

FOCUSED ON
DELIVERY
LONG TERM VALUE
PEOPLE
A SUSTAINABLE FUTURE





02	Highlights
04	Vedanta at a Glance
06	Six Years of Achievement
08	Chairman's Statement

10	Our Strategy and Performance
12	Board of Directors
14	Executive Committee

Company Overview



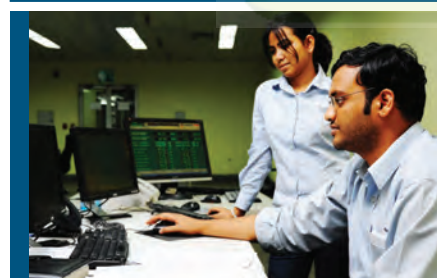
16	Market Overview
18	Focused on Delivery
20	Operations Review
22	Zinc-Lead-Silver
24	Iron Ore
26	Copper
30	Aluminium

32	Commercial Energy
33	Other Businesses
33	Outlook
34	Focused on Long-term Value
36	Financial Review
40	Risks and Uncertainties

Business Review



48	Focused on People
	A Sustainable Future
50	Sustainable Development
	Health, Safety and Environment
56	Sustainable Development –
	Nurturing People
58	Sustainable Development
	Community – Continued Commitment
60	Sustainability Performance
64	Sustainability Accreditations



65	Corporate Governance Report
73	Remuneration Report
80	Directors' Report
85	Statement of Directors' Responsibilities



Sustainability

Corporate Governance



86	Independent Auditor's Report to the Members of Vedanta Resources plc
87	Consolidated Income Statement
88	Consolidated Statement of Comprehensive Income
89	Consolidated Balance Sheet
90	Consolidated Cash Flow Statement
91	Consolidated Statement of Changes in Equity

92	Notes to the Consolidated Financial Statements
139	Independent Auditor's Report to the Members of Vedanta Resources plc
140	Five Year Summary
143	Production and Reserves Summary
146	Glossary and Definitions
151	Shareholder Information

Financial Statements

www.vedantaresources.com



Highlights

Financial Highlights

- ▶ Revenue of US\$7.9 billion, up 21%
- ▶ EBITDA of US\$2.3 billion, up 42%
- ▶ Attributable EPS of US\$2.20, up 187%
- ▶ Final dividend proposed at 27.5 US cents per share, up 10%, bringing the full year dividend to 45.0 US cents per share
- ▶ Strong balance sheet, with over US\$7.2 billion of liquidity
- ▶ Invested US\$3.5 billion in organic growth programme during the year

Business Highlights

- ▶ Strong production growth across all metals
- ▶ Jharsuguda first 250 ktpa smelter operating at full capacity

- ▶ Commenced 50 mtpa Sesa Goa expansion programme; investment of US\$500 million approved for Goa and Karnataka expansions
- ▶ Dempo iron ore assets acquired and integrated. Plan to grow from 4 to 10 mtpa.
- ▶ Achieved 1 mtpa capacity in Zinc-Lead; commissioned 210 ktpa smelter and 1 mtpa concentrator three months ahead of schedule
- ▶ Commissioned mid-shaft loading station at Konkola Deep's Copper Mine in Zambia
- ▶ Coal linkages secured for all power plants
- ▶ Revived 1,980 MW Merchant Power Plant at Talwandi in Punjab state
- ▶ Successful exploration results during the year – added 34 mt at Zinc, 64 mt at Iron Ore and 14 mt at Copper-Zambia

Consolidated Group Results (in US\$ million, except as stated)

	FY 2010	FY 2009	% change
Revenue	7,930.5	6,578.9	20.5%
EBITDA	2,295.9	1,612.2	42.4%
EBITDA margin (%)	29.0%	24.5%	–
Operating profit	1,665.6	1,107.0	50.5%
Attributable profit	602.3	219.4	174.5%
Basic earnings per share (US cents)	219.6	76.4	187.4%
Earnings per share on underlying profit (US cents)	199.2	108.0	84.4%
ROCE (excluding project capital work in progress)	19.9%	24.4%	
Final dividend (US cents per share)	27.5	25.0	10.0%
Total dividend (US cents per share)	45.0	41.5	8.4%

US\$7,931 million

Revenue

US\$2,296 million

EBITDA

US\$1,666 million

Operating profit

220 US cents

Basic earnings
per share

45 US cents

Full year dividend
per share

533 kt

Aluminium production

507 kt

Copper production

642 kt

Zinc and lead
production

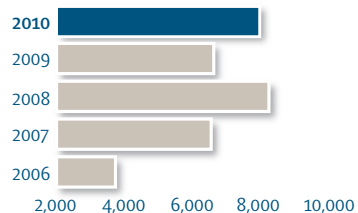
21.4 mt

Iron ore production

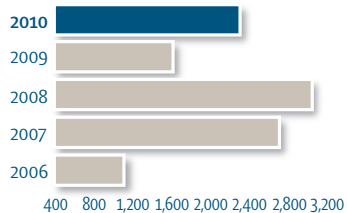
394 MW

Energy sales

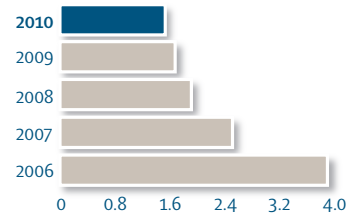
Revenues (\$ million)



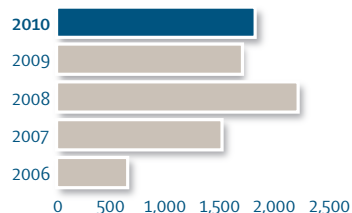
EBITDA (\$ million)



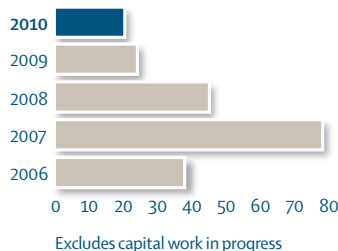
LTIFR



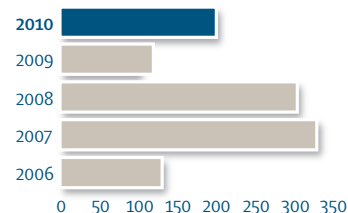
Free Cash Flow (\$ million)



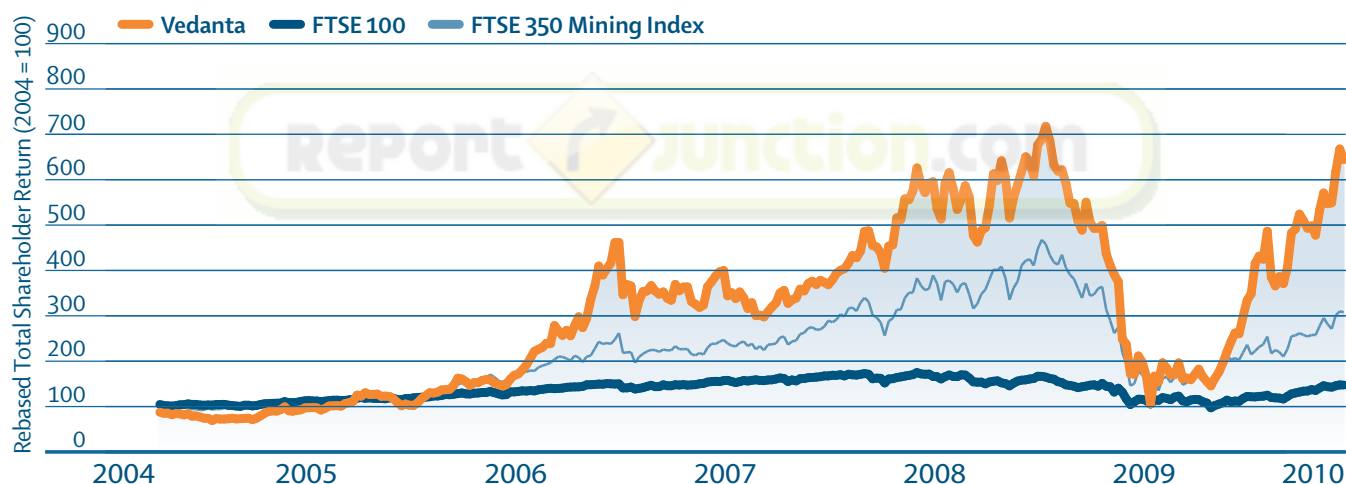
ROCE (%)



Underlying EPS (US cents)

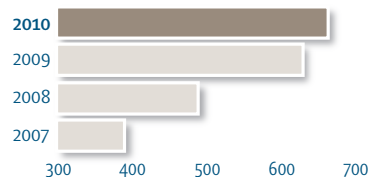


Vedanta Total Shareholder Return – FY 2004-10

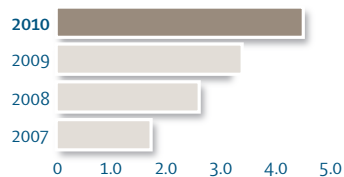


Production

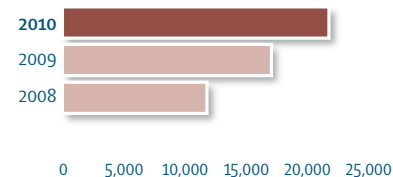
Zinc-Lead (kt)



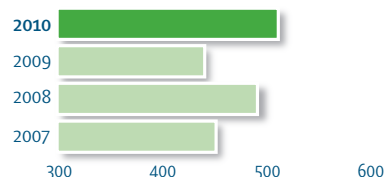
Silver (moz)



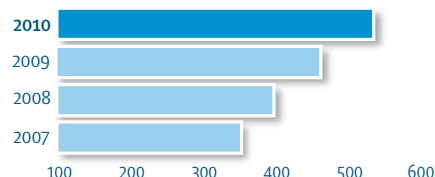
Iron Ore (kt)



Copper (kt)



Aluminium (kt)



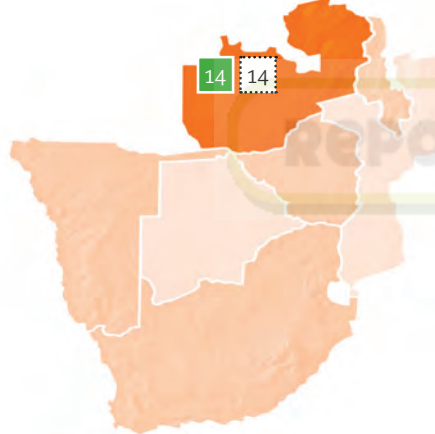
Vedanta at a Glance

Vedanta Resources plc ('Vedanta') is a London listed FTSE 100 diversified metals and mining major. The Group produces aluminium, copper, zinc, lead, iron ore and commercial energy. Vedanta has operations in India, Zambia and Australia and a strong organic growth pipeline of projects.

With an empowered talent pool of 30,000 employees globally, Vedanta places strong emphasis on partnering with all its stakeholders based on the core values of entrepreneurship, excellence, trust, sustainability and growth.

For more information visit
www.vedantaresources.com

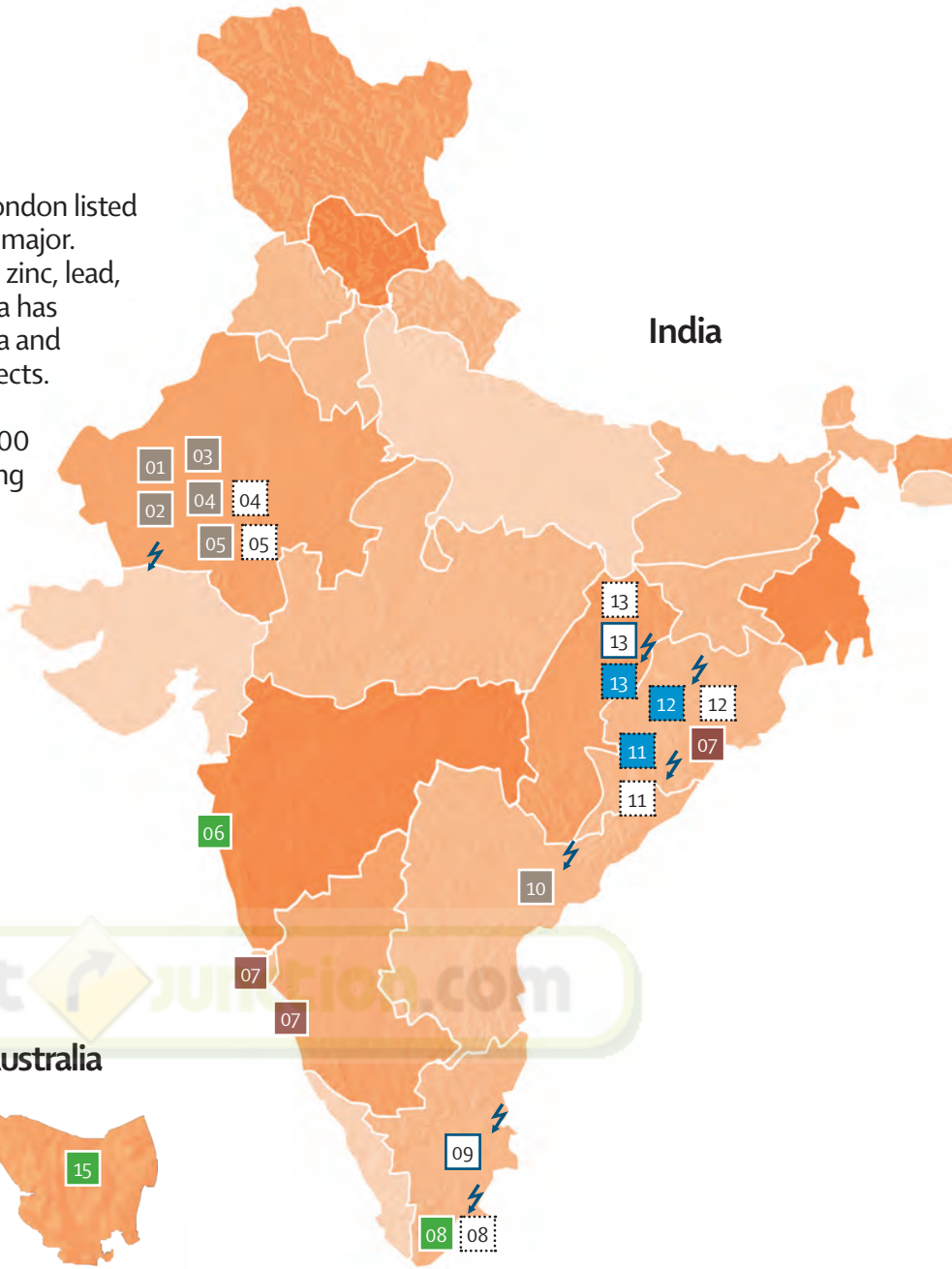
Zambia



Australia



India



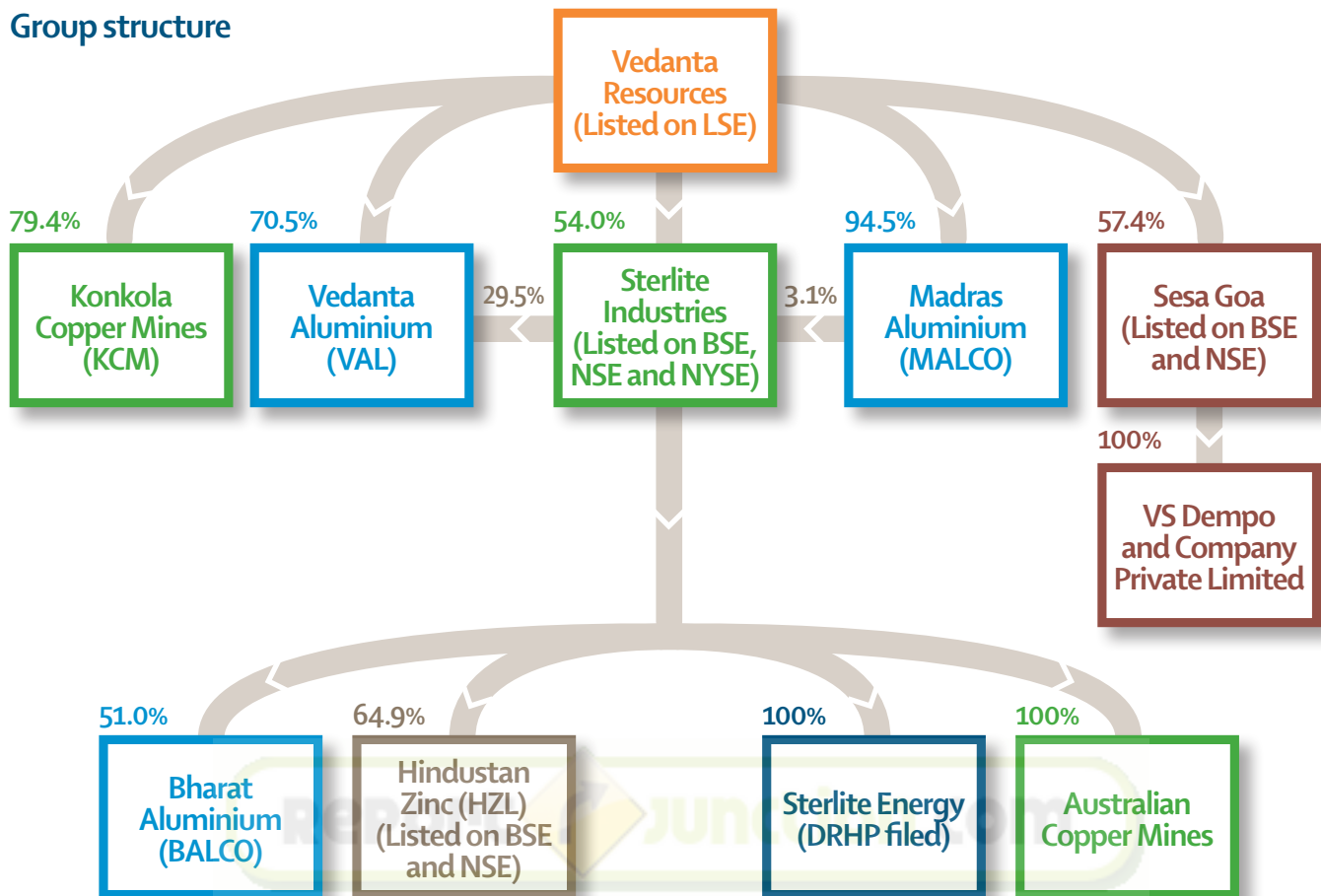
- 01 Debari smelter
- 02 Chanderiya smelters
- 03 Rampura-Agucha mine
- 04 Rajpura Dariba mine and smelter and Zawar mine
- 05 Sindesar Khurd mine
- 06 Silvassa copper refinery
- 07 Sesa Goa iron ore operations
- 08 Tuticorin copper smelter
- 09 MALCO power plant
- 10 Vizag zinc smelter
- 11 Lanjigarh mine and alumina refinery
- 12 Jharsuguda Aluminium smelter and Commercial Power project
- 13 Korba smelter and power plant
- 14 Konkola copper mines and smelter
- 15 Mt Lyell mine

- Aluminium
- Copper
- Iron ore
- Zinc
- Power
- Projects under development
- ⚡ Captive power plant

Note: Maps not to scale



Group structure



Structure as of 31 March 2010

Our Commodities

Zinc and Lead



- ▶ Current Zinc-Lead capacity of 964 kt in Debari, Chanderiya, Dariba and Vizag
- ▶ Reserves and Resources of 299 mt
- ▶ Silver production growing substantially

Iron Ore



- ▶ Iron operations at Goa, Karnataka and Orissa
- ▶ Reserves and Resources of 353 mt
- ▶ Expanding to 50 mtpa capacity

Copper



Copper-India

- ▶ Custom smelting capacity to grow from 400 ktpa to 800 ktpa
- ▶ Copper mining operations in Australia
- ▶ Structurally competitive low cost, port-based operations

Copper-Zambia

- ▶ World class resources in Africa
- ▶ Reserves and Resources of 707 mt
- ▶ Growing from 275 ktpa to 400+ ktpa
- ▶ KDMP bottom shaft completion under progress

Aluminium



- ▶ Refining and smelting operations in Chattisgarh and Orissa
- ▶ Mining operations in Chattisgarh
- ▶ Reserves and Resources of 119 mt
- ▶ BALCO – current capacity of 245 ktpa with associated 540 MW CPP; additional 325 ktpa with associated 1,200 MW CPP under construction
- ▶ VAL – current Alumina Refining capacity of 1.4 mtpa, to expand to 5 mtpa
- ▶ VAL – current Aluminium smelting capacity of 250 ktpa with associated 1,215 MW CPP, to expand to 1,750 ktpa

Commercial Energy



- ▶ Strategically located plants
- ▶ Current capacity 493 MW (BALCO 270 MW, MALCO 100 MW and Wind Energy 123 MW)
- ▶ Projects under development – 2,400 MW at Jharsuguda in Orissa and 1,980 MW Talwandi Sabo Project in Punjab

Six years of achievement



FY 2004



Listing of Vedanta Resources plc on the London Stock Exchange

FY 2006



Completed expansion of Tuticorin copper smelter to 300 ktpa

Commissioned 170 ktpa zinc smelter at Chanderiya and 154 MW captive power plant. Completed expansion of Rampura Agucha mine

Commissioned the new 50 ktpa lead smelter at Chanderiya

FY 2007



BALCO expansion project commissioned comprising 250 ktpa aluminium smelter and 540 MW captive power plant

Completed expansion of Tuticorin copper smelter to 400 ktpa



FY 2008



Exploration success at HZL
Vedanta entered the ferrous business – acquires a controlling stake in Sesa Goa Limited
Sterlite Industries ADR listed on NYSE
Commissioned new 170 ktpa zinc smelter at Chanderiya

FY 2009



Commissioned Nchanga copper smelter at Zambia operations
Exploration success at HZL and Sesa Goa
Increased stake in KCM to 79.4%

FY 2010



Sesa Goa acquires Dempo iron ore assets in Goa
Exploration success at HZL, Sesa and KCM
Sterlite follow on ADR
Commissioned 210 kt Zinc Smelter at Dariba
KDMP mid shaft loading commissioned

Chairman's Statement

'We delivered strong results in 2010, which once again benefited from our low cost position, diversified revenues and record production growth across all our businesses'.



I am delighted to report another excellent set of results in a challenging year for our industry and the global economy. The 2010 financial year began with developed markets in recession and commodity prices and industrial demand at multi-year lows. Emerging markets – especially India and China – proved more resilient to the economic downturn, with continued economic and metals consumption growth.

The large and coordinated stimulus from governments globally has secured greater stability in financial markets and a return to economic growth. Commodity prices and industrial demand have recovered and we enter the 2011 financial year with much greater optimism to when we entered 2010.

Our structurally low cost position across commodities, excellent liquidity and strong

cash flow has positioned us well to deliver in these unprecedented markets. This has enabled us to continue to grow production and invest in our industry-leading growth programme. With this background, I am delighted that Vedanta is once again proposing an increase in its final dividend to 27.5 US cents per share, a 10% increase compared to FY 2009.

Financial Performance

We delivered strong results in 2010, which once again benefited from our low cost position, diversified revenues and record production growth across all our businesses. Revenues rose by 21% to US\$7.9 billion and EBITDA rose by 42% to US\$2.3 billion during the year. Basic earnings per share increased 187% to US\$2.20.

We generated a healthy US\$1.8 billion of free cash flow, representing 79% of EBITDA. Our balance sheet and liquidity remains strong. During the year we raised US\$4.2 billion of long-term capital through a mix of debt and equity to refinance debt maturities and for general corporate purposes. Gearing as at 31 March 2010 was 75%, net debt was US\$0.9 billion and our Group cash position, including liquid investments, was US\$7.2 billion. We remain committed to retaining investment grade credit metrics.

Organic Growth and Operational Performance

FY 2010 was an outstanding year. Production grew across all commodities, costs were kept under control, and we made excellent progress with our organic growth programme.

During the year we spent US\$3.5 billion on our organic expansion programme. In Q4 Hindustan Zinc commissioned the 1 mtpa zinc concentrator and 210 ktpa zinc smelter, becoming the largest integrated producer of zinc in the world with capacity of 1.064

Our Year in Review

June 2009

Sesa Goa acquires Dempo Group's Goa mining assets

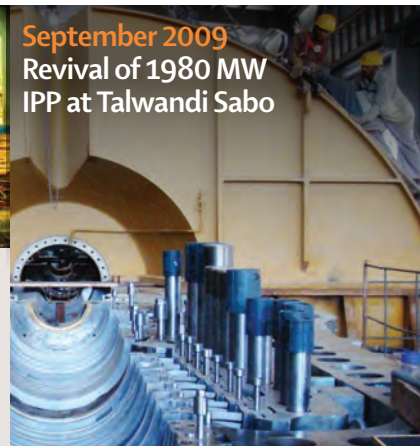


July 2009

Sterlite follow on ADR – raised US\$1.1 billion

September 2009

Revival of 1980 MW IPP at Talwandi Sabo



mtpa. KCM achieved a significant milestone by commissioning the mid-shaft loading station ('MSL') in March 2010. The MSL commissioning is a significant milestone towards KDMP expansion and will result in an increase in the hoisting capacity of the mine. At Jharsuguda, production ramp up and commissioning of the balance pots of the 500 ktpa aluminium smelter is progressing well. We are also making good progress at our other aluminium projects.

We also announced a number of additional projects to increase capacity across our businesses. A doubling of our copper custom smelting capacity at Tuticorin to 800 ktpa with associated 160 MW power plant will further reduce our costs and put us amongst the lowest quartile cost custom smelters in the world. We revived the 1,980 MW thermal power plant project at Talwandi Sabo in the state of Punjab to take advantage of the exciting opportunities offered by the power sector in India. Earlier in the year we also announced iron ore mine production expansion to 50 mtpa, placing us on course to become one of the top five iron ore producers in the world. We are on track to increase production progressively over next two to three years through a combination of increased mining and logistics capacity enhancement initiatives. Additionally we initiated our 375 ktpa pig iron expansion project.

The tragic collapse of a power plant chimney that was under construction at BALCO through our subcontractor SEPCO was an unfortunate incident and investigations have revealed this was caused by severe thunderstorms and lightning. We have taken immediate steps to compensate and support the affected families, and strengthened monitoring and systems at our project sites to ensure this does not happen in the future.

Acquisitions

During the year we expanded and consolidated our Iron Ore business by acquiring VS Dempo ('VSD'), one of the largest exporters of iron ore in Goa. VSD's Goa mining assets include processing plants, barges, jetties, transhippers and loading capacities at Mormugoa port. Our results have benefited in terms of record iron ore production and I am pleased to report that we are also benefiting from synergies at Sesa Goa.

Dividend and Share Buyback

We remain committed to our progressive dividend policy. The Board has recommended a final dividend of 27.5 US cents per share, an increase of 10% which will be paid on 4 August 2010 to shareholders on the register at 9 July 2010. This takes the total dividend for the year to 45 US cents per share, an increase of 8.4%.

We continue to look for opportunities to enhance shareholder value by buying back shares and increasing our stake in key subsidiaries at attractive prices. We spent US\$549 million in buying back shares of Vedanta and our subsidiaries, invested a further US\$111 million in preference shares of a subsidiary and increased Vedanta's buyback programme from US\$350 million to US\$825 million during the year.

Sustainability

Vedanta has a long standing commitment to sustainable development, and we believe that business today has greater responsibility than ever before to enhance society's overall well being. We continue to proactively foresee social and environmental factors that will be influencing our businesses in the long-term and prepare for those changes now, so that we can emerge as a more effective and stronger company.

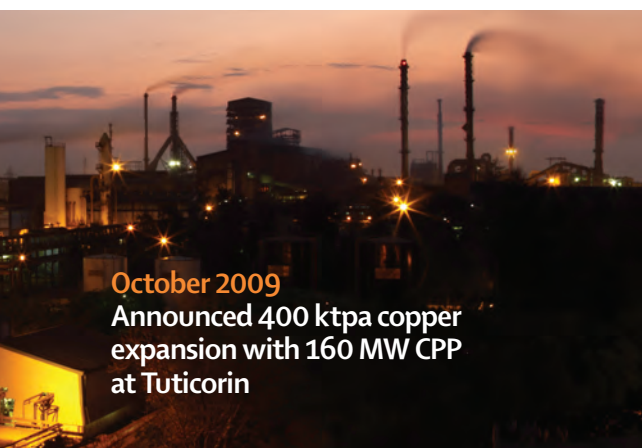
We have a track record of exceeding our own performance year on year in energy and water usage, recycling and reuse of waste innovatively, and engaging and working with communities towards building a sustainable business. Ensuring the safety of all our employees is a key priority for us, and the Board remains focused on improving the performance in this crucial area. We have also remained focused on actively engaging with our key stakeholders, enhancing our reporting and increasing transparency. As we expand our footprint globally, we will continue to build on our strong legacy in the sustainability space.

Outlook

The recovery in demand and commodity prices appears well-founded and the medium- and long-term outlook for our commodities remains strong. We are well placed to benefit from a sustained recovery given our structurally low cost position, presence in growing economies and the organic growth programme. Our priorities are focused on delivering a significant increase in capacity across our businesses and strengthening our low cost position. We are both optimistic and well placed for the future.

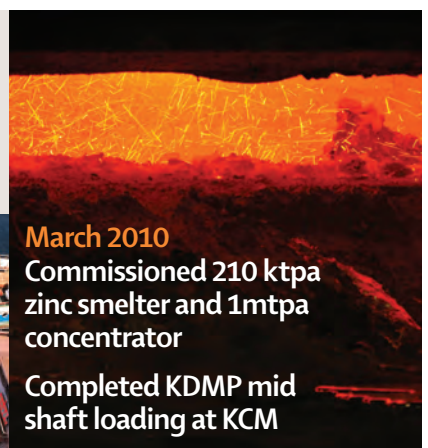
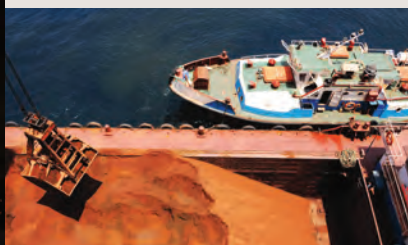
Finally on behalf of the Board I would like to thank our over 30,000 employees who have contributed to the excellent performance during the year. Our unrivalled growth and delivery at benchmark standards will help us maintain sustainable growth and maximise shareholder value.

Anil Agarwal
Chairman
5 May 2010



October 2009
Announced 400 ktpa copper expansion with 160 MW CPP at Tuticorin

November 2009
Announced Iron Ore expansion to 50 mtpa



March 2010
Commissioned 210 ktpa zinc smelter and 1mtpa concentrator
Completed KDMP mid shaft loading at KCM