

Auditors' Report on the Consolidated Financial Statements

TO THE BOARD OF DIRECTORS STERLITE INDUSTRIES (INDIA) LIMITED

1. We have audited the attached Consolidated Balance Sheet of Sterlite Industries (India) Limited (the Company), and its subsidiaries (collectively referred to as "the Group"), as at 31 March 2010, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. The Consolidated Financial Statements are the responsibility of Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of Copper Mines of Tasmania Pty Limited, Thalanga Copper Mines Pty. Limited, Fujairah Gold FZE and Sterlite Infra Limited (Formerly known as Sterlite Paper Limited) the subsidiary companies, whose financial statements reflect total assets of Rs. 1,493.43 Crore as at 31 March 2010, total revenues (net turnover) of Rs. 1,588.23 Crore and net cash outflows amounting to Rs. 100.81 Crore for the year ended on that date as considered in the Consolidated Financial Statement. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, is based solely on their reports.
4. The financial statements of Monte Cello BV and Sterlite (USA) Inc. both subsidiary companies reflecting the total assets of Rs. 106.16 Crore as at March 31st, 2010 total revenues (net turnover) of Nil and net cash flows amounting to Rs. 0.01 Crore for the year ended on that date are not audited. These financial statements have been certified by management and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on these certified financial statements.
5. The financial statements of Bharat Aluminium Company Limited (BALCO), Sterlite Energy Limited, Talwandi Sabo Power Limited, Sterlite Opportunities and Ventures Limited, and Hindustan Zinc Limited, all subsidiary companies, whose financial statements reflect total assets of Rs. 37,091.79 Crore as at 31 March 2010, total revenues (net turnover) of Rs. 11,347.01 Crore and net cash outflow amounting to Rs. 190.09 Crore for the year ended on that date have been audited by one of the joint auditors.
6. The consolidated financial statements of Vedanta Aluminium Limited, an associate company, reflect group's share of profit of Rs. 58.77 Crore for the year ended 31 March 2010; have been audited by one of the joint auditors.
7. Attention is invited to Note no. 23 in Schedule 21 relating to long term investment, by Hindustan Zinc Limited, in equity shares of a power company being classified as an intangible asset and amortised. This treatment is in preference to requirements of Accounting Standard 30 'Financial Instruments: Recognition and Measurement', Accounting Standard 26 'Intangible Assets'; and Schedule XIV of the Companies Act, 1956. This has resulted in profit after tax being lower by Rs. 3.41 Crore, investments being lower by Rs. 98.41 Crore, fixed assets being higher by Rs. 56.03 Crore, deferred tax liability being lower by Rs. 14.08 Crore and reserves and surplus being lower by Rs. 28.30 Crore.

8. We report that the Consolidated Financial Statement have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, and Accounting Standard 23, Accounting for Investments in Associates in Consolidated Financial Statements as notified under the Companies (Accounting Standards) Rules, 2006.
9. Based on our audit and on the consideration of reports of other auditors on separate financial statements and on other financial information of the components, and to the best of information and according to the explanations given to us, we are of the opinion that the attached Consolidated financial statements read together with notes thereto give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in case of the Consolidated Balance Sheet, of the state of affairs of Group as at 31 March, 2010;
 - b) in case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - c) in case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For CHATURVEDI & SHAH
Chartered Accountants
 (Registration No.: 101720W)

R. Koria
Partner
 Membership No. 35629

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

Shyamak R. Tata
Partner
 Membership No. 38320

MUMBAI, 26th APRIL, 2010

Consolidated Balance Sheet

As at 31 March 2010

	Schedule	As at 31 March 2010 (Rs. in Crore)	As at 31 March 2009 (Rs. in Crore)
I. Sources of Funds			
1. Shareholders' Funds			
Share Capital	1	168.08	141.70
Reserves & Surplus	2	36,843.70	25,471.23
Deferred Government grant	3	0.22	0.23
		37,012.00	25,613.16
2. Minority Interest		8,409.56	6,813.22
3. Loan Funds			
Secured Loans	4	1,811.06	1,720.08
Unsecured Loans	5	7,448.93	5,293.42
		9,259.99	7,013.50
4. Deferred Tax liability (net) (Refer Note Number 10 of Schedule No. 21)		1,552.43	1,407.57
Total		56,233.98	40,847.45
II. Application of Funds			
1. Fixed Assets	6		
Gross Block		18,178.94	15,386.73
Less: Depreciation and Impairment		5,913.31	5,154.87
Net Block		12,265.63	10,231.86
Capital Work-in-Progress		11,084.37	6,978.58
		23,350.00	17,210.44
2. Investments			
In Associates (Long Term Investments)		476.20	404.74
In Associates (Current Investments)		1,815.00	2,019.16
In Available for Sale Securities		37.76	5.98
In Other Current Investments		17,975.51	13,776.27
		20,304.47	16,206.15
3. Current Assets, Loans & Advances			
Inventories	7	2,982.72	2,459.05
Sundry Debtors	8	570.92	876.03
Cash and Bank Balances	9	3,337.76	5,504.83
Other Current Assets	10	120.70	81.17
Loans & Advances	11	10,499.31	2,714.90
		17,511.41	11,635.98
Less: Current Liabilities & Provisions	12		
Current Liabilities		3,810.71	3,165.46
Provisions		1,121.19	1,039.66
		4,931.90	4,205.12
Net Current Assets		12,579.51	7,430.86
Total		56,233.98	40,847.45

Schedule 1 to 21 form integral part of accounts

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice Chairman

D.D. Jalan
Whole Time Director

R Koria
Partner

Shyamak R. Tata
Partner

Kishore Kumar
Chief Executive Officer

Vinod Bhandawat
Chief Financial Officer

Rajiv Choubey
Company Secretary

Place : Mumbai
Dated : 26 April 2010

Consolidated Profit and Loss Account

For the year ended 31 March 2010

	Schedule	Year ended 31 March 2010 (Rs. in Crore)	Year ended 31 March 2009 (Rs. in Crore)
I. Income			
Turnover		25,614.33	22,773.71
Less: Excise Duty Recovered on Sales		1,204.00	1,629.49
Net Turnover		24,410.33	21,144.22
Other Income	13	1,959.35	2,154.26
Variation In Stock	14	198.16	(278.76)
Total		26,567.84	23,019.72
II. Expenditure			
Purchases of Traded Goods		93.22	75.70
Manufacturing and other expenses	15	16,710.93	14,622.21
Personnel	16	853.96	756.08
Selling & Distribution	17	367.17	392.25
Administration & General	18	511.44	315.09
Interest & Finance charges	19	342.35	397.28
Total		18,879.07	16,558.61
Profit before depreciation and impairment, exceptional items and tax		7,688.77	6,461.11
Depreciation, Amortisation and impairment		749.79	700.67
Profit before exceptional items and tax		6,938.98	5,760.44
Exceptional Items	20	296.96	(55.31)
Profit before tax		6,642.02	5,815.75
Current year tax			
Provision for current tax [including wealth tax provision for Rs. 0.19 Crore (Previous Year Rs. 0.20 Crore)]		1,147.89	873.64
Provision for Deferred tax		124.67	146.06
Provision for Fringe benefit tax		-	5.83
MAT Credit Charge/ (Entitlement)		(9.39)	-
Current Tax Provision related to earlier years written back		(34.66)	(91.30)
Deferred Tax provision for earlier years provided for/(written back)		4.46	(79.20)
Profit after tax before minority interest and consolidated share in the			
Profit/(Loss) of associate		5,409.05	4,960.72
Less – minority interest in income		1,724.08	1,267.14
Add/(Less) – Consolidated Share in the Profit/(Loss) of Associates		58.77	(153.59)
Profit after tax		3,743.74	3,539.99
Balance at the beginning of the year		9,672.97	7,027.32
Less: Transfer of premium on redemption of preference share to Minority Interest		-	2.48
Amount available for appropriation		13,416.71	10,564.83

Consolidated Profit and Loss Account continued

For the year ended 31 March 2010

Schedule	Year ended 31 March 2010 (Rs. in Crore)	Year ended 31 March 2009 (Rs. in Crore)
Appropriations:		
General Reserve	824.61	528.61
Transferred to Debenture redemption reserve [Net of Minority share of Rs. 49 Crore (Previous Year Rs. 49 Crore)]	53.90	54.00
Proposed Dividend on Equity Shares of the Company	315.15	247.97
Tax on Proposed Dividend	80.15	61.28
Additional dividend for previous year of the Company (Refer note number 37(b)(ii) of Schedule 21)	46.17	–
Tax on additional dividend for previous year of the Company (Refer note number 37(b)(ii) of Schedule 21)	7.37	–
Excess)/Short Provision of Dividend of earlier year (Rs. NIL) [Previous year (Rs. 23,580)]	–	–
(Excess)/Short Provision for tax on Dividend (Rs. NIL) [Previous year (Rs. 4,007)]	–	–
Balance carried to the Balance Sheet	12,089.36	9,672.97
Total	13,416.71	10,564.83
Earning (in Rs.) per Share of Rs.2 each (Basic)	46.79	49.96
Earning (in Rs.) per Share of Rs.2 each (Diluted) (Refer note number 45 of Schedule 21)	45.84	49.96
Notes forming part of Accounts	21	

Schedule 1 to 21 form integral part of accounts

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice Chairman

D.D. Jalan
Whole Time Director

R Korla
Partner

Shyamak R. Tata
Partner

Kishore Kumar
Chief Executive Officer

Vinod Bhandawat
Chief Financial Officer

Rajiv Choubey
Company Secretary

Place : Mumbai
Dated : 26 April 2010

Consolidated Cash Flow Statement

	Year ended 31 March 2010 (Rs. in Crore)	Year ended 31 March 2009 (Rs. in Crore)
A. Cash flow from Operating Activities		
Net profit before tax as per P&L Account	6,642.02	5,815.73
Consolidated Share in Profit/ (Loss) of Associate Company	58.77	(153.59)
	6,700.79	5,662.14
Adjusted for:		
– Exceptional Items	–	(55.31)
– Bad debts and Loans & advances written off	21.86	–
– Depreciation, Amortisation and Impairment (Net)	749.79	700.89
– Dividend Income	(591.29)	(892.79)
– Interest Income	(705.56)	(459.50)
– Interest & Finance charges	342.35	397.24
– Foreign Exchange Loss/(Profit)*	105.96	78.54
– (Profit) on Sale of Current Investment (net)	(131.96)	(95.22)
– (Profit) on Sale / Discarding of Assets (net)	(10.26)	(1.04)
– Provision for bad and doubtful debts	5.98	0.72
– Sundry Liabilities written back	(40.17)	(19.66)
– Deferred government grant transferred	(0.01)	–
– Consolidated Share in Profit/ (Loss) of Associate Company	(58.77)	153.59
– Gain on Mark to market of Current Investments	(138.42)	(130.22)
– Gain on Fair Valuation of deferred sales tax liabilities	(6.37)	(12.54)
– Gain on fair valuation of embedded derivatives	(58.66)	–
	(515.53)	(335.30)
Operating profit before working capital changes	(6,185.26)	5,326.84
Adjusted for:		
– Trade and other receivables	(534.47)	(19.16)
– Inventories	(523.67)	875.06
– Trade payables	209.42	507.69
	(848.72)	1,363.59
Cash generation from operations	5,336.54	6,690.43
Direct taxes paid / TDS deducted/Refund received	(1,154.86)	(852.19)
Net cash flow from Operating Activities	4,181.68	5,838.24
B. Cash flow from Investing Activities		
Purchase of Fixed Assets & Capital Work in Progress*	(6,214.26)	(4,017.99)
Sale of Fixed Assets	32.33	8.54
Purchase of current Investments	(128,823.53)	(91,706.33)
Sale of current Investment	125,151.04	91,944.25
Movement in Loans*	(6,544.45)	(697.41)
Interest Received	631.32	377.06
Dividend Received on Investments	596.60	903.01
Fixed Deposits held for more than three months placed	(3,680.88)	(5,027.68)
Fixed deposits with banks held for more than three months matured	5,585.18	500.00
Net cash flow used in Investing Activities	(13,266.65)	(7,716.55)

Consolidated Cash Flow Statement continued

	Year ended 31 March 2010 (Rs. in Crore)	Year ended 31 March 2009 (Rs. in Crore)
C. Cash flow from Financing Activities		
Proceeds from issue of Equity Share Capital including Security Premium	7,734.60	–
Share issue expenses (net)	(81.72)	–
(Redemption of) / Proceeds from issue of Preference Share Capital	(28.11)	–
Proceeds from Long Term Loans	3,587.24	1,153.63
Repayment of Long Term Loans	(851.56)	(693.28)
Proceeds from Short Term Loans	1,520.71	1,170.89
Repayment of Short Term Loans	(2,076.86)	(355.02)
Interest paid (net)	(546.92)	(409.27)
Dividend paid	(435.18)	(393.84)
Payment made towards Corporate Guarantees	–	(107.98)
Net Cash flow from Financing Activities	8,822.20	365.13
Net decrease in cash and cash equivalent	(262.77)	(1,513.18)
Cash and cash equivalent at the beginning of the year#	477.15	1,953.56
Add: On acquisition of Subsidiary	–	36.77
Cash and cash equivalent at the end of the year	214.38	477.15
Add: Fixed deposit with banks with maturity of more than three months	3,123.38	5,027.68
Closing balance of Cash and bank #	3,337.76	5,504.83

* Includes exchange difference on account of translation of foreign subsidiary Company's financial statements.

For Composition, refer Schedule 9

Notes:

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting standard-3 "Cash Flow Statement".
- 2) Cash and cash equivalent Includes amount lying in Margin money Account amounting to Rs. 6.03 Crore (Previous year Rs. 5.89 Crore), Fixed Deposit in lien with bank amounting to Rs. 0.36 Crore (Previous year Rs. 715.14 Crore) and matured Dividend/Debtenture/Debtenture Interest Accounts amounting to Rs. 5.65 Crore (Previous year Rs. 5.62 Crore).
- 3) The figures of previous year have been recasted, rearranged and regrouped wherever considered necessary.

As per our report of even date

For Chaturvedi & Shah
Chartered Accountants

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice Chairman

D.D. Jalan
Whole Time Director

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Partner

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Kishore Kumar
Chief Executive Officer

Vinod Bhandawat
Chief Financial Officer

Rajiv Choubey
Company Secretary

Place : Mumbai

Dated : 26 April 2010

Schedules forming part of the Consolidated Balance Sheet

Schedule 1

Share Capital:

	As at 31 March 2010 (Rs. in Crore)	As at 31 March 2009 (Rs. in Crore)
Authorised:		
92,50,00,000 Equity Shares of Rs. 2 each.	185.00	185.00
	185.00	185.00
Issued, Subscribed & Paid up:		
84,04,00,422 (Previous Year 70,84,94,411) Equity Shares of Rs. 2 each fully paid up.	168.08	141.70
Less: Unpaid Allotment Money/Calls in Arrears (other than Directors) (Current Year Rs. 11,790) (Previous year Rs. 11,790)	-	-
Total	168.08	141.70

Notes:

- Of the above equity shares:
 - 2,10,000 Equity Shares were allotted as fully paid up pursuant to a contract without payment being received in cash before buy back, extinguishment, subdivision and issue of bonus shares.
 - 32,19,73,026 Equity Shares of Rs. 2 each were allotted as fully paid up Bonus Shares by way of capitalisation of General Reserve and Security Premium.
 - 27,33,675 Equity Shares were allotted pursuant to scheme of Amalgamation without payment being received in cash before buy back, extinguishment, subdivision and issue of bonus shares.
 - 40,99,400 Equity Shares were allotted as fully paid up on conversion of 50,000 Foreign Currency Convertible Bonds before subdivision and issue of bonus shares.
 - 12,49,92,080 (Previous Year 7,56,78,479) American Depository Shares (ADS) share representing 12,49,92,080 (Previous Year 7,56,78,479) underlying equity shares.
- Refer Note Number 28 of Schedule 21 in respect of reduction of Issued, Subscribed and Paid up capital.
- Of the above equity shares, 45,31,23,492 (Previous year 40,69,61,874) equity shares (including ADS) are held by Company's holding Company and 2,56,13,400 (previous year 2,63,17,719) by a fellow subsidiary of the Company.

Schedules forming part of the Consolidated Balance Sheet

continued

Schedule 2

Reserves & Surplus:

	As at 31 March 2010 (Rs. in Crore)	As at 31 March 2009 (Rs. in Crore)
Capital Reserve		
As per Last Balance Sheet	1.71	1.71
Capital Reserve on Consolidation	1.48	1.48
Preference Share Redemption Reserve		
As per Last Balance Sheet	76.88	76.88
Debenture Redemption Reserve		
As per Last Balance Sheet	68.60	14.60
Add:- Transferred from Profit & Loss account [Net of Minority share of Rs. 49 Crore (Previous Year Rs. 49 Crore)]	53.90	54.00
	122.50	68.60
Security Premium Account		
As per Last Balance Sheet	10,668.90	10,668.90
Add: Received during the year	7,708.22	-
	18,377.12	10,668.90
Less: Share Issue expenses	81.72	-
	18,295.40	10,668.90
Less: Unpaid Share Premium	0.03	0.03
	18,295.37	10,668.87
General Reserve		
As per Last Balance Sheet	4,906.48	4,377.87
Add:- Transferred from Profit & Loss Account	824.61	528.61
	5,731.09	4,906.48
Investment Revaluation Reserve		
As per last Balance Sheet	0.82	8.72
Add/(Less): Adjustment for the year on account of change in fair value of Available for Sale Investment	31.78	(7.90)
	32.60	0.82
Foreign Currency Translation Reserve	325.27	(31.61)
Hedging Reserve Account		
As per Last Balance Sheet	105.03	(17.97)
(Less)/Add: amount reversed on settlement of hedge contracts (Including Minority share of Rs. 7.21 Crore)	(105.03)	17.97
Less: Transferred during the year (including share in associates Rs. 12.70 Crore)	167.46	97.82
Add/(Less): Minority's Share	(0.02)	7.21
	167.44	105.03
Profit & Loss Account	12,089.36	9,672.97
Total	36,843.70	25,471.23

Schedule 3

Deferred Government Grant

	As at 31 March 2010 (Rs. in Crore)	As at 31 March 2009 (Rs. in Crore)
Grants-in-aid received from Government of India towards setting up of pilot plant and research facilities for testing of Bauxite	0.23	0.23
As per Last Balance Sheet	0.23	0.23
Less: Transferred to profit and loss account (Previous year Rs. 63,347)	(0.01)	-
Total	0.22	0.23

Schedule 4**Secured Loans:**

	As at 31 March 2010 (Rs. in Crore)	As at 31 March 2009 (Rs. in Crore)
A. Redeemable Non Convertible Debentures (refer note number 29 of schedule 21)	599.99	599.63
B. Term Loans from Banks (Rupee Loans)	151.03	528.67
C. Working Capital Loans from Banks	43.42	253.05
D. Buyer's Credit from banks	1,016.62	338.73
Total	1,811.06	1,720.08

Notes:

- Debentures referred at A above includes (a) Rs. 100 Crore of the Company secured by a first charge on pari passu basis in favour of the Trustees for the Debentures on the immovable properties situated at Tuticorin in the State of Tamilnadu; Lonawala and Pune in the State of Maharashtra, Chinchpada in the Union Territory of Dadra & Nagar Haveli and Mouje Chatral of Kalol Taluka, District Gandhinagar, Gujarat.(b) Rs. 499.99 Crore of BALCO secured by pari passu charge on the movable and immovable properties.
- The Term Loans at B above are of BALCO secured by pari passu charge on movable properties, present and future, tangible or intangible, and assets other than current assets and charge on immovable properties.
- Working Capital Loans at C above are of BALCO Secured by hypothecation of stock of raw materials, work-in-progress, semi-finished, finished products, consumable stores and spares, bills receivables, book debts and all other movables, both present and future. The charges ranks pari passu among banks under the multiple banking arrangements, both for fund based as well as non-fund based facilities.
- The Buyer's credit at D above of BALCO for Rs. 1,016.62 Crore are secured by hypothecation by way of exclusive, pari passu and subservient charge on all charge on all present and future goods, movable properties including current assets and mortgage on the immovable properties of the Company.

Schedule 5**Unsecured Loans:**

	As at 31 March 2010 (Rs. in Crore)	As at 31 March 2009 (Rs. in Crore)
A. Deferred Sales Tax Liabilities	68.76	57.59
B. 4% Convertible Senior note of US\$ 1,000 per note (refer note number 39 of Schedule 21)	2,222.55	-
C. Loans from Banks/Financial Institutions		
(i) Foreign Currency Loans	199.94	123.79
(ii) Rupee Loans	549.75	539.23
D. Buyer's Credit from banks*	4,407.54	4,515.31
E. Others	0.39	57.50
Total	7,448.93	5,293.42

* (net of arrangement fees paid in advance)

Notes:

- Amount due within one year Rs. 4,592.42 Crore (Previous year Rs. 4,616.69 Crore).
- Loans above includes amount of commercial paper at the end of the year of Rs. NIL (Previous Year Rs. NIL). Maximum amount outstanding at any time during the year was Rs. 1,739.73 Crore (Previous year Rs. NIL)

Schedules forming part of the Consolidated Balance Sheet

continued

Schedule 6 Fixed Assets:

													(Rs. in Crore)	
	Gross Block					Depreciation					Net Block Before Impairment	Impairment	Net Block	
	As at 01.04.2009	On acquisition of subsidiary	Additions/ Adjustments (refer note no.12)	Deductions/ Adjustments	As at 31.03.2010	Upto 31.03.2009	On acquisition of subsidiary	For the Year	Deductions/ Adjustments (refer note no.12)	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Nature of Fixed assets														
Goodwill on consolidation	1,052.53	-	227.32	-	1,279.85	-	-	-	-	-	1,279.85	-	1,279.85	1,052.53
Land	156.46	-	277.0	2.25	181.91	28.97	-	1.33	-	30.30	151.61	-	151.61	127.49
Buildings	1,162.74	-	235.17	2.05	1,395.86	310.41	-	53.45	28.97	334.89	1,060.97	3.50	1,057.47	848.83
Buildings (leasehold)	6.34	-	-	-	6.34	2.48	-	-	0.35	2.13	4.21	-	4.21	3.86
Plant & Machinery	12,167.18	-	2,040.24	25.02	14,182.40	4,131.54	-	647.81	150.87	4,628.48	9,553.92	81.15	9,472.77	7,954.49
Furniture & Fixtures	35.82	-	2.94	0.95	37.81	21.48	-	2.16	0.92	22.72	15.09	-	15.09	14.34
Data Processing Equipment	24.58	-	0.94	0.02	25.50	18.04	-	2.02	0.01	20.05	5.45	-	5.45	6.54
Office Equipments	93.87	-	33.07	1.24	125.70	40.83	-	7.76	1.06	47.53	78.17	-	78.17	53.04
Electrical Fittings	50.08	-	0.53	-	50.61	12.05	-	2.39	-	14.44	36.17	-	36.17	38.03
Vehicles	27.59	-	12.59	2.99	37.19	11.61	-	2.14	1.30	12.45	24.74	-	24.74	15.98
Mine reserve and development	411.42	-	80.83	-	492.25	411.26	-	73.71	-	484.97	7.28	-	7.28	0.16
Railway Siding	62.87	-	2.46	-	65.33	24.47	-	5.48	-	29.95	35.38	-	35.38	38.40
Rehabilitation Asset	20.85	-	3.66	4.20	20.31	13.78	-	5.77	-	19.55	0.76	-	0.76	7.07
Asset Retired from Active use	1.93	-	224.50	74.41	152.02	1.84	-	0.05	(96.37)	98.26	53.76	32.59*	21.17	0.09
Intangible Assets**														
Investment in Shares	98.41	-	-	-	98.41	37.70	-	4.67	-	42.37	56.04	-	56.04	60.71
Computer Software	6.77	-	13.39	-	20.16	2.54	-	3.84	-	6.38	13.78	-	13.78	4.23
Technical know-how	7.29	-	-	-	7.29	1.22	-	0.38	-	1.60	5.69	-	5.69	6.07
TOTAL:	15,386.73	-	2,905.34	113.13	18,178.94	5,070.22	-	812.96	87.11	5,796.07	12,382.87	117.24	12,265.63	10,231.86
Previous Year	14,563.73	0.11	895.42	72.53	15,386.73	4,445.27	0.03	669.04	44.12	5,070.22	10,316.51	84.65	10,231.86	-
Capital Work in Progress***													11,084.37	6,978.58

* Refer note number 12 of Schedule 21

** Other than internally generated

*** Refer note number 11 of Schedule 21

Notes:

- Land includes leasehold land of Rs. 156.07 Crore (Previous Year Rs.129.58 Crore).
- In case of HZL, title deeds are still to be executed in respect of 10.63 acres of free hold land at Vishakapatnam.
- In case of BALCO transfer of some of title deeds is pending in respect of certain land.
- Some land & quarters of BALCO including 40 nos. quarters at Bidhan Bagh Unit and 300.88 acres of land at Korba and Bidhan Bagh have been unauthorisedly occupied by others for which evacuation efforts are in progress.
- Buildings (free-hold) include (a) Cost of Shares of Rs. 750 in Co-op. housing society, (b) Cost of shares of Rs. 750 in Co-operative societies representing possession of office premises, (c) a residential flat in the joint names of the Company and one of its Directors.
- Gross block of buildings of HZL includes Rs.1.03 Crore wherein bifurcation of the cost between land and building is not ascertained (previous year Rs. 1.03 Crore).
- Plant and Machinery (Gross Block) include Rs.3.73 Crore (previous year Rs.3.73 Crore) and Rs. 1.68 Crore (previous year Rs. 1.68 Crore) being the amount spent for laying water pipe line and power line respectively, the ownership of which vests with the State Government Authorities.
- Plant and machinery of BALCO includes capital expenditure of Rs. 25.16 Crore pertaining to Captive Power Plant which has been installed at the premises of National Thermal Power Corporation Ltd. in view of convenience of operations.
- Additions to Gross block include gain of Rs. 99.26 Crore (Previous year Gain of Rs. 24.33 Crore) and Depreciation/Deletion is net of loss of Rs. 95.36 Crore (Previous year Gain of Rs. 24.51 Crore) on account of translation of fixed assets and depreciation to date respectively of foreign subsidiaries, the effect of which is considered in Foreign currency translation reserve.
- Capital work in progress is net of provision for impairment of Rs. 147 Crore (Previous year Rs. 147 Crore).
- Addition to Capital work in progress includes interest and finance charges amounting to Rs. 110.72 Crore (Previous Year Rs. NIL) capitalised on account of borrowing cost.
- Additions/adjustments and Deletion/adjustments includes movement in Gross Block and Accumulated Depreciation respectively on account of classification of old unit as assets held for sale. Accordingly, the related fixed assets have been reclassified under the head Asset retired from Active Use. The details of movements as referred are as follows:

Particulars	Gross Block	Accumulated Depreciation	Net Block
(i) Land	1.74	-	1.74
(ii) Buildings	30.88	28.77	2.11
(iii) Plant and Machinery	191.87	130.47	61.40
(iv) Vehicles	0.01	-	0.01
Total	224.50	159.24	65.26

Schedule 7**Inventories:**

	As at 31 March 2010 (Rs. in Crore)	As at 31 March 2009 (Rs. in Crore)
Raw Materials	1,112.66	762.47
Work-in-Process	1,274.94	1,071.60
Finished Goods	112.18	117.36
Stores, Spares, Packing Materials & Others	482.94	507.62
Total	2,982.72	2,459.05

Schedule 8**Sundry Debtors:**

	As at 31 March 2010 (Rs. in Crore)	As at 31 March 2009 (Rs. in Crore)
Unsecured, Considered Good (Unless otherwise stated)		
(a) Due for a period exceeding 6 months:		
– considered good	1.95	34.10
– considered doubtful	7.04	1.95
Less:- Provision for Doubtful Debts	7.04	1.95
(b) Others – considered good*	568.97	841.93
Total	570.92	876.03

* Includes secured debtors of Rs. 67.64 Crore (Previous year Rs. 65.05 Crore)

Schedule 9**Cash and Bank Balances:**

	As at 31 March 2010 (Rs. in Crore)	As at 31 March 2009 (Rs. in Crore)
Cash on hand	0.46	0.36
Balance with Scheduled Banks in:		
(i) Current Accounts including Cheques in Hand	170.32	287.20
(ii) Deposit Accounts#	3,150.00	5,171.87
(iii) Dividend/Debenture/Debenture Interest Accounts*	5.65	5.62
Balance with Non Scheduled Banks	11.33	39.78
Total	3,337.76	5,504.83

Name of the Bank	As at		Maximum balance at any time during the year	
	31 March 2010	31 March 2009	2009-10	2008-09
Fortis Bank	0.01	–	0.21	–
National Bank	–	0.01	0.07	0.01
Emirates Bank, UAE	1.48	1.59	62.94	1.59
ANZ Bank, Australia	9.84	38.18	260.96	151.10

Includes (i) Margin money Account amounting to Rs. 6.03 Crore (Previous year Rs. 5.89 Crore), (ii) Fixed Deposit in lien with bank amounting to Rs. 0.36 Crore (Previous year Rs. 715.14 Crore).

* Includes Fixed deposit of NIL (Previous year Rs. 0.10 Crore) under lien with bank.

Schedules forming part of the Consolidated Balance Sheet

continued

Schedule 10

Other Current Assets

	As at 31 March 2010 (Rs. in Crore)	As at 31 March 2009 (Rs. in Crore)
Interest accrued on investments and Fixed deposits	120.70	81.17
Total	120.70	81.17

Schedule 11

Loans & Advances (Unsecured & Considered Good Unless Otherwise Stated):

	As at 31 March 2010 (Rs. in Crore)	As at 31 March 2009 (Rs. in Crore)
Advances recoverable in cash or in kind or for value to be received		
– Considered Good*	928.69	933.42
– Considered Doubtful	15.27	15.79
	943.96	949.21
Less: Provision for Doubtful Advances	15.27	15.79
	928.69	933.42
Loans and advances given to Fellow Subsidiary**	680.53	562.07
Balances with Central Excise Authorities		
– Considered Good	145.59	43.41
– Considered Doubtful	0.69	0.69
	146.28	44.10
Less: Provision for Doubtful Advances	0.69	0.69
	145.59	43.41
Income Tax – Advance Tax and Tax Deducted at Source (Net of Provision)	66.54	10.76
MAT Credit Entitlement	9.39	–
Fair value Derivative Hedging receivable	11.28	153.78
Deposits	108.72	162.46
Loans Given to Associate Company (including overdue interest of Rs. 59.57 Crore) ***	8,548.57	849.00
Total	10,499.31	2,714.90

* Includes (a) Secured advances of Rs. 1,754 Crore (Previous year Rs. 19.38 Crore) (b) Rs. NIL (Previous Year Rs. NIL) Vedanta Resources Plc respectively, the companies under the same management [Maximum amount outstanding during the year Rs. NIL (Previous year Rs. 8.53 Crore)]

** Includes Rs. 680.53 Crore (Previous year Rs. 562.07 Crore) due from Konkola Copper Mines Plc, the Company under the same management [Maximum amount outstanding during the year Rs. 725.52 Crore (Previous year Rs. 570.28 Crore)]

*** Represents amount due from Vedanta Aluminium Limited, the company under same management [Maximum amount outstanding during the year Rs. 8,654.58 Crore (Previous year Rs. 849 Crore)]

Schedule 12

Current Liabilities & Provisions:

	As at 31 March 2010 (Rs. in Crore)	As at 31 March 2009 (Rs. in Crore)
1. Current Liabilities:		
Sundry Creditors*	2,882.73	2,374.68
Other Liabilities	830.50	704.21
Investor Education and Protection Fund		
(a) Unclaimed Dividend	3.84	3.68
(b) Unclaimed Matured Deposits	0.08	0.08
(c) Unclaimed Matured Debentures	1.92	2.05
(d) Interest Accrued on (a) to (c) above	0.27	0.27
Interest accrued but not due on Loans	91.37	80.49
Total	3,810.71	3,165.46
* The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at year end together with interest paid/payable under this Act have not been given.		
2. Provisions:		
Provision for Current Tax & Fringe Benefit Tax (Net of taxes paid and TDS)	83.51	67.55
Provision for Dividend to Minority Equity Shareholder of Subsidiary and Tax thereon	106.85	72.52
Proposed Dividend on Equity Shares	315.15	247.97
Provision for Tax on Proposed Dividend	80.15	61.28
Provision For Compensated Absences/Superannuation/Gratuity	167.18	135.12
Provision for Rehabilitation	36.84	32.84
Other Provisions**	273.57	158.47
Fair Value Derivative hedging Payable	57.94	263.91
	1,121.19	1,039.66
Total	4,931.90	4,205.12

** The Company has recognised liability based on substantial degree of estimation for:-

- (i) Excise duty payable on clearance of goods lying in stock as on 31 March, 2009 of Rs. 17.79 Crore as per the estimated pattern of despatches. As against it, during the year Rs. 17.87 Crore has been incurred for clearance of such goods. The additional amount of Rs. 0.07 Crore has been charged off to Profit and loss account. Liability recognised under this class for the year is Rs. 14.26 Crore which is outstanding as on 31 March 2010. Actual outflow is expected in the next financial year.
- (ii) Final price payable on purchase of copper concentrate for which the quotational period price was not finalised as on 31 March, 2009, a provision of Rs. 140.68 Crore based on forward LME rate of copper and LBMA rate of precious metals was made. As against it, during the year Rs. 153.31 Crore has been incurred towards final price settlement. The additional amount of Rs. 12.63 Crore has been charged to profit and loss account under raw-material consumption. Liability recognised under this class for the year is Rs. 259.31 Crore which is outstanding as on 31 March 2010. Actual outflow is expected on finalisation of quotational period price in the next financial year.

Schedules forming part of the Consolidated Profit & Loss Account

continued

Schedule 13

Other Income:

	Year ended 31 March 2010 (Rs. in Crore)	Year ended 31 March 2009 (Rs. in Crore)
Gain on Fair Valuation of Embedded Derivatives	58.66	–
Gain on mark to market of Current Investments	138.42	130.32
Dividend on Current Investments	591.29	897.72
Profit on Sale of Current Investments (net)	131.96	95.22
Profit on sale/discarding of Fixed Assets (net)	10.26	1.04
Interest on:		
Loans	162.91	43.42
Current investments	190.83	5.21
Others	358.19	423.41
(Tax Deducted at Source Rs. 124.89 Crore, Previous Year Rs. 73.48 Crore)		
Unclaimed Liabilities/Provisions written back (Net)	40.17	19.66
Wheeled Power	90.27	119.44
Miscellaneous Income	186.39	216.98
Foreign Exchange Difference (net)	–	201.84
Total	1,959.35	2,154.26

Schedule 14

Variation in Stock:

	Year ended 31 March 2010 (Rs. in Crore)	Year ended 31 March 2009 (Rs. in Crore)
Closing Stock:		
Work-in-Process	1,274.94	1,071.60
Finished Goods	112.18	117.36
	1,387.12	1188.96
Opening Stock:		
Work-in-Process	1,071.60	1,336.78
Finished Goods	117.36	130.94
	1,188.96	1,467.72
Variation In Stock	198.16	(278.76)

Schedule 15

Manufacturing & Other Expenses:

	Year ended 31 March 2010 (Rs. in Crore)	Year ended 31 March 2009 (Rs. in Crore)
Raw materials consumed	12,273.56	10,279.87
Stores & Spares	826.43	874.95
Power, Fuel & Water	1,953.38	2,131.83
Machinery Repairs	500.94	453.12
Building Repairs	29.04	29.38
Other Repairs	22.06	19.52
Carriage Inward	53.27	54.77
Excise Duty	(5.35)	8.44
Rehabilitation and Redundancy	3.89	0.45
Mining Expenses	172.70	166.22
Royalty	612.79	364.24
Other Manufacturing Expenses	268.22	239.42
Total	16,710.93	14,622.21

Schedule 16**Personnel:#**

	Year ended 31 March 2010 (Rs. in Crore)	Year ended 31 March 2009 (Rs. in Crore)
Salaries, Wages, Bonus & Commission*	698.96	621.72
Contribution to Provident Fund, ESIC and other Funds	39.21	33.44
Employees' Welfare & Other Amenities	84.25	85.32
Gratuity	31.54	15.60
Total	853.96	756.08

Net of recoveries

* (Refer note number 30 of Schedule 21)

Schedule 17**Selling and Distribution:**

	Year ended 31 March 2010 (Rs. in Crore)	Year ended 31 March 2009 (Rs. in Crore)
Packing Expenses	10.25	12.28
Carriage Outward	311.11	338.46
Commission & Brokerage	5.37	8.91
Other Expenses	40.44	32.60
Total	367.17	392.25

Schedule 18**Administration & General:***

	Year ended 31 March 2010 (Rs. in Crore)	Year ended 31 March 2009 (Rs. in Crore)
Rent	3.53	2.75
Rates & Taxes	12.08	12.66
Insurance	37.08	35.72
Conveyance & Travelling Expenses	18.45	19.79
Directors' Sitting Fees	0.20	0.19
Bad Debts and Advances written off	21.86	–
Provision for doubtful debts/advances	5.98	0.72
General Expenses	269.54	243.26
Foreign Exchange Difference including forward premium (net)	142.72	–
Total	511.44	315.09

* Net of recoveries

Schedule 19**Interest & Finance Charges:**

	Year ended 31 March 2010 (Rs. in Crore)	Year ended 31 March 2009 (Rs. in Crore)
On Debentures and Fixed Loans	194.01	139.34
Others	136.24	236.35
Bank charges	12.10	21.59
Total	342.35	397.28

Schedules forming part of the Consolidated Profit & Loss Account

continued

Schedule 20

Exceptional Items:

	Year ended 31 March 2010 (Rs. in Crore)	Year ended 31 March 2009 (Rs. in Crore)
Provisions/Payments towards project expenses*	273.53	—
Voluntary Retirement Expenses	23.43	—
Writeback of provision for impairment	—	(79.00)
Loss on sale of Investments	—	152.03
(write back), provision and payment towards corporate guarantees	—	(128.34)
Total	296.96	(55.31)

* (Refer note number 5 of Schedule 21)

Notes Forming Part of the Consolidated Accounts

Schedule 21

1. Statement of significant accounting policies:

(a) Basis of Consolidation:

- (I) The Consolidated financial Statements relate to Sterlite Industries (India) Limited ('the Company'), its subsidiary companies and its associate Company. The Consolidated financial statements have been prepared on the following basis:
 - (i) The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the value of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profit or loss.
 - (ii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances with certain exceptions mentioned in Note 9 below and are presented to the extent possible, in the same manner as the Company's separate financial statements.
 - (iii) The difference between the cost of investments in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill, which is not being amortised, or Capital Reserve as the case may be.
 - (iv) Minority Interest's share of net profit of Consolidated financial statements for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
 - (v) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
 - (vi) In case of associate where the Company directly or indirectly through subsidiaries holds more than 20% of equity Investments in associate are accounted for using equity method in accordance with Accounting Standard (AS) 23 – "Accounting for Investments in associates in Consolidated Financial Statements".
 - (vii) The Company accounts for its share in the change in the net assets of the associate, post acquisition, after eliminating unrealised profits and losses resulting from transaction between the Company and its associate to the extent of its share, through its profit and loss account to the extent such change is attributable to the associates' profit and loss account and through its reserves for the balance, based on available information.
 - (viii) The difference between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- (II) Financial Statements of Foreign Subsidiaries – Monte Cello BV, Thalanga Copper Mines Pty Limited, Copper Mines of Tasmania Pty Limited, Fujairah Gold FZE and Sterlite (USA) Inc have been converted in Indian Rupees at following Exchange Rates:-
 - (i) Revenue and Expenses: At the Average of the year.
 - (ii) Assets and Liabilities: At the end of the year.
 The resultant translation exchange difference has been transferred to Foreign Currency Translation Reserve.
- (b) Investments other than in subsidiaries and associates have been accounted as per Accounting Standard 30 on Financial Instruments: Recognition and Measurement issued by The Institute Of Chartered Accountants Of India.

(c) Other significant accounting Policies:

These are set out in the notes to accounts under significant accounting Policies for financial statements of the respective companies – Sterlite Industries (India) Limited (SIIL), Copper Mines of Tasmania Pty Limited (CMT), Thalanga Copper Mines Pty Limited (TCM), Monte Cello BV, Bharat Aluminium Company Limited (BALCO), Sterlite Infra Limited (formerly known as Sterlite Paper Limited), Sterlite Opportunities and Ventures Limited (SOVL), Hindustan Zinc Limited (HZL), Sterlite Energy Limited (SEL), Talwandi Sabo Power Limited (TSPL), Fujairah Gold FZE and Sterlite (USA) Inc.



Notes Forming Part of the Consolidated Accounts continued

Schedule 21 continued

2 Following Subsidiary Companies and Associate Company have been considered in the preparation of Consolidated Financial Statements: Subsidiaries

Name of the Company	Country of Incorporation	Basis of Subsidiary	% Voting Power held by the parent
Copper Mines of Tasmania Pty Limited*	Australia	Shareholding	100
Thalanga Copper Mines Pty Limited*	Australia	"	100
Monte Cello BV	Netherland	"	100
Bharat Aluminium Company Limited	India	"	51
Sterlite Infra Limited (Formerly known as Sterlite Paper Limited)	India	"	100
Talwandi Sabo Power Limited **	India	"	100
Sterlite Opportunities and Ventures Limited (SOVL)	India	"	100
Sterlite (USA) Inc.	USA	"	100
Hindustan Zinc Limited***	India	"	64.92
Sterlite Energy Limited	India	"	100
Fujairah Gold FZE ****	UAE	"	100

* 100% subsidiary of Monte Cello BV.

** 100% subsidiary of Sterlite Energy Limited

*** Subsidiary of SOVL.

**** 100% subsidiary of Copper Mines of Tasmania Pty Limited

Associate

Name of the Company	Country of Incorporation	% Voting Power held by the parent
Vedanta Aluminium Limited (VAL)	India	29.5

- Financial statements of Monte Cello BV have not been audited in accordance with the Statutory size exemption under Article 396, Title 9, Book 2, of the Dutch civil code. Financial statements of Sterlite (USA) Inc. is unaudited.
- The carrying amount of investment is net of capital reserve arising on acquisition of associate Rs. 13.52 Crore (Previous year Rs. 13.52 Crore).
- During the year the plan proposed by ASARCO and sponsored by the Company's wholly owned subsidiary, Sterlite (USA) Inc was rejected by the US District Court. The Company has preferred to file an appeal against the order of US District Court. Subsequently, the Bankruptcy Court also approved the motion of ASARCO to terminate the settlement and Purchase and Sale Agreement (PSA) and allow it to draw on the USD 50 million Letter of Credit. The Company has contested the same and has filed an application before the Bankruptcy Court for refund of USD 50 million drawn down by ASARCO and payment of compensation for legal expenses. The Company has provided Rs. 273.53 Crore (being the USD 50 million referred to above and other expenses related thereto) as exceptional item during the year ended 31 March 2010. Based on the legal advice received, the Company has treated these expenses as deductible in computing tax expense for the year. Further in March 2010, ASARCO has filed a complaint in US Bankruptcy Court for the alleged breach of the PSA signed in May 2008.
- Lanjigarh Scheduled Area Development Foundation (LSADF) was incorporated on 23 Jan 2009 (an SPV formed as Supreme Court order) under section 25 of the Companies Act, 1956 as wholly owned Company with paid up capital of Rs. 0.05 Crore with main object to engage in activities for welfare and development of the people of the district of Kalhandi and Rayagada in the state of Orissa belonging to poor and weaker section. Investment in LSADF amounting to Rs. 0.03 Crore (Previous Year Rs. 0.03 Crore) has been shown under Advances recoverable in cash or in kind or for value to be received in Schedule 11.

The Govt. of Orissa (GOO), was of the opinion that the SPV should be incorporated by them rather than by Sterlite Industries (India) Limited (SIIL) and hence, a new SPV, viz., Lanjigarh Project Area Development Fund (LPADF) has been incorporated on 06 October 2009 with the same objects that of LSADF with a capital of Rs. 5 lacs and with GOO, Orissa Mining Corporation Limited and SIIL as promoter. The existing SPV Company, LSADF, will be closed and steps for striking off the name of the LSADF u/s 560 of the Companies Act, 1956 has been taken.

Schedule 21 continued

- 7 (a) During the year, the Company has received 6,94,37,960 equity share on account of Split of Face value from Rs. 10 to Rs. 2 per share and 16,53,22,677 equity shares on account of Bonus issue in the ratio of 1.90:1 from Vedanta Aluminium Limited.
- (b) During the year, the Company has received 12,78,555 equity share on account of Split of Face value from Rs. 5 to Rs. 2 per share and 21,30,925 equity shares on account of Bonus issue in the ratio of 1:1 from Sterlite Technologies Limited.
- 8 Loan in previous year amounting to Rs. 56.96 Crore was payable to Monte Cello Corporation NV, Netherlands. This loan was assigned by Citibank to Monte Cello Corporation upon acquisition of CMT. The entire Loan has been paid off during the year.
- 9 (i) In respect of following items Accounting Policies followed by the subsidiary companies are different than that of the Company:

Item	Particulars		As at 31 March 2010 Rs. in Crore	Proportion to the Item
(a) Depreciation	BALCO has charged depreciation on certain assets at following rates as against Schedule XIV rates of The Companies Act 1956, followed by the Company:			
	(i) Medical/Office Equipment, Air Conditioners, Furniture and Electrical Appliances.	20%	0.95	0.13%
	(ii) Personal Computer and Electronic Equipment.	33.33%	0.80	0.11%
	(iii) Leasehold land including land development expenses.	Over 20 Years	0.32	0.04%
	(iv) Red Mud Pond and Ash Dyke.	Over technically estimated life	0.00	0.00%
	HZL has charged depreciation on certain assets at following rates as against Schedule XIV rates of The Companies Act 1956, followed by the Company:			
	Individual items of Plant & Machinery and vehicles costing upto Rs. 25,000/-	100%	0.90	0.12%
	TSPL has charged depreciation on certain assets at following rates as against Schedule XIV rates of The Companies Act 1956, followed by the Company:			
	Temporary building	20%	0.12	0.02%
(b) Fixed Assets	For the purpose of depreciation, in case of HZL additions/disposals are reckoned on the first day and last day of quarter respectively.	Additions Disposals	2,395.86 10.71	82.46% 9.47%
(c) Inventory	BALCO and HZL has determined Cost of Inventory as per Weighted average method as against FIFO method being followed by the Company.		574.16	22.97%

- (ii) The financial statements of MCBV, CMT, TCM & Fujairah Gold FZE are general purpose financial reports which have been prepared in accordance with generally accepted accounting principles and complies with other requirements of the law of the country in which the companies are incorporated. The Financial statements of those foreign subsidiaries reflect total income of Rs. 1,617.63 Crore (Previous year Rs. 880.33 Crore) and total expenditure of Rs. 1,553.48 Crore (Previous year Rs. 566.65 Crore) for the year ended 31 March 2010 and total assets of Rs. 1,566.03 Crore (Previous year Rs. 1,338.64 Crore) and total Liabilities of Rs. 410.16 Crore (Previous year Rs. 424.15 Crore) as on 31 March 2010. The proportion of income, expenditure, assets and liabilities are 6.13%, 7.41%, 2.56%, 2.61% (Previous year 3.78%, 3.08%, 2.97%, 2.19%) respectively to the Consolidated financial Statements.

Notes Forming Part of the Consolidated Accounts continued

Schedule 21 continued

10 Break-up of deferred tax liability arising out of timing difference are:

	As at 31 March 2010 (Rs. in Crore)	As at 31 March 2009 (Rs. in Crore)
Liabilities		
Related to Fixed Assets	1,514.15	1,335.91
Reinstatement of financial assets/liabilities	27.55	50.74
Timing differences towards Convertible Senior Note	30.04	–
Others	39.49	80.28
Total	1,611.23	1,466.93
Assets		
Provision for doubtful advances	4.17	4.42
Payment for VRS	31.36	1.32
Others	23.27	53.62
Total	58.80	59.36
Deferred tax liability (net)	1,552.43	1,407.57

11 Capital Work-in-Progress includes:

	As at 31 March 2010 (Rs. in Crore)	As at 31 March 2009 (Rs. in Crore)
a. Advances for Capital expenditure	1,984.25	1,984.25
b. Pre-operative expenditure (net):-		
Opening Balance	324.02	17.96
Add: Pre-operative expenditure:		
(i) on account of acquisition of subsidiary	–	14.76
(ii) Power fuel & water	–	0.10
(iii) Stores & spares	0.66	0.02
(iv) Building Repairs	–	0.07
(v) Machinery Repairs	–	0.02
(vi) Personnel Expenses	29.77	12.71
(vii) General Expenses	15.91	14.10
(viii) Interest Others	193.98	287.19
(ix) Depreciation expenses	0.42	0.26
Total Expenditure	564.76	347.19
(x) Dividend on current investments	5.31	5.33
(xi) Profit on sale of investments (net)	3.71	7.56
(xii) Interest Others	204.61	10.28
Total Income	213.63	23.17
	351.13	324.02

- 12 In accordance with the Accounting Standards (AS-28) on "Impairment of Assets", during the year the Company has carried out a review to identify whether the recoverable value of any fixed assets is lower than its book value. Accordingly, a provision for impairment amounting to Rs. 32.59 Crore (previous year Rs. 20.58 Crore) has been made in the Profit and Loss Account.

13 Excise duty:

	Current Year (Rs. in Crore)	Previous Year (Rs. in Crore)
(a) Excise duty shown as a reduction from turnover	1204.00	1,629.49
(b) Excise duty charged to profit and loss account		
– difference between closing and opening stock	(4.83)	(10.05)
– Excise duty not billed to customers	(0.60)	18.08
– shortages, etc.	0.08	0.41
Total	(5.35)	8.44

Schedule 21 continued

14 Payment to Auditors comprise of:

	Current Year (Rs. in Crore)	Previous Year (Rs. in Crore)
(a) Statutory Auditors:		
Audit fees	2.45	1.68
Tax Audit fees	0.71	0.89
Certifications and Others*	4.48	3.13
Out of pocket expenses	0.71	0.13
	8.35	5.83
(b) Cost Auditors:		
Cost Audit fees	0.01	0.01

* includes Rs. 1.05 Crore related to ADR adjusted against Security Premium.

15 Managerial Remuneration:

	Current Year (Rs. in Crore)	Previous Year (Rs. in Crore)
A. Remuneration to Executive Directors of the Company*		
(i) Salary & perquisites	7.67	12.41
(ii) Contribution to Provident & other funds	0.80	1.03
(iii) Other Benefits	2.00	1.66
	10.47	15.10
B. Commission to Non-Executive Directors as determined by the Board	0.45	0.38

* The above remuneration excludes provision for gratuity & leave encashment.

- 16 In accordance with the Hon'ble Supreme Court's directives, BALCO had made an advance payment of Rs. 6.14 Crore to the workmen during the period of strike from 2 March, 2001 to 8 May, 2001. The Hon'ble Supreme Court has not issued any further direction in this matter.
- 17 BALCO is yet to execute an agreement for the purchase of 171.44 acres of Korba Super Thermal Power Station land for captive power plant and 34.74 acres land for captive power plant staff quarters. This land was transferred at the time of takeover of captive power plant from National Thermal Power Corporation of India. Transfer of title deeds is also pending in respect of certain land.
- 18 BALCO has recognised claims recoverable from Madhya Pradesh Electricity Board (MPEB)/Chhatisgarh State Electricity Board (CSEB) amounting to Rs. 10.08 Crore (Previous year Rs. 10.08 Crore), which are disputed by them. BALCO is also disputing the claim for Electricity duty/surcharge made by MPEB/CSEB amounting to Rs. 15.25 Crore (Previous year Rs. 15.05 Crore). The net amount recoverable/payable can be ascertained on settlement of the disputes.
- 19 BALCO has a receivable of Rs. 16 Crore in respect of the balance claim for material damage claim recognised in 2006-07. Of the aggregate recognised claim of Rs. 36 Crore, the Company received adhoc payments of Rs. 12 Crore in March 2007 and Rs. 8 Crore in March 2008 and for balance Rs. 16 Crore, arbitration proceedings are on and final date of hearing is fixed in May 2010. The Company has obtained a legal opinion and is of the view that it has good arguable case for getting the claim settled in 2010-11.
- 20 BALCO, in terms of a Memorandum of Understanding signed with the Government of Chhatisgarh, commenced its 1200 MW power projects. Arising from the Company's growing needs of power, consequent to its planned expansions, the Board of BALCO determined that this power project related assets Rs. 2,106.18 Crore (Previous year Rs. 1285.99 Crore) will be used for generating power to be used captively.
- 21 Sterlite Energy Limited (SEL) has paid monies to Orissa Industrial Mining Corporation (OIDCO) towards allotment of land, disclosed as Capital work in progress. Further, SEL has entered into mutual understanding with VAL for the said land, wherein on allotment, the land shall be allocated between the both the parties on an agreed basis.

Notes Forming Part of the Consolidated Accounts continued

Schedule 21 continued

- 22 Rs. 1.10 Crore (previous year Rs. 1.10 Crore) not credited to Investor Education and Protection fund due to pending legal cases.
- 23 In HZL, intangible assets represents Rs. 98.41 Crore (Previous year Rs. 98.41 Crore) being long term investment in equity shares of Andhra Pradesh Gas Power Corporation Limited, Hyderabad, which entitles the Company to draw power in Andhra Pradesh for its Vishakapatnam unit. This has been amortised as a fixed asset. Amortisation for the year is Rs. 4.67 Crore (Previous year Rs. 4.67 Crore), cumulative Rs. 42.38 Crore (Previous year Rs. 37.71 Crore).
- 24 SEL has entered into secured term loan facility of \$140 million with India Infrastructure Finance Company (UK) Limited as lender and Rs. 5,569 Crore with a syndicate of banks, with SBI acting as a facility agent, to finance the costs of construction of its 2,400 MW thermal coal-based power facility in Jharsuguda in the State of Orissa. The facility is secured by, among other things, a first charge over the movable and immovable properties and tangible or intangible assets of the Company as well as charges over trust and retention bank accounts. SEL has paid Rs. 40.60 Crore as upfront fees and syndication fees for the above loan facility which will be amortised using effective interest rate method as per AS 30 during the tenure of the loan. Pending disbursement, as of 31 March, 2010, the Company has drawn down Rs. 1,141.30 Crore as buyer's credit and short term facility as interim disbursement.
- 25 SEL had entered into an EPC contract with SEPCO Electric Power Construction Corporation (SEPCO) for setting up 1,980 MW Independent Power Plant at Talwandi Punjab and had paid Rs. 493.75 Crore as mobilization advance. The said contract has been novated in the name of Talwandi Sabo Power Limited (TSPL) by virtue of a novation agreement dated 17 November 2009 between SEL, TSPL and SEPCO and all rights and obligations of SEL have been assigned to TSPL by virtue of the novation agreement. SEL has guaranteed to SEPCO to discharge TSPL's obligation, including right of recourse to SEL under the guarantee, in case of failure of TSPL to perform its obligations under the EPC contract.
- 26 During the Current year, BALCO has received a demand from Chief Electrical Inspector, Government of Chhattisgarh to pay Rs. 240.43 Crore on account of electricity duty on generation of power of its 540 MW power plant due to non submission of Eligibility certificate. The Company has already applied for the eligibility certificate. On the basis of legal opinion obtained, the Company is of the view that it is legally entitled to receive the exemption from payment of electricity duty under the Industrial Policy 2001-06 and the demand raised by Chief Electrical Inspector is misconceived in law. Therefore, BALCO has neither recognised a provision nor disclosed as a contingent liability.
- 27 An under construction chimney at the 1200MW power plant project of BALCO, at Korba, collapsed on 23 September 2009 resulting in disruption of construction activities in the affected area. The cause of collapse is under judicial investigation. Consequent to the accident, a sum of Rs. 20.58 Crore, being the cost incurred by BALCO for construction of chimney, and Rs. 2.92 Crore for rescue and restoration expenses and other expenses have been incurred till date.
- 28 In terms of Scheme of Arrangement (Scheme) as approved by the Hon'ble High Court of Judicature at Mumbai, vide its order dated 19 April, 2002 the Company during 2002-2003 reduced its paid up share capital by Rs. 10.03 Crore. There are 2,05,615 equity shares of Rs. 2 each pending clearance from NSDL/CDSL. A Special Leave Petition filed in the Hon'ble Supreme Court of India against the judgement of Hon'ble High Court of Mumbai by SEBI and Department of Company Affairs has been inter-alia dismissed. The Company has filed application in Hon'ble High Court of Mumbai to cancel these shares, the decision on which is pending.
- 29 The Debentures referred to in Schedule 4 of Balance Sheet at A are due for redemption as follows:
- 6.64% debentures on 10 April, 2010 of Rs. 40 Crore; 8.24% debentures on 10 April, 2013 of Rs. 60 Crore
 - 12.25% Rated Taxable Secured redeemable Non-Convertible debentures of Rs. 499.99 Crore redeemable at par in three equal annual Instalments on 17 November 2013, 17 November 2014 and 17 November 2015.
- 30 Parent Company (Vedanta Resources plc) of the Company offers equity-based award plans to its employees, officers and directors based on the performance conditions as set out in the scheme, duly approved by the board of directors of the Company on 24 December 2003 and by the shareholders of the Company on 20 January 2004. The performance condition attached to outstanding awards under the LTIP is that of Vedanta's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three year period or such period as the Board of Vedanta Resources Plc may determine with the performance of the companies as defined in the scheme from the date of grant. Under this scheme, initial awards under the LTIP were granted in February 2004 with further awards being made in June 2004, November 2004, February 2006, November 2007, February 2009, August 2009 and January 2010.

Schedule 21 continued**30 continued**

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

The awards are indexed to and settled by Vedanta shares. The awards provide for a fixed exercise price denominated in Vedanta's functional currency at 10 US cents per share. Vedanta is obligated to issue the shares. In accordance with the terms of agreement between Vedanta and the Company, the grant date fair value of the awards is recovered by Vedanta from the Company. Accordingly, the parent, Vedanta, on the basis of fair value of options granted to the Company employees charged a proportionate cost to the Company in the amount of Rs. 28.81 Crore (Previous Year Rs. 51.56 Crore) which is charged to the Profit & Loss Account under the head 'Personnel Expenses'.

The Parent Company has obtained an overall valuation of the option granted by it to Sterlite Group. Hence the information related to options granted to the eligible employees of the Company is not readily available and accordingly the movement in options has not been disclosed.

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

Date of grant	1-Aug-09	1-Jan-10
Number of instruments	1,909,150	10,000
Exercise price	10 US Cents	10 US Cents
Share price at the date of grant	17.64 Pound	26.11 Pound
Contractual life	3 Years	3 Years
Expected volatility	70%	70%
Expected option life	3.2 years	3.2 years
Expected dividends	1.40%	1.40%
Risk free interest rate	2.30%	2.30%
Expected annual forfeitures	13.50%	13.50%
Fair value per option granted	12.026 Pound	17.80 Pound

- 31** The Company had recognised an amount of Rs. 57.80 Crore in the previous year as claims receivable on account of insurance claim due to the cooling tower failure, based on the confirmation from the insurers on a provisional estimate basis. During the year, the Company has written off an amount of Rs. 17.62 Crore in the Profit and Loss account based on the revised estimates by the Company.
- 32** General expenses include donations aggregating to Rs. 12 Crore (Previous Year Rs. NIL) made during the year to political parties (Indian National congress Rs. 5 Crore & Bharatiya Janata Party Rs. 7 Crore).
- 33** HZL, BALCO & SEL has export obligations of Rs. 465.37 Crore (Previous year Rs. 460.41 Crore), Rs. 2,127.28 Crore (Previous year Rs. 1,482.85 Crore) & Rs. 6,495.61 Crore (previous year Rs. 4,565.76 Crore) respectively against the import licenses taken for import of capital goods under Export Promotion Capital Goods Scheme & Advance License.

Notes Forming Part of the Consolidated Accounts continued

Schedule 21 continued

- 34 Prior to cessation of mining activities, Thalanga Copper Mines Pty Limited has entered into various joint venture operations for the purposes of mining and processing of copper concentrate and exploration for copper and other base metals. The Company's participating interest in these joint ventures and entitlement to output is detailed below. The joint ventures reporting date is 30 June.

Name of Venture	Principal activity	Ownership Interest	
		Current Year	Previous year
Highway	Mining	70.00%	70.00%
Reward	Mining	68.85%	68.85%
Mount Windsor Joint Venture	Exploration	70.00%	70.00%
Reward Deeps & Conviction	Mining	70.00%	70.00%

Current Year	Highway	Reward	Exploration	Reward Deeps & conviction	(Rs. in Crore) Total
Current assets					
Cash	2.01	0.21	-	-	2.22
Total Current Assets	2.01	0.21	-	-	2.22
Fixed Assets					
Freehold land	-	2.06	-	-	2.06
Total non-current assets	-	2.06	-	-	2.06
Share of Assets employed in Joint Venture	2.01	2.27	-	-	4.28

Previous Year	Highway	Reward	Exploration	Reward Deeps & conviction	(Rs. in Crore) Total
Current assets					
Cash	1.64	0.18	-	-	1.82
Total Current Assets	1.64	0.18	-	-	1.82
Fixed Assets					
Freehold land	-	1.74	-	-	1.74
Total Fixed Assets	-	1.74	-	-	1.74
Share of Assets employed in Joint Venture	1.64	1.92	-	-	3.56

- 35 HZL has entered into Joint Venture with "Madanpur South Coal Company Limited" where it holds 18.05 % (Previous year 18.05%) of ownership interest and has access upto 31.50 Million tonnes of coal. During the year, the Company has been allotted additional 13,536 shares amounting to Rs. 0.27 Crore in the same proportion of its ownership interest. The details of interest in Joint Venture are as follows:

Name of the Company:	Madanpur South Coal Company Limited
Country of incorporation:	India
Principal activities:	Mining of coal
Ownership interest:	18.05% (Previous year 18.05%)
Original Cost of investment:	Rs. 0.01 Crore (initial investment)

Schedule 21 continued

35 continued

Aggregate amounts related to the interest of the Company in joint venture:

	(Rs. in Crore)	
	31 March 2010	31 March 2009
Summarised balance sheet as at		
Assets		
Fixed Assets	1.19	1.09
Current Assets	0.54	0.54
Profit and loss Account	0.36	0.19
Total	2.09	1.82
Liabilities		
Unsecured Loan	0.01	0.01
Share Capital	2.08	1.81
Total	2.09	1.82

	(Rs. in Crore)	
	31 March 2010	31 March 2009
Summarised Profit and Loss Account for the Year Ended		
Income	-	-
Expenditure	0.17	0.07
Profit/(Loss)	(0.17)	(0.07)

- 36 Sterlite Energy Limited has subscribed to the memorandum of association of M/s Rampia Coal Mines & Energy Pvt. Ltd., a joint venture Company incorporated in India under Companies Act, 1956 for the purpose of development of coal block. The Company has invested 104,34,864 (Previous year: 52,17,432) equity shares of Re 1 each amounting to Rs. 104,34,864 (Previous year: 52,17,432) representing 17.391% of total equity shares. During the year ended 31 March 2010, 52,17,432 equity shares were allotted against the share application money given by the Company.

Following are the information pertaining to the Company's interest in the above jointly controlled entity.

	(Rs. in Crore)	
Particulars	Current Year	Previous year
Assets (Net of Liability)	1.04	1.04
Equity contribution	1.04	1.04

- 37 (a) During the year 2004-05, the Company issued 3,58,60,049 equity shares of Rs. 5 each at a premium of Rs. 5.45 aggregating to Rs. 1972.30 Crore on Rights basis to existing share holders. In terms of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (earlier known as SEBI (Disclosure and Investor Protection) Guidelines, 2000), proceeds of Rights Issue has been utilised as under:

	Actual utilisation (Rs. in Crore)		
Utilisation	Planned	Till 31 March 2010	Till 31 March 2009
Investment in BALCO	900.00	-	-
Reduction in Term loans	520.00	520.00	520.00
Reduction in Current liabilities	551.00	551.00	551.00
Rights Issue expenses	1.30	1.19	1.19
Total	1,972.30	1,072.19	1,072.19

Balance amount of Rs. 900.11 Crore (Previous Year Rs. 900.11 Crore) is lying in debt mutual funds as at Balance sheet date and been grouped in Investments.

- (b) (i) During the year, the Company had issued 13,19,06,011 American Depository Shares (ADS) at US\$ 12.15 per share, representing 13,19,06,011 underlying equity shares of Rs. 2/- each. As a result, the Issued, Subscribed & Paid up Equity Share Capital of the Company has increased by Rs. 26.38 Crore and Securities Premium by Rs. 7,626.50 Crore after adjusting ADS issue expenses. The proceeds is intended to be utilised for the further development of power generation business in india, planned capital expenditures, planned and other potential acquisitions of complementary business and other general purpose. Till 31 March 2010,

Notes Forming Part of the Consolidated Accounts continued

Schedule 21 continued

37 continued

the Company has utilised Rs. 7,020.07 Crore towards the referred purpose and the unutilised ADS proceeds have been invested temporarily in debt mutual funds in India.

- (ii) The above referred ADS were issued before the fixation of record date for the purpose of payment of Dividend for financial year 2008-09 and since these ADS ranked pari passu with the existing equity shareholders, dividend for financial year 2008-09 were also paid to the said ADS holders which resulted in additional dividend payment of Rs. 53.54 Crore including dividend tax thereon in the current year.
- (iii) The net proceeds amounting to Rs. 8,050.93 Crore, received from the ADR issued in June 2007, were intended to be used for general corporate purposes, including capital expenditures and working capital, reduction of debt and for possible acquisitions of complementary businesses and consolidation of the ownership of subsidiaries, as mentioned in ADS offering document. Till 31 March 2010, the Company has fully utilised the entire proceeds for abovesaid purposes.

- 38 Arising from the Announcement of the Institute of Chartered Accountants of India (ICAI) on 29 March 2008, With effect from financial year ended 31 March 2008, the Company had chosen to early adopt "Accounting Standard – 30", Financial Instruments: Recognition and Measurement" in its entirety read with limited revisions in various other Accounting Standard as published by ICAI. Accordingly all the financial assets and financial liabilities & derivatives have been remeasured at their respective fair values as against cost or market value whichever is lower. Coterminous with this, in the spirit of complete adoption, the Company has also implemented the consequential limited revisions in view of AS – 30 as have been announced by the ICAI.

Consequent to this adoption, current investments which under Accounting Standard-13 on "Accounting for Investments" are carried at the lower of cost and fair value, have been accounted for at fair value resulting in investment being valued at Rs. 172.36 Crore (Previous year Rs. 402.62 Crore) above their cost and the profit before tax being lower by Rs. 3.26 Crore (Previous year Rs. 271.74 Crore) and Investment revaluation reserve being higher by Rs. 32.60 Crore (Previous year Rs. 0.82 Crore).

- 39 During the year, the Company had raised USD 500 million through issue of 4% Convertible Senior Notes of USD 1,000 each at an initial conversion price of USD 23.33 per ADS. The Notes are convertible into 42.8688 ADSs per Note subject to adjustment in certain events.

As per AS 30 , at inception, the issue proceeds of Convertible Senior Note has been allocated to the conversion option (which is an embedded derivative) with the residual value allocated to the Notes to establish its initial carrying cost. Subsequently, the conversion option has been measured at fair value through profit and loss with changes in fair value to be recognised in the Profit and Loss account, and the Notes been carried at amortised cost.

The conversion option amounting to Rs. 596.30 Crore and un-amortised borrowing costs amounting to Rs. 24.21 Crore as at 31 March 2010 is included along with 4% Convertible Senior note of US\$ 1,000 per note , in Schedule 5 – Unsecured Loans .The referred accounting treatment of Notes has resulted into the profit net of tax for the year higher by Rs. 34.55 Crore.

- 40 Advance recoverable in cash or in kind includes Rs. 0.06 Crore (Previous year Rs. 0.06 Crore) due from Lake city Ventures Private Limited (formerly known as Sterlite Shipping Ventures Private Limited) in which directors are interested. Maximum amount outstanding at any time during the year is Rs. 0.06 Crore (Previous Year Rs. 0.06 Crore).

41 Disclosure on Financial and Derivatives Instruments

Derivative contracts entered into and outstanding as at Balance sheet date.

- (a) (i) To hedge currency related risks, the Company has entered into forex forward covers. The nominal amounts of such derivative contracts outstanding as at Balance sheet date are Rs. 2,553.40 Crore (net of forward sell covers of Rs. 38.48 Crore) (Previous year Rs. 3,800.95 Crore)

- (ii) For hedging commodity related risks:- Category wise break up is given below.

Particulars	As at 31 March 2010		As at 31 March 2009	
	Purchases	Sales	Purchases	Sales
Forwards/Futures				
Copper (MT)	7,550	7,125	25,125	24,000
Gold (Oz)	4,761	100,653	3,590	82,858
Silver (Oz)	50,093	940,322	106,052	1,299,485
Zinc (MT)	-	2,200	-	3,775
Lead (MT)	-	-	-	-

Schedule 21 continued

41 Disclosure on Financial and Derivatives Instruments continued

(b) All derivative and Financial instruments acquired are for hedging purposes only.

(c) Unhedged foreign currency exposure is as under:-

	Rs. in Crore As at	
	31 March 2010	31 March 2009
Payable	7,412.96	5,663.39
Unsecured Borrowings – Convertible Senior note	2,222.55	–
Receivable	1,002.49	758.68

42 Segment Information as per Accounting Standard 17 on Segment Reporting for the year ended 31 March 2010

I) Information about Primary Business Segments.

Particulars	Business Segments												(Rs. in Crore)			
	Copper		Aluminium		Zinc & Lead		Power		Others		Unallocated		Eliminations		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue																
External Sales	13,013.39	11,038.40	2,959.55	4,373.56	8,364.29	6,064.17	657.17	77.30	619.93	1,220.28	–	–	–	–	25,614.33	22,773.71
Intra Segment Sales	77.54	280.41	7.81	16.58	–	–	147.17	–	–	–	–	–	(232.52)	(296.99)	–	–
Gross Turnover	13,090.93	11,318.81	2,967.36	4,390.14	8,364.29	6,064.17	804.34	77.30	619.93	1,220.28	–	–	(232.52)	(296.99)	25,614.33	22,773.71
Less: Excise Duty recovered on Sales	555.05	702.49	220.91	456.54	420.90	461.20	–	–	7.14	9.26	–	–	–	–	1,204.00	1,629.49
Total Revenue	12,535.88	10,616.32	2,746.45	3,933.60	7,943.39	5,602.97	804.34	77.30	612.79	1,211.02	–	–	(232.52)	(296.99)	24,410.33	21,144.22
Results																
Segment Result	636.66	1,129.66	378.21	685.66	4,446.42	2,567.02	342.04	33.20	10.38	234.96	–	–	–	–	5,813.71	4,650.50
Unallocated Corporate Expenses	–	–	–	–	–	–	–	–	–	–	168.94	49.42	–	–	168.94	49.42
Operating Profit/(loss)	636.66	1,129.66	378.21	685.66	4,446.42	2,567.02	342.04	33.20	10.38	234.96	(168.94)	(49.42)	–	–	5,644.77	4,601.08
Less: Interest Expenses	–	–	–	–	–	–	–	–	–	–	342.35	397.28	–	–	342.35	397.28
Add: Other Income	–	–	–	–	–	–	–	–	–	–	1,636.55	1,556.64	–	–	1,636.55	1,556.64
Less: Income Tax (including Deferred Tax)	–	–	–	–	–	–	–	–	–	–	1,232.97	855.03	–	–	1,232.97	855.03
Less: Exceptional Items	–	–	23.43	–	–	–	–	–	–	–	273.53	(55.31)	–	–	296.96	(55.31)
Net Profit/(Loss)	636.66	1,129.66	354.78	685.66	4,446.42	2,567.02	342.04	33.20	10.38	234.96	(381.24)	310.22	–	–	5,409.04	4,960.72
Other Information																
Segment Assets	4,849.28	4,740.23	6,695.06	5,703.20	8,148.12	6,089.21	7,662.65	5,045.99	430.75	404.40	–	–	–	–	27,785.86	21,983.02
Unallocated Corporate Assets	–	–	–	–	–	–	–	–	–	–	33,380.02	23,069.55	–	–	33,380.02	23,069.55
Total Assets	4,849.28	4,740.23	6,695.06	5,703.20	8,148.12	6,089.21	7,662.65	5,045.99	430.75	404.40	33,380.02	23,069.55	–	–	61,165.88	45,052.57
Segment Liabilities	977.06	1,047.63	771.36	972.31	968.77	881.03	1,195.71	431.44	66.57	9.49	–	–	–	–	3,979.47	3,341.90
Unallocated Corporate Liabilities	–	–	–	–	–	–	–	–	–	–	11,764.85	9,284.29	–	–	11,764.85	9,284.29
Total Liabilities	977.06	1,047.63	771.36	972.31	968.77	881.03	1,195.71	431.44	66.57	9.49	11,764.85	9,284.29	–	–	15,744.32	12,626.19
Capital Expenditure*	722.03	123.02	1,528.04	1,058.83	2,400.43	1,317.97	2,349.11	2,874.50	2.39	3.99	9.13	6.18	–	–	7,011.13	5,384.49
Depreciation & Amortisation	157.36	189.15	240.22	208.87	272.33	224.69	62.19	60.84	15.91	15.49	1.78	1.62	–	–	749.79	700.67
Non-cash Expenditure	20.74	–	7.10	0.72	–	–	–	–	–	–	–	–	–	–	27.84	0.72

* Including movement in foreign currency translation reserve and reinstatement of goodwill on consolidation.

Notes Forming Part of the Consolidated Accounts continued

Schedule 21 continued

42 Segment Information as per Accounting Standard 17 on Segment Reporting for the year ended 31 March 2010 continued

- (a) Segments have been identified and reported taking into account, the different risks and returns, the organization structure and the internal reporting systems. The main business segment are, (i) Copper which consist of mining of copper concentrate, manufacturing of Copper Cathode, Continuous Cast Copper Rod, Anode Slime and Dore, (ii) Aluminium which consist of mining of bauxite and various aluminium products (iii) Zinc which consists of mining of ore and manufacturing of zinc ingots and lead ingots (iv) Power which consists of Power excluding captive power but including power facilities predominantly engaged in generation and sale of commercial power and (v) Other business segment comprise of Phosphoric Acid, Infrastructure, Paper etc.
- (b) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amount allocated on a reasonable basis. Unallocated expenditure consist of common expenditure incurred for all the segments and expenses incurred at corporate level. The assets and liabilities that cannot be allocated between the segments are shown as unallocated corporate assets and liabilities respectively.

II) Information about secondary segment

Geographical Segment	Current Year Rs. in Crore	Previous Year Rs. in Crore
Revenue by geographical segment		
India	16,609.11	15,495.60
Outside India	9,005.22	7,278.11
Total	25,614.33	22,773.71
Carrying Amount of Segment Assets		
India	26,742.50	20,725.21
Outside India	1,043.36	1,257.80
Total	27,785.86	21,983.01
Segment Capital Expenditure		
India	6,603.57	5,351.43
Outside India	398.43	26.89
Total	7,002.00	5,378.32

43 The disclosures as required by AS 15 on "Employee Benefits" are as follows:

(a) Defined Contribution Plan:

Particulars	2009-10	2008-09	2007-08	2006-07
Employer's Contribution to Provident Fund	34.52	28.64	27.67	24.12
Employer's Contribution to Superannuation Fund	1.95	1.87	1.84	1.59

(Rs. in Crore)

Schedule 21 continued

43 The disclosures as required by AS 15 on "Employee Benefits" are as follows: continued

(b) Defined Benefit Plan:

The disclosure as required under AS 15 regarding the Company's gratuity plan (funded) is as follows:

The Company, BALCO, HZL have constituted a trust recognized by Income Tax authorities for gratuity to employees, contributions to the trust are funded with Life Insurance Corporation of India. In accordance with revised Accounting Standard-15 'Employee Benefits', the Company has provided the liability on actuarial basis. As per the actuarial certificate (on which the auditors have relied), the details of the employees; benefits plan – gratuity are:

Particulars	2009-10	2008-09	2007-08	2006-07
Actuarial assumptions				
Salary growth	3.00% – 5.00%	3.00% – 5.00%	3.00% – 5.00%	3.00% – 5.00%
Discount rate	7.50%	7.50%	7.50% – 8.00%	7.50% – 8.00%
Expected return on Plan Assets	7.50% – 9.45%	7.50% – 9.45%	7.50% – 9.10%	8.00% – 8.40%
Mortality Table (LIC)	1994-96 (duly modified)	1994-96 (duly modified)	1994-96 (duly modified)	1994-96 (duly modified)
Amount recognised in the income statement				
Current service cost	9.71	8.14	7.50	6.48
Interest cost	11.95	11.14	10.36	8.90
Expected return on plan assets	(8.74)	(7.98)	(6.89)	(5.61)
Net actuarial (gains)/losses recognised in the period	21.45	5.57	(0.49)	6.90
Total	34.37	16.87	10.48	16.67
Movement in present value of defined benefit obligation				
Obligation at the beginning of the year	164.93	148.28	135.87	119.40
Current service cost	9.71	8.15	7.51	6.49
Interest cost	11.95	11.13	10.35	8.90
Actuarial loss on obligation	21.95	5.78	(1.15)	6.62
Benefits paid	(16.42)	(8.41)	(4.30)	(5.54)
Obligation at the end of the year	192.12	164.93	148.28	135.87
Movement in present value of plan assets				
Fair value at the beginning of the year	98.14	86.93	77.88	71.59
Expected returns on plan assets	8.73	7.98	6.89	5.21
Employees' contribution	–	–	–	–
Contribution	21.21	11.43	7.12	6.02
Actuarial gains and losses	0.51	0.21	(0.66)	0.12
Benefits paid	(16.42)	(8.41)	(4.30)	(5.06)
Fair value at the end of the year	112.17	98.14	86.93	77.88
Amount recognised in the balance sheet				
Present value of obligations at the end of the year	192.12	164.93	148.28	135.87
Less: Fair value of plan assets at the end of the year	(112.17)	(98.14)	(86.95)	(77.88)
Net liability recognised in the balance sheet	79.95	66.79	61.33	57.99
Experience Adjustment on actuarial Gain/(Loss)				
Plan Liabilities	(21.95)	*	*	*
Plan Assets	0.11	*	*	*

Note:

In the absence of detailed informations regarding Plan assets which is funded with Life Insurance Corporation of India, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

* The details of experience adjustments arising on account of plan assets and liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on "Employee Benefits" are not available in the valuation report and hence, are not furnished.

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above is certified by the actuary.

Notes Forming Part of the Consolidated Accounts *continued*

Schedule 21 *continued*

44 Related Party disclosures

List of related parties and relationships

i) Entities Controlling the Company (Holding Companies)

Twinstar Holding Limited
Vedanta Resources Holdings Limited
Vedanta Resources Plc.
Volcan Investments Limited
Twinstar Infrastructure Limited

ii) Associates

India Foils Limited (Till 19 November 2008)
Vedanta Aluminium Limited (Fellow Subsidiary and Associate)
Henry Davis York

iii) Fellow Subsidiary

The Madras Aluminium Company Limited
Konkola Copper Mines Plc.
Sesa Goa Limited
Sesa Industries Limited
Monte Cello NV
V S Dempo & Co. Private Limited
w.e.f. 11 June 2009
Dempo Mining Corporation Private Limited w.e.f. 11th June 2009

iv) Key Managerial Personnel

Mr. Anil Agarwal
Mr. Navin Agarwal
Mr. Tarun Jain
Mr. K.K. Kaura (Till 30 September 2008)
Mr. M. S. Mehta
Mr. D D Jalan
Mr. Pramod Suri
Mr. C.V. Krishnan
Mr. Gunjan Gupta (w.e.f. 16 October 2008)
Mr. Akhilesh Joshi (w.e.f. 21 October 2008)
Mr. Agnivesh Agarwal
Mr. M Siddiqi
Mr. Scot Clyde
Mr. Ajay Jajoo (Till 31 March 2009)

v) Relatives of Key management Personnel

Mr. Dwarka Prasad Agarwal Relative of Mr. Anil Agarwal and Mr. Navin Agarwal
Ms. Vedvati Agarwal Relative of Mr. Anil Agarwal and Mr. Navin Agarwal
Ms. Suman Didwania Relative of Mr. Anil Agarwal and Mr. Navin Agarwal

vi) Others

Anil Agarwal Foundation Trust
Agarwal Galvanising Pvt. Limited
Madanpur South Coal Company Limited (Joint Venture)
Rampia Coal Mines & Energy Private Limited (Joint Venture)
Vedanta Medical Research Foundation
Sterlite Foundation

Schedule 21 continued

44 Related Party disclosures continued

vii) Transaction During the year with related parties

	Holding Companies		Fellow Subsidiary		Associates		Key Managerial Personnel		Relatives of Key Managerial Personnel		Others		(Rs. in Crore) Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
1 a Current Assets, Loans and Advances:														
Balance as at 31 March, 2010	-	-	0.43	0.43	34.99	1.60	-	-	-	-	-	-	35.42	2.03
b Advances Recoverable in Cash or in Kind														
Given/(received) during the year	(0.11)	0.11	200.45	559.15	7,673.80	531.65	-	-	-	-	20.65	0.52	7,894.79	1,091.43
Balance as at 31 March, 2010	0.00	0.11	2.00	2722	8,654.58	921.73	-	-	-	-	0.72	0.52	8,657.30	949.58
c Loan Balance as at 31 March, 2010	-	-	680.18	536.42	-	-	-	-	-	-	-	-	680.18	536.42
2 a) Investments made during the year	-	-	-	-	1,815.00	-	-	-	-	-	-	-	1,815.00	-
Investments redeemed during the year	-	-	-	-	(2,019.16)	837.03	-	-	-	-	0.79	-	(2,018.37)	837.03
b) Investments as at 31 March, 2010	-	-	-	-	2,378.04	2,582.20	-	-	-	-	3.12	0.66	2,381.16	2,582.86
3 Current Liabilities														
Balance as at 31 March, 2010	87.46	168.53	4.49	56.96	9.00	0.43	-	-	-	-	-	-	100.95	225.92
4 Purchase/ (Sales) of Fixed Assets	-	-	-	-	7.81	8.08	-	-	-	-	-	-	7.81	8.08
5 Income														
a Sales	-	-	0.10	0.25	124.94	216.22	-	-	-	-	-	-	125.04	216.47
b Rent	-	-	-	-	2.06	1.16	-	-	-	-	-	-	2.06	1.16
c Guarantee Commission & Interest	-	-	21.63	15.63	367.58	52.75	-	-	-	-	-	-	389.21	68.38
6 Expenditure														
a Long Term Incentive Plan expenses/ (Recovery)	38.28	81.14	(0.92)	(20.57)	(8.55)	(9.01)	-	-	-	-	-	-	28.81	51.56
b Purchased during the year	-	-	351.69	16.89	27.23	435.44	-	-	-	-	-	-	378.92	452.34
c Remuneration/Sitting Fees	-	-	-	-	-	-	24.34	26.28	-	0.03	-	-	24.34	26.31
d Allocation of Corporate Expenses	-	-	(0.43)	(1.38)	(3.46)	(1.50)	-	-	-	-	-	-	(3.89)	(2.88)
e Management Consultancy Services	23.71	22.96	-	-	-	-	-	-	-	-	-	-	23.71	22.96
f Power Charges	-	-	18.40	5.35	-	-	-	-	-	-	-	-	18.40	5.35
g Legal Advice Fee	-	-	-	-	1.79	3.37	-	-	-	-	-	-	1.79	3.37
h Recovery of deputed employees remuneration	-	-	(6.62)	(3.55)	(5.93)	(20.29)	-	-	-	-	(0.73)	(118)	(13.28)	(25.02)
i Recovery of other expenses	-	-	(3.92)	(0.70)	(1.24)	(0.12)	-	-	-	-	(0.60)	-	(5.76)	(0.82)
j Donation	-	-	-	-	-	-	-	-	-	-	3.26	-	3.26	-
K Interest paid	-	-	-	65.33	-	-	-	-	-	-	-	-	-	65.33
l Guarantee Commission	2.09	0.96	-	-	-	-	-	-	-	-	-	-	2.09	0.96
7 Dividend paid	143.96	161.49	8.96	10.24	-	-	-	-	-	-	-	-	152.92	171.73
8 Guarantees given	-	-	-	-	4,838.62	3,583.78	-	-	-	-	22.17	-	4,860.79	3,583.78
9 Guarantees taken	767.38	866.15	-	-	-	-	-	-	-	-	-	-	767.38	866.15

viii) In Previous Year, the Company had written back provision made in earlier years towards expected liability on account of guarantees given to Banks and Financial Institutions for the loans taken by IFL amounting to Rs. 128.34 Crore.

Notes Forming Part of the Consolidated Accounts continued

Schedule 21 continued

44 Related Party disclosures continued

ix) Details of Major Transactions with related parties:-

1 a Debtors

	Current Year (Rs. in Crore)	Previous Year (Rs. in Crore)
(a) Balance as at 31 March 2010		
(i) Vedanta Aluminium Limited	34.99	1.60
(ii) Konkola Copper Mines Plc	0.43	0.43
	35.42	2.03
(b) Advances Recoverable in Cash or in Kind Given/(Received) during the year		
(i) Konkola Copper Mines Plc	200.11	557.67
(ii) Vedanta Aluminium Limited	7,673.80	531.65
(iii) Twinstar Holding Limited	(0.11)	0.11
(iv) Sesa Goa Limited	(0.61)	1.48
(v) Rampia Coal Mines & Energy Pvt Limited (Represents advance against share application money)	-	0.52
(vi) The Madras Aluminium Company Limited	0.68	-
(vii) Dempo Mining Corporation Private Limited	0.12	-
(viii) Anil Agarwal Foundation Trust	0.18	-
(ix) VS Dempo & Co Pvt Ltd	0.15	-
(x) Vedanta Medical Research Foundation	20.47	-
	7,894.79	1,091.43
Balance as at 31 March 2010		
(i) Sesa Goa Limited	0.99	1.57
(ii) Rampia Coal Mines & Energy Pvt Limited (Represents advance against share application money)	0.52	0.52
(iii) Konkola Copper Mines Plc	0.06	25.65
(iv) Twinstar Holding Limited	-	0.11
(v) Anil Agarwal Foundation Trust	0.18	-
(vi) Vedanta Aluminium Limited	8,654.58	921.73
(vii) Madanpur South Coal Company Limited	0.02	-
(viii) VS Dempo & Co Private Limited	0.15	-
(ix) The Madras Aluminium Company Limited	0.68	-
(x) Dempo Mining Corporation Private Limited	0.12	-
(xi) Vedanta Resources Plc. (Rs. 3,076)	0.00	-
	8,657.30	949.58
(c) Loan Balance as at 31 March 2010		
(i) Konkola Copper Mines Plc	680.18	536.42
	680.18	536.42

2 a Investments made/(redeemed) during the year

(i) Vedanta Aluminium Limited (net of purchase of Rs. 1,815 Crore in Current Year) (also refer to note number 7(a) of Schedule 21)	(204.16)	685.00
(ii) India Foils Limited	-	152.03
(iii) Madanpur South Coal Company Limited	0.27	-
(iv) Rampia Coal Mines & Energy Pvt. Limited	0.52	-
	(203.37)	837.03
b Investments as at 31 March, 2010		
(i) Madanpur South Coal Company Limited	2.08	0.14
(ii) Vedanta Aluminium Limited	2,378.04	2,582.20
(iii) Rampia Coal Mines & Energy Pvt Limited	1.04	0.52
	2,381.16	2,582.86

Schedule 21 continued

44 Related Party disclosures continued

3 Current Liabilities

	Current Year (Rs. in Crore)	Previous Year (Rs. in Crore)
(i) Vedanta Resources Plc	87.46	168.53
(ii) Vedanta Aluminium Limited	8.86	0.43
(iii) Monte Cello NV	-	56.96
(iv) The Madras Aluminium Company Limited	2.22	-
(v) Konkola Copper Mines Plc	2.27	-
(vi) Henry Davis York	0.14	-
	100.95	225.92

4 Purchase/(Sales) of Fixed Assets

(i) Vedanta Aluminium Limited	7.81	8.08
	7.81	8.08

5 Income:

(a) Sales:

(i) The Madras Aluminium Company Limited	0.10	0.25
(ii) India Foils Limited	-	54.86
(iii) Vedanta Aluminium Limited	124.94	161.36
	125.04	216.47

(b) Rent Income

(i) Vedanta Aluminium Limited	2.06	1.16
	2.06	1.16

(c) Guarantee Commission & interest:

(i) Vedanta Aluminium Limited	367.58	52.75
(ii) Konkola Copper Mines Plc	21.63	15.63
	389.21	68.38

6 Expenditure:

(a) Long Term Incentive Plan expenses/(Recovery)

(i) Vedanta Resources Plc	38.28	81.14
(ii) Konkola Copper Mines Plc	-	(15.67)
(iii) The Madras Aluminium Company Limited	(0.92)	(2.67)
(iv) Vedanta Aluminium Limited	(8.55)	(9.01)
(v) Sesa Goa Limited	-	(2.23)
	28.81	51.56

(b) Purchases:

(i) The Madras Aluminium Company Limited	275.67	3.06
(ii) Sesa Industries Limited	3.88	2.93
(iii) Sesa Goa Limited	1.10	0.27
(iv) Konkola Copper Mines Plc	71.04	10.63
(v) Vedanta Aluminium Limited (including material taken on loan basis)	27.23	435.44
	378.92	452.34

Notes Forming Part of the Consolidated Accounts continued

Schedule 21 continued

44 Related Party disclosures continued

	Current Year (Rs. in Crore)	Previous Year (Rs. in Crore)
(c) Remuneration/Sitting Fees:		
(i) Mr. Navin Agarwal	8.19	7.01
(ii) Mr. K K Kaura	-	4.27
(iii) Mr. Tarun Jain	4.74	3.51
(iv) Mr. M S Mehta	2.32	1.53
(v) Mr. C.V. Krishnan	-	2.86
(vi) Mr. Gunjan Gupta	1.31	0.75
(vii) Mr. D.D.Jalan	2.29	1.66
(viii) Mr. D. P. Agarwal	-	0.03
(ix) Mr. Pramod Suri	1.10	1.69
(x) Mr. Akhilesh Joshi	1.33	0.29
(xi) Mr. Agnivesh Agarwal	0.00*	0.00*
*(Rs. 40,000 Previous Year Rs. 20,000)		
(xii) Mr. M. Siddiqi	1.72	1.35
(xiii) Mr. Scot Clyde	1.34	1.25
(xiv) Mr. Ajay Jajoo	-	0.11
	24.34	26.31
(d) Allocation of Corporate Expenses:		
(i) The Madras Aluminium Company Limited	(0.43)	(1.38)
(ii) Vedanta Aluminium Limited	(3.46)	(1.50)
	(3.89)	(2.88)
(e) Management Consultancy Services:		
(i) Vedanta Resources Plc	23.71	22.96
	23.71	22.96
(f) Power Charges		
(i) The Madras Aluminium Company Limited	18.40	5.35
	18.40	5.35
(g) Legal advice fees		
(i) Henry Davis York	1.79	3.37
	1.79	3.37
(h) Recovery of deputed employees remuneration		
(i) The Madras Aluminium Company Limited	(0.08)	(1.02)
(ii) Vedanta Aluminium Limited	(5.93)	(20.29)
(iii) VS Dempo & Co Private Limited	(1.02)	-
(iv) Konkola Copper Mines Plc	(0.34)	-
(v) Anil Agarwal Foundation Trust	(0.73)	(1.18)
(vi) Dempo Mining Corporation Private Limited	(0.38)	-
(vii) Sesa Goa Limited	(4.80)	(2.53)
	(13.28)	(25.02)
(i) Recovery of Other Expenses		
(i) The Madras Aluminium Company Limited	(0.29)	(0.21)
(ii) Konkola Copper Mines Plc	(0.97)	(0.31)
(iii) Vedanta Aluminium Limited	(1.24)	(0.12)
(iv) Sesa Goa Limited	(2.66)	(0.18)
(v) Anil Agarwal Foundation Trust	(0.60)	-
(vi) VS Dempo & Co Private Limited [Rs. (31,044)]	(0.00)	-
(vii) Dempo Mining Corporation Private Limited [Rs. 34,278]	0.00	-
	(5.76)	(0.82)
(j) Donation paid		
(i) Sterlite Foundation	3.26	-
	3.26	-

Schedule 21 continued

44 Related Party disclosures continued

(k) Interest paid

	Current Year (Rs. in Crore)	Previous Year (Rs. in Crore)
(i) Monte Cello NV	-	65.33
	-	65.33
(i) Guarantee Commission		
(i) Vedanta Resources plc.	2.09	0.96
	2.09	0.96
7 Dividend paid		
(i) Twinstar Holdings Limited	143.96	161.49
(ii) The Madras Aluminium Company Limited	8.96	10.24
	152.92	171.73
8 Guarantees given		
(i) Vedanta Aluminium Limited	4,838.62	3,583.78
(ii) Rampia Coal Mines & Energy Pvt. Limited	22.17	-
	4,860.79	3,583.78
9 Guarantees taken		
(i) Vedanta Resources Plc.	767.38	866.15
	767.38	866.15

45 Earning Per Share (EPS)

	Rs. in Crore Current Year	Rs. in Crore Previous Year
Profit attributable to Equity Shareholders for Basic Earning per Share	3,743.74	3,539.99
Less: Interest and finance charges (net of exchange and derivative gain) recognised on Convertible Senior Note (net of tax)	(34.55)	-
Profit attributable to equity shareholders for Diluted EPS	3,709.19	3,539.99
Weighted average No. of equity shares outstanding during the year:-		
For Basic Earning per Share	Nos. 80,00,55,054	70,84,94,411
For Diluted Earning per Share	Nos. 80,90,98,609	70,84,94,411
Basic EPS	Rs. 46.79	49.96
Diluted EPS	Rs. 45.84	49.96
Nominal Value per Share	Rs. 2/-	2/-

Reconciliation between number of shares used for calculating basic and diluted earning per share

	Current Year	Previous Year
(i) Weighted Average no. of shares used for calculating Basic earning per share	80,00,55,054	70,84,94,411
(ii) Potential Equity Shares (Convertible Senior Note)	90,43,555	-
(iii) Weighted Average no. of shares used for calculating Diluted earning per share	80,90,98,609	70,84,94,411

Notes Forming Part of the Consolidated Accounts continued

Schedule 21 continued

46 Contingent Liabilities

	As at 31 March 2010 (Rs. in Crore)	As at 31 March 2009 (Rs. in Crore)
(a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	12,332.43	6,760.63
(b) Disputed liabilities in appeal (No outflow is expected in the near future):		
(i) Income Tax	484.82	221.18
(ii) Sales Tax	44.28	30.70
(iii) Excise Duty	109.26	98.50
(iv) Service tax	18.57	15.94
(v) Custom Duty	10.20	6.23
(vi) Others	59.90	59.90
(c) Claims against the Company not acknowledged as debts	166.66	154.69
(d) Relating to Energy Development Cess claimed by the Government of Chhattisgarh	262.23	216.85
(e) Letters of Credit given in favour of Asarco LLC, USA (refer note no. 5 of Schedule 21)	-	509.50
(f) Unexpired Letters of Credit	1,147.12	771.11
(These are established in favour of vendors but cargo/material under the aforesaid Letter of Credit are yet to be received as on year end date. Cash outflow expected on the basis of payment terms as mentioned in Letter of Credit).		
(g) Bank Guarantees	369.43	538.67
(Bank guarantees are provided under contractual/legal obligation. No cash outflow is expected)		
(h) Sales Bill Discounted (No cash outflow is expected)	1,026.51	400.36
(i) Custom Duty Bond taken for Project Import	265.91	185.36
(j) Claim for compensation (CLZS) Land of HZL	Not Ascertainable	Not Ascertainable
(k) Dividend on 2% Redeemable Cumulative Convertible Preference shares (not provided in absence of profit)	-	0.02
(l) In TSPL, There are around 200 land cases filed by the erstwhile owners of the land for enhancement of compensation. The Mansa District Administration & PSEB, which acquired the land, is defending the case and TSPL has not been made party to these cases. There may be a liability on TSPL in case of award in favour of land owners. TSPL has obtained a legal advice that in case of such an eventuality, TSPL can remand such award and hence has advised not to become party to these cases.		
(m) In July 2005, in case of TCM, it was reported that the Highway Road passing beside the mine was showing signs of cracking at some areas. To mitigate further risks to the users the cracks were repaired and a detour was constructed. Monitoring of the movements of the road is ongoing. The Department of Main Roads has submitted the claim and evaluating possible realignment paths and costs. Matter is handled by lawyer of the insurance Company. The Company is subject to a deductible under insurance policy which has been paid.		
(n) In January 2006, SV Partners made a claim against TCM acting as liquidators of Faminco Mining Services Pty Ltd (Faminco) (in liquidation). TCM had previously been a party to a mining agreement with Faminco. SV partners allege that a reduction by Faminco in its balance account was a preferential payment to the Company as a creditor and therefore recoverable. TCM has obtained release from all contractual obligations from Faminco. TCM has responded to SV partners on this issue and refuted SV Partners' claim that the payment was a preference payment. The Company has received final confirmation from SV Partners wherein claim against the Company was dropped and consequently no contingent liability exists as at 31 March 2010 (Previous Year Rs. 1.23 Crore).		
(o) The Company has given Corporate Guarantees to Banks/Financial Institutions/Others on behalf of Vedanta Aluminium Limited, CMT, TCM and Sterlite Energy Limited. The outstanding amount is Rs. 7,604.83 Crore (Previous year Rs. 6,243.73 Crore) at year end.		
(p) Estimated cost of variation in copper and precious metals quantity due to adjustments done based on metal contents as per laboratory assessments pending receipt of final invoice amounts to Rs. 14.41 Crore (Previous year Rs. 12.06 Crore).		
(q) The Company has agreed to pay any liability upto Rs. 15 Crore that may arise in respect of Power Transmission Line Division (since divested) for the period upto 30 June 2006. This liability is enforceable on the Company upto 30 June 2011.		

Schedule 21 continued

47 The figures of previous year have been recasted, rearranged and regrouped wherever considered necessary.

For and on behalf of the Board of Directors

Navin Agarwal
Executive Vice Chairman

D.D. Jalan
Whole Time Director

Kishore Kumar
Chief Executive Officer

Vinod Bhandawat
Chief Financial Officer

Rajiv Choubey
Company Secretary

Place: Mumbai
Dated: 26 April 2010