power plant

The first 80MW unit of the captive power plant was commissioned during the year and operating near to full capacity. The second unit is expected to be commissioned duringQ1 FY 2013-14.

400 ktpa copper smelter

The project is under hold and awaiting consent to establish from TNPCB.

Outlook

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

COPPER – ZAMBIA

Production Performance

	FY 2012-13	FY 2011-12	*% Change*
Production (kt)			
Mined Metal	159	142	*12.0%*
Cathode:	216	200	*8.2%*
Integrated	160	139	*15.5%*
Custom	56	61	*(8.6)%*

Key Achievements

- Integrated production up by 15.5% at 160kt
- Mined metal production increased by 12.0%
- Added 78mt on net basis to R&R

Strategic Priorities

- Unlock volume growth potential
- Realise cost efficiency driven by volume growth and other measures
- Ramp up mine development at Konkola to realise its ore production potential
- Start production in the Nchanga Upper Ore Body mine

Operations

Integrated copper production was 15.5% higher at 160kt for the financial year. Total copper cathode production was higher by 8% at 216kt for the full year. The increase was driven by production ramp-up at the Konkola mine, following the development of dewatered reserves using the Konkola Deep Mining Project (KDMP) infrastructure, and by higher primary copper production at the Nchanga Tailings Leach Plant (TLP).

Mined metal production for the financial year was 159kt, up by 12.0%. This was lower than our internal estimates due to a temporary suspension of mining at the Chingola Open Pit (COP F&D), due to non renewal of third party mining contract.

Unit Costs

	FY 2012-13	FY 2011-12	*% Change*
Unit costs (US cents per lb)	255.1	236.8	*7.7%*

The unit cost of production was increased at 255.1 US cents per lb in FY 2012-13, up 7.7% compared with FY 2011-12. The cost increased due to higher stripping ratios, lower ore production at the Nchanga open pit, and the impact of changes in wages and currency regulations.

Financial Performance

(in US$ million, except as stated)

	FY 2012-13	FY 2011-12	% Change
Revenue	1,742.8	1,709.8	1.9%
EBITDA	257.3	387.9	(33.7)%
EBITDA Margin	*14.8%*	*22.7%*	-
Depreciation and amortisation	*193.7*	*142.6*	35.8%
Operating (Loss) / Profit	51.9	220.9	(76.5)%
Share in group operating profit (%)	2.1	9.3	-
Capital Expenditure	259.8	402.9	(35.5)%
Sustaining	171.4	158.7	8.0%
Growth	88.4	244.2	(63.8)%

EBITDA in FY 2012-13 was US$257.3 million compared with US$387.9 million in the previous year, impacted by lower metal prices and increases in the cost of production, partially offset by increased volume.

Projects

The new 3mtpa Nchanga West Concentrator was commissioned during the year and at KDMP, the bottom shaft loading was also completed in FY 2012-13, ahead of schedule.

Exploration

The Konkola Copper Mine (KCM) has substantially increased its R&R during FY 2012-13 following the completion of a revised life of mine plan for the Konkola mine and continued success in its exploration program. During the year the Company added, on a net basis, 78mt to its R&R. This increase in R&R has contributed 20% increase in contained copper compared to March 2012, with an overall mine life over 30 years.

Outlook

We expect to deliver about 180kt-190kt integrated production in FY 2013-14 at a cost of around 240 US cents per lb in H1 FY 2013-14 and 200 US cents per lb in H2 FY 2013-14. In view of the temporary suspension of COP F&D, the Company has drawn up an interim plan for an alternate feed of copper ore to the concentrator. The new concentrator for both the East and West mill would provide flexibility to the Nchanga operation and also improve recoveries and output. We expect improved mine output from the Konkola mine.

ALUMINIUM

Production Performance

	FY 2012-13	FY 2011-12	% Change
Production (kt)			
Alumina – Lanjigarh	527	928	(43.2)%
Aluminium – Jharsuguda	527	430	22.6%
Aluminium – Korba	247	246	0.4%
Total Aluminium	774	675	14.6%
Sale of Surplus power(Million units)	1,564	2,045	(23.5)%

Key Achievements

- Record Aluminium production of 774kt
- Both BALCO and Jharsuguda smelter operated above rated capacity
- Considerable improvement in operational efficiencies
- Maintained second quartile cost position
- 12.3% increase in value added product volumes from 404kt to 453kt

Strategic Priorities

- Expedite development of captive coal block at BALCO
- Secure captive bauxite mine and realise true cost efficiency potential
- Start-up of Lanjigarh 1.0 mtpa refinery
- Complete ongoing expansion project

Operations

Production of aluminium in FY 2012-13 was 774kt tonnes, an increase of 14.7% compared with the previous year. This was primarily attributable to the 22.6% increase in production to 527kt from the Jharsuguda 500ktpa aluminium smelter. The Jharsuguda-I operated above the rated capacity, with significant improvement in specific power consumption, throughput and other operational parameters.

Operations at the Korba smelter were stable and it continued to operate at its rated capacity.

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

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

Unit Costs(US$ per tonne)

	FY 2012-13	FY 2011-12	% Change
Aluminium production cost	1,879	2,091	(10.1)%
Jharsuguda CoP	1,869	2,188	(14.6)%
BALCOCOP	1,901	1,922	(1.1)%

CoP of hot metal at Jharsuguda decreased to US$1,869 per tonne compared with US$2,188 per tonne in the previous year, reflecting improved operating performance, a decrease in prices of e-auction coal and favourable rupee movement, partly offset by increased carbon and alumina cost. Even without captive bauxite and the reliance on imported alumina, our aluminium operations were ranked in the second quartile of the global cost curve.

Operating costs at the Korba smelter were also lower during the year but higher than Jharsuguda, primarily due to higher coal costs on account of coal tapering from May 2012 and other fixed costs.

Financial Performance

(in US$ million, except as stated)

	FY 2012-13	FY 2011-12	% Change
Revenue	1,920.8	1,873.5	2.5%
EBITDA	214.0	182.5	17.3%
EBITDA Margin	*11.1%*	*9.7%*	-
Depreciation and amortisation	*192.8*	*221.5*	*(13.0)%*
Operating (Loss) / Profit	21.1	(40.3)	152.4%
Share in group operating profit (%)	0.8	(1.7)	
Capital Expenditure	424.1	779.9	(45.6)%
Sustaining	41.2	68.5	(39.9)%
Growth	382.9	711.4	(46.2)%

EBITDA for FY 2012-13 was US$214.0 million improved by 17.3%, as compared to US$182.5 million in FY 2011-12. EBITDA increased due to higher volume and metal premiums with improved operational and cost efficiencies offset by lower metal prices which dropped significantly by 14.7%. We witnessed a substantial rise in aluminium premiums year on year following the shortage of primary metal in the physical market due to capacity cutbacks. The premium on aluminium ingots has increased significantly from US$150 per tonne to US$175 per tonne. Operating profit also increased to US$21.1 million.

Projects

At the 325ktpa Korba-III aluminium smelter, mechanical and electrical completion and pre-commissioning of the first phase of 84 pots out of a total 336 pots have been completed. Further work is in progress, and we plan to tap first metal in Q2 FY2013-14. The smelter plans to initially draw power from the existing 810MW power plants at BALCO. The 1,200MW captive power plant is awaiting final stage regulatory approvals.

Having obtained the Stage-II forest clearance for the 211mt coal block at BALCO, the process for forest land has been initiated by the State Government, and we are in the process of signing the mining lease agreement. We expect to commence mining by the end of Q2 FY2013-14.

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

Outlook

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

POWER

Production Performance

	FY 2012-13	FY 2011-12	% Change
Power Sales (MU)	**8,888**	6,544	35.8%
MALCO and Wind Energy	**1,358**	916	48.3%
SEL	**7,530**	5,638	33.6%

Key Achievements

- Record sales of 8,888 million units, up 35.8% from the previous year
- Strong cost performance, lower cost of generation

Strategic Priorities

- Enhance power sales and transmission strategy

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

Operations

Power sales were 8,888 million units during FY 2012-13, compared with 6,544 million units during the previous year. This increase was primarily due to higher power generation and sales from three units of the Jharsuguda 2,400MW power plant.

The plant load factor (PLF) of the three operating units in the year was 47%. Overall the station delivered an effective PLF of 40% taking into account all four units. The fourth unit was commissioned on 31 March 2013. PLF was lower than capacity as distribution limits were imposed after the grid failures in August 2012 and there were also power transmission bottlenecks.

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

Unit Costs

	FY 2012-13	FY 2011-12	*% Change*
Sales realisation(US cents/kwh)	**6.6**	7.5	*(12.0)%*
Cost of production(US cents/kwh)	**4.0**	5.5	*(27.3)%*

Average power generation costs in FY 2012-13 were US cents 4.0 per unit compared with US cents 5.5 per unit in FY 2011-12, primarily driven by reduced e-auction coal cost and higher usage of linkage coal, plant stabilisation and rupee depreciation translating to lower costs in US dollar terms. Average power sales prices were lower in FY 2012-13 at US cents 6.6 per unit compared with US cents 7.5 per unit in FY 2011-12.

Financial Performance

(US$ million, except as stated)

	FY 2012-13	FY 2011-12	*% Change*
Revenue	576.1	458.3	*25.7%*
EBITDA	215.0	122.0	*76.2%*
EBITDA Margin	*37.3%*	*26.6%*	-
Depreciation and amortisation	*94.1*	81.7	*15.2%*
Operating Profit / (Loss)	120.9	40.3	*200.0%*
Share in group operating profit%	4.8	1.7	
Capital Expenditure	702.9	862.4	*(18.5)%*
Sustaining	1.7	0.5	-
Project	701.2	861.9	*(18.6)%*

EBITDA in FY 2012-13 was US$215.0 million, higher than the EBITDA of US$122.0 million delivered in FY 2011-12. EBITDA rose primarily due to higher volumes and lower generation costs, partially offset by a fall in power tariffs.

Projects

Talwandi Sabo IPP

Work at the Talwandi Sabo power project is progressing well and the first unit is expected to be synchronized in Q2 FY2014 and each subsequent unit at four monthly intervals.

Outlook

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

Overall Outlook

As the world economy returns to growth, a number of factors will continue to drive demand for commodities including positive signs from China, inflation falling in India and rising income and increased prosperity in developing countries with associated industrialisation and urbanisation. With its proximity to emerging markets and strong low cost assets, Vedanta is well placed to take advantage of these opportunities. Our disciplined approach to capital allocation will ensure that we focus our investment in projects that will yield attractive returns and Cairn India and the Iron Ore project in Liberia, in particular have significant potential for future growth that meet these criteria. We shortly hope to receive the final approvals on the Group simplification initiatives, unlocking value for our shareholders.

CONSOLIDATED INCOME STATEMENT

(US$ million except as stated)

	Note	Year ended 31 March 2013	Year ended 31 March 2012
Continuing operations			
Revenue	5	14,989.8	14,005.3
Cost of sales		(11,702.3)	(10,442.0)
Gross profit		**3,287.5**	**3,563.3**
Other operating income		90.3	85.1
Distribution costs		(295.0)	(569.0)
Administrative expenses		(528.9)	(461.5)
Special items	6	(41.9)	(230.2)
Operating profit		**2,512.0**	**2,387.7**
Share in consolidated profit of associate		-	92.2
Investment revenue	7	673.1	525.4
Finance costs	8	(1,194.0)	(945.7)
Other gains and losses (net)	9	(285.2)	(314.2)
Profit before taxation		**1,705.9**	**1,745.4**
Tax expense	10	(40.1)	(516.7)
Profit for the year		**1,665.8**	**1,228.7**
Attributable to:			
Equity holders of the parent		157.4	59.8
Non-controlling interests		1,508.4	1,168.9
		1,665.8	**1,228.7**
Basic earnings per ordinary share (US Cents)	11	57.7	21.9
Diluted earnings per ordinary share (US Cents)	11	56.7	21.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(US$ million except as stated)

	Year ended 31 March 2013	**Year ended 31 March 2012**
Profit for the year	**1,665.8**	**1,228.7**
Income and expenses recognised directly in equity:		
Exchange differences arising on translation of foreign operations	(707.9)	(1,861.4)
Change in fair value of available-for-sale financial assets	(1.3)	(86.0)
Change in fair value of cash flow hedges deferred in reserves	(60.5)	(119.0)
Tax effects arising on cash flow hedges deferred in reserves	(1.4)	38.5
Total expense recognised in equity	**(771.1)**	**(2,027.9)**
Gain on available-for-sale financial asset transferred to income statement	(70.5)	-
Change in fair value of cash flow hedges transferred to income statement	94.8	(55.8)
Tax effects arising on cash flow hedges transferred to income statement	(5.3)	18.0
Total transferred to the income statement	**19.0**	**(37.8)**
Total comprehensive income/(loss) for the year	**913.7**	**(837.0)**
Attributable to:		
Equity holders of the parent	(124.3)	(843.1)
Non-controlling interests	1,038.0	6.1

CONSOLIDATED BALANCE SHEET

(US$ million except as stated)

	Note	As of 31 March 2013	As of 31 March 2012
Assets			
Non-current assets			
Goodwill		16.6	16.6
Property, plant and equipment*		33,120.6	34,141.8
Financial asset investments		2.4	209.6
Other non-current assets		113.4	122.3
Financial instruments (derivatives)		-	22.8
Deferred tax assets		847.1	402.8
		34,100.1	**34,915.9**
Current assets			
Inventories		1,966.1	1,704.1
Trade and other receivables		1,706.0	1,795.9
Financial asset investments		18.2	-
Financial instruments (derivatives)		31.1	106.8
Current tax assets		147.0	70.1
Liquid investments		5,781.5	4,940.3
Cash and cash equivalents		2,200.2	1,945.0
		11,850.1	**10,562.2**
Total assets		**45,950.2**	**45,478.1**
Liabilities			
Current liabilities			
Short term borrowings	13	(3,705.7)	(4,151.6)
Convertible bonds		(694.4)	-
Trade and other payables		(4,563.7)	(3,842.9)
Financial instruments (derivatives)		(44.5)	(101.1)
Retirement benefits		(8.3)	(6.7)
Provisions		(68.4)	(18.1)
Current tax liabilities		(125.3)	(26.8)
		(9,210.3)	**(8,147.2)**
Net current assets		**2,639.8**	**2,415.0**
Non-current liabilities			
Medium and long-term borrowings	13	(10,452.6)	(10,513.5)
Convertible bonds		(1,740.1)	(2,290.3)
Trade and other payables		(232.2)	(164.0)
Financial instruments (derivatives)		(28.0)	(32.1)
Deferred tax liabilities*		(4,992.7)	(5,460.3)
Retirement benefits		(58.4)	(52.3)
Provisions		(362.6)	(387.0)
Non equity non-controlling interests		(11.9)	(11.9)
		(17,878.5)	**(18,911.4)**
Total liabilities		**(27,088.8)**	**(27,058.6)**
Net assets		**18,861.4**	**18,419.5**
Equity			
Share capital		29.8	29.7
Share premium account		196.8	196.8
Treasury shares		(556.9)	(556.9)
Share-based payment reserves		29.0	39.8
Convertible bond reserve		302.9	382.0
Hedging reserves		(22.2)	(55.6)
Other reserves		791.0	1,008.5
Retained earnings		3,628.0	3,606.3
Equity attributable to equity holders of the parent		4,398.4	4,650.6
Non-controlling interests		14,463.0	13,768.9
Total equity		**18,861.4**	**18,419.5**

* *The previous year balance sheet has been restated to give effect to the fair value adjustments to provisional fair values and business combination accounting relating to the acquisition of Cairn India Limited during the year ended 31 March 2012. The change in fair valuation is due to the retrospective application of a decrease in the tax rate applied in the deferred tax calculation following the approval for the reorganization of Cairn India.*

Financial Statements of Vedanta Resources plc, registration number 4740415 were approved by the Board on 15 May 2013

MS Mehta – Director

CONSOLIDATED CASH FLOW STATEMENT

(US$ million except as stated)

	Note	Year ended 31 March 2013	Year ended 31 March 2012
Operating activities			
Profit before taxation		1,705.9	1,745.4
Adjustments for:			
Depreciation & amortisation		2,334.4	1,408.4
Investment revenue		(673.1)	(525.4)
Finance costs		1,194.0	945.7
Other gains and losses (net)		285.2	314.2
Profit on disposal of property, plant and equipment		(11.6)	(1.2)
Write-off of unsuccessful exploration costs		51.8	-
Share-based payment charge		25.5	20.2
Share of profit in associate		-	(92.2)
Other non-cash items		29.1	15.5
Operating cash flows before movements in working capital		4,941.2	3,830.6
(Increase)/ decrease in inventories		(347.5)	48.6
Decrease/(increase) in receivables		29.8	(28.9)
Increase/ (decrease) in payables		327.8	(286.9)
Cash generated from operations		**4,951.3**	**3,563.4**
Dividends received		91.4	82.7
Interest income received		362.7	401.1
Interest paid		(1,150.9)	(1,008.0)
Income taxes paid		(897.4)	(915.8)
Dividends paid		(153.5)	(144.0)
Net cash from operating activities		**3,203.6**	**1,979.4**
Cash flows from investing activities			
Net cash on acquisition of subsidiaries*		-	(8,017.4)
Purchases of property, plant and equipment		(2,233.2)	(2,796.4)
Proceeds on disposal of property, plant and equipment		63.4	23.6
(Purchase)/ sale of liquid investments	14	(941.7)	2,354.1
Sale/(purchase) of financial asset investments		158.1	(3.9)
Net cash used in investing activities		**(2,953.4)**	**(8,440.0)**
Cash flows from financing activities			
Issue of ordinary shares		0.1	-
Dividends paid to non-controlling interests of subsidiaries		(257.4)	(219.7)
Acquisition of additional interests in subsidiary		(33.5)	(60.3)
Increase in short-term borrowings	14	159.9	981.8
Proceeds from long term borrowings	14	2,307.9	6,833.9
Repayment of long term borrowings	14	(2,352.4)	(570.4)
Net cash (used in)/ from financing activities		**(175.4)**	**6,965.3**
Net increase in cash and cash equivalents	14	74.8	504.7
Effect of foreign exchange rate changes	14	180.4	528.7
Cash and cash equivalents at beginning of year		1,945.0	911.6
Cash and cash equivalents at end of year	14	**2,200.2**	**1,945.0**

* *Year ended 31 March 2012 includes cash paid for acquisition of US$8,683.2 million and cash acquired on acquisition of US$665.8 million.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(US$ million)

	Attributable to equity holders of the Company										
	Share capital	Share premium	Treasury Shares	Share-based payment reserves	Convertible bond reserve	Hedging reserve	Other reserves[1]	Retained earnings	Total	Non-controlling Interests	Total equity
At 1 April 2011	**29.7**	**196.8**	**(556.9)**	**20.5**	**453.3**	**38.2**	**1,452.4**	**4,014.9**	**5,648.9**	**8,104.9**	**13,753.8**
Profit for the period	-	-	-	-	-	-	-	59.8	59.8	1,168.9	1,228.7
Other comprehensive income for the period	-	-	-	-	-	(93.8)	(809.1)	-	(902.9)	(1,162.8)	(2,065.7)
Total comprehensive income for the period						**(93.8)**	**(809.1)**	**59.8**	**(843.1)**	**6.1**	**837.0**
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	5,906.5	5,906.5
Inter group transfers [4]	-	-	-	-	-	-	(22.2)	6.4	(15.8)	15.8	-
Convertible bond transfers	-	-	-	-	(71.3)	-	-	71.3	-	-	-
Transfers [2]	-	-	-	-	-	-	387.4	(387.4)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(144.0)	(144.0)	(219.7)	(363.7)
Exercise of LTIP /STIP awards	-	-	-	(0.9)	-	-	-	0.9	-	-	-
Additional investment in assets	-	-	-	-	-	-	-	(15.6)	(15.6)	(44.7)	(60.3)
Recognition of share-based payment	-	-	-	20.2	-	-	-	-	20.2	-	20.2
At 31 March 2012	**29.7**	**196.8**	**(556.9)**	**39.8**	**382.0**	**(55.6)**	**1,008.5**	**3,606.3**	**4,650.6**	**13,768.9**	**18,419.5**

(US$ million)

	Attributable to equity holders of the Company										
	Share capital	Share premium	Treasury Shares	Share-based payment reserves	Convertible bond reserve	Hedging reserve	Other reserves[1]	Retained earnings	Total	Non-controlling Interests	Total equity
At 1 April 2012	**29.7**	**196.8**	**(556.9)**	**39.8**	**382.0**	**(55.6)**	**1,008.5**	**3,606.3**	**4,650.6**	**13,768.9**	**18,419.5**
Profit for the year	-	-	-	-	-	-	-	157.4	157.4	1,508.4	1,665.8
Other comprehensive income for the year	-	-	-	-	-	33.4	(315.1)	-	(281.7)	(470.4)	(752.1)
Total comprehensive income for the year	**-**	**-**	**-**		**-**	**33.4**	**(315.1)**	**157.4**	**(124.3)**	**(1,038.0)**	**913.7**
Convertible bond transfers	-	-	-	-	(79.1)	-	-	79.1	-	-	-
Transfers [2]	-	-	-	-	-	-	97.6	(97.6)	-	-	-
Dividends paid	-	-	-	-	-	-	-	(153.5)	(153.5)	(257.4)	(410.9)
Exercise of LTIP/STIP awards	0.1	-	-	(36.3)	-	-	-	36.3	0.1	-	0.1
Additional investment in assets[3]	-	-	-	-	-	-	-	-	-	(86.5)	(86.5)
Recognition of share-based payment	-	-	-	25.5	-	-	-	-	25.5	-	25.5
At 31 March 2013	**29.8**	**196.8**	**(556.9)**	**29.0**	**302.9**	**(22.2)**	**791.0**	**3,628.0**	**4,398.4**	**14,463.0**	**18,861.4**

[1]OTHER RESERVES COMPRISE:

(US$ million)

	Currency translation reserve	Merger[5] reserve	Investment revaluation reserve	General reserves	Total
At 1 April 2011	**(74.1)**	**4.4**	**157.5**	**1,364.6**	**1,452.4**
Exchange differences on translation of foreign operations	(717.3)	-	-	-	(717.3)
Inter group transfers [4]	-	-	(22.2)		
Revaluation of available-for-sale investments	-	-	(91.8)	-	59.1
Transfer from retained earnings [2]	-	-	-	387.4	387.4
At 31 March 2012	**(791.4)**	**4.4**	**43.5**	**1,752.0**	**1,008.5**
Exchange differences on translation of foreign operations	(272.8)	-	-	-	(272.8)
Revaluation of available-for-sale investments	-	-	(0.7)	-	(0.7)
Disposal of available-for-sale investments	-	-	(41.6)	-	(41.6)
Transfer from retained earnings [2]	-	-	-	97.6	97.6
At 31 March 2013	**(1,064.2)**	**4.4**	**1.2**	**1,849.6**	**791.0**

2 *Under Indian law, a general reserve is created through an annual transfer of net income to general reserves at a specified percentage in accordance with applicable regulations. The purpose of these transfers is to ensure that the total dividend distribution is less than the total distributable results for that year. Transfer to General reserves also includes US$5.5 million of debenture redemption reserve.*

3 *In December 2012, the Group acquired remaining 49% stake in Western Cluster Limited ('WCL') at a consideration of US$33.5 million. This resulted in increase in Group's stake in WCL from 51% to 100%. The increase has been accounted in the financial statements as an equity transaction. The carrying amount of the non-controlling interest has been adjusted to reflect the change in Group's interest in the Net assets of WCL.*

4 *During the year ended 31 March 2012, the shareholding in Lakomasko BV, a Group company and 100% subsidiary of the Company was transferred to THL Zinc Holdings BV, a Group company and 58.02% subsidiary of the Company as on 31 March 2012. The carrying amount of non-controlling interest has been adjusted to reflect the change, with US$22.2 million being recycled from Investment revaluation reserve.*

5 *The merger reserve arose on incorporation of the Company during the year ended 31 March 2004. The investment in Twin Star had a carrying amount value of US$20.0 million in the accounts of Volcan. As required by the Companies act 1985, Section 132, upon issue of 156,000,000 Ordinary shares to Volcan, Twin Star's issued share capital and share premium account have been eliminated and a merger reserve of US$4.4 million arose, being the difference between the carrying value of the investment in Twin Star in Volcan's accounts and the nominal value of the shares issued to Volcan.*

NOTES TO PRELIMINARY ANNOUNCEMENT

1. General information and accounting policies

This preliminary results announcement is for the year ended 31 March 2013. While the financial information contained in this preliminary results announcement has been computed in accordance with International Financial Reporting Standards ("IFRS"), this announcement does not itself contain sufficient information to comply with IFRS. For these purposes, IFRS comprise the Standards issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the IFRS Interpretations Committee (formerly known as the International Financial Reporting Interpretations Committee)("IFRIC") that have been endorsed by the European Union. The financial information contained in the preliminary announcement has been prepared on the same basis of accounting policies as set out in the previous financial statements.

Going Concern:

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 its current operations which, together with the available cash and cash equivalents and liquid financial asset investments, provide liquidity both in the short term as well as in the long-term. Anticipated future cash flows and undrawn committed facilities of US$2,144 million, together with cash and liquid investments of US$7,982 million as at 31 March 2013, are expected to be sufficient to meet the ongoing capital investment programme and liquidity requirement of the Group in the foreseeable 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 and Fitch are BB, Ba1 and BB+ respectively. These ratings support the necessary financial leverage and access to debt or equity markets at competitive terms, taking into consideration current market conditions. The Group generally maintains a healthy gearing ratio and retains flexibility in the financing structure to alter the ratio when the need arises. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

2. Compliance with applicable law and IFRS

The financial information contained in this preliminary results announcement has been prepared on the going concern basis. This preliminary results announcement does not constitute the Group's statutory accounts as defined in section 434 of the Companies Act 2006(the "Act") but is derived from those accounts. The statutory accounts for the year ended 31 March 2013 have been approved by the Board and will be delivered to the Registrar of Companies following the Company's Annual General Meeting which will be held on 1 August 2013. The auditors have reported on those accounts and their report was unqualified, with no matters by way of emphasis, and did not contain statements under section 498(2) of the Act(regarding adequacy of accounting records and returns) or under section 498(3) (regarding provision of necessary information and explanations).

The information contained in this announcement for the year ended 31 March 2013 also does not constitute statutory accounts. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, with no matters by way of emphasis, and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.

3. Critical accounting judgement and estimation uncertainty

Assessment of impairment at Lanjigarh Refinery

As set out in the risks and uncertainties of this Preliminary Announcement, the planned operations of existing refinery is dependent on securing low cost bauxite resources from surrounding areas . Due to paucity of bauxite, the Vedanta Aluminium Limited ("VAL") has temporarily suspended its refinery operations at Lanjigarh from 5 December, 2012.The refinery expansion project is subject to receipt of certain regulatory approvals.

In view of the temporary suspension of operations and change in the legal status for Lanjigarh refinery, it has been assessed that there is no impairment of the Lanjigarh Refinery and the Refinery expansion project on March 31, 2013 based on the assumptions set out below and that the Value in use ("VIU") exceeds the carrying value of the assets.

- The State of Orissa has abundant bauxite resources and under the terms of the MOU with the Government of Orissa, management is confident that bauxite will be made available in the short to medium term.
- The State of Orissa has taken certain measures including reservation of areas for mining operations or undertaking prospecting and constitution of Ministerial Committee for formulation of policy for supply of ores to Orissa based industries on long term basis.
- On the continued operations and planned refinery expansion, management is confident that the conditions for construction of the alumina refinery will be fulfilled and expects the approval in due course.

The Ministry of Environment and Forests ("MOEF") rejected issue of final stage forest clearance for Niyamgiri Mining lease of Orissa Mining Corporation ("OMC") which is one of the sources of supply of bauxite to the alumina refinery of VAL. The Hon'ble Supreme Court vide its order dated 18 April 2013 has directed the State Government of Odisha to place unresolved issues and claims of the local communities under the Forest Right Act and rules before the Gram Sabha (Village council of Rayagada and Kalahandi districts of Odisha). The Gram Sabha would consider these claims within three months and communicate the same to MOEF through the State Government of Odisha. On conclusion of the proceedings before the Gram Sabha, the MOEF shall take a final decision for grant of final stage forest clearance for the Niyamgiri mining lease of OMC within two months thereafter.

The Group is also considering sourcing bauxite from alternate sources to support the existing and expanded refinery operations.

Management expects that the mining approvals for mining and the statutory approvals for the expansion project would be received as per the timelines mentioned below :

Activity	*Expected Date*
Restart of the existing plant	July 13
Approval for Refinery expansion	January 2014 with project to commence from October 2014
Mining operations at Niyamgiri	Mining approval by September 2013 with production expected to commence in September 2015.

However, the above timelines are not in control of the Company. Should one or more of this assumption not be borne out, a reassessment of the carrying value of refinery would need to be made. The carrying value of assets as at 31 March 2013 is US$1,423.6 million.

Assessment of impairment at Tuticorin

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

Separately, on 2 April 2013, the Honourable Supreme Court has upheld our appeal filed in 2010 against the Madras High Court order for smelter closure and ordered us to deposit US$18.4 million with the District Collector, Tuticorin, which will be used to improve the environment, including soil and water, in the vicinity of the plant. Over the two year court process, regulatory bodies had inspected and confirmed that the plant meets the required standards. Some recommendations for improvements had been proposed during inspection, all of which had been implemented.

Management is certain that the Tuticorin Smelter have been operating for the last 17 years with requisite approvals and consents issued by regulatory authorities. The plant adheres to the highest standards of environment, health and safety practices, benchmarked to international standards and all operating parameters are within the permissible range. Management is confident that the unit will be permitted to continue operations and accordingly concluded that no impairment of the asset is required. The carrying value of assets as at 31 March 2013 is US$214.2 million.

Assessment of impairment of Karnataka and Goa mines at Sesa Goa

Karnataka Mining

From July 2011 a mining ban was imposed in various parts of the state of Karnataka thereby affecting the Narrain mine owned and operated by Sesa Goa which has a carrying cost of US$296.0 million.

Since the time of the ban the Central Empowered Committee appointed to submit its report in respect of illegal mining has recommended that operations only recommence after reclamation and rehabilitation works are undertaken by the company

Sesa’s Karnataka mines, which fall under category B mines, have been permitted to resume mining activities by Supreme Court of India on 19 April 2013 subject to fulfilment of conditions. These conditions are the renewal of forest clearance and completion of reclamation and rehabilitation work to the satisfaction of a Monitoring Committee.

Having substantially complied with all laid down conditions; Sesa is expecting to start mining activities in the next few months.

Goa Mining

Iron Ore mining in Goa has been suspended state wide with effect from 11 September 2012 for which an appeal with Honourable Supreme Court is pending. The Honourable Supreme Court is expected to fix the dates for initial hearings. In the meantime, the State Government and major miners, including Sesa Goa, have filed their responses to the Central Empowered Committee report. Separately, the Group has filed an application to the Court seeking a stay on the mining ban and restrictions on ore transportation. The carrying value of assets affected as at31 March 2013 is US$799.0 million.

4. Segment information

The Group's primary format for segmental reporting is based on its business segments. The business segments consist of zinc, iron ore, copper, aluminium, power and oil and gas with components not meeting the quantitative threshold for reporting being reported as "Others". Business segment financial data includes certain corporate costs, which have been 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.

Vedanta Resources plc is company incorporated in the United Kingdom under the Companies Act. The Group's reportable segments defined in accordance with IFRS 8 are as follows:

- Zinc- India
- Zinc-International
- Oil and gas
- Iron Ore
- Copper-India/Australia
- Copper-Zambia
- Aluminium
- Power

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.

(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 2013 and 2012

Year ended 31 March 2013

(US$ million)

	Zinc-India	Zinc-International	Oil and gas	Iron Ore	Copper-India/Australia	Copper-Zambia	Aluminium	Power	Total reportable segment	Elimination/Others	Total operations
REVENUE											
Sales to external customers	2,263.3	797.2	3,223.4	441.3	3,989.0	1,742.8	1,918.8	548.7	14,924.5	65.3	14,989.8
Inter-segment sales	-	-	-	1.2	2.1	-	2.0	27.4	32.7	(32.7)	-
Segment revenue	2,263.3	797.2	3,223.4	442.5	3,991.1	1,742.8	1,920.8	576.1	14,957.2	32.6	14,989.8
Segment RESULT											
EBITDA[(1)]	1,165.3	294.5	2,439.7	84.2	219.1	257.3	214.0	215.0	4,889.1	(0.8)	4,888.3
Depreciation and amortisation[(2)]											(2,334.4)
Special items (note 6)											(41.9)
Operating profit											2,512.0
Investment revenue											673.1
Finance costs											(1,194.0)
Other gains and losses (net)											(285.2)
PROFIT BEFORE TAXATION											1,705.9
Segments assets	6,154.4	1,132.7	20,581.8	2,239.6	2,129.2	2,448.6	7,701.5	3,281.5	45,669.3	115.8	45,785.1
Unallocated assets											165.1
TOTAL ASSETS											45,950.2
Segment liabilities	(225.4)	(621.8)	(4,794.0)	(1,367.8)	(2,478.6)	(1,492.7)	(5,539.1)	(1,317.2)	(17,836.6)	(86.9)	(17,923.5)
Unallocated liabilities											(9,164.8)
TOTAL LIABILITIES											(27,088.3)
Other segment information											
Additions to property, plant and equipment	287.1	35.5	423.6	128.1	89.4	259.8	424.1	702.9	2,350.5	58.8	2,409.3
Depreciation and amortisation	(107.3)	(183.9)	(1,434.9)	(84.3)	(43.2)	(193.7)	(192.8)	(94.2)	(2,334.3)	(0.1)	(2,334.4)

1. *EBITDA is a non-IFRS measure and represents operating profit before special items, depreciation and amortisation*
2. *Depreciation and amortisation is also provided to the chief operating decision maker on a regular basis*

Period ended 31 March 2012(Restated)

(US$ million)

	Zinc-India	Zinc-International	Oil and gas	Iron Ore	Copper-India/Australia	Copper-Zambia	Aluminium	Power	Total reportable segment	Elimination/Others	Total operations
REVENUE											
Sales to external customers	2,316.1	859.5	882.5	1,688.9	4,205.1	1,709.2	1,872.9	420.9	13,955.1	50.2	14,005.3
Inter-segment sales	-	31.2	-	2.0	0.1	0.6	0.6	37.4	71.9	(71.9)	-
Segment revenue	2,316.1	890.7	882.5	1,690.9	4,205.2	1,709.8	1,873.5	458.3	14,027.0	(21.7)	14,005.3
Segment RESULT											
EBITDA[1]	1,244.8	366.0	713.0	721.4	298.0	387.9	182.5	122.0	4,035.6	(9.3)	4,026.3
Depreciation and amortisation[2]											(1,408.4)
Special items (note 6)											(230.2)
Operating profit											2,387.7
Share in consolidated profit of associate											92.2
Investment revenue											525.4
Finance costs											(945.7)
Other gains and losses (net)											(314.2)
PROFIT BEFORE TAXATION											1,745.4
Segments assets	5,522.3	1,494.1	20,208.2	2,507.8	2,130.2	2,524.9	8,310.7	2,862.2	45,560.4	56.5	45,616.9
Unallocated assets											317.6
TOTAL ASSETS											45,934.5
Segment liabilities	(338.1)	(374.6)	(5,516.2)	(1,455.5)	(1,829.2)	(1,482.7)	(5,479.9)	(1,540.8)	(18,017.0)	(27.2)	(18,044.2)
Unallocated liabilities											(9,470.8)
TOTAL LIABILITIES											(27,515.0)
Other segment information											
Additions to property, plant and equipment	220.3	32.0	17,698.7	363.4	122.6	421.8	798.2	861.8	20,518.8	49.0	20,567.8
Depreciation and amortisation	(109.2)	(236.8)	(346.7)	(226.3)	(45.4)	(142.6)	(221.5)	(81.7)	(1,410.2)	1.8	(1,408.4)

4. Segmental information (continued)

(b) Geographical segmental analysis

The Group's operations are located in India, Zambia, Namibia, South Africa, Liberia, Ireland, Australia, UAE and Sri Lanka. The following table provides an analysis of the Group's sales by country in which the customer is located, irrespective of the origin of the goods. No revenues are derived from the United Kingdom (the Group's country of domicile).

(US$ million)

	Year ended 31 March 2013	Year ended 31 March 2012
India	9,477.6	6,764.9
China	2,113.0	2,819.4
Far East Asia	672.5	983.3
Asia Others	133.5	467.8
Africa	278.1	255.2
Europe	1,003.0	1,538.4
Middle East	1,178.8	1,030.3
Other	133.3	146.0
Total	**14,989.8**	**14,005.3**

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment, analysed by the country in which the assets are located. No material non-current assets are located in the United Kingdom and no significant additions to property, plant and equipment have been made there.

(US$ million)

	Carrying amount of non-current assets*		Additions to property, plant and equipment**	
	As at 31 March 2013	As at 31 March 2012	Year ended 31 March 2013	Year ended 31 March 2012
Australia	31.9	23.6	19.6	15.0
India	29,373.9	30,131.8	1,974.5	19,063.5
Zambia	2,135.6	2,082.2	259.8	421.8
Namibia	285.9	424.1	5.9	2.8
Ireland	155.3	218.8	20.0	15.8
South Africa	412.1	494.1	23.4	13.5
Sri Lanka	785.9	828.0	60.3	828.0
Other	71.8	287.7	46.5	207.4
Total	**33,252.4**	**34,490.3**	**2,410.0**	**20,567.8**

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

*** Includes assets acquired on acquisition of Cairn India*

5. Total Revenue

(US$ million)

	Year ended 31 March 2013	Year ended 31 March 2012
Revenue from sales of goods	14,989.8	14,005.3
Other operating income	90.3	85.1
Investment revenue	673.1	525.4
	15,753.2	**14,615.8**

6. Special items

(US$ million)

	Year ended 31 March 2013	Year ended 31 March 2012
Asarco transaction costs(1)	-	(88.6)
Voluntary retirement schemes (redundancy costs)	(9.4)	(21.2)
KCM IPO costs	-	(13.5)
Acquisition & restructuring related costs(2)	(4.7)	(75.5)
Loss on revaluation of previously held interest in associates, net(3)	-	(31.4)
Tuticorin plant compensation(4)	(18.4)	-
Project cost write off(5)	(9.4)	-
	(41.9)	**(230.2)**

1 *The Bankruptcy court of Southern District of Texas, United States Judge had issued the final judgment on 27 February 2012 to pay incidental damages of US$132.7 million net of US$50 million paid to Asarco in December 2009, making Asarco entitled to a net amount of US$82.7 million. Additionally related professional and legal fees incurred of US$5.9 million is also included in the above.*

2 *Acquisition related costs include costs of US$ nil (2012: US$2.5 million) related to the acquisition of Zinc International assets and US$1.3 million (2012: US$73.0 million) related to Cairn India acquisition and other restructuring costs of US$3.4 million.*

3 *Net loss on revaluation of existing carrying value of investment in Cairn India on 8 December 2011.*

4 *The Supreme court of India, had issued the final judgement dated 2 April 2013 on Sterlite, a subsidiary of the Group to pay compensation of US$18.4 mn to be deposited within three months from the date of the order with the local authority of Tuticorin.*

5 *Write off of initial project cost at Copper Zambia, as the project was not deemed economically viable.*

7. Investment revenue

(US$ million)

	Year ended 31 March 2013	Year ended 31 March 2012
Interest income on loans and receivables	29.7	31.8
Interest income on cash and bank balances	183.3	157.5
Change in fair value of financial assets held for trading	188.9	83.5
Profit on disposal of financial assets held for trading	115.5	170.3
Dividend income on financial assets held for trading	89.9	82.7
Profit on sale of available-for-sale investment	56.1	1.0
Expected return on defined benefit arrangements	4.1	2.0
Foreign exchange gain/(loss) on cash and liquid investments	6.7	(1.5)
Capitalisation of interest income	(1.1)	(1.9)
	673.1	**525.4**

8. Finance costs

(US$ million)

	Year ended 31 March 2013	Year ended 31 March 2012
Interest on bank loans, overdrafts and bonds	929.9	718.1
Coupon interest on convertible bonds	138.7	138.6
Accretive interest on convertible bonds	168.9	115.0
Interest on other loans	147.0	177.9
Total interest cost	**1,384.5**	**1,149.6**
Unwinding of discount on provisions	27.6	11.5
Interest on defined benefit arrangements	10.2	9.4
Capitalisation of borrowing costs*	(228.3)	(224.8)
	1,194.0	**945.7**

* *All borrowing costs are capitalised using rates based on specific borrowings*

9. Other gains and (losses) (net)

(US$ million)

	Year ended 31 March 2013	Year ended 31 March 2012
Exchange losses on borrowings and capital creditors	(336.2)	(407.8)
Qualifying exchange losses capitalised	86.3	68.8
Change in fair value of financial liabilities measured at fair value	(5.3)	(1.2)
Change in fair value of embedded derivative on convertible bonds	24.7	97.1
Loss arising on qualifying hedges and non-qualifying hedges	(54.7)	(71.1)
	(285.2)	**(314.2)**

10. Tax

(US$ million)

	Year ended 31 March 2013	Year ended 31 March 2012
Current tax:		
UK Corporation tax	0.9	-
Foreign tax		
- India	855.3	754.0
- Australia	16.1	16.0
- Africa and Europe	39.3	41.7
- Other	6.6	10.6
	918.2	**822.3**
Deferred tax:		
Current year movement in deferred tax	(878.1)	(305.6)
	(878.1)	**(305.6)**
Total tax expense	**40.1**	**516.7**
Effective tax rate	*2.4%*	*29.6%*

The deferred tax benefit recycled from equity to the income statement is US$5.3 million (2012: US$5.7 million). The reduction in tax rate is mainly due to MAT credit entitlement, various tax incentives, benefits due to accelerated depreciation at some of the entities, reorganisation of Cairn India and losses at KCM.

Deferred Tax recognised in the income statement:

(US$ million)

	Year ended 31 March 2013	Year ended 31 March 2012
Accelerated capital allowances	(307.1)	(130.4)
Unutilised tax losses	9.2	(44.8)
Other temporary differences	(580.2)	(130.4)
	(878.1)	**(305.6)**

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 US$7,248.4 million (2012: US$5,290.2 million).

A reconciliation of income tax expense applicable to accounting profit before tax at the Indian statutory income tax rate to income tax expense at the Group's effective income tax rate for the year ended 31 March 2013 is as follows:

(US$ million)

	Year ended 31 March 2013	Year ended 31 March 2012
Accounting profit before tax	**1,705.9**	**1,745.4**
At Indian statutory income tax rate of 32.45% (2012: 32.45%)	553.5	566.4
Unrecognised tax losses	270.9	333.6
Disallowable expenses	48.2	79.3
Non-taxable income	(106.9)	(119.1)
Impact relating to changes in tax rate	211.3	65.0
Tax holiday and similar exemptions	(959.9)	(416.1)
Minimum Alternative Tax	(0.8)	11.7
Adjustments in respect of previous years	23.8	(4.1)
At effective income tax rate of 2.4% (2012: 29.4 %)	**40.1**	**516.7**

11. 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:

(US$ million)

	Year ended 31 March 2013	Year ended 31 March 2012
Net profit attributable to equity holders of the parent	**157.4**	**59.8**

(US$ million except as stated)

	Year ended 31 March 2013	Year ended 31 March 2012
Weighted average number of ordinary shares for basic earnings per share (million)	272.9	272.7
Effect of dilution:		
Share options	4.8	4.4
Adjusted weighted average number of ordinary shares for diluted earnings per share	**277.7**	**277.1**

Earnings per share based on profit for the year

Basic earnings per share on the profit for the year

(US$ million except as stated)

	Year ended 31 March 2013	Year ended 31 March 2012
Profit for the year attributable to equity holders of the parent (US$ million)	157.4	59.8
Weighted average number of shares of the Company in issue (million)	272.9	272.7
Earnings per share on profit for the year (US cents per share)	**57.7**	**21.9**

Diluted earnings per share on the profit for the year

(US$ million except as stated)

	Year ended 31 March 2013	Year ended 31 March 2012
Profit for the year attributable to equity holders of the parent (US$ million)	157.4	59.8
Profit for the year after dilutive adjustment (US$ million)	**157.4**	**59.8**
Adjusted weighted average number of shares of the Company in issue (million)	277.7	277.1
Diluted earnings per share on profit for the year (US cents per share)	**56.7**	**21.6**

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.

The adjustment in respect of convertible bonds has an anti-dilutive impact on the number of shares and earnings and is thus not considered for determining 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 (Non-GAAP)

The Group's Underlying Profit is the profit for the year after adding back special items, other losses/ (gains) (note 9) and their resultant tax and non-controlling interest effects. This is a Non-GAAP measure.

(US$ million)

	Note	Year ended 31 March 2013	Year ended 31 March 2012
Profit for the year attributable to equity holders of the parent		157.4	59.8
Special items	6	41.9	230.2
Other losses/ (gains)		285.2	314.2
Tax and non-controlling interest effect of special items and other losses/ gains		(121.2)	(217.0)
Underlying attributable Profit for the year		**363.3**	**387.2**

Basic earnings per share on Underlying Profit for the year (Non-GAAP)

(US$ million except as stated)

	Year ended 31 March 2013	Year ended 31 March 2012
Underlying profit for the year (US$ million)	363.3	387.2
Weighted average number of shares of the Company in issue (million)	272.9	272.7
Earnings per share on Underlying Profit for the Year (US cents per share)	**133.1**	**142.0**

Diluted earnings per share on Underlying Profit for the year (Non-GAAP)

(US$ million except as stated)

	Year ended 31 March 2013	Year ended 31 March 2012
Underlying profit for the year (US$ million)	363.3	387.2
Underlying profit for the year after dilutive adjustment (US$ million)	**363.3**	**387.2**
Adjusted weighted average number of shares of the Company (million)	277.7	277.1
Diluted earnings per share on Underlying Profit for the year (US cents per share)	**130.8**	**139.8**

12. Dividends

(US$ million)

	Year ended 31 March 2013	Year ended 31 March 2012
Amounts recognised as distributions to equity holders:		
Equity dividends on ordinary shares:		
Final dividend for 2011-12: 35 US cents per share (2010-11: 32.5 US cents per share)	96.0	89.2
Interim dividend paid during the year: 21 US cents per share (2011-12: 20 US cents per share)	57.5	54.9
	153.5	**144.1**
Proposed for approval at AGM		
Equity dividends on ordinary shares:		
Final dividend for 2012-13: 37US cents per share (2011-12: 35 US cents per share)	101.8	96.0

13. Borrowings

(US$ million)

	As at 31 March 2013	As at 31 March 2012
Bank loans	11,192.0	11,464.9
Bonds	2,881.0	2,876.3
Other loans	85.3	323.9
Total	**14,158.3**	**14,665.1**
Borrowings are repayable as:		
Within one year (shown as current liabilities)	3,705.7	4,151.6
More than one year	10,452.6	10,513.5
Total	**14,158.3**	**14,665.1**

14. Movement in net debt [1]

(US$ million)

			Debt due within one year	Debt due after one year		
	Cash and cash equivalents	**Liquid investments**	**Debt carrying value**	**Debt carrying value**	**Debt-related derivatives[2]**	**Total Net Debt**
At 1 April 2011	**911.6**	**6,865.4**	**(3,045.1)**	**(6,707.4)**	**5.2**	**(1,970.3)**
Cash flow excluding net cash flow arising on acquisition of subsidiaries	(161.1)	(2,354.1)	(981.8)	(6,263.5)	-	(9,760.5)
Net cash flows arising on acquisition of subsidiaries	665.8	1,151.0	(240.5)	-	-	1,576.3
Other non-cash changes [3]	-	45.0	(211.1)	(210.1)	0.5	(375.7)
Foreign exchange differences	528.7	(767.0)	326.9	377.2	-	465.8
At 1 April 2012	**1,945.0**	**4,940.3**	**(4,151.6)**	**(12,803.8)**	**5.7**	**(10,064.4)**
Cash flow	74.8	941.7	(159.9)	44.5		901.1
Other non-cash changes [3]		158.7	(221.8)	339.7	(10.2)	266.4
Foreign exchange differences	180.4	(259.2)	133.2	226.9		281.3
At 31 March 2013	**2,200.2**	**5,781.5**	**(4,400.1)**	**(12,192.7)**	**(4.5)**	**(8,615.6)**

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 exchanges losses and gains on borrowings and capital creditors, MTM of embedded derivatives, interest accretion on convertible bonds and amortisation of borrowing costs for which there is no cash movement. It also includes US$158.7 million (2012: US$45.0 million) of fair value movement in investments.*

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 pm, UK time, on 1 August 2013

AE

Anode effects

AIDS

Acquired Immune Deficiency Syndrome

Aluminium Business

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

ASARCO

American smelting and refining company, incorporated in United States.

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, the Zinc, lead, silver, Iron ore, Power and Oil and Gas Business together

Cairn India Group

Cairn India Limited and its subsidiaries

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 & updated them from time to time.

Company or Vedanta

Vedanta Resources plc

Company financial statements

The audited financial statements for the Company for the year ended 31 March 2013 as defined in the Independent Auditors' Report on the individual Company Financial Statements to the members of Vedanta Resources plc

Convertible Bonds

$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 the 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

CRISIL

CRISIL Limited is a rating agency incorporated in India

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

EBITDA interest cover

EBITDA divided by gross finance costs excluding accretive interest on convertible bonds, unwinding of discount on provisions, interest on defined benefit arrangements less investment revenue

EBITDA Margin excluding custom smelting

EBITDA Margin excluding EBITDA and turnover from custom smelting of Copper India, Copper Zambia and Zinc India businesses

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&OHS Environment 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 has delegated operational management. It comprises of the Executive Directors and the senior management of 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 2012 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 i.e. April to March.

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

GRMC

Group Risk Management Committee,

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

Gross finance costs

Finance costs before capitalisation of borrowing costs

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

IFRIC

IFRS Interpretations Committee(formerly known as the 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 or revised listing filled in 2011.

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

MALCO

The Madras Aluminium Company Limited, a company incorporated in India

Management Assurance Services (MAS)

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)

Oil and gas business

The Group's subsidiary, Cairn India Limited is involved in the business of exploration, development and production of Oil and gas.

Ordinary Shares

Ordinary shares of 10 US cents each in the Company

ONGC

Oil and Natural Gas Corporation Limited, a company incorporated in India

PBT

Profit before tax

PFC

Per fluorocarbons

PHC

Primary health centre

PPE

Personal protective equipment

Provident Fund

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

PSC

A"production sharing contract" by which the Government of India grants a license to a company or consortium of companies (the 'Contractor") to explore for and produce any hydrocarbons found within a specified area and for a specified period , incorporating specified obligations in respect of such activities and a mechanism to ensure an appropriate sharing of the profits arising therefrom (if any) between the Government and the Contractor.

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 or Sesa

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

STL

Sterlite Technologies 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

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

TSPL

Talwandi Sabo Power Limited, a company incorporated in India

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 losses 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

VGCB

Vizag General Cargo Berth Private Limited, a company incorporated in India

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

ZRA

Zambia Revenue Authority