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**VEDANTA RESOURCES PLC**

*(Incorporated and registered in England and Wales No. 04740415)*

Renewal of shareholder authorities in relation to the proposed acquisition of minority interests in Hindustan Zinc and BALCO  
and  
Notice of General Meeting

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**Your attention is drawn to the letter from the Chairman which is set out on pages 2 to 7 of this document and recommends you to vote in favour of the resolutions to be proposed at the General Meeting referred to below. You should read the whole of this document and in particular the risk factors set out on pages 8 and 9 of this document when considering what action you should take in connection with the General Meeting.**

Notice of a General Meeting of the Company, to be held at 11.00 a.m. on 30 October 2013 at Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2HA, is set out at the end of this document. The Form of Proxy for use at the meeting accompanies this document and, to be valid, should be completed and returned to the Company's registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, so as to arrive by no later than 11.00 a.m. on 28 October 2013. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting, should they so wish. Voting directions and proxy appointments may be completed electronically and details are given in the Notice of General Meeting set out at the end of this document.

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## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<b>Event</b>	<b>Expected time/date 2013</b>
Latest time for receipt of Forms of Proxy or CREST proxy instructions for the General Meeting	11.00 a.m. on 28 October
General Meeting to approve the Transactions	11.00 a.m. on 30 October

## PART I

### LETTER FROM THE CHAIRMAN OF VEDANTA RESOURCES PLC



*(Incorporated and registered in England and Wales, Registration No. 04740415)*

Directors:

Anil Agarwal: Executive Chairman

Navin Agarwal: Deputy Executive Chairman

Mahendra Singh Mehta: Chief Executive Officer

Aman Mehta: Non-Executive Director and Senior Independent Director

Euan R. MacDonald: Non-Executive Director

Geoffrey Green: Non-Executive Director

Deepak Parekh: Non-Executive Director

Registered Office:

2<sup>nd</sup> Floor

Vintners Place

68 Upper Thames Street

London

EC4V 3BJ

14 October 2013

*To Shareholders and, for information only, to holders of options under the Vedanta share option scheme*

Dear Shareholder,

**Renewal of shareholder authorities in relation to the proposed acquisition of minority interests in  
Hindustan Zinc and BALCO  
and  
Notice of General Meeting**

#### **Introduction**

At a general meeting of Shareholders held on 28 August 2012 approval was obtained from Shareholders for the Group to acquire the entirety of the GoI's interest in HZL for an aggregate INR consideration equivalent to US\$3,379 million and in BALCO for an aggregate INR consideration equivalent to US\$550 million. The resolutions passed provided that the acquisition(s) must have been completed by 9 August 2013. As a consequence of neither acquisition having completed by 9 August 2013 and in order to provide the Company with the flexibility to pursue the acquisition of all or any part of the GoI's interests in HZL and BALCO should the GoI determine to sell its interests, the Board is convening the General Meeting, notice of which is set out at the end of this document, for the purposes of seeking renewed Shareholder approval for such acquisitions. The Board considers that the Resolutions are in the best interests of the Company and Shareholders and recommends that Shareholders vote in favour of the Resolutions as the Directors intend to do in respect of their own Shares.

The Group currently has equity interests in HZL and BALCO of 64.9 per cent and 51.0 per cent respectively and the GoI has equity interests in HZL and BALCO of 29.5 per cent and 49.0 per cent respectively. On 9 January 2012, Vedanta offered to acquire the GoI's interests in HZL and BALCO for consideration of US\$2,938 million and US\$338 million respectively. To date, neither offer has been accepted by the GoI and the GoI may determine to retain its interests or to seek to sell its interests to one or more third parties. Accordingly, there is no certainty that the Group will acquire all or any part of the GoI's interests in HZL and/or BALCO. If the entirety of the GoI's interests are acquired, the Group's interests in HZL and BALCO would increase to 94.4 per cent and 100.0 per cent respectively and Vedanta's economic interests in HZL and BALCO would increase to 55.0 per cent and 58.3 per cent respectively.

For the purposes of the Listing Rules, the HZL Acquisition and BALCO Acquisition may, depending on the interest which the Group acquires from the GoI, be in aggregate (or in the case of the HZL Acquisition, potentially on a stand-alone basis) of such a size as to require Shareholder approval. Although the Company has

not agreed the terms of acquisition of any shares in HZL or BALCO, the Company is seeking approval from Shareholders for the Group to be able to acquire all or any part of the GoI's interests in HZL and BALCO on the basis that (a) the aggregate INR consideration that the Group will be authorised to pay in respect of the GoI's 29.5 per cent interest in HZL shall, taken together with the consideration, if any, paid in respect of the BALCO Acquisition, not exceed the INR equivalent of US\$3,482 million (using the spot rate of exchange as at the latest practicable date prior to the date of this document of INR62.1383 per US\$1) reduced proportionately if less than the entirety of the GoI's interest in HZL is acquired and (b) the aggregate INR consideration that the Group will be authorised to pay in respect of the GoI's 49.0 per cent interest in BALCO shall not exceed the INR equivalent of US\$487 million (using the spot rate of exchange as at the latest practicable date prior to the date of this document of INR62.1383 per US\$1) reduced proportionately if less than the entirety of the GoI's interest in BALCO is acquired provided that the aggregate INR consideration paid in respect of the Transactions shall not exceed the INR equivalent of US\$3,482 million (using the spot rate of exchange as at the latest practicable date prior to the date of this document of INR62.1383 per US\$1). In addition, as the GoI holds substantial equity interests in both HZL and BALCO, the Transactions (including the associated settlement of ongoing litigation with the GoI relating to the contested exercise of call options) would also constitute related party transactions requiring Shareholder approval for the purposes of the Listing Rules. Therefore, the Transactions are subject to and conditional upon Shareholder approval and a General Meeting, to be held on 30 October 2013, is being convened for the purpose of seeking such approvals. Even though the GoI has not agreed to sell all or any part of its interests in HZL or BALCO to the Company, the Company is taking the opportunity to obtain approval from Shareholders so that, if the GoI determines to sell its interests, the Company can seek to acquire all or part of the GoI's interests in a timely manner.

If the aggregate INR consideration for the respective interests in HZL and BALCO were to exceed the amounts described above or if there is any material change to any other terms of the acquisitions from those described in Part VI of this document, further Shareholder approval would be required to be sought prior to the Group proceeding with the acquisitions.

Of the shares held by the GoI in HZL and BALCO, the GoI has an option to transfer up to 3.5 per cent of HZL's share capital to employees of HZL and up to 5.0 per cent of BALCO's share capital to employees of BALCO.

The HZL Acquisition and the BALCO Acquisition are independent of each other and are not inter conditional and therefore, subject to the receipt of Shareholder approval and any other consents required to implement the Transactions, the Group may proceed with acquisition of the GoI's interests in HZL or, as the case may be, BALCO without the other being pursued.

There is no certainty that the GoI will determine to sell its interests in HZL and/or BALCO. In addition, if the GoI determines to sell its interests, there is no certainty as to when the acquisitions may proceed and third party consents or regulatory dispensations may be required to be obtained prior to the Group acquiring all or any part of the GoI's interests. Therefore, there is no certainty that the Group will be able to acquire all or any part of the GoI's interests. The Company will only proceed with the acquisition of an interest in HZL and/or BALCO if, at the relevant time, any such requisite third party consent or dispensation has been obtained, there has been no material adverse change in the financial position, business or prospects of the Group or HZL or BALCO (as the case may be) and in the opinion of the Board (including a majority of the independent non executive directors) it remains in the best interests of the Company and Shareholders as a whole to proceed with the acquisitions and the terms of the acquisitions remain fair and reasonable so far as Shareholders are concerned. In addition, if the acquisitions do not complete on or before 14 October 2014, further Shareholder approval would be required to be sought.

The purpose of this document is to: (i) explain the background to and reasons for the Transactions; (ii) explain why the Board considers the Transactions to be in the best interests of the Company and Shareholders as a whole and fair and reasonable as far as Shareholders are concerned; and (iii) convene the General Meeting to obtain Shareholder approval for the Transactions.

## **Background to and reasons for the Transactions**

The Group currently owns 64.9 per cent of the share capital of HZL and has management control, with the remainder of HZL's share capital owned by the GoI (29.5 per cent) and institutional and public shareholders and employees of HZL (5.6 per cent). The Group currently owns 51.0 per cent of the share capital of BALCO and has management control, with the remainder of BALCO's share capital owned by the GoI (49.0 per cent).

The Group had previously exercised call options to acquire the GoI's remaining interests in HZL and BALCO at fair market value, subject in the case of HZL to the option of the GoI to transfer up to a 3.5 per cent interest to HZL employees and in the case of BALCO to the option of the GoI to transfer up to a 5.0 per cent interest to BALCO employees. The GoI has contested the exercise of the options. The dispute in relation to the purported exercise of the HZL option has been referred to arbitration proceedings which are at early stages and the next hearing date has been set for 13 November 2013. In relation to the BALCO option, arbitration proceedings concluded and a majority award held that the provisions in the shareholders' agreement relating to the call option and its exercise violated Indian law. Subsequently, an application has been made by the Group to the High Court of Delhi to set aside the arbitration award which is currently listed to be heard later this month.

Separate from the contested exercise of the call options, on 9 January 2012, Vedanta made written offers, together with verbal representations that such offers were subject to necessary approvals and financing, to acquire the GoI's remaining interests in HZL and BALCO. As part of these offers, Vedanta proposed to withdraw the ongoing litigation in relation to the contested exercise of the options should the offers be accepted. The GoI has not accepted the offers and therefore there is no certainty that either acquisition will proceed, and if either acquisition does proceed, when it may occur and how it may be structured. The Company has sought to continue to engage with the GoI to pursue the acquisitions. The GoI may determine to retain its interests in HZL and BALCO or seek to sell such interests to one or more third parties.

### **Information on HZL**

The Group's zinc business is amongst the largest and lowest cost zinc-lead producers globally. HZL produced 870 kt of mined zinc-lead which accounted for 67 per cent of the total aggregate zinc-lead produced by the Group in the financial year ended 31 March 2013. HZL's current zinc-lead capacity is 1158 ktpa and its silver capacity is 16.7 Moz.

HZL's fully integrated zinc operations include five lead-zinc mines, one rock phosphate mine, four hydrometallurgical zinc smelters, two lead smelter, one lead-zinc smelter, four sulphuric acid plants, one silver refinery in the State of Rajasthan in northwest India, six captive power plants in northwest India, and two metal processing and refining facilities in the State of Uttarakhand in northern India.

### **Information on BALCO**

The Group's aluminium business is strategically well located in the bauxite and coal reserve rich region of India. BALCO produced 247 kt of aluminium in the financial year ended 31 March 2013 which accounted for 32 per cent of the total aggregate aluminium produced by the Group in the financial year ended 31 March 2013. Following the completion of scheduled expansion projects, BALCO's aluminium business expects to have a smelting capacity of 570 ktpa with integrated power.

### **The Transactions**

The GoI has not accepted the offers made by the Company on 9 January 2012 to acquire the GoI's interests in HZL and BALCO of 29.5 per cent and 49.0 per cent respectively for consideration of US\$2,938 million and US\$338 million respectively. The Company has, by way of letters dated 10 April 2012 and 6 July 2012, sought to engage with the GoI on the same terms as the offers but is yet to receive any formal response from the GoI. If the GoI determines to sell its interests in HZL and BALCO whether by way of an auction of its interests or by way of private sale to one or more third parties, it is anticipated that the GoI would not provide any representations or warranties to the Group in relation to HZL and BALCO or their respective businesses, that there would be no price adjustment mechanism following completion of the acquisitions, that the Company

would be obliged to pay the cash consideration in full on completion of the acquisitions in INR and that there would be no other substantive terms of the acquisitions. If there is any material change to the terms of the acquisitions from those described in Part VI of this document, further Shareholder approval would be required to be sought.

If the HZL Acquisition takes place, in order to retain the listing of HZL's shares on each of the BSE and NSE, the Group may be obliged to divest approximately 19.4 per cent of its shareholding in HZL (assuming that the Group acquires the entirety of the GoI's interest in HZL (29.5 per cent)) within 12 months in order to satisfy the minimum public shareholding requirement of 25 per cent imposed by SEBI. If the Company is unable to meet the free float requirement within the 12 month period the Company may seek a further time extension within which to sell down its interest. The Company may also seek to delist the HZL shares from the NSE and the BSE by making an offer to purchase the remaining shares at a price determined by way of a reverse book-build process.

The Company proposes to fund the Transactions using existing cash resources of the Group. If the Transactions are implemented and the Group acquires the entirety of the GoI's interests in HZL (29.5 per cent) and BALCO (49.0 per cent), Vedanta's economic interests in HZL and BALCO would increase to 55.0 per cent and 58.3 per cent respectively. If the Group is obliged to reduce its interest in HZL to 75 per cent in order to comply with the minimum public shareholding requirement described above, Vedanta's economic interest in HZL would be reduced to 43.7 per cent.

Under the Listing Rules, the acquisitions may, depending on the interest which the Group acquires from the GoI, be in aggregate (or in the case of the HZL Acquisition, potentially on a stand-alone basis) of such a size as to require Shareholder approval. In addition, as the GoI holds substantial equity interests in HZL and BALCO, the Transactions (including the associated settlement of ongoing litigation with the GoI relating to the contested exercise of call options) would constitute related party transactions requiring Shareholder approval for the purposes of the Listing Rules. Therefore, the Transactions are subject to and conditional upon Shareholder approval and a General Meeting, to be held on 30 October 2013, is being convened for the purpose of obtaining such approvals. Even though the GoI has not agreed to sell all or any part of its interests in HZL or BALCO to the Company, the Company is taking the opportunity to seek approval from Shareholders so that, if the GoI determines to sell its interests, the Company can seek to acquire the interests in a timely manner. To the best of the knowledge and belief of the Company, neither the GoI nor any of its associates hold(s) any shares in the Company such that it and they will not be entitled to vote on the Resolutions.

If the GoI determines to sell its interests in HZL and BALCO, the Company will seek to make the acquisitions in a timely manner. The Company only intends to proceed with the acquisitions if, at the relevant time, any requisite third party consent or regulatory dispensation has been obtained, there has been no material adverse change in the financial position, business or prospects of the Group or HZL or BALCO (as the case may be) and in the opinion of the Board (including a majority of the independent non executive directors) it remains in the best interests of the Company and Shareholders as a whole to proceed with the acquisitions and the terms of the acquisitions remain fair and reasonable so far as Shareholders are concerned. In addition, if the acquisitions do not complete on or before 14 October 2014, further Shareholder approval would be required to be sought.

The Group had call options to acquire the GoI's remaining interests in both HZL and BALCO at fair market value subject to the Employee Option Rights. The Group exercised the call options on 21 July 2009 (HZL) and 19 March 2004 (BALCO) and, under the relevant contractual documentation, the sale and purchase of the GoI's interests ought to have been completed 60 days after the date of exercise of the options at a price equal to fair market value of the shares as determined by an independent appraiser. However, the GoI contested the exercise of the call options and the purchases have not been completed. The dispute in relation to the purported exercise of the HZL option has been referred to arbitration proceedings which are at an early stage and the next hearing date has been set for 13 November 2013. In relation to the BALCO option, arbitration proceedings concluded and a majority award held that the provisions in the shareholders' agreement relating to the call option and its exercise violated Indian law. Subsequently, an application has been made by the Group to the High Court of Delhi to set aside the arbitration award which is currently listed to be heard in October 2013.

If the Company succeeds in the proceedings it is uncertain whether the Company would be obliged to pay the GoI an amount equal to the fair market value of the interests determined as at July 2009 and March 2004 (as applicable) or alternatively fair market value as at the date of acquisition of each interest. The GoI contend that fair market value of the interests should be assessed as at the date of acquisition of each interest. However, it is at least arguable that the valuation should be determined as at the date of exercise of the options in July 2009 and March 2004 (as applicable). As at 20 July 2009 the market value of the GoI's 29.5 per cent interest in HZL was US\$1,738 million (using the prevailing spot rate of exchange at the time). As at 10 October 2013 (being the latest practicable date prior to the publication of this document and using the spot rate of exchange as at that date) the market value of the GoI's 29.5 per cent interest in HZL was US\$2,615 million. As at 31 March 2004, the GoI's 49.0 per cent interest in BALCO was assessed by an independent adviser, jointly instructed by the Company and the GoI, and was valued at US\$193 million (using the prevailing spot rate of exchange at the time). The latest independent valuation, as at 31 March 2007, valued the GoI's 49.0 per cent interest in BALCO at US\$286 million (using the prevailing spot rate of exchange at the time).

The Company believes that it will be a condition of the Group acquiring all or any of the GoI's interests in HZL and/or BALCO that the Group withdraws the ongoing litigation in relation to the contested exercise of the call options. The Company therefore believes that there may be benefit to the GoI in the Group acquiring all or part of the GoI's interests in HZL and/or BALCO and subsequently withdrawing the litigation. Whilst it is difficult to quantify with any certainty the value of the benefit passing to the GoI in these circumstances, the value of the benefit passing may equate to approximately US\$1,744 million in respect of HZL, being the difference between the market value of the interest in HZL on 20 July 2009 and the US\$ equivalent of the maximum INR consideration payable in respect of the interest in HZL and approximately US\$294 million in respect of BALCO, being the difference between the value of the interest in BALCO on 31 March 2004 and the US\$ equivalent of the maximum INR consideration payable in respect of the interest in BALCO. However, other factors will also be relevant in any such analysis, including the probability of success of the litigation and the likely timeframe and costs associated with such litigation.

### **Financial effects of the Transactions**

Given HZL and BALCO are consolidated into Vedanta's accounts, the Company expects that whether both the HZL Acquisition and BALCO Acquisition are implemented or either of them is implemented, the results previously attributable to the non-controlling interests will henceforth be attributable to the equity holders of Vedanta.

Further information on the expected effect of the Transactions on the assets and liabilities of the Group is set out in the unaudited pro forma statement of net assets in Part V of this document.

### **Current trading, trends and prospects**

As stated by the Company in its 2013 Annual Report, the Company has made considerable progress in the execution of its strategy in the financial year ended 31 March 2013, delivering production growth and increasing reserves and resources across the portfolio, which contributed to the Company's strong EBITDA growth, up 21 per cent on the comparable financial year ended 31 March 2012, to US\$4.9 billion. This was partially offset by higher operating costs and increased export duty rates on iron ore.

Group revenues for the financial year ended 31 March 2013 grew strongly to US\$14,989.8 million, up 7 per cent compared with the previous year, and record production levels of mined zinc and lead together with record production levels of aluminium and integrated silver were amongst the key drivers of the Group's strong operational performance.

As the world economy returns to growth, a number of factors will continue to drive the demand for commodities including positive signs from China, inflation falling in India and rising income and increased prosperity in developing countries with associated industrialisation and urbanisation. With its proximity to emerging markets and strong low cost assets, the Directors believe that the Company is well placed to take advantage of these opportunities.

**Risk factors**

Shareholders should consider fully the risk factors set out in Part II of this document.

**General Meeting**

A notice convening a general meeting of the Company to be held at 11.00 a.m. on 30 October 2013 at Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2HA, is set out at the end of this document. A Form of Proxy to be used in connection with the General Meeting is enclosed. The purpose of the General Meeting is to renew Shareholder approval for the Transactions.

**Action to be taken**

You will find enclosed a Form of Proxy for use at the General Meeting or at any adjournment thereof. Whether or not you intend to be present at that meeting, you are requested to complete the Form of Proxy (in accordance with the instructions printed thereon) and return it to the Company's registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, so as to arrive by 11.00 a.m. on 28 October 2013. Completion and return of a Form of Proxy will not preclude you from attending the meeting and voting in person if you so wish.

**Further information**

Your attention is drawn to the further information contained in Parts II to X of this document. You are advised to read the whole of this document and not to rely solely on the information contained in this letter.

**Financial advice**

The Board, which has been so advised by J.P. Morgan Cazenove, considers each of the HZL Acquisition and BALCO Acquisition to be fair and reasonable as far as Shareholders are concerned. In providing its advice, J.P. Morgan Cazenove has taken into account the commercial assessments of the Directors.

**Recommendation**

The Board considers the Transactions (whether both the HZL Acquisition and BALCO Acquisition or either thereof are implemented) to be in the best interests of the Company and Shareholders as a whole.

Accordingly, the Board recommends that Shareholders vote in favour of each of the Resolutions, as the Directors intend to do in respect of their own beneficial holdings amounting (as at 10 October 2013, being the latest practicable date prior to the publication of this document) to 173,344,700 voting Shares in aggregate, representing approximately 65.05 per cent of the Company's current issued ordinary share capital.

Yours faithfully

Anil Agarwal  
Chairman

## PART II

### RISK FACTORS

*Prior to making any decision to vote in favour of the Resolutions at the General Meeting, Shareholders should carefully consider, together with all other information included or incorporated by reference into this document, the specific factors and risks described below. The Company considers these to be the known material risk factors relating to the Transactions.*

*The risks described below relate only to the Transactions and are not set out in any particular order of priority.*

*There may be other risks of which the Board is not aware or which it believes to be immaterial which may, in the future, be connected to the Transactions and have a material and adverse effect on the business, financial condition, results of operations or future prospects of the Group. In such case, the market price of the Shares could decline and you may lose all or part of your investment.*

*Any forward looking statements contained herein are made subject to the reservations specified under "Forward-Looking Statements" on page 11 of this document.*

***There is no certainty that the GoI will decide to sell its interests in HZL and BALCO and if it does so decide whether it will seek to sell its interests to the Group or to one or more third parties***

There is no certainty that the GoI will determine to sell its interests in HZL and/or BALCO. In addition, if the GoI determines to sell its interests, there is no certainty as to when the acquisitions may proceed and third party consents or regulatory dispensations may be required to be obtained prior to the Group acquiring all or any part of the GoI's interests. Therefore, there is no certainty that the Group will be able to acquire all or any part of the GoI's interests. Further, there is no certainty that the proposed HZL Acquisition and BALCO Acquisition will proceed on the terms referred to in this document and if there is any material change to the terms of the Transactions, further Shareholder approval would be required to be sought.

***If the Transactions proceed, the portion of the Group's operating profit contributed by HZL and BALCO would increase significantly and any interruption in either HZL or BALCO's operations could have a material adverse effect on the Group's businesses, operating results, financial condition and/or prospects***

If both of the Transactions are implemented and the Group acquires the entirety of the GoI's interests in HZL and BALCO, the Group will have a 94.4 per cent interest in HZL and a 100.0 per cent interest in BALCO. HZL and BALCO provided 23.8 per cent and 1.3 per cent respectively of the Group's EBITDA in fiscal 2013 and any interruption in HZL's or BALCO's operations could have a material adverse effect on the Group's businesses, operating results, financial condition and/or prospects.

***If the acquisition of the GoI's 29.5 per cent interest in HZL takes place the Group may be obliged to divest a portion of its shareholding in HZL or alternatively the Company may choose to seek to delist the HZL shares from the NSE and the BSE which could result in the Group suffering a loss on its investment***

If the HZL Acquisition takes place, the Group may be obliged to divest a portion of its shareholding in HZL within a period of one year (or such longer period as may be agreed with the Securities and Exchange Board of India) such that the minimum public shareholding requirement of 25 per cent imposed by the Securities and Exchange Board of India is complied with which could result in the Group suffering a loss on its investment. If the Company is unable to meet the free float requirement the Company may seek a time extension within which to sell down its interest. The Company may also seek to delist the HZL shares from the NSE and the BSE by making an offer to purchase the remaining shares at a price determined by way of a reverse book-build process.

***If planned expansions and new projects are delayed, this could have a material adverse effect on the Group's businesses, operating results, financial condition and/or prospects***

BALCO has a number of significant expansion plans for its existing operations and planned greenfield projects. The timing, implementation and cost of such expansions are subject to a number of risks, including the failure to obtain necessary leases, licences, permits, consents or approvals. Any delay in completing planned expansions may have a material adverse effect on BALCO's business, operating results, financial condition and/or prospects.

***A downgrade in Vedanta's credit ratings may adversely affect the Group***

Although it is not anticipated that, if the acquisitions proceed, it or they will be to the detriment of Vedanta's credit ratings, any future downgrade in Vedanta's credit ratings which may otherwise occur may adversely affect the Group's ability to access capital and would likely result in more stringent covenants and higher interest rates under the terms of any new indebtedness.

***The Group's stated reserves and resources are only estimates based on a range of assumptions and there can be no assurance that the estimates or grades will be achieved***

The Group's reserves and resources (including in relation to HZL and BALCO) described in this document constitute estimates and no assurance can be given that the estimates or grades will be achieved. There can be no assurance that on site drilling or other exploratory work will result in the affirmation of previous estimates or that production will proceed as contemplated by the Group. The estimated resources described in this document should not be interpreted as a statement of the commercial viability, potential or profitability of any future operations. Reserves data is not indicative of future operating results. If the Group's actual ore reserves and resources are less than current estimates or are rendered uneconomic, this could have a material adverse effect on the Group's businesses, operating results, financial condition and/or prospects.

***The Group's zinc business is substantially dependent upon HZL's Rampura Agucha lead-zinc mine and any interruption in the operations at this mine could have a material adverse effect on HZL's business, operating results, financial condition and/or prospects***

The Rampura Agucha lead-zinc mine, located in Gulabpura, District Bhilwara in the State of Rajasthan produced 85.4 per cent of the HZL's total mined metal in zinc and lead concentrate in fiscal 2013 and its zinc and lead metal content constituted 66.1 per cent of the Group's proved and probable ore reserves as at 31 March 2013. HZL provided 23.8 per cent of Group's operating profit in fiscal 2013. The Group's operating results have been and are expected to continue to be substantially dependent on the reserves and low cost of production of the Rampura Agucha mine and any interruption in the operations at that mine for any reason could have a material adverse effect on HZL's operating results, financial condition and/or prospects. If the HZL Acquisition completes, the Group's economic exposure to the impact of this risk occurring will increase proportionately.

***HZL and BALCO are involved in a number of litigation matters which could individually or in the aggregate have a material adverse effect on their businesses, operating results, financial condition and/or prospects***

HZL and BALCO are each involved in a number of legal and arbitration proceedings, certain of which the Group has not provided for. In the event that any of these or any other contingent liabilities materialise as a result of any such legal or arbitration proceedings being determined against HZL and/or BALCO, the Group's financial condition may be adversely affected. If the Transactions complete, the Group's economic exposure to the impact of this risk occurring will increase proportionately.

## **PART III**

### **PRESENTATION OF INFORMATION**

#### **1. Introduction**

The contents of this document should not be construed as legal, financial or tax advice. Shareholders should consult their own solicitor, financial adviser or tax adviser for legal, financial or tax advice.

Certain information in relation to the Company is incorporated by reference into this document. You should refer to Part X of this document for further details. Where the documents incorporated by reference themselves make reference to other documents, such other documents are not incorporated and do not form part of this document.

#### **2. Financial Information**

Financial information relating to the Group, HZL and BALCO as at 31 March 2013 and for the years ended 31 March 2011, 2012 and 2013, extracted without material adjustment from the consolidation schedules that underlie the Group's audited consolidated accounts for the relevant periods, is set out on pages 13 to 16 of this document, is presented in US dollars, has been prepared in accordance with IFRS as adopted by the European Union and has been audited in accordance with International Standards on Auditing (UK and Ireland).

#### **3. Information on Risk Factors**

The risk factors set out in Part II of this document are those material risk factors of which the Directors are aware. However, these should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties relating to the Transactions. Additional risks and uncertainties that are not at present known to the Directors, or that the Directors currently deem immaterial, may also have a material and adverse effect on the Group's business, financial condition and prospects.

#### **4. No Profit Forecast**

No statement in this document or incorporated by reference into this document is intended to constitute a profit forecast or profit estimate for any period, nor should any statement be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for any member of the Group as appropriate.

#### **5. Basis of Presentation of Reserves**

##### *Ore reserves and mineral resources*

The reported reserves are defined as being ore reserves as reported in accordance with the terms and definitions of the JORC Code. The reported ore reserves of each project are derived following a systematic evaluation of geological data and a series of technical and economic studies by the Group's geologists and engineers. The results and procedures used in the majority of these studies have been periodically reviewed by independent consultants.

The estimation of the quantity and quality of the mineral occurrence is defined in two stages. In the first stage, the location, quantity, grade, geological characteristics and continuity of mineral resources are interpreted and estimated from specific geological evidence and knowledge. The geological evidence is gathered from exploration, sampling and testing information through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories.

In the second stage, the ore reserve is defined. An ore reserve is the economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include

consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate that at the time of reporting that extraction could reasonably be justified. Ore reserves are sub-divided in order of increasing confidence into probable ore reserves and proved ore reserves.

The ore reserve estimates as at 31 March 2013 for the Group's mines have been estimated by management based on the last available independent reviews as depleted by internal production data in the intervening years.

In addition to the ore reserves, the Vedanta Group has identified further mineral deposits as either extensions of or additions to its existing operations that are subject to ongoing exploration and evaluation.

#### *Reserves and production*

In this document, unless expressly stated otherwise, references to reserves and production are to total reserves and total production, respectively. Total reserves and total production mean that part of the reserves from a mine and that part of the production at mines and operations, respectively, that subsidiaries of the Company have an interest in or rights to. The Company does not wholly-own certain of its subsidiaries and therefore total reserves and total production include reserves and production, respectively, attributable to third party interests in controlled subsidiaries. Rounding adjustments have been made in calculating some of the reserves and production information included in this document. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

There are numerous uncertainties inherent in estimating ore reserves and estimates of ore reserves are based on certain assumptions so changes in such assumptions could lead to reported ore reserves being restated.

### **6. Forward-Looking Statements**

Certain statements contained in this document, including those in Part II: "Risk Factors" constitute "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "prepares", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. Shareholders should specifically consider the factors identified in this document, which could cause actual results to differ, before making any decision whether to vote in favour of the Resolutions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Such risks, uncertainties and other factors include those set out more fully in Part II: "Risk Factors" and include, among others: general economic and business conditions, industry trends, competition, changes in government regulation, economic downturn and the Group's ability to implement expansion plans. These forward-looking statements speak only as at the date of this document. Except as required by the FCA, the Listing Rules, the Prospectus Rules, the Disclosure and Transparency Rules, the London Stock Exchange, applicable law or relevant regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. This statement does not seek to qualify the working capital statements given at paragraph 6 of Part VIII of this document.

### **7. Rounding**

Certain figures included in this document and in the information incorporated by reference into this document have been subject to rounding adjustments. Accordingly, discrepancies in tables between the totals and the sums of the relevant amounts is due to rounding.

8. **Time**

All references in this document to time are to London time unless stated.

9. **Exchange Rates**

References in this document to the US\$ amount(s) offered by the Group to the GoI have been converted from INR to US\$ by reference to the prevailing spot rate of exchange of INR52.7325 per US\$1 as at 9 January 2012, being the date upon which the offers were made.

10. **Definitions**

Capitalised terms used in this document have the meanings ascribed to them in Part IX of this document.

## PART IV

### Section A

#### FINANCIAL INFORMATION ON HZL

This Section A sets out summary financial information for HZL and has been extracted without material adjustment from the consolidation schedules that underlie the audited consolidated financial information of Vedanta for the periods referred to below.

The income statements for each of the years ending 31 March 2011, 2012 and 2013 have been prepared on a profit before interest and taxes basis as it is not possible to provide a meaningful allocation of interest-bearing debt and taxation charges given that these are allocated at a group level rather than a divisional level.

#### HZL BALANCE SHEET

<b>\$ million</b>	<b>As at 31 March 2013</b>
<b>ASSETS</b>	
<b>Non-current assets</b>	
Goodwill	-
Intangible assets	-
Property, plant and equipment	1,885.4
Financial asset investments	18.5
Other non-current assets	21.3
Other financial assets (derivatives)	-
Deferred tax assets	-
	<b>1,925.2</b>
<b>Current assets</b>	
Inventories	204.5
Trade and other receivables	144.5
Other current financial assets (derivatives)	0.7
Liquid investments	3,991.2
Cash and cash equivalents	53.7
Current tax assets	19.3
	<b>4,413.9</b>
<b>TOTAL ASSETS</b>	<b>6,339.1</b>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Short term borrowings	-
Trade and other payables	(189.2)
Other current financial liabilities (derivatives)	(0.5)
Retirement benefits	(4.6)
Provisions	-
Current tax liabilities	-
	<b>(194.3)</b>
<b>Net current assets</b>	<b>4,219.6</b>
<b>Non-current liabilities</b>	
Medium and long term borrowings	(0.1)
Convertible bonds	-
Trade and other payables	(5.9)
Other financial liabilities (derivatives)	-
Deferred tax liabilities	(27.4)
Retirement benefits	-
Provisions	(0.7)
Non equity non-controlling interests	-
	<b>(34.1)</b>

<b>\$ million</b>	<b>As at 31 March 2013</b>
<b>TOTAL LIABILITIES</b>	<b>(228.4)</b>
<b>NET ASSETS</b>	<b>6,110.7</b>
<b>EQUITY</b>	
Share capital	155.4
Share premium account	-
Share based payment reserves	-
Convertible bond reserve	-
Hedging reserves	2.0
Other reserves	1,683.9
Treasury shares	-
Retained earnings	4,269.4
<b>Equity attributable to equity holders of the parent</b>	<b>6,110.7</b>
Non-controlling interests	-
<b>TOTAL EQUITY</b>	<b>6,110.7</b>

#### HZL: INCOME STATEMENT

<b>\$ million</b>	<b>Year ended 31 March 2013</b>	<b>Year ended 31 March 2012</b>	<b>Year ended 31 March 2011</b>
<b>Continuing operations</b>			
Revenue	2,300.4	2,347.5	2,174.8
Cost of sales	(1,153.3)	(1,147.5)	(992.8)
<b>Gross profit</b>	<b>1,147.1</b>	<b>1,200.0</b>	<b>1,182.0</b>
Other operating income	28.3	29.8	27.4
Distribution costs	(31.6)	(26.6)	(37.68)
Administrative expenses	(75.3)	(62.9)	(50.23)
Special items	(3.2)	-9.0	(4.643)
<b>Operating profit</b>	<b>1,065.3</b>	<b>1,131.3</b>	<b>1,117</b>

## Section B

### FINANCIAL INFORMATION ON BALCO

This Section B sets out summary financial information for BALCO and has been extracted without material adjustment from the consolidation schedules that underlie the audited consolidated financial information of Vedanta for the periods referred to below.

The income statements for each of the years ending 31 March 2011, 2012 and 2013 have been prepared on a profit before interest and taxes basis as it is not possible to provide a meaningful allocation of interest-bearing debt and taxation charges given that these are allocated at a group level rather than a divisional level.

#### BALCO BALANCE SHEET

<b>\$ million</b>	<b>As at 31 March 2013</b>
<b>ASSETS</b>	
<b>Non-current assets</b>	
Goodwill	-
Intangible assets	-
Property, plant and equipment	1,943.7
Financial asset investments	-
Other non-current assets	8.2
Other financial assets (derivatives)	-
Deferred tax assets	-
	<b>1,951.9</b>
<b>Current assets</b>	
Inventories	100.0
Trade and other receivables	79.9
Other current financial assets (derivatives)	5.2
Liquid investments	-
Cash and cash equivalents	0.1
Current tax assets	1.2
	<b>186.4</b>
<b>TOTAL ASSETS</b>	<b>2,138.3</b>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Short term borrowings	(222.6)
Trade and other payables	(324.4)
Other current financial liabilities (derivatives)	(3.0)
Retirement benefits	-
Provisions	(12.2)
Current tax liabilities	-
	<b>(562.2)</b>
<b>Net current assets</b>	<b>(375.8)</b>
<b>Non-current liabilities</b>	
Medium and long term borrowings	(464.7)
Convertible bonds	-
Trade and other payables	(57.1)
Other financial liabilities (derivatives)	-
Deferred tax liabilities	(95.2)
Retirement benefits	(23.2)
Provisions	-
Non equity non-controlling interests	-
	<b>(640.2)</b>
<b>TOTAL LIABILITIES</b>	<b>(1,202.4)</b>
<b>NET ASSETS</b>	<b>935.9</b>

<b>\$ million</b>	<b>As at 31 March 2013</b>
<b>EQUITY</b>	
Share capital	40.6
Share premium account	-
Share based payment reserves	-
Convertible bond reserve	-
Hedging reserves	1.8
Other reserves	157.2
Treasury shares	-
Retained earnings	736.3
<b>Equity attributable to equity holders of the parent</b>	<b>935.9</b>
Non-controlling interests	-
<b>TOTAL EQUITY</b>	<b>935.9</b>

#### BALCO: INCOME STATEMENT

<b>\$ million</b>	<b>Year ended 31 March 2013</b>	<b>Year ended 31 March 2012</b>	<b>Year ended 31 March 2011</b>
<b>Continuing operations</b>			
Revenue	712.1	778.1	794.2
Cost of sales	(647.0)	(662.5)	(617.6)
<b>Gross profit</b>	<b>65.1</b>	<b>115.6</b>	<b>176.6</b>
Other operating income	6.4	8.5	13.8
Distribution costs	(17.2)	(23.0)	(7.3)
Administrative expenses	(36.9)	(38.3)	(46.5)
Special items	-	(1.3)	(7.8)
<b>Operating profit</b>	<b>17.4</b>	<b>61.5</b>	<b>128.8</b>

## PART V

### UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

#### Pro forma financial information

The unaudited pro forma statement of net assets of the Group set out below has been prepared on the basis discussed below, to illustrate the effect of the HZL Acquisition and BALCO Acquisition as if the Transactions had occurred as at 31 March 2013. The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position or results.

#### Basis of preparation

The pro forma statement of net assets is based on the net assets of the Vedanta Group as at 31 March 2013, which have been extracted without material adjustment from its audited balance sheet as at 31 March 2013. The pro forma financial information has been prepared on the basis set out in the notes below in accordance with Annex II to the PD Regulation.

#### Pro Forma Statement of Net Assets of the Group

Description	Vedanta Group as at 31 March 2013 (Note 1)	Adjustment in respect of HZL Acquisition and BALCO Acquisition (Note 2)	Pro forma as at 31 March 2013 (Note 3)
		(US\$ million)	
Goodwill.....	16.6		16.6
Property Plant and Equipment .....	33,120.6		33,120.6
Financial Asset Investments .....	2.4		2.4
Other Non-Current Assets .....	113.4		113.4
Other Financial Asset (Derivatives) .....	-		-
Deferred Tax Asset.....	847.1		847.1
<b>Total Non-Current Assets .....</b>	<b>34,100.1</b>		<b>34,100.1</b>
Inventories.....	1,966.1		1,966.1
Trade and Other Receivables.....	1,706.0		1,706.0
Financial Asset Investments	18.2		18.2
Other Current Financial Asset (Derivatives) ..	31.1		31.1
Cash and Cash Equivalents .....	2,200.2		2,200.2
Liquid Investments .....	5,781.5	(3,482)	2,299.5
Current Tax Assets .....	147.0		147.0
<b>Total Current Assets .....</b>	<b>11,850.1</b>	<b>(3,482)</b>	<b>8,368.1</b>
<b>Total Assets .....</b>	<b>45,950.2</b>	<b>(3,482)</b>	<b>42,468.2</b>
Short Term Borrowings.....	(3,705.7)		(3,705.7)
Trade and Other Payables Current.....	(4,563.7)		(4,563.7)
Other Current Financial Liabilities (Derivatives)	(44.5)		(44.5)
Current Tax Liabilities	(125.3)		(125.3)
Provisions Current.....	(68.4)		(68.4)
Retirement Benefit	(8.3)		(8.3)
Convertible Bond .....	(694.4)		(694.4)
<b>Current Liabilities .....</b>	<b>(9,210.3)</b>		<b>(9,210.3)</b>
<b>Net Current Assets .....</b>	<b>2,639.8</b>	<b>(3,482)</b>	<b>(842.2)</b>
Medium and Long Term Borrowing.....	(10,452.6)		(10,452.6)
Convertible Loan Notes.....	(1,740.1)		(1,740.1)
Trade and Other Payables Non-Current.....	(232.2)		(232.2)
Other Financial Liabilities (Derivatives) .....	(28.0)		(28.0)

Deferred Tax Liabilities .....	(4,992.7)		(4,992.7)
Provisions Non Current .....	(362.6)		(362.6)
Retirement Benefits .....	(58.4)		(58.4)
Non equity Minority Interest .....	(11.9)		(11.9)
<b>Non-Current Liabilities.....</b>	<b>(17,878.5)</b>		<b>(17,878.5)</b>
<b>Total Liabilities.....</b>	<b>27,088.8</b>		<b>27,088.8</b>
<b>Net Assets .....</b>	<b>18,861.4</b>	<b>(3,482)</b>	<b>15,379.4</b>

**Notes to Unaudited Pro Forma Statement of Net Assets:**

1. The financial information has been extracted, without material adjustment, from the results of the Group for the year ended 31 March 2013.
2. The adjustment represents the maximum outflow of liquid investments to the GoI in respect of the acquisition of all or any part of the GoI's 29.5 per cent interest in HZL and the acquisition of all or any part of the GoI's 49.0 per cent interest in BALCO for a total consideration of up to a maximum of US\$3,482 million (using the spot rate of exchange as at the latest practicable date prior to the date of this document of INR62.1383 per US\$1). As no acquisition prices have been agreed, the amount included is the US\$ equivalent of the INR maximum amount which the Group will, pursuant to the Shareholder approval being sought, be authorised to pay for all or any part of the interests in HZL and BALCO.
3. The pro forma financial statement of net assets does not reflect any trading or other transactions undertaken by the Group since 31 March 2013, nor of any other event.

## REPORT ON PRO FORMA FINANCIAL INFORMATION

Deloitte LLP  
2 New Street Square  
London  
EC4A 3BZ  
United Kingdom

The Board of Directors  
on behalf of Vedanta Resources plc  
16 Berkeley Street  
London  
United Kingdom  
W1J 8DZ

J.P. Morgan Limited  
25 Bank Street  
London  
E14 5JP

14 October 2013

Dear Sirs,

### **Vedanta Resources plc (the "Company")**

We report on the pro forma financial information (the "**Pro forma financial information**") set out in Part V of the Class 1 and related party circular dated 14 October 2013 (the "**Circular**"), which has been prepared on the basis described in Part V of the Circular, for illustrative purposes only, to provide information about how the HZL Acquisition and the BALCO Acquisition might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 31 March 2013. This report is required by Annex I item 20.2 of Commission Regulation (EC) No 809/2004 (the "**Prospectus Directive Regulation**") as applied by Listing Rule 13.3.3R and is given for the purpose of complying with that requirement and for no other purpose.

### **Responsibilities**

It is the responsibility of the directors of the Company (the "**Directors**") to prepare the Pro forma financial information in accordance with Annex I item 20.2 and Annex II items 1 to 6 of the Prospectus Directive Regulation as applied by Listing Rule 13.3.3R.

It is our responsibility to form an opinion, in accordance with Annex I item 20.2 of the Prospectus Directive Regulation, as to the proper compilation of the Pro forma financial information and to report that opinion to you in accordance with Annex II item 7 of the Prospectus Directive Regulation as applied by Listing Rule 13.3.3R.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to Shareholders as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R (6), consenting to its inclusion in the Circular.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

## **Basis of Opinion**

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

## **Opinion**

In our opinion:

- (a) the Pro forma financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Yours faithfully

Deloitte LLP  
Chartered Accountants

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**Member of Deloitte Touche Tohmatsu Limited**

## PART VI

### DESCRIPTION OF THE TRANSACTIONS

#### Introduction

At a general meeting of Shareholders held on 28 August 2012 approval was obtained from Shareholders for the Group to acquire the entirety of the GoI's interest in HZL for an aggregate INR consideration not exceeding US\$3,379 million and in BALCO for an aggregate INR consideration not exceeding US\$550 million. The resolutions passed provided that the acquisition(s) must have been completed by 9 August 2013. As a consequence of neither acquisition having completed by 9 August 2013 and in order to provide the Company with the flexibility to pursue the acquisition of all or any part of the GoI's interests in HZL and BALCO should the GoI determine to sell its interests, the Board is convening the General Meeting, notice of which is set out at the end of this document, for the purposes of seeking renewed Shareholder approval for such acquisitions. The Board considers that the Resolutions are in the best interests of the Company and Shareholders and recommends that Shareholders vote in favour of the Resolutions as the Directors intend to do in respect of their own Shares.

The HZL Acquisition and the BALCO Acquisition are independent of each other and are not inter conditional and therefore, subject to the receipt of Shareholder approval and any other consents required to implement the Transactions, the Group may proceed with an acquisition of the GoI's interests in HZL or, as the case may be, BALCO without the other being pursued.

#### The Transactions

The GoI has not, to date, accepted the offers made by the Company on 9 January 2012 to acquire the GoI's interests in HZL and BALCO of 29.5 per cent and 49.0 per cent respectively for consideration of US\$2,938 million and US\$338 million respectively. The Company has, by way of letters dated 10 April 2012 and 6 July 2012, sought to engage with the GoI on the same terms as the offers but is yet to receive any formal response from the GoI. If the GoI determines to sell its interests in HZL and BALCO whether by way of an auction of its interests or by way of private sale to one or more third parties, it is anticipated that the GoI would not provide any representations or warranties to the Company in relation to HZL and BALCO or their respective businesses, that there would be no price adjustment mechanism following completion of the acquisitions, that the Company would be obliged to pay the cash consideration in full on completion of the acquisitions in INR and that there would be no other substantive terms of the acquisitions. If there is any material change to the terms of the acquisitions from those described in this Part VI, further Shareholder approval would be required to be sought.

As the Company has not agreed the terms of acquisition of any shares in HZL or BALCO, the Company is seeking approval from Shareholders for the Group to be able to acquire all or any part of the GoI's interests in HZL and BALCO on the basis that (a) the aggregate INR consideration that the Group will be authorised to pay in respect of the GoI's 29.5 per cent interest in HZL shall, taken together with the consideration, if any, paid in respect of the BALCO Acquisition, not exceed the INR equivalent of US\$3,482 million (using the spot rate of exchange as at the latest practicable date prior to the date of this document of INR62.1383 per US\$1) reduced proportionately if less than the entirety of the GoI's interest in HZL is acquired and (b) the aggregate INR consideration that the Group will be authorised to pay in respect of the GoI's 49.0 per cent interest in BALCO shall not exceed the INR equivalent of US\$487 million (using the spot rate of exchange as at the latest practicable date prior to the date of this document of INR62.1383 per US\$1) reduced proportionately if less than the entirety of the GoI's interest in BALCO is acquired provided that the aggregate INR consideration paid in respect of the Transactions shall not exceed the INR equivalent of US\$3,482 million (using the spot rate of exchange as at the latest practicable date prior to the date of the Circular of INR62.1383 per US\$1).

If the aggregate INR consideration for the respective interests in HZL and BALCO were to exceed the amounts described above or if there is any material change to any other terms of the acquisitions from those described in this Part VI, further Shareholder approval would be required to be sought prior to the Group proceeding with the acquisitions.

Of the shares held by the GoI in HZL and BALCO, the GoI has an option to transfer up to 3.5 per cent of HZL's share capital to employees of HZL and up to 5.0 per cent of BALCO's share capital to employees of BALCO.

There is no certainty that the GoI will determine to sell its interests in HZL and/or BALCO. In addition, if the GoI determines to sell its interests, there is no certainty as to when the acquisitions may proceed and third party consents or regulatory dispensations may be required to be obtained prior to the Group acquiring all or any part of the GoI's interests. Therefore, there is no certainty that the Group will be able to acquire all or any part of the GoI's interests. The Company will only proceed with the acquisition of an interest in HZL and/or BALCO if, at the relevant time, any such requisite third party consent or dispensation has been obtained, there has been no material adverse change in the financial position, business or prospects of the Group or HZL or BALCO (as the case may be) and in the opinion of the Board (including a majority of the independent non executive directors) it remains in the best interests of the Company and Shareholders as a whole to proceed with the acquisitions and the terms of the acquisitions remain fair and reasonable so far as Shareholders are concerned. In addition, if the acquisitions do not complete on or before 14 October 2014, further Shareholder approval would be required to be sought.

As the GoI holds substantial equity interests in HZL and BALCO, the Transactions (including the associated settlement of litigation with the GoI relating to the contested exercise of call options) would constitute related party transactions requiring Shareholder approval for the purposes of the Listing Rules. To the best of the knowledge and belief of the Company, neither the GoI nor any of its associates hold(s) any shares in the Company such that it and they will not be entitled to vote on the Resolutions.

The Group had call options to acquire the GoI's remaining interests in both HZL and BALCO at fair market value subject to the Employee Option Rights. The Group exercised the call options on 21 July 2009 (HZL) and 19 March 2004 (BALCO) and, under the relevant contractual documentation, the sale and purchase of the GoI's interests ought to have been completed 60 days after the date of exercise of the options at a price equal to fair market value of the shares as determined by an independent appraiser. However, the GoI contested the exercise of the call options and the purchases have not been completed. The dispute in relation to the purported exercise of the HZL option has been referred to arbitration proceedings which are at an early stage and the next hearing date has been set for 13 November 2013. In relation to the BALCO option, arbitration proceedings concluded and a majority award held that the provisions in the shareholders' agreement relating to the call option and its exercise violated Indian law. Subsequently, an application has been made by the Group to the High Court of Delhi to set aside the arbitration award which is currently listed to be heard later this month.

If the Company succeeds in the proceedings it is uncertain whether the Company would be obliged to pay the GoI an amount equal to the fair market value of the interests determined as at July 2009 or March 2004 (as applicable) or alternatively fair market value as at the date of acquisition of each interest. The GoI contend that fair market value of the interests should be assessed as at the date of acquisition of each interest. However, it is at least arguable that the valuation should be determined as at the date of exercise of the options in July 2009 and March 2004 (as applicable). As at 20 July 2009 the market value of the GoI's 29.5 per cent interest in HZL was US\$1,738 million (using the prevailing spot rate of exchange at the time). As at 10 October 2013 (being the latest practicable date prior to the publication of this document and using the spot rate of exchange as at that date) the market value of the GoI's 29.5 per cent interest in HZL was US\$2,615 million. As at 31 March 2004, the GoI's 49.0 per cent interest in BALCO was assessed by an independent adviser, jointly instructed by the Company and the GoI, and was valued at US\$193 million (using the prevailing spot rate of exchange at the time). The latest independent valuation, as at 31 March 2007, valued the GoI's 49.0 per cent interest in BALCO at US\$286 million (using the prevailing spot rate of exchange at the time).

The Company believes that it will be a condition of the Group acquiring all or any of the GoI's interests in HZL and/or BALCO that the Group withdraws the ongoing litigation in relation to the contested exercise of the call options. The Company therefore believes that there may be benefit to the GoI in the Group acquiring all or part of the GoI's interests in HZL and/or BALCO and subsequently withdrawing the litigation. Whilst it is difficult to quantify with any certainty the value of the benefit passing to the GoI in these circumstances, the value of the benefit passing may equate to approximately US\$1,744 million in respect of HZL, being the difference between the market value of the interest in HZL on 20 July 2009 and the US\$ equivalent of the maximum INR

consideration payable in respect of the interest in HZL and approximately US\$294 million in respect of BALCO, being the difference between the value of the interest in BALCO on 31 March 2004 and the US\$ equivalent of the maximum INR consideration payable in respect of the interest in BALCO. However, other factors will also be relevant in any such analysis, including the probability of success of the litigation and the likely timeframe and costs associated with such litigation.

If the HZL Acquisition takes place, in order to retain the listing of HZL's shares on each of the BSE and the NSE, the Group may be obliged to divest approximately 19.4 per cent of its shareholding in HZL (assuming that the Group acquires the entirety of the GoI's interest in HZL (29.5 per cent)) within 12 months in order to satisfy the minimum public shareholding requirement of 25 per cent imposed by SEBI. If the Company is unable to meet the free float requirement within the 12 month period the Company may seek a time extension within which to sell down its interest. The Company may also seek to delist the HZL shares from the BSE and the NSE by making an offer to purchase the remaining shares at a price determined by way of a reverse book-build process.

## PART VII

### RESERVES AND RESOURCES INFORMATION

#### 1. Introduction

The following information, setting out the expected period of working of the oil and gas reserves, ore reserves and mineral resources of HZL and BALCO, is provided in compliance with section 132 of the Committee of European Securities Regulators' recommendations for the consistent implementation of the Prospectus Directive Regulation, as updated by the European Securities and Markets Authority on 23 March 2011, 20 March 2013 and 22 March 2013 (the "**ESMA Recommendations**").

There are numerous uncertainties inherent in estimating ore reserves, and estimates of ore reserves are based on certain assumptions so changes in such assumptions could lead to reported ore reserves being restated. Please see the risk factor headed "The Group's stated reserves and resources are only estimates based on a range of assumptions and there can be no assurance that the estimates or grades will be achieved" in Part II of this document.

#### 2. Mineral Resources and Ore Reserves Data

Except where otherwise indicated, the mineral resources data in the following tables is stated as at 31 March 2013 and includes measured, indicated and inferred mineral resources separately quoted. The ore reserves and mineral resources data set out below are estimated on the basis set out in paragraph 5 of Part III of this document and as set out below. Mineral resources are reported exclusive of those mineral resources modified to ore reserves.

##### 2.1 Aluminium

###### Bharat Aluminium Company Ltd

	Measured Mineral Resources		Indicated Mineral Resources		Inferred Mineral Resources		Total Measured, Indicated and Inferred Mineral Resources	
	Aluminium		Aluminium		Aluminium		Aluminium	
	Quantity	Grade	Quantity	Grade	Quantity	Grade	Quantity	Grade
	(million tonnes)	(per cent)	(million tonnes)	(per cent)	(million tonnes)	(per cent)	(million tonnes)	(per cent)
Mainpat .....	-	-	5.2	48.9	0.3	49.0	5.5	48.9
Bodai-Daldali .....	-	-	5.6	46.8	0.6	48.0	6.2	46.9
<b>Total .....</b>	<b>-</b>	<b>-</b>	<b>10.8</b>	<b>47.8</b>	<b>0.9</b>	<b>48.3</b>	<b>11.7</b>	<b>47.8</b>

##### 2.2 Zinc and Lead

###### Hindustan Zinc

	Measured Mineral Resources			Indicated Mineral Resources			Inferred Mineral Resources			Total Measured, Indicated and Inferred Mineral Resources		
	Quantity	Zinc Grade	Lead Grade	Quantity	Zinc Grade	Lead Grade	Quantity	Zinc Grade	Lead Grade	Quantity	Zinc Grade	Lead Grade
	(million tonnes)	(per cent)	(per cent)	(million tonnes)	(per cent)	(per cent)	(million tonnes)	(per cent)	(per cent)	(million tonnes)	(per cent)	(per cent)
Rampura Agucha.....	0.7	17.4	1.9	16.6	14.9	2.0	28.8	11.3	2.0	46.1	12.7	2.0
Rajpura Dariba .....	5.2	7.8	2.2	6.2	6.6	2.5	29.2	7.6	2.0	40.6	7.5	2.1
Zawar .....	2.1	4.7	2.1	22.1	5.0	1.8	42.7	4.8	2.6	66.9	4.9	2.3
Kayar.....	-	-	-	5.2	10.4	1.6	0.7	6.6	1.1	5.9	9.9	1.5
Sindesar Khurd.....	4.4	5.7	2.9	6.5	4.7	2.2	52.7	4.3	3.1	63.6	4.4	3.0
Bannia Kalan.....	-	-	-	5.4	4.5	1.6	10.2	3.9	1.7	15.6	4.1	1.7
<b>Total .....</b>	<b>12.4</b>	<b>7.1</b>	<b>2.4</b>	<b>62.0</b>	<b>8.2</b>	<b>1.9</b>	<b>164.3</b>	<b>6.3</b>	<b>2.5</b>	<b>238.7</b>	<b>6.8</b>	<b>2.3</b>

### 3. Project Life Data: Minerals

The ore reserve data in the following table is stated as at 31 March 2013.

The expected period of working life of the ore reserves indicates the period over which they are currently anticipated to be mined based on currently anticipated production levels. Most operations also have significant mineral resources, some of which, it is anticipated, may convert to ore reserves after further technical and economic evaluation, and upgrading of classification through further exploration, thus extending the operational life. However, there is a risk that these mineral resources will not be converted to ore reserves and these mineral resources are not included in the mine life data in the table below.

As at 31 March 2013.	Total ore reserves <sup>(1)</sup> (million tonnes)	Vedanta Group economic interest ( per cent)	Expected period of working of ore reserves (years, approximate)
<b>BAUXITE</b>			
<b>Reserves at operating mines</b>			
Mainpat (BALCO) .....	3.1	29.59	5.6
Bodai-Daldali (BALCO) .....	3.1	29.59	6.1
<b>ZINC AND LEAD</b>		37.67	10.1
<b>Reserves at operating mines</b>		37.67	19.1
Rampura Agucha (HZL) .....	62.7	37.67	31.2
Rajpura Dariba (HZL) .....	10.6	37.67	5.4
Zawar (HZL) .....	9.5	37.67	13.5
Kayar (HZL) .....	5.4	37.67	5.4
Sindesar Khurd (HZL) .....	21.4	37.67	13.5

#### Notes

1. Includes proved and probable reserves.
2. If the HZL Acquisition is implemented and the Group acquires the entirety of the GoI's interest in HZL (29.5 per cent) Vedanta's economic interest in the Hindustan Zinc operating mines would increase to 55 per cent. If the Group is obliged to reduce its interest in HZL to 75 per cent in order to comply with the minimum public shareholding requirement as described in Part VI of this document, Vedanta's economic interest in HZL would be 43.7 per cent.

### 4. Licences, exploration and extraction and exceptional factors

#### 4.1 Aluminium - Bharat Aluminium Company Ltd

##### (i) Background

BALCO's operations include two bauxite mines, two captive power plants and refining, smelting and fabrication facilities in central India. BALCO's operations benefit from relatively cost effective access to power, the most significant cost component in aluminium smelting due to the power intensive nature of the process. This is, to a considerable extent, as a result of BALCO being an energy-integrated aluminium producer. BALCO received a coal block allocation of 211 million tonnes for use in its captive power plants in November 2007. BALCO is constructing a 1,200 MW coal-based thermal power facility in the State of Chhattisgarh, which is currently under construction and awaiting final stage regulatory approvals for its first two 300 MW units. BALCO's annual production as of 31 March 2013 was 246,989 tonnes.

##### (ii) Mines

##### *Chhattisgarh*

BALCO has two captive bauxite mines, namely the Mainpat bauxite mines and the Bodai-Daldali bauxite mines, located in the State of Chhattisgarh in central India. Mainpat is an open-pit bauxite mine located approximately 210 km from the Korba facility in the Surguja district of the State of Chhattisgarh. The Mainpat mine has been in production since 1993 and has a leasehold area of 6.39 square km. The Mainpat mining lease is valid up to 8 July 2012 and is renewable. BALCO has applied for renewal of the mining lease for a further period of 10 years from 9 July 2012 and is currently

operating under deemed renewal as the renewal is in process. The bauxite extraction limit for the mine as granted by MoEF is 750,000 tpa. BALCO had also applied to the MoEF for renewal of environmental clearance for the Mainpat mine in November 2011 and July 2012. The Bodai-Daldali deposits are located approximately 260 km from Korba in the Kawardhha district of the State of Chhattisgarh. Bodai-Daldali was commissioned in 2004 by BALCO with a lease hold area of 6.3 square km. The mining lease is valid until 26 March 2017 and is renewable. The bauxite extraction limit for the Bodai-Daldali mine approved by the IBM is 1,250,000 tpa.

Since commencing operations, the Mainpat mine has produced approximately 7.4 million tonnes of bauxite to 31 March 2013, with production in fiscal 2013 amounting to 230,137 tonnes at 43.9 per cent aluminium oxide and was therefore less than the bauxite extraction limit for the mine fixed by the IBM. The potential consequences of this deviation include cancellation of the associated mining lease and a restriction from removing the mined ore from the mining site. Power and water requirements at Mainpat are minimal and can be supplied by small on-site diesel generators and from boreholes in the mine.

BALCO estimates that the remaining life of the Bodai-Daldali mine is three years from 31 March 2013.

(iii) **Projects and developments**

*Korba aluminium smelter*

BALCO is constructing a new 325,000 tpa aluminium smelter and an associated 1,200 MW captive power plant at a cost of US\$1,872.0 million. As of 31 March 2013, at the new aluminium smelter, mechanical and electrical completion and precommissioning of the rectifier, potline and related utilities for the first phase of 84 pots out of the total 336 pots have been completed. Further work is in progress, and BALCO plans to tap first metal in the second quarter of fiscal 2014. The smelter plans to initially draw power from the existing 810 MW power plants at BALCO. Additionally, BALCO is currently constructing a 1,200 MW captive power plant which is awaiting final stage regulatory approvals for its first two 300 MW units. As of 31 March 2013, BALCO had spent US\$1,596 million on the new Korba smelter and the associated captive power plant.

*BALCO coal block*

Having obtained the Stage-II Forest Clearance for the 211 mt coal block at BALCO, the process for diversion of forest land has been initiated by the State Government. BALCO is in the process of signing a mining lease agreement and expects to commence mining by the end of the second quarter of fiscal 2014.

4.2 *Zinc and Lead - Hindustan Zinc*

(i) **Background**

HZL's business includes five lead-zinc mines, one rock phosphate mine, four hydrometallurgical zinc smelters, two lead smelters, one lead-zinc smelter, four sulphuric acid plants, one silver refinery in the State of Rajasthan in northwest India, six captive power plants in northwest India, and processing and refining facilities for zinc at Haridwar and for zinc, lead and silver at Pantnagar, both in the state of Uttarakhand in northern India. HZL's mines supply almost all of its concentrate requirements and allow HZL to also export surplus zinc and lead concentrates.

HZL pays royalties to the State Government of Rajasthan based on its extraction of lead-zinc ore in Rajasthan, where all of HZL's mines are located. The royalties payable by HZL are subject to change. With effect from 13 August 2009, the royalty rate increased from 6.6 per cent to 8.4 per cent of the LME zinc metal price payable on the zinc metal contained in the concentrate produced and from 5.0 per cent to 12.7 per cent of the LME lead metal price payable on the lead metal contained in the

concentrate produced. For silver, HZL pays royalties at a rate of 7 per cent of the silver LME price chargeable on silver-metal produced. Vedanta also pays royalties in connection with its zinc operations in Namibia, Ireland and South Africa.

(ii) **Mines**

*Rampura Agucha*

The Rampura Agucha lead-zinc mine is located in Gulabpura, District Bhilwara in the State of Rajasthan, northwestern India. It can be accessed by paved road from the major centres of Udaipur, approximately 225 km to the south, and Jaipur, the capital of the State of Rajasthan, which lies approximately 200 km to the north. The nearest railway to the mine lies approximately ten km to the west. This railway provides access to Jaipur in the north and Chittorgarh in the south where the Chanderiya lead-zinc smelting facility is located.

The 12 square km mining lease was granted by the State Government of Rajasthan and will run until March 2020. Mining leases are governed in accordance with the Mineral Concession Rules 1960 and the Mineral Conservation and Development Rules, 1988. HZL has also obtained consents under various environmental laws to operate the mine. A reconnaissance permit was granted and executed on 25 February 2010, and the reconnaissance work covering an area of 408.65 square km was completed in February 2013. Three applications for prospecting licences covering an area of 57.24 square km have been submitted for exploratory work covering an area north of Rampura Agucha mine. HZL commenced production at the Rampura Agucha mine in 1991. Since then and up to 31 March 2013, approximately 59.3 million tonnes of ore, with an ore grade of 12.7 per cent zinc and 1.9 per cent lead, respectively, have been extracted from the open-pit mine.

At Rampura Agucha, as of 31 March 2013, a total of 227 holes (approximately 105,966 metres) have been drilled since 2004 which has resulted in significant resource addition in depth. Following open-pit reoptimisation and underground mine feasibility studies completed during 2009 and 2010, a significant part of resources was upgraded to reserves. As of 31 March 2013, the estimated reserves were 62.7 million tonnes with an average grade of 13.6 per cent zinc and 1.8 per cent lead after depletion. The drill spacing for the definition of proved reserves was approximately 50 metres by 50 metres while for probable reserves was 100 metres by 100 metres in the open-pit.

In fiscal 2013, 6.2 million tonnes of ore at 12.3 per cent zinc and 1.8 per cent lead were mined from Rampura Agucha, which produced 1,334.4 million tonnes of zinc concentrate at 50.8 per cent zinc and 110,441 tonnes of lead concentrate at 59.4 per cent lead. Approximately 80.87 tonnes of waste were removed giving a strip ratio of 12.79 tonnes of waste per tonne of ore mined. The expansion of the mine from 5 mtpa to 6.15 mtpa was completed in 2010 and has resulted in a significant increase in the strip ratio as there was dimensional change in the pit with the ultimate depth of the mine increasing to 372 metres. Rampura Agucha mine has initiated a number of steps to optimise the strip ratio. During fiscal 2013, Approximately 89.4 per cent of the zinc was recovered from the zinc concentrate, while 57.6 per cent of the lead and 64.2 per cent of the silver was recovered from the metal contained in the ore mined.

Power is mainly supplied from a 234 MW captive power plants at Chanderiya, a 160 MW captive power plant at Dariba and a 80 MW captive power plant at Zawar with two backup 5 MW generators on-site. Water to the site is pumped 57 km from radial wells in the Banas River. A water extraction permit has been granted, which provides sufficient water for a production rate of approximately 6 mtpa. As HZL's plan for its mines is implemented, both the open-pit and underground mines will run together to deliver the capacity of 6.15 million tonnes of ore. The plan contemplates that, starting in fiscal 2018, only the underground mine will be operational. HZL estimates the remaining mine life at Rampura Agucha based on Ore Reserves and Mineral Resources as of 31 March 2013, and current production to be over 17 years. In 2004, HZL commissioned the first exploration programme since the mine opened and since then has increased the Ore Reserves at Rampura Agucha by approximately 77.0 per cent after depletion. HZL also believes that additional mineralisation exists in an extension in

the depth and breadth of the established resource boundary and exploration drillings and is continuing to evaluate the potential of this deeper mineralisation.

In fiscal 2013, 114,435 dmt of zinc concentrate at a grade of 51.1 per cent was sold to third parties from the Rampura Agucha mine. The revenue realised from zinc concentrate sales was INR4,375.0 million (US\$80.4 million). In fiscal 2013, no dmt lead concentrate was sold to third parties from the Rampura Agucha mine.

#### *Rajpura Dariba*

Rajpura Dariba is a medium-sized underground lead-zinc mine and processing facility located approximately 75 km by paved road northeast of Udaipur in the Rajsamand district of Rajasthan in northwest India. Roads to Chittorgarh and Udaipur are used to transport concentrates to the HZL smelters at Chanderiya and Debari.

HZL's Rajpura Dariba mine permit is valid until May 2030.

In fiscal 2013, 554,354 tonnes of ore at a grade of 5.4 per cent zinc and 1.3 per cent lead ore was mined which produced 39,860 tonnes of zinc concentrate at 50.3 per cent zinc, 9,164 tonnes of lead concentrate at 42.7 per cent lead and 2,201 grams per tonne silver, and 13,623 tonnes of bulk concentrate at 37.6 per cent zinc and 8.7 per cent lead with 83.5 per cent of the zinc being recovered in the zinc concentrate and 70.1 per cent of the lead and 75.9 per cent of the silver being recovered in the lead concentrate.

Power for the mine is supplied largely from HZL's 160 MW captive power plant at Dariba and through a contract with Ajmer Vidut Vitran Nigam Limited, a state-owned entity. Water is sourced via a 22-km long pipeline from the Matri Kundia Dam on the seasonal Banas River as well as from underground. Water supply has been erratic in the past requiring supplemental supplies to be delivered by truck. HZL estimates the remaining mine life at Rajpura Dariba based on Ore Reserves and Mineral Resources as of 31 March 2013 at current production to be over 30 years.

In fiscal 2013, 5,135 dmt of zinc concentrate at a grade of 50.2 per cent was sold to third parties from the Rajpura Dariba mines. The revenue realised from zinc concentrate sales was INR170.0 million (US\$3.1 million). In fiscal 2013, no lead concentrate was sold to third parties from the Rajpura Dariba mines.

#### *Sindesar Khurd*

The Sindesar Khurd underground mine deposit that was explored from 1992 to 1995. Mine production at Sindesar Khurd began in April 2006 and HZL's mining permit is valid until 2029.

The Ore Reserves for the Sindesar Khurd mine as of 31 March 2013 consist of 21.4 million tonnes at 4.5 per cent zinc and 2.5 per cent lead and 146 g/t silver. The Sindesar Khurd mine also produces a substantial amount of silver from its recently ramped up operations in line with HZL's plan for its mines. The ore grade of silver Mineral Resources increased from 103 g/t in fiscal 2012 to 121 g/t in fiscal 2013.

Exploration at Sindesar Khurd has been ongoing since March 2005 with a drilling programme aimed at increasing the size of the resource. The gross book value of the Sindesar Khurd mine's fixed assets was approximately INR8,470.0 million (US\$155.7 million) as of 31 March 2013.

#### *Zawar Group*

Zawar Group consists of four separate mines, namely, Baroi, Zawar Mala, Mochia and Balaria. The deposit is located approximately 45 km south of the city of Udaipur in the State of Rajasthan, India. Ahmedabad, the capital of the State of Gujarat is located about 215 km to the south. The deposits lie

within a 36.2 square km mining lease granted by the State Government of Rajasthan, India, which expired on 29 March 2010. HZL has applied for the renewal of its lease to the Government of Rajasthan on 25 November 2008. The mines are currently operating under deemed renewal. As of January 2013, mining activities at Mochia, Zawar Mala, Balaria and Baroi mines have resumed, pursuant to in-principle approval from MoEF for forest diversion received on 24 January 2013. The mine plan for enhanced quantity was approved by the IBM on 21 August 2009 and subsequently amended with a modified mining plan and progressive mine closure plan on 4 October 2012.

In fiscal 2013, approximately 304,680 tonnes of ore at 3.8 per cent zinc and 1.1 per cent lead was mined which produced 21,745 tonnes of bulk concentrate at 44.1 per cent zinc and 12.1 per cent lead. The recovery of zinc and lead during fiscal 2013 was 91.8 per cent and 89.0 per cent, respectively.

Power is supplied through a combination of an 80 MW coal-based thermal captive power plant commissioned in December 2008 and a six MW captive power plant. Power from the 80 MW coal based thermal captive power plant is supplied to HZL's Debari hydrometallurgical zinc smelter and the excess power is sold to third parties. Water consumption is controlled by an active water conservation programme with supplemental water supplies sourced from a dedicated 300 million cubic foot dam. The process plant is in a reasonable structural, electrical and mechanical condition and a planned maintenance programme is in place.

Based on Ore Reserves and Mineral Resources as of 31 March 2013 and current production levels, HZL estimates the remaining life of the Zawar Group operation to be over 30 years from 1 April 2013.

In fiscal 2013, no zinc, lead or bulk concentrate was sold to third parties from the Zawar Group mines. The estimated reserves were 9.5 million tonnes with an average grade of 3.7 per cent zinc and 2 per cent lead.

#### *Kayar*

The Kayar lead-zinc mine, located on the eastern fringe of Kayar village, is a satellite mine of the Rampura Agucha mine. The deposit is located approximately 9 km north-northeast of Ajmer city and is connected to Jaipur by tar road. The state capital and nearest airport is 127 km Northeast of the deposit. Udaipur is 280 km to the South of the mine.

HZL's detailed exploration of Kayar deposit commenced in June 1999 and continues to date. HZL has a 480.45 hectare mining lease granted by the State of Rajasthan that is valid until 2018, subject to further renewal. HZL has also obtained consents required to produce 1000 mt of lead-zinc ore per day at the Kayar mine and has submitted applications to further increase the mine's capacity to 1 mtpa. HZL has also obtained consents under various environmental laws concerning air and water quality to operate the mine, including from the State Pollution Control Board.

A 33 KV power line was commissioned in February 2012 to meet the constructional power requirements of the mine. When full capacity is reached at the mine, power will be supplied from HZL's captive power plants.

#### (iii) **Projects and developments**

In addition to ongoing exploration activities, HZL has finalised plans for the next phase of development growth, which will involve the sinking of underground shafts and developing underground mines. The plan comprises developing a 3.75 mtpa underground mine at Rampura Agucha and expanding the Sindesar Khurd mine from 2.0 mtpa to 3.75 mtpa, the Zawar Group mines from 1.2 mtpa to 5.0 mtpa, the Rajpura Dariba mine from 0.6 mtpa to 1.2 mtpa and the development of the Kayar mine to 1.0 mtpa. It will also involve the opening up of a small new mine at Bamnia Kalan in the Rajpura Dariba belt. Annual capital expenditures for these projects will average US\$250.0 million a year over the next six years (totalling approximately US\$1.5 billion) until they are completed. These projects are being financed from internal sources.

## PART VIII

### ADDITIONAL INFORMATION

#### 1. Responsibility

The Company and the Directors, whose names are set out below in this paragraph 1, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Directors and their principal functions are as follows:

Anil Agarwal	<i>Executive Chairman</i>
Navin Agarwal	<i>Deputy Executive Chairman</i>
Mahendra Singh Mehta	<i>Chief Executive Officer</i>
Aman Mehta	<i>Non-Executive Director and Senior Independent Director</i>
Euan R. MacDonald	<i>Non-Executive Director</i>
Geoffrey Green	<i>Non-Executive Director</i>
Deepak Parekh	<i>Non-Executive Director</i>

#### 2. Company address

The registered office of the Company is located at 2<sup>nd</sup> Floor, Vintners Place, 68 Upper Thames Street, London EC4V 3BJ. The head office of the Company is 16 Berkeley Street, London W1J 8DZ (telephone number +44 (0)20 7499 5900).

#### 3. Directors' interests

3.1 As at 10 October 2013 (being the latest practicable date prior to the publication of this document), the aggregate interests (all of which are beneficial) of each of the Directors in the share capital of the Company which have been notified by each Director to the Company pursuant to DTRs 3.1.2R and 3.1.3R or the interests of persons connected with them which would, if the connected person were a Director, be required to be disclosed under DTRs 3.1.2R and 3.1.3R and the existence of which is known to, or could with reasonable diligence be ascertained by, that Director) were as follows:

<b>Director</b>	<b>Number of Shares</b>	<b>Percentage of issued voting share capital</b>
Anil Agarwal <sup>1</sup>	87,240	0.03%
Navin Agarwal	173,160	0.06%
Mahendra Singh Mehta	41,857	0.02%
Aman Mehta	Nil	-
Euan R. MacDonald	Nil	-
Geoffrey Green	Nil	-
Deepak Parekh	Nil	-

Note:

1. Volcan and its affiliates own 173,042,443 Shares, or approximately 64.94 per cent of the issued voting share capital of Vedanta. Volcan is owned and controlled by the Anil Agarwal Discretionary Trust (the "Trust"). Onclave PTC Limited ("Onclave") is the trustee of the Trust and controls all voting and investment decisions of the Trust. As a result, shares beneficially owned by Volcan may be deemed to be beneficially owned by the Trust and, in turn, by Onclave. Mr Anil Agarwal, the Executive Chairman of Vedanta and the non-executive chairman of Sterlite, may be deemed to have beneficial ownership of shares that may be owned or deemed to be beneficially owned by Onclave.

3.2 Certain of the Directors are also interested in unissued Shares under share options and awards held by them pursuant to Vedanta share schemes. Those options and awards are not included in the interests of the Directors shown in the table at 3.1 of this Part VIII. The options and awards over Shares held by

the Directors as at 10 October 2013 (being the latest practicable date prior to the posting of this document) are as follows:

<b>Name of Director</b>	<b>Number of Shares under option/subject to award</b>	<b>Option price (US dollars)</b>	<b>Earliest/latest exercise dates</b>
Anil Agarwal	323,500	0.10	24 September 2013/16 November 2017
Navin Agarwal	227,500	0.10	24 September 2013/16 November 2017
Mahendra Singh Mehta	97,000	0.10	24 September 2013/16 November 2017
<b>Total</b>	<b>648,000</b>		

3.3 Save as disclosed in paragraphs 3.1 and 3.2 above, the Directors do not have any interest in the share capital of the Company.

3.4 So far as the Company is aware, as at 10 October 2013 (being the latest practicable date prior to the publication of this document), the following persons (other than Directors) had notifiable interests in three per cent or more of the entire issued share capital of the Company:

<b>Name</b>	<b>Number of Shares</b>	<b>Percentage of the issued voting share capital</b>
Volcan Investments Limited	173,042,443	64.94%
GIC Private Limited	10,486,431	3.94%
BlackRock Inc	14,069,181	5.28%

#### 4. Directors' service agreements

The Directors have each entered into a service contract or, as appropriate, a letter of appointment, with the Company relating to their appointment to the Board.

##### 4.1 Service Agreements of the Executive Directors

Details of the Executive Directors' service contracts can be found on pages 102-103 of the Company's 2013 Annual Report and Accounts in the section entitled "Directors' Remuneration Report" and are incorporated herein by reference. There have been no changes to the terms of these contracts since the publication of the 2013 Annual Report and Accounts.

The Executive Directors have entered into service agreements with the Company. Details of these service agreements are set out below.

<b>Director</b>	<b>Date of service agreement</b>	<b>Commencement date of office</b>	<b>Expiry/Notice terms</b>	<b>Basic Annual Salary</b>	<b>Annual bonus payment for the year ended 31 March 2013</b>
				<b>(£000)</b>	<b>(£000)</b>
A.K. Agarwal	27 November 2003	16 May 2003	Six months	1,608	590
N. Agarwal (Vedanta)	4 May 2005	24 November 2004	Six months	85	-
N Agarwal (Sterlite)	1 August 2003	1 August 2003	Three months	1,033	417
M.S. Mehta	1 October 2008	1 October 2008	Three months	456	147

## 4.2 *Contracts and Letters of Appointment of the Non-Executive Directors*

A summary of the Non-Executive Directors' letters of appointment can be found on page 103 of the Company's 2013 Annual Report and Accounts in the section entitled "Directors' Remuneration Report" and are incorporated herein by reference. The current annual fees payable to the Non-Executive Directors is set out below. Save as disclosed in this paragraph 4 of this Part VIII, there have been no changes to the terms of the letters of appointment of the Non-Executive Directors since the publication of the 2013 Annual Report and Accounts.

The Non-Executive Directors have entered into letters of appointment with the Company. Details of these letters of appointment are set out below.

<u>Director</u>	<u>Date of agreement</u>	<u>Commencement date of office</u>	<u>Expiry/Notice terms</u>	<u>Annual Fee (£000)</u>
A. Mehta	24 November 2011	24 November 2004	Three months	140.5*
E. R. Macdonald	23 March 2011	23 March 2005	Three months	140
G. Green	31 July 2012	1 August 2012	Three months	95
D. Parekh	31 May 2013	1 June 2013	Three months	102.5

\* Mr Mehta also receives a fee of £42,000 per annum from Cairn India Limited

Save as disclosed above, there are no service agreements between any Director and any member of the Group.

Save as mentioned above in this paragraph 4 of this Part VIII, there are no existing or proposed service agreements between any Director and the Company or any of its subsidiaries providing for benefits upon termination of employment.

## 5. **Material Contracts**

5.1 The material contracts (not being contracts entered into in the ordinary course of business) entered into by the Group (a) in the two years immediately preceding the date of this document and which are, or may be, material to the Group or (b) contain provisions under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document comprise:

- (a) the Sale and Purchase Agreement described in the paragraph headed "The Cairn Consolidation" of Part VI: "Description of the Transactions" of the Sesa Sterlite Circular (which paragraph headed "The Cairn Consolidation" of Part VI of the Sesa Sterlite Circular is incorporated by reference into this document);
- (b) the Volcan Relationship Agreement as described in paragraph 3 of Part II: "Relationship with Major Shareholder" of the Prospectus (which paragraph 3 of Part II of the Prospectus is incorporated by reference into this document);
- (c) the contracts summarised in paragraphs 9.1 and 9.2 of Part I: "Information on the Vedanta Group, the Cairn India Group and the Combined Group" of the Prospectus (which paragraphs 9.1 and 9.2 are incorporated by reference into this document as updated by paragraph 5.2 below);
- (d) the contracts summarised in paragraphs 14.1, 14.2, 14.4, 14.5, and 14.6(c)(i) of Part X: "Additional Information" of the Prospectus (which paragraphs 14.1, 14.2, 14.4, 14.5 and 14.6(c)(i) of Part X of the Prospectus are incorporated by reference into this document as updated by paragraph 5.2 below); and
- (e) the contracts described below:

- (i) *US\$1.2 billion Term Loan Facility dated 15 May 2013 between TSMHL as borrower and Bank of America, N.A., Barclays Bank PLC, Citigroup Global Markets Asia Limited, JPMorgan Chase Bank N.A., Singapore Branch, The Royal Bank of Scotland plc and Standard Chartered Bank as arrangers*

On 15 May 2013, TSMHL entered into a Term Loan facility agreement with Bank of America, N.A., Barclays Bank PLC, Citigroup Global Markets Asia Limited, JPMorgan Chase Bank N.A., The Royal Bank of Scotland plc and Standard Chartered Bank for an amount of US\$1.2 billion (the "**2013 Term Loan Facility**").

The proceeds of the 2013 Term Loan Facility were used to (i) refinance (a) all obligations of TSMHL under the facility agreement dated 17 November 2010; (b) all the obligations of Valliant (Jersey) Limited owed to Bank of America, N.A. under a US\$150.0 million facility agreement dated 5 April 2013; and (c) to the extent then outstanding, the Bridge Facility as referred to in paragraph (ii) below; and (ii) refinance the Company's other outstanding indebtedness or other indebtedness guaranteed by it and to pay related transaction costs.

The interest payable is LIBOR plus 2.75 per cent and the facility is secured against Cairn India shares held by TSMHL (subject to RBI approvals), the shares of TSMHL held by Twin Star Energy Limited and a segregated deposit account of TSMHL. The 2013 Term Loan Facility has average maturity of 3.5 years and is payable in equal instalment each year starting from second anniversary from the date of first drawdown.

- (ii) *US\$1.35 billion Bridge Facility dated 6 May 2013 with Sesa Sterlite Mauritius Holdings Limited as borrower and Bank of America, N.A., Barclays Bank PLC, Citigroup Global Markets Asia Limited, JPMorgan Chase Bank N.A., Singapore Branch, The Royal Bank of Scotland plc and Standard Chartered Bank as lead arrangers*

On 6 May 2013, the Company entered into a bridge facility between Sesa Sterlite Mauritius Holdings Limited as borrower, the Company as the guarantor, Bank of America, N.A., Barclays Bank PLC, Citigroup Global Markets Asia Limited, JPMorgan Chase Bank N.A., The Royal Bank of Scotland plc and Standard Chartered Bank as lead arrangers (the "**Bridge to Bond**"). The Bridge to Bond provides for a total aggregate amount of US\$1.35 billion in cash (the "**Bridge Facility**") to be advanced to Sesa Sterlite Mauritius Holdings Limited for the purpose of bridging the receipt of funds via the issuance of the Bonds and to refinance, through an intercompany loan to TSMHL, the obligations of TSMHL under Tranche A of that certain facility agreement dated 17 November 2010 and to pay the related transaction costs.

The Bridge Facility has a final maturity of six months from the utilisation date. It will automatically convert into rollover loans at the end of six months from the utilisation date. The rollover loans will have a maturity of 4.5 years. Rollover loans can be converted into exchange notes at the discretion of lead arrangers. The drawings under the Bridge to Bond accrue interest at a rate per annum equal to the one-month LIBOR (with a Libor Floor of 1 per cent) plus 300 basis points plus mandatory costs and will increase by 100 basis points every month till final maturity. The rollover loans or exchange notes bear interest at certain interest rate caps as long as the Bridge Facility is outstanding.

Under the Bridge to Bond, the mandatory prepayment events include change of control, utilisation of the term facility described above and the proceeds of the 2016 Bonds and 2021 Bonds referred to in paragraph (iii) below (other than as required in

accordance of US\$3.5 billion Term Loan Facility) being applied in prepayment of the Bridge Facility.

There are covenants in relation to the provision of information and other representations and warranties, general undertakings, events of default and indemnities customary for a facility of this nature.

(iii) ***Issue of \$750.0 million 6.75 per cent bonds due 2016 and \$900.0 million 8.25 per cent bonds due 2021 by the Company with Barclays Capital, Citi, Credit Suisse, The Royal Bank of Scotland and Standard Chartered Bank as joint global co-ordinators***

On 7 June 2011, the Company issued \$750.0 million 6.75 per cent bonds due 2016 ("**2016 Bonds**") and \$900.0 million 8.25 per cent bonds due 2021 ("**2021 Bonds**"). The 2016 Bonds and 2021 Bonds were offered by Barclays Capital, Citi, Credit Suisse, The Royal Bank of Scotland and Standard Chartered Bank as joint lead managers, outside of and within the United States in accordance with Regulation S and Rule 144A, respectively, under the Securities Act.

The issue price of the bonds was 100 per cent of the principal amount. The interest on the 2016 Bonds is payable semi-annually in arrear on 7 June and 7 December each year, at a rate of 6.75 per cent per annum. The 2016 Bonds will mature on 7 June 2016. The interest on the 2021 Bonds is payable semi-annually in arrear on 7 June and 7 December each year, at a rate of 8.25 per cent per annum. The 2021 Bonds will mature on 7 June 2021.

Under the terms and conditions of the 2016 Bonds and 2021 Bonds, the Company is subject to certain covenants restricting it and its material subsidiaries (as defined in the terms and conditions of the bonds) from creating or permitting to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any part of their respective undertaking, assets or revenues, present or future to secure any indebtedness or debt or any guarantee or indemnity in respect of the Company's indebtedness or relevant debt (as defined in the terms and conditions of the bonds) of its material subsidiaries, unless the bonds are secured equally and rateably therewith or otherwise benefit identically or not materially less beneficial to the bondholders.

(iv) ***Issue by Vedanta Resources Jersey Limited of \$1,250.0 million 5.50 per cent guaranteed convertible bonds due 2016 by Vedanta Resources Jersey Limited with JPMorgan Cazenove as sole bookrunner and lead manager***

On 13 July 2009, Vedanta Resources Jersey Limited issued \$1,250.0 million 5.50 per cent guaranteed convertible bonds due 2016 ("**2016 Bonds**"). The 2016 Bonds were offered by J.P. Morgan Cazenove as sole bookrunner and lead manager.

The issue price of the 2016 Bonds was 100.0 per cent of the principal amount. The interest on the 2016 Bonds is payable semi-annually in arrear on 13 January and 13 July each year, at a rate of 5.5 per cent per annum. The 2016 Bonds will mature on 13 July 2016.

Under the terms and conditions of the 2016 Bonds, Vedanta Resources Jersey Limited and the Company are subject to certain covenants restricting them and the Company's material subsidiaries (as defined in the terms and conditions of the bonds) from creating or permitting to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any part of their respective undertaking, assets or revenues, present or future to secure any indebtedness or debt (as defined in the terms and conditions of the bonds), or any guarantee or indemnity in

respect of the Company's indebtedness or any relevant debt (as defined in the terms and conditions of the bonds) of its material subsidiaries, unless the 2016 Bonds are secured equally and rateably therewith or otherwise benefit identically or not materially less beneficial to the bondholders.

The 2016 Bonds are first convertible into exchangeable redeemable preference shares to be issued by Vedanta Resources Jersey Limited, which will then be exchanged for ordinary shares of the Company. The bondholders have the right to convert at any time from 24 August 2009 until the earlier of the date falling seven days prior to 13 July 2016 or, if the bonds shall have been called for redemption by Vedanta Resources Jersey Limited before 13 July 2016, the day which is seven days before the date fixed for redemption. The 2016 Bonds are convertible at \$36.48 per share of \$0.10 each.

If the 2016 Bonds have not been converted, they will be redeemed at the option of the Company on or at any time after 28 July 2012, subject to the conditions as part of the issue, or be redeemed by way of a put option by the bondholders on 13 July 2014.

(v) ***Issue by the Company of \$500.0 million 8.75 per cent bonds due 2014 and \$750.0 million 9.50 per cent bonds due 2018 by the Company with JPMorgan and Morgan Stanley as joint global co-ordinators***

On 2 July 2008, the Company issued \$500.0 million 8.75 per cent bonds due 2014 ("**2014 Bonds**") and \$750.0 million 9.50 per cent bonds due 2018 ("**2018 Bonds**"). The 2014 Bonds and 2018 Bonds were offered by JPMorgan and Morgan Stanley as joint global co-ordinators.

The issue price of the bonds was 100.0 per cent of the principal amount. The interest on the 2014 Bonds is payable semi-annually in arrear on 15 January and 15 July each year, at a rate of 8.75 per cent per annum. The 2014 Bonds will mature on 15 January 2014. The interest on the 2018 Bonds is payable semi-annually in arrear on 18 January and 18 July each year, at a rate of 9.5 per cent per annum. The 2018 Bonds will mature on 18 July 2018.

Under the terms and conditions of the 2014 Bonds and the 2018 Bonds, the Company is subject to certain covenants restricting it and its material subsidiaries (as defined in the terms and conditions of the bonds) from creating or permitting to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any part of their respective undertaking, assets or revenues, present or future to secure any indebtedness or debt (as defined in the trust deed dated 2 July 2008 between the Company and Deutsche Trustee Company Limited), or any guarantee or indemnity in respect of the Company's indebtedness or any relevant debt (as defined in the terms and conditions of the bonds) of its material subsidiaries, unless the bonds are secured equally and rateably therewith or otherwise benefit identically or not materially less beneficial to the bondholders.

(vi) ***\$700.0 million Term Loan Facility entered into by KCM with Standard Bank***

A term loan facility of US\$700.0 million was made available by Standard Bank to KCM. The term loan facility includes two tranches, the first tranche of US\$300.0 million ("**Facility A**") and the second tranche of US\$400.0 million ("**Facility B**"). The loan is secured against fixed assets of KCM. Interest is payable quarterly at three monthly LIBOR plus 3.5 per cent for Facility A and three monthly LIBOR plus 2.5 per cent for Facility B. Facility A is repayable in eleven quarterly instalments commencing from 31 March 2013 and Facility B is repayable in 12 quarterly instalments commencing from 31 December 2014. The amount outstanding under this loan as at 31 March 2013 was US\$672.7 million.

5.2 The table below provides an update to the material contracts described in paragraphs 9.1 and 9.2 of Part I: "Information on the Vedanta Group, the Cairn India Group and the Combined Group" of the Prospectus and paragraphs 14.1, 14.2, 14.4, 14.5 and 14.6(c)(i) of Part X: "Additional Information" of the Prospectus.

<b>Paragraph reference</b>	<b>Description of material contract</b>	<b>Update</b>
9.1	BALCO Call Option	<p>The GoI filed an application before the High Court of Delhi to partially set aside the arbitral award dated 25 January 2011 in respect of certain matters involving valuation. The High Court of Delhi passed an order dated 10 August 2011 directing the Group's application and the application by the GoI to be heard together as they arise from a common arbitral award.</p> <p>Arbitration proceedings have now concluded and a majority award held that the provisions in the shareholders' agreement relating to the call option and its exercise violated Indian law. Subsequently, an application has been made by the Group to the High Court of Delhi to set aside the arbitration award which is now to be heard later this month.</p> <p>On 9 January 2012, Vedanta offered to acquire the GoI's interests in BALCO for US\$338 million. Vedanta has, by way of letters dated 10 April 2012 and 6 July 2012, sought to engage with the GoI on the same terms as the offer. This offer was separate from the contested exercise of the call options, and Vedanta proposed to withdraw the ongoing litigation in relation to the contested exercise of the options should the offer be accepted.</p> <p>To date, the offer has not been accepted by the GoI.</p>
9.2	HZL Call Option	<p>By a letter dated 21 July 2009, Sterlite exercised the second call option. The GoI disputes the validity of the call option and has refused to act upon it. Consequently, Sterlite invoked arbitration and filed a statement of claim.</p> <p>The dispute in relation to the purported exercise of the HZL option has been referred to arbitration proceedings which are at early stages and the next hearing date has been set for 13 November 2013.</p> <p>On 9 January 2012, Vedanta offered to acquire the GoI's interests in HZL for</p>

<b>Paragraph reference</b>	<b>Description of material contract</b>	<b>Update</b>
		<p>US\$2,938 million. Vedanta has, by way of letters dated 10 April 2012 and 6 July 2012, sought to engage with the GoI on the same terms as the offer. This offer was separate from the contested exercise of the call options, and Vedanta proposed to withdraw the ongoing litigation in relation to the contested exercise of the options should the offer be accepted.</p> <p>To date, the offer has not been accepted by the GoI.</p>
14.1(a)	Volcan Relationship Agreement	No material update
14.1(b)	Shared Services Agreement	In fiscal 2011, 2012 and 2013, Vedanta received nil, US\$0.1 million and US\$0.04 million from STL, respectively, under the shared services agreement
14.2(a)	Cairn India Purchase Agreement	No material update
14.2(b)	Amendment Deeds to the Cairn India Purchase Agreement	No material update
14.2(c)	ONGC Agreement	No material update
14.4(a)	Information Agreement	Cairn Energy plc, CUKHL and Cairn India entered into the information agreement on 8 December 2011
14.4(b)	Cairn Relationship Agreement	Vedanta and Cairn India entered into the relationship agreement on 8 December 2011
14.5(a)	Share Purchase Agreement Relating to the Acquisition of SRL	No material update
14.5(b)	Share Purchase Agreement Relating to the Acquisition of the Zinc Assets of Anglo American	No material update
14.5(c)	Share Purchase and Operation Agreement Relating to the Acquisition of a Majority Stake in Western Cluster Limited	On 20 December 2012, Bloom Fountain Limited acquired the remaining 49.0 per cent of the fully diluted ordinary share capital of WCL from Elenilto for US\$33.5 million.
14.5(d)	Mineral Development Agreement in Respect of Western Cluster Limited	Due to a change in control of WCL pursuant to the share purchase agreement dated 20 December 2012, the Legislature of Liberia is required to approve the amendment to the mineral development agreement which is currently in progress.
14.6(c)(i)	US\$2.2 billion Term Loan with State Bank of India	This facility was further upsized by INR61.5 billion in July 2011 and is currently held by a consortium of 23 banks. The term loan is repayable in 30

Paragraph reference	Description of material contract	Update
		instalments by 31 March 2021. The amount outstanding under this loan as of 31 March 2013 is INR129.5 billion. This facility was partially prepaid in April 2013 to the extent of INR25,000 million.
5.3	There are no material contracts (not being contracts entered into in the ordinary course of business) entered into by HZL (a) in the two years immediately preceding the date of this document and which are, or may be, material to HZL or to the 29.5 per cent interest in HZL which the Company is proposing to acquire all or part of, or (b) contain provisions under which HZL has any obligation or entitlement which is material to HZL or the 29.5 per cent interest in Hindustan Zinc which the Company is proposing to acquire all or part of as at the date of this document.	
5.4	There are no material contracts (not being contracts entered into in the ordinary course of business) entered into by BALCO (a) in the two years immediately preceding the date of this document and which are, or may be, material to BALCO or to the 49.0 per cent interest in BALCO which the Company is proposing to acquire all or part of, or (b) contain provisions under which BALCO has any obligation or entitlement which is material to BALCO or the 49.0 per cent interest in BALCO which the Company is proposing to acquire all or part of as at the date of this document.	
6.	<b>Working Capital</b>	
6.1	The Company is of the opinion that, on the basis that both Transactions are implemented, the Enlarged Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of this document.	
6.2	The Company is of the opinion that, if the HZL Acquisition is implemented, but the BALCO Acquisition is not implemented, the Enlarged Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of this document.	
6.3	The Company is of the opinion that, if the BALCO Acquisition is implemented, but the HZL Acquisition is not implemented, the Enlarged Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of this document.	
7.	<b>Litigation</b>	
7.1	Save for the litigation described below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have or have had during the 12 months prior to the date of this document a significant effect on the Company or the Group and/or the Company's or the Group's financial position or profitability.	

***Sterlite has commenced proceedings against the GoI, which has disputed Sterlite's exercise of the call option to purchase its remaining 29.5 per cent ownership interest in HZL***

Pursuant to Government of India's policy of disinvestment, Sterlite, through its wholly-owned subsidiary, SOVL, acquired 64.92 per cent of the share capital of HZL through the shareholders' agreement between the GoI and SOVL dated 4 April 2002 (the "SHA") and an open offer mechanism. Under the terms of the SHA, Sterlite was granted two call options to acquire all the remaining shares in HZL held by the GoI at the time of exercise. Sterlite exercised the first call option on 29 August 2003. On 21 July 2009, SOVL exercised the second call option to acquire the remaining 29.5 per cent of the share capital shares in HZL held by the GoI. The GoI refused to act upon the second call option

stating that the call option violates the provisions of the Indian Companies Act, 1956. Arbitral proceedings are currently under progress and the next hearing has been set for 13 November 2013.

On 9 January 2012, Vedanta offered to acquire the GoI's interests in HZL for US\$2,938 million. Vedanta has, by way of letters dated 10 April 2012 and 6 July 2012, sought to engage with the GoI on the same terms as the offer. This offer was separate from the contested exercise of the call options and Vedanta proposed to withdraw the litigation in relation to the contested exercise of the options should the offer be accepted. On 28 August 2012, Vedanta's shareholders approved the terms of the offer and authorised Vedanta to negotiate the acquisition of the entirety of the GoI's interest in HZL for an aggregate consideration not exceeding US\$3,379 million. To date, the offer has not been accepted by the GoI and therefore there is no assurance that the acquisition will proceed.

The Company believes that there may be benefit to the GoI in the Group acquiring all or part of the GoI's interest in HZL and subsequently withdrawing the litigation. Whilst it is difficult to quantify with any certainty the value of the benefit passing to the GoI in these circumstances, the value of the benefit passing may equate to approximately US\$1,744 million in respect of HZL, being the difference between the market value of the interest in HZL on 20 July 2009 and the US\$ equivalent of the maximum INR consideration payable in respect of the interest in HZL. However, other factors will also be relevant in any such analysis, including the probability of success of the litigation and the likely timeframe and costs associated with such litigation.

***Sterlite has commenced proceedings against the GoI which has disputed Sterlite's exercise of the call option to purchase its remaining 49.0 per cent ownership interest in BALCO***

Arbitration proceedings have been concluded in relation to a dispute between the GoI and Sterlite, with respect to Sterlite's exercise of its second call option to acquire the remaining shares in BALCO held by the GoI, pursuant to the shareholders' agreement between the parties. In January 2011, the majority award of the arbitral tribunal rejected Sterlite's claims on the grounds that the clauses relating to the call option, the right of first refusal, the "tag-along" rights and the restriction on the transfer of shares violate the provisions of the Indian Companies Act, 1956. In April 2011, Sterlite filed an application under section 34 of the Arbitration and Conciliation Act, 1996 in the High Court of Delhi to set aside the award dated 25 January 2011 to the extent that it holds these clauses ineffective and inoperative. The Government of India also filed an application before the High Court of Delhi to partially set aside the arbitral award dated 25 January 2011 in respect of certain matters involving valuation. The High Court of Delhi passed an order dated 10 August 2011 directing our application and the application by the Government of India to be heard together as they arise from a common arbitral award. An application has been made by the Group to the High Court of Delhi to set aside the arbitration award which is currently listed to be heard later this month.

On 9 January 2012, Vedanta offered to acquire the GoI's interests in BALCO for US\$338 million. Vedanta has, by way of letters dated 10 April 2012 and 6 July 2012, sought to engage with the GoI on the same terms as the offer. This offer was separate from the contested exercise of the call options and Vedanta proposed to withdraw the litigation in relation to the contested exercise of the options should the offer be accepted. On 28 August 2012, Vedanta's shareholders approved the terms of the offer and authorised Vedanta to negotiate the acquisition of the entirety of the GoI's interest in BALCO for an aggregate consideration not exceeding US\$550 million. To date, the offer has not been accepted by the GoI and therefore there is no assurance that the acquisition will proceed.

The Company believes that there may be benefit to the GoI in the Group acquiring all or part of the GoI's interests in BALCO and subsequently withdrawing the litigation. Whilst it is difficult to quantify with any certainty the value of the benefit passing to the GoI in these circumstances, the value of the benefit passing may equate to approximately US\$294 million in respect of BALCO, being the difference between the value of the interest in BALCO on 31 March 2004 and the US\$ equivalent of the maximum INR consideration payable in respect of the interest in BALCO. However, other factors will also be relevant in any such analysis, including the probability of success of the litigation and the likely timeframe and costs associated with such litigation.

***Appeal proceedings in the High Court of Bombay brought by SEBI to overrule a decision by the SAT that Sterlite has not violated regulations prohibiting fraudulent and unfair trading practices.***

In April 2001, SEBI ordered prosecution proceedings to be brought against Sterlite, alleging that it violated regulations prohibiting fraudulent and unfair trading practices, and also passed an order prohibiting Sterlite from accessing the capital markets for a period of two years. SEBI's order was overruled by the SAT in 22 October 2001 on the basis of a lack of sufficient material evidence to establish that Sterlite had, directly or indirectly, engaged in market manipulation and that SEBI had exercised its jurisdiction incorrectly in prohibiting Sterlite from accessing the capital markets. In November 2001, SEBI appealed to the High Court of Bombay. No further action or procedures have taken place since 2001.

SEBI's order was based on its finding that Sterlite had manipulated the price of its shares in connection with its proposed acquisition of shares in INDAL and its proposed open offer to the shareholders of INDAL in 1998. SEBI also alleged that MALCO provided funds to an entity Vedanta allegedly controlled to enable its associate to purchase Sterlite's shares, as part of a connected price manipulation exercise.

In addition to the civil proceedings, SEBI also initiated criminal proceedings in 2001 before the Court of the Metropolitan Magistrate, Mumbai, against Sterlite, Vedanta's Executive Chairman, Mr. Anil Agarwal, Sterlite's Director of Finance, Mr. Tarun Jain, and the chief financial officer of MALCO at the time of the alleged price manipulation. When SEBI's order was overturned in October 2001, Sterlite filed a petition before the High Court of Bombay to defend those criminal proceedings on the grounds that the SAT had overruled SEBI's order on price manipulation. An order has been passed by the High Court of Bombay in Sterlite's favour, granting an interim stay of the criminal proceedings. This matter is currently listed in the category of "stayed matters".

The claim amount in respect of both civil and criminal proceedings is not currently quantifiable.

***Investigation by the SFIO***

The MCA passed an order in October 2009 for the investigation by the SFIO into the affairs of Sesa Goa and its then subsidiary, SIL (which has since been amalgamated with Sesa Goa), in respect of alleged mismanagement, malpractices, financial and other irregularities, including the alleged siphoning and diversion of funds, which allegedly occurred primarily in the period prior to acquisition by Vedanta and for a report to be submitted to the central government. Vedanta understands from the order that this investigation was initiated pursuant to a report of the Registrar of Companies in Goa, India in October 2009. The investigation originates from the allegations made in the complaint filed by Ms. Krishna Bajaj against Sesa Goa and its directors.

The SFIO investigation pursuant to section 235 of the Indian Companies Act, 1956 ("**the Act**") was carried out and the investigation report dated 29 April 2011 were submitted to the Central Government. On the basis of the report submitted by the inspectors, the MCA by letters dated 12 October 2011 authorised the SFIO to file complaints in respect of offences committed by the two companies and their directors. Consequently, a complaint dated 12 March 2012 under section 621 of the Act for violation of section 147 of the Act pertaining to non-publication of name and address of the registered office of Sesa Goa at the branch office premises was filed by the Assistant Director of the SFIO against Sesa Goa, its directors, company secretary and ex-directors. Further, a complaint against Sesa Goa (formerly SIL), its ex-directors and the company secretary was filed under section 621 of the Act for violation of section 68 of the Act for fraudulently inducing people to invest money by making false promises that shares of SIL would be listed on stock exchange(s) within 12-18 months from the date of offer. Similarly, a complaint for violation of sections 211 (3A) and 211 (3B) of the Act was filed against Sesa Goa and its directors alleging non-disclosure of segment information with respect to three geographical segments collectively producing more than 10 per cent each of the total saleable iron ore which Sesa Goa was required to disclose. All the above three matters are pending before the court of Judicial Magistrate First Class at Panjim. Foreign directors remain un-served to date. Other

directors/officials have been exempted from personal appearance. The matters are fixed for serving notice on un-served parties and explanation of substance of accusation for offence under section 147 of the Act. Further, the MCA by its letter dated 29 March 2012 directed the SFIO to send a supplementary report on the working of new management of Sesa Goa on certain issues, which was submitted by the SFIO subsequently on 7 May 2012. By this report, the SFIO absolved Sesa Goa of allegations of payment of excess agency commission, over-invoicing in import and under invoicing of export and in relation to all disbursements in relation to the loan of INR100 million made by Sesa Goa to Vedanta Aluminium. Further, the MCA by its letter dated 10 May 2013 directed the SFIO not to file prosecutions for the violations under the Indian Penal Code, 1860 against Sesa Goa.

The financial impact, if any, of the investigation is not currently quantifiable.

***Sterlite is involved in alleged violations of environmental regulations at its Tuticorin plant, which is currently closed***

A writ petition was filed in December 2009 in the High Court of Madras by Mr. Pushparayan, challenging the grant of environmental clearance for Sterlite's expansion project from 400,000 mtpa to 800,000 mtpa of copper production. The petitioner sought an order from the High Court of Madras to declare the environmental clearance as incorrect in law for want of a public hearing for the aforesaid expansion of the smelter plant. The matter was heard on 5 January 2010. Vedanta's submission that the petitioner should have filed an appeal before the National Environmental Appellate Authority was not accepted by the Court which directed the matter to be decided on its merits. In April 2010, counter affidavits were filed by the TNPCB and the MoEF. Another respondent, State Industries Promotion Corporation of Tamil Nadu Limited filed its counter affidavit.

Separately, on 24 March 2013, the TNPCB issued a show cause notice to Sterlite alleging violation of environmental laws and conditions imposed by the TNPCB and releasing pollutants from the Tuticorin plant. Further, TNPCB issued an order dated 29 March 2013 ordering the closure of the Tuticorin plant. Sterlite filed an appeal before the National Green Tribunal, Chennai against the order of closure by the TNPCB on 1 April 2013. The matter was transferred to the National Green Tribunal Principal Bench at New Delhi which pursuant to an interim order passed in May 2013 permitted the operation of Sterlite's plant. The National Green Tribunal Principal Bench gave a final order in August 2013 making the interim order absolute subject to Sterlite complying with the recommendations for further improvement of the plant.

The claim amount is not currently quantifiable.

***Dispute with the Department of Excise and Taxation, Haryana involving Sterlite***

A special leave petition has been filed by the Department of Excise and Taxation, Haryana in relation to an assessment order for the assessment year 1997-98, challenging a Punjab & Haryana High Court order of September 2010, which upheld the assessment of sales tax on sale-purchase of aluminium sheets and aluminium foils at the same rate of 2 per cent as against the department's claim for it to be at 9-10 per cent due to being different marketable commodities. The matter came up for admission in August 2011 where the Supreme Court of India ordered "Issue Notice". Sterlite is yet to file a counter-affidavit in this matter.

The claim amount is not currently quantifiable.

***Petitions have been filed in the Supreme Court of India and the High Court of Orissa to seek the cessation of construction of Vedanta Aluminium's refinery in Lanjigarh, which is currently closed, and related mining operations in Niyamgiri Hills, which are currently suspended***

In 2004, a writ petition was filed against Sterlite, Vedanta Aluminium, the State of Orissa, the Republic of India, the Orissa Mining Corporation ("OMC"), Orissa Infrastructure Development Corporation (the "OIDC"), and others by a private individual before the High Court of Orissa, alleging

that the proposed grant of the mining lease by OMC to Vedanta Aluminium and Sterlite to mine bauxite in the Niyamgiri Hills at Lanjigarh in the State of Orissa would violate the provisions of the Forest (Conservation) Act, 1980 of India (the "**Forest Act**"). The petition further alleges that the felling of trees and construction of the alumina refinery by Sterlite and Vedanta Aluminium and the development of the mine is in violation of the Forest Act and would have an adverse impact on the environment. The petition sought, among other things, to restrain the grant of the mining lease to mine bauxite in the Niyamgiri Hills at Lanjigarh in the State of Orissa by OMC to Vedanta Aluminium and Sterlite, to declare the memorandum of understanding entered into between OMC and Vedanta Aluminium void, a court direction for the immediate cessation of construction of the alumina refinery by Vedanta Aluminium and an unspecified amount of compensation from Sterlite and Vedanta Aluminium for damage caused to the environment.

This issue was also filed before the Supreme Court of India by certain non-governmental organisations and individuals. The CECI heard the petitioners and filed its report to the Supreme Court of India. The Supreme Court of India approved the forest diversion proposal for mining in the Niyamgiri Mines of OMC with Sterlite as the beneficiary of the Bauxite on terms and conditions specified in the order. Consequent to the order of the Supreme Court of India, the proceedings before the High Court of Orissa became fruitless as the issues were already determined. Thereafter, the MoEF on 24 August 2010 declined to grant the forest clearance to the Niyamgiri Mines and rendered the environmental clearance non-operational.

On 8 March 2011, OMC challenged the order of the MoEF by a special leave petition to the Supreme Court of India. In April 2011, the Supreme Court of India admitted OMC's plea against the MoEF. Upon direction of the Supreme Court of India, the application has been converted into a writ petition. The Supreme Court of India directed on 18 April 2013 the State Government of Odisha to place unresolved issues and claims of the local communities under the Forest Right Act and/or other relevant acts and regulations before the Gram Sabha. The Gram Sabha would take a decision on these claims within three months and communicate the same to MoEF through the State Government of Odisha. On conclusion of the proceedings before the Gram Sabha, the MoEF shall take a final decision for grant of final stage forest clearance for the Niyamgiri mining lease of OMC within two months. Further, all conditions and compliances as directed by the Supreme Court of India in respect of Niyamgiri Hill mines should be complied with prior to applying to the Ministry of Environment and Forests, Government of India for clearance, in a time-bound manner. The lack of the clearance granted by the MoEF in respect of the Niyamgiri mines would prevent Sterlite from procuring bauxite from the Niyamgiri mines and thereby be unable to supply bauxite to the alumina refinery of Vedanta Aluminium.

Vedanta Aluminium was issued two notices by the MoEF dated 31 August 2010 to show cause as to (i) why the environmental clearance of its existing 1 mtpa alumina refinery should not be revoked and directions should not be issued for closure of its existing refinery and (ii) why the terms of reference issued on 12 March 2009 for the expansion of its alumina refinery from 1 mtpa to 6 mtpa should not have been withdrawn.

On 20 October 2010, in respect of the first show cause notice, the MoEF permitted Vedanta Aluminium to carry on its business operations subject to compliance with certain conditions.

On 20 October 2010, in respect of the second show cause notice, the MoEF withdrew the terms of reference issued on 12 March 2009 and directed Vedanta Aluminium to cease further construction of the expansion of its alumina refinery from 1 mtpa to 6 mtpa. Vedanta Aluminium filed a writ petition in the High Court of Orissa challenging the order dated 20 October 2010. The High Court of Orissa passed an order dated 19 July 2011 dismissing the writ petition, against which Vedanta Aluminium filed a review petition before the High Court of Orissa. The High Court of Orissa on 19 January 2012 declined to review the order. A fresh application was made by Vedanta Aluminium with the MoEF for environmental clearance for the expansion of the Lanjigarh refinery, and was granted terms of reference for such project on 2 February 2012. Vedanta Aluminium applied on 23 March 2012 to the

state pollution control board with a request to conduct a fresh public hearing. The MoEF issued an order on 17 April 2012 keeping the terms of reference in abeyance until the matter of diversion of forest land is resolved. The matter is presently under consideration by the MoEF.

Sterlite and Vedanta Aluminium have entered into three separate leases with the OI DC which specify that Sterlite and Vedanta Aluminium are required to start construction at the three sites that are the subject of the leases within a stipulated time period and to subsequently install plant and machinery and begin commercial production within a specified period from the date of taking possession of the premises. As a result of the pending litigation with respect to the Lanjigarh facility, Vedanta Aluminium has not been in compliance with the conditions of the leases. However, Sterlite and Vedanta Aluminium have not received any notice from the OI DC with respect to such non-compliance. Vedanta Aluminium applied to the OI DC for an extension of the terms of the leases in August 2006.

The claim amount relating to the litigation regarding Vedanta Aluminium's refinery in Lanjigarh and related mining operations in Niyamgiri Hills is not currently quantifiable.

***Sesa Goa is challenging the constitutional validity of the Goa Rural Improvement and Welfare Cess Act, 2000***

Sesa Goa filed two writ petitions before the High Court of Bombay, Goa Bench, against the State of Goa and others, being aggrieved by the levy of cess by the Government of Goa on transportation of mineral ore, coal and coke. Sesa Goa has challenged the constitutional validity of the Goa Rural Improvement and Welfare Cess Act, 2000 Goa Rural Improvement and Welfare Cess Rules, 2006 and the various notifications issued thereunder on the ground that such legislation is beyond the legislative competence of the State legislature. Sesa Goa has requested the Court to direct the respondents to refund the sums paid by Sesa Goa plus interest at 12 per cent per annum. Further, Sesa Goa has filed miscellaneous applications before the Court, requesting the Court to stay demand notices issued by the Government of Goa, through the Directorate of Transport, on 27 July 2010, 16 August 2010, 28 September 2010 and 12 January 2011 for INR62,755,860, INR12,555,000, INR513,495,380 and INR12,555,000 respectively. In June 2011, the High Court of Bombay refused to grant an interim stay. However, it directed that the state government would not initiate proceedings against the applicant for non-payment of the amounts due in terms of the demand notices. Also, the Court said that the recovery shall be subject to the result of these writ petitions.

***Sesa Goa is involved in proceedings involving a suspension of mining operations in the State of Goa***

A writ petition was filed by Goa Foundation before the Supreme Court of India on 25 September 2012, based on the Justice M.B. Shah Commission Report dated 15 March 2012, directing certain actions against the Union of India, State of Goa, Ministry of Mines, Indian Bureau of Mines and the GSPCB. The petitioner has submitted that the respondents be directed to initiate termination of all leases that are found to be involved in illegal mining and to direct action against all the violators involved in illegal mining as named in the Shah Commission Report. The Shah Commission Report, appointed to inquire into illegal mining of iron and manganese ore in Goa and a few other states, alleged illegal mineral extraction in Goa and renewal of mining leases without appropriate consents and approvals in violation of environmental laws and rules thereby causing ecological and environmental damage due to extinction of limited natural resources. Consequently, the Supreme Court of India issued an interim order on 5 October 2012, directing that all mining operations in the leases in Goa as identified in the Shah Commissions Report, and transportation of iron ore and manganese ore from those leases, be suspended pending further directions. On 30 October 2012, the CEC inspected Sesa Goa's Bicholim, Sonshi and Codli mines and raised certain queries regarding dumping of rejects outside the mining lease areas and excavation outside mining lease areas, in violation of Mining Concession Rules, 1960. On 8 November 2012, the mining lessees submitted their clarifications to the CEC with regard to the queries raised by them during the inspection. Simultaneously, Sesa Goa filed an application before the Supreme Court of India to be impleaded as a

respondent which was allowed by the Court by its order dated 15 February 2013. Further, Sesa Goa filed an intervention application in November 2012 before the Supreme Court of India alleging that no opportunity was accorded to the respondents while recording the findings of the Shah Commission Report, in violation of Article 14 of the Constitution of India and the principles of natural justice. Accordingly, Sesa Goa sought to stay the implementation of the adverse findings in the Shah Commission Report and to modify the order of the Supreme Court of India dated 5 October 2012 so that mining operations of Sesa Goa can be resumed. On 21 November 2012, the CEC called for a meeting to discuss the allegations posed by it during the inspection of the mines. On 26 November 2012, Sesa Goa and other lessees including Sesa Goa's subsidiaries, Sesa Mining Corporation Limited ("**SMCL**") and Sesa Resources Limited ("**SRL**"), submitted their detailed replies stating that no illegal mining activities were being carried out as alleged in the CEC report. Subsequently, Sesa Goa filed an affidavit on 29 November 2012 challenging the Shah Commission Report's findings that mining companies have been carrying out mining operations beyond their respective mining lease areas. The affidavit seeks to allow modification of the order of the Supreme Court of India dated 5 October 2012 and allow resumption of mining operations.

CEC filed their interim report on 7 December 2012 before the Supreme Court. By an order dated 7 December 2012, the Supreme Court of India directed the issuance of notice restricted only to applications for intervention/ impleadment and further directed that the State of Goa may file its reply against the interim report submitted by CEC. Sesa Goa in January 2013 filed its reply to the CEC report denying all allegations posed by CEC and praying modification of the interim order. Sesa Goa has filed an interim application dated 23 April 2013 to modify the Supreme Court of India order dated 5 October 2012 to the extent of allowing sale/movement of iron ore already extracted under the supervision of a statutory authority. The matter is fixed for a hearing commencing on 17 September 2013.

The claim amount is not currently quantifiable.

***Sesa Goa is involved in proceedings challenging environmental consents received for its expansion project of pig iron, metallurgical coke, sinter plants and power plant***

The High Court of Bombay by its order dated 6 March 2012 dismissed a public interest litigation filed by Mr. Ramachandra Vaman Naik and others for quashing an approval issued by the MoEF/GSPCB for the expansion project of a pig iron plant, sinter plant, met coke plant and power plant at Bicholim. Mr. Naik challenged this order by filing a special leave petition before the Supreme Court of India on 26 July 2012 for an interim stay of the operations of the High Court of Bombay order and for the stay of the construction and operation of the plant. Sesa Goa filed a counter affidavit in February 2013 requesting the dismissal of the special leave petition.

Separately, an application was filed by the village council of Navelim before the NGT against GSPCB, MoEF, State of Goa, Sesa Goa and others alleging that (i) GSPCB had issued its approval for 'consent to establish' under the Water Act and Air Act by its order dated 4 March 2010 in a piecemeal manner to Sesa Goa even though the environment clearance order issued by the MoEF and the approval for 'consent to establish' are for four units of the project (sinter, blast furnace, coke oven and power plant) together, thereby violating the conditions prescribed in the MoEF order, (ii) the no-objection certificate issued by for the project in 2007 was forged and fabricated, and (iii) the CN5 bridge at Maina-Navelim junction falls outside the notified industrial area. The application sought cancellation of the approval for 'consent to establish', approval for 'consent to operate' and the MoEF order to this project. On 1 March 2013, the NGT gave directions to issue notices to parties. Sesa Goa filed its preliminary reply on 11 April 2013 before the NGT, denying all contentions and submissions made by the applicant and praying that the application be dismissed. GSPCB and Department of Industries, Goa have also filed their reply in the matter. The village council filed a rejoinder to the reply of Sesa Goa and GSPCB to which Sesa Goa has filed a sur-rejoinder.

The claim amount in these cases is not currently quantifiable.

***Sesa Goa is involved in certain proceedings alleging illegal mining activities***

Twelve applications have been filed before the NGT by the Goa Paryavaran Savrakshan Sangharsh Samitee ("**GPSSS**") claiming compensation from Sesa Goa and its subsidiaries, SRL and SMCL, and other mine lessees for causing environmental destruction and degradation due to illegal mining activity based upon the findings in the Shah Commission Report. The applications allege that environmental clearances obtained by the mining lessees specifically required the lessees to obtain prior approval of Chief Wild Life Warden ("**CWLW**") which had not been adhered to and that the extraction carried out during the period when CWLW permission was pending was illegal. It is further alleged that the government authorities and officials acted in connivance with the lessees and assisted them in procuring the lease/concessions by adopting a short circuited system as also confirmed in the Shah Commission Report. On the other hand, these applications state that MoEF orders obtained by the lessees required that no mining could be undertaken without taking prior permission from the 'competent authority' under the Wildlife Protection Act, 1972, and that the competent authority to grant the approval was the National Board of Wildlife ("**NBWL**"). However, no such approval was obtained by the lessees. The applicants seek restoration of extensively damaged environmental area and assessment and recovery of actual damage caused to original property granted to the lessees under the mining leases.

Further, applications seeking interim relief have been filed by the GPSSS to seek removal of dumped wastes and protection of the environment in and around the mining lease areas until final disposal of the main applications. Sesa Goa, SRL and SMCL in their reply have denied all the allegations posed in the applications and have prayed before the tribunal that the applications be rejected. NGT has directed the state government to ascertain the quantum of any ore in the locality of the mines.

The claim amount in these cases is not currently quantifiable.

***Sesa Goa has initiated proceedings with respect to renewal of its environmental consents***

The GSPCB on 7 December 2012 informed the mining lessees, including Sesa Goa and its subsidiaries, SRL and SMCL, that in light of the order made by the Supreme Court of India on 5 October 2012 and the decision of the GSPCB in its board meeting held on 1 November 2012, applications filed by mining lessees for renewal of consent to operate under the Water Act and the Air cannot be processed and therefore, such applications were returned to the mining lessees with the liberty to apply afresh. On 28 December 2012, Sesa Goa and its subsidiaries SRL and SMCL applied to the GSPCB for grant of consent to operate under the Water Act and the Air Act, which was subsequently denied by GSPCB by its order dated 5 March 2013. Aggrieved by this order, Sesa Goa, SRL, SMCL lodged appeals on 9 April 2013 before the Administrative Tribunal at Goa.

The claim amount is not currently quantifiable.

***Sesa Goa is involved in certain environmental proceedings***

The villagers of Shirgao filed a writ petition in January 2008 before the High Court of Bombay at Goa against the Sirigao Nagarik Sanghatana Sirigao-Goa, State of Goa, Dempo Mining Corporation Limited and certain others alleging environmental degradation and adverse impact on water resources on account of mining activities carried out by certain companies. The petitioners have also filed a miscellaneous application in May 2008 seeking immediate stoppage of mineral ore transport or further mining activity creating noise, air or dust pollution. In July 2010, the High Court of Bombay at Goa directed the Pollution Control Board file reports with the Court with regard to compliance by mining companies of the directions issued by it and in terms of the order of the High Court in February 2010. In March 2011, the High Court appointed the National Geophysical Research Institute ("**NGRI**") to identify the source of water. NGRI filed its report before the High Court of Bombay in December 2011 which was taken on record by the High Court in February 2012.

The claim amount is not currently quantifiable.

***Sesa Goa is involved in suits relating to the lands on which its units are located***

Sesa Goa has filed two civil appeals before the Administrator of Comunidade of North Zone Mapusa, Goa in relation to a notice issued by Comunidade of Amona to Sesa Goa in December 2005 (subsequently modified in February 2006) stating that Sesa Goa had violated the terms of lease entered into between Sesa Goa and Comunidade of Amona in relation to land where the pig iron plant of Sesa Goa is located, on the grounds that Sesa Goa had sub-leased part of the land to a private company. The notice requests Sesa Goa to reply and explain why the lease should not be forfeited.

The claim amount is not currently quantifiable. In the event of an adverse order and subject to Sesa Goa's right to appeal, these plants may have to be relocated.

***Sesa Goa has challenged the imposition of forest development tax by Government of Karnataka***

Sesa Goa filed a writ petition in the High Court of Karnataka in October 2008 against the Government of Karnataka and others, challenging the imposition of forest development tax at a rate of 8 per cent on the value of iron ore sold by Sesa Goa from the mining leases in the forest area, in terms of the notification in August 2008 issued by the Government of Karnataka and the memorandum/common order in September 2008 issued by the Deputy Conservator of Forests. In August 2009, the High Court of Karnataka permitted the respondents to levy forest development tax and directed that the demand be restricted to 50 per cent of the forest development tax as an interim arrangement pending disposal of the writ petition. An application was filed by Sesa Goa before the High Court seeking modification of the order in August 2009. However, the application was not taken up for hearing. Subsequently, Sesa Goa filed a special leave petition in November 2009 before the Supreme Court of India, against the order of the High Court of Karnataka. In November 2009, the Supreme Court of India directed the High Court to dispose of the application for modification of the order dated 19 August 2009 and directed Sesa Goa to furnish a bank guarantee towards payment of the forest development tax. In April 2010 Sesa Goa was directed by the High Court of Karnataka to pay 25 per cent of the demand in cash and furnish a bank guarantee for the remaining 25 per cent.

Subsequently, the Government of Karnataka argued before the High Court of Karnataka and Sesa Goa filed its written submission dated 25 July 2012 before the High Court of Karnataka praying that the writ petition may be allowed and the notification dated 16 August 2008 be set aside.

The claim amount is not currently quantifiable.

***Vedanta is involved in a tax dispute with the Indian tax department***

In 2007, Vedanta acquired Sesa Goa through the acquisition of all of the outstanding shares of Finsider by its wholly-owned subsidiaries, Richter Holding Ltd and Westglobe Limited. Finsider held Mitsui & Company Limited's 51.0 per cent interest in Sesa Goa. In October 2009, the Indian tax department issued a show cause notice to Richter as to why Richter did not withhold taxes in respect of its acquisition of Finsider from Mitsui. The Indian tax department contended that the acquisition of Finsider amounted to an indirect acquisition of Sesa Goa, accordingly giving rise to capital gains taxable under Indian tax law.

Richter filed a writ petition in the High Court of Karnataka to quash the show cause notice and in March 2011, the single judge directed Richter to submit its arguments to the Indian tax department. While the proceedings were in progress, the Indian tax department also served a show cause notice on Richter's wholly owned subsidiary, Westglobe Limited, for alleged failure to deduct withholding tax on capital gains in connection with the same matter.

The claim amount is not currently quantifiable.

- 7.2 Save for the litigation summarised below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware)

which may have or have had during the 12 months prior to the date of this document a significant effect on Hindustan Zinc or the 29.5 per cent interest in Hindustan Zinc which the Company is proposing to acquire all or part of, and/ or the financial position of Hindustan Zinc or that of the interest proposed to be acquired or on the profitability derived from Hindustan Zinc or that interest.

***Demands against HZL by the Department of Mines and Geology and Ministry of Mines***

The Department of Mines and Geology of the State of Rajasthan issued several show cause notices in August, September and October 2006, aggregating \$83.5 million, to HZL in relation to alleged unlawful occupation and unauthorised mining of associated minerals other than zinc and lead at its Rampura Agucha, Rajpura Dariba and Zawar Group mines in Rajasthan, during the period from July 1968 to March 2006. In addition, the Department of Mines and Geology has also demanded an aggregate of INR55 million being the sum equivalent to the alleged arrears in royalty payments at such mines as a result of incorrect computation by HZL during the period from April 1971 to March 2000. HZL has filed writ petitions in the High Court of Rajasthan in Jodhpur and in 2006 has obtained a stay in respect of these demands in 2006.

A writ petition was filed by HZL in October 2006 against the Union of India through the Ministry of Mines and others before the High Court of Rajasthan at Jodhpur with regard to a demand notice dated 20 October 2006 issued by the Mining Engineer of Rajasthan to HZL. As per the terms of the notice, the Ministry of Mines stated that the mining lease granted to HZL was for the extraction of zinc and lead but that HZL was also extracting cadmium and silver in violation of the terms of the lease for the Rampura Agucha mine. The Department of Mines and Geology claimed INR2,435.88 million from HZL for the extraction of cadmium and silver.

HZL asserted in its writ petition that the lease was granted for lead, zinc and associated minerals and that cadmium and silver are associated minerals. Further it has stated that the contested minerals are found alongside lead and silver in an inseparable form and cannot be extracted separately. It has also submitted that it has been paying the royalty on cadmium and silver, which has been duly accepted by the Department of Mines and Geology, which is part of the Ministry of Mines, without objection. In October 2006, the High Court issued a stay and restrained the Department of Mines and Geology from undertaking any measures to recover the penalty. In January 2007, the High Court directed the Ministry of Mines not to issue any orders cancelling the lease.

Subsequently, while deleting the statements pertaining to the validity of certain provisions of the Mines and Minerals (Regulation and Developments) Act, 1957, from its petitions, HZL sought to shift the forum of adjudication of the cases from the division bench of the High Court of Rajasthan to a single bench of the High Court of Rajasthan. This has been allowed by an oral order, and four amended petitions with respect to Rampura Agucha, Zawar Group and Rajupra Dariba mines have been filed in March 2013 for quashing of the demand notices issued by the Department of Mines and Geology and an order restraining the State Mines Department from adopting any coercive measures in the interim. The case has been listed for hearing in December 2013.

***Demands against HZL by the State of Rajasthan***

The State of Rajasthan issued a notification in June 2008 notifying the Rajasthan Environment and Cess Rules, 2008, imposing environment and health cess on major minerals including lead and zinc. HZL and other mine operators resisted the notification and the imposition thereunder before the High Court of Rajasthan on the ground that the imposition of such cess and all matters relating to the environment fall under the competence of the Central Government as opposed to a State Legislature. In October 2011, the High Court of Rajasthan disposed of the writ petitions. HZL has challenged this order by a special leave petition in December 2011, before the Supreme Court of India. The Supreme Court of India passed an interim order in March 2012, restraining the State of Rajasthan from taking any coercive steps for recovery of the demand. The date of the next hearing is not yet confirmed.

The claim amount is not currently quantifiable.

- 7.3 Save for the litigation summarised below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have or have had during the 12 months prior to the date of this document a significant effect on BALCO or the 49.0 per cent interest in BALCO which the Company is proposing to acquire all or part of and/ or the financial position of BALCO or that of the interest proposed to be acquired or on the profitability derived from BALCO or that interest.

***BALCO is involved in litigation in relation to the illegal felling of trees situated on forest land***

BALCO is involved in public interest litigations filed by an organisation known as "Sarthak" and Bhupesh Baghel before the forest bench of Supreme Court of India alleging encroachment by BALCO over the land on which the Korba facility is situated. It alleges that the land belongs to the State Government of Chhattisgarh and that BALCO has engaged in illegal felling of trees on that land and usage of forest land in violation of the Forest Conservation Act, 1980. The Supreme Court of India has referred the matter to the CECI which has submitted its report on the petitions to the Supreme Court of India in 17 October 2007, recommending that BALCO be directed to seek ex-post facto approval for diversion of forest land in possession of BALCO for non-forest use.

In February 2008, the Supreme Court of India had separately issued an order directing that no trees were to be felled pending resolution of disputes. The petitioners filed an application alleging contempt of the February 2008 order. The application was heard in March 2010 and in April 2010, the Supreme Court of India referred the application to CECI. The CECI did not find that the illegal cutting of trees occurred but recommended that matter may be referred to Forest Survey of India, MoEF to undertake a detailed study using satellite imaging of the area, in order to find out whether trees were cut after the order of the Hon'ble SC. Further, BALCO filed an application on 30 March 2012 before the Supreme Court of India, seeking directions to the MoEF to grant ex-post facto approval for forest land diversion as per the report of the CECI, as well as permit BALCO to deposit the net present value of the forest land towards such approval. The proceedings before the Supreme Court of India are currently pending.

In the event that the Supreme Court rules against BALCO, BALCO may be required to pay the net present value of the land in question to convert the forest land to non-forest use. The maximum amount payable, based on the highest prescribed rate, is approximately US\$10.3 million (using the spot rate of exchange as at the latest practicable date prior to the date of this document of INR62.1383 per US\$1).

**8. Significant change**

- 8.1 There has been no significant change in the financial or trading position of the Group since 31 March 2013, being the date of the last audited financial statements of the Company.
- 8.2 There has been no significant change in the financial or trading position of HZL since 31 March 2013, being the date at which the financial information in Part IV of this document is presented.
- 8.3 There has been no significant change in the financial or trading position of BALCO since 31 March 2013, being the date at which the financial information in Part IV of this document is presented.

**9. Related Party Transactions**

In respect of the periods for which historical financial information appears or is incorporated by reference in this document and in respect of the periods from the end of such financial periods to 30 September 2013 being the latest practicable date prior to the publication of this document neither the Company nor any other member of the Group, has entered into any transactions with related parties other than as set out below:

(a) **Sterlite Technologies Limited**

	<b>31 March 2013 to 30 September 2013</b>	
	<b>(US\$ million)</b>	
Sales to Sterlite Technologies Limited .....		37.5
Reimbursement of expenses .....		0.1
Purchases .....		0.2
Net interest received .....		0.1
Amounts receivable at period/year end .....		14.2

Sterlite Technologies Limited is a related party by virtue of having the same controlling party as the Company, namely Volcan. Pursuant to the terms of the Shared Services Agreement dated 5 December 2003 entered into by the Company, Sterlite Industries (India) Limited and Sterlite Technologies Limited, the Company and Sterlite Industries (India) Limited provide various commercial services in relation to Sterlite Technologies Limited's businesses on an arm's length basis and at normal commercial terms.

(b) **Vedanta Foundation (formerly Sterlite Foundation)**

Since 31 March 2013, US\$0.5 million was paid to the Vedanta Foundation. The Vedanta Foundation is a registered not-for-profit entity engaged in computer education and other related social and charitable activities. The major activity of the Vedanta Foundation is providing computer education for disadvantaged students. The Vedanta Foundation is a related party as it is controlled by members of the Agarwal family who control Volcan, being the majority shareholder of the Company.

(c) **Sesa Community Foundation Limited**

Since 31 March 2013, US\$0.4 million was paid to the Sesa Community Foundation Limited. The Sesa Community Foundation Limited is controlled by the directors of a member of the Vedanta Group.

(d) **The Anil Agarwal Foundation**

Since 31 March 2013, US\$0.01 million was donated to The Anil Agarwal Foundation. The Anil Agarwal Foundation is a registered not-for-profit entity engaged in social and charitable activities. The Anil Agarwal Foundation is a related party as it is controlled by members of the Agarwal family who control Volcan, being the majority shareholder of the Company.

(e) **Henry Davis York**

Since 31 March 2013, Henry Davis York provided board and legal services to a subsidiary of Vedanta at the cost of US\$0.12 million. The partners of Henry Davis York hold non-executive director roles in that subsidiary.

(f) **Sterlite Iron and Steel Limited**

	<b>31 March 2013 to 30 September 2013</b>	
	<b>(US\$ million)</b>	
Loan balances receivable .....		6.7
Receivable at 7 August 2012 .....		0.4
Reimbursement of expenses .....		0.0025

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

(g) **Vedanta Medical Research Foundation**

	<u>31 March 2013 to 30 September 2013</u>
	(US\$ million)
Donation .....	0.7

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

(h) **Volcan**

	<u>31 March 2013 to 30 September 2013</u>
	(US\$ million)
Reimbursement of expenses .....	0.2
Amounts receivable at period/year end	0.043
Dividend paid by the Company to Volcan	64.03

10. **Consents**

10.1 Deloitte LLP (a member of the Institute of Chartered Accountants in England and Wales) has given and has not withdrawn its written consent to the inclusion in this document of its report which is set out in Part V of this document in the form and context in which it is included and has authorised the contents of that Part of this document which comprises its report.

10.2 J.P. Morgan Cazenove has given and not withdrawn its written consent to the inclusion of its name and the references made to its name in this document in the form and context in which they appear.

11. **Documents available for inspection and available information**

Copies of the following documents can be found on the Company's website ([www.vedantaresources.com](http://www.vedantaresources.com)) and will be available for inspection at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA and at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the conclusion of the General Meeting:

- (a) the articles of association of the Company;
- (b) the published audited consolidated accounts of the Group for the three financial years ended 31 March 2013, 2012 and 2011;
- (c) the Sesa Sterlite Circular;
- (d) the Prospectus;
- (e) 2013 Annual Report and Accounts;
- (f) the consent of each of Deloitte and J.P. Morgan Cazenove referred to in paragraph 10 above;
- (g) the written offer to the GoI dated 9 January 2012 in relation to the acquisition of the GoI's interests in HZL and BALCO;
- (h) the letters to the GoI dated 10 April 2012 and 6 July 2012, referring to the Company's offer to the GoI; and
- (i) this document.

Date: 14 October 2013

## PART IX

### DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

The following definitions apply throughout this document and the accompanying Form of Proxy, unless the context otherwise requires:

"Asarco"	Asarco LLC (formerly known as American Smelting and Refining Company), a company incorporated in the United States;
"BALCO"	Bharat Aluminium Company Ltd;
"BALCO Acquisition"	the acquisition (whether pursuant to one acquisition or pursuant to a series of acquisitions) by the Company or one of its subsidiaries from the GoI of up to 49.0 per cent of the issued share capital of BALCO on the terms described in this document and the subsequent withdrawal of all litigation against the GoI in relation to the contested exercise by the Company of options to acquire the GoI's interests in BALCO and in HZL;
"Bombay Stock Exchange" or "BSE"	Bombay Stock Exchange Limited;
"Bonds"	US\$1,200,000,000 6.00 per cent Bonds due 2019 and US\$500,000,000 7.125 per cent Bonds due 2023;
"Cairn Energy"	Cairn Energy India Pty Limited;
"Cairn India"	Cairn India Limited, a company incorporated in India;
"Cairn India Group"	Cairn India and its subsidiaries;
"CECI"	Central Empowered Committee of India;
"Directors" or "Board"	the directors of the Company as at the date of this document whose names are set out on page 30 of this document;
"DTRs" or "Disclosure and Transparency Rules"	the FCA's Disclosure Rules and Transparency Rules;
"EBITDA"	earnings before interest, tax, depreciation and amortisation;
"Employee Option Rights"	the option of the GoI to transfer up to 3.5 per cent of HZL's share capital to employees of HZL and up to 5.0 per cent of BALCO's share capital to employees of BALCO;
"Enlarged Group"	the enlarged Vedanta Group, following completion of either or both of the Transactions;
"Financial Conduct Authority" or "FCA"	the Financial Conduct Authority of the UK in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List of the FCA otherwise than in accordance with Part VI of FSMA;
"Form of Proxy"	the form of proxy relating to the General Meeting being sent to Shareholders with this document;

"FSMA"	the Financial Services and Markets Act 2000 of England and Wales, as amended;
"General Meeting"	the general meeting of the Company convened for 11.00 a.m. on 30 October 2013 (or any adjournment of it), notice of which is set out at the end of this document;
"GoI"	the Government of India;
"Group" or "Vedanta Group"	the Company and its subsidiary undertakings from time to time;
"GSPCB"	Goa State Pollution Control Board;
"Hindustan Zinc" or "HZL"	Hindustan Zinc Limited;
"HZL Acquisition"	the acquisition (whether pursuant to one acquisition or pursuant to a series of acquisitions) by the Company or one of its subsidiaries from the GoI of up to 29.5 per cent of the issued share capital of Hindustan Zinc on the terms described in this document and the subsequent withdrawal of all litigation against the GoI in relation to the contested exercise by the Company of options to acquire the GoI's interest in Hindustan Zinc and in BALCO;
"IBM"	Indian Bureau of Mines;
"IFRS"	International Financial Reporting Standards;
"INDAL"	Indian Aluminium Company Limited;
"Indian Rupees" or "INR"	the lawful currency of India;
"JORC Code"	the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves dated September 1999, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia;
"J.P. Morgan Cazenove"	J.P. Morgan Limited (which conducts its UK investment banking business as J.P. Morgan Cazenove);
"KCM"	Konkola Copper Mines plc, a company incorporated in Zambia;
"LIBOR"	London Interbank Offering Rate;
"Listing Rules"	the listing rules made by the FCA under Part VI of FSMA (as amended from time to time);
"LME"	the London Metal Exchange Limited;
"London Stock Exchange" or "LSE"	London Stock Exchange plc;
"MALCO"	Madras Aluminium Company Ltd, a company incorporated in India;
"MCA"	Ministry of Corporate Affairs of the GoI;

"MoEF"	Ministry of Environment and Forests of GoI;
"National Stock Exchange" or "NSE"	National Stock Exchange of India Limited;
"NGT"	National Green Tribunal;
"Notice of General Meeting" or "Notice"	the notice of the General Meeting set out at the end of this document;
"ONGC"	Oil and Natural Gas Corporation Limited, an Indian state-owned company incorporated in India;
"Prospectus"	the prospectus dated 6 December 2011 with respect to the Company's application to the FCA and the LSE for the Shares to be readmitted to the premium segment of the Official List of the FCA and trading on the London Stock Exchange's main market for listed securities, respectively, required as a result of the acquisition of an interest in Cairn India constituting a reverse takeover of the Company under the Listing Rules;
"Prospectus Rules"	the rules for the purpose of Part VI of FSMA in relation to offers for securities to the public and the admission of securities to trading on a regulated market;
"RBI"	Reserve Bank of India;
"Resolutions"	the resolutions set out in the Notice of General Meeting;
"SAT"	Securities Appellate Tribunal of India;
"SEBI"	the Securities and Exchange Board of India;
"Sesa Goa"	Sesa Goa Limited, now merged into Sterlite to form Sesa Sterlite;
"Sesa Sterlite Circular"	the circular dated 30 May 2012 prepared in relation to the all share merger of Sesa Goa Limited and Sterlite Industries (India) Limited and the Vedanta Group consolidation;
"SFIO"	the Serious Fraud Investigations Office;
"Shareholder(s)"	holder(s) of Shares;
"Shares"	ordinary shares of US\$0.10 each in the capital of the Company;
"SIL"	Sesa Industries Limited, a company incorporated in India, which was formerly the subsidiary of Sesa Goa, which has since amalgamated with Sesa Goa with effect from 14 February 2011 and the appointment date of 1 April 2005;
"SMCL"	Sesa Mining Corporation Limited;
"SOVL"	Sterlite Opportunities and Ventures Limited, now merged with and into Sterlite;
"SRL"	Sesa Resources Limited (previously known as V.S. Dempo &

	Co. Private Limited);
"Sterlite"	Sterlite Industries (India) Limited, a company incorporated in India;
"STL"	Sterlite Technologies Limited, a company incorporated in India;
"Transactions"	the HZL Acquisition and the BALCO Acquisition;
"TNPCB"	Tamil Nadu Pollution Control Board;
"TSMHL"	Twin Star Mauritius Holdings Limited, a company incorporated in Mauritius;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"US dollar" or "US\$"	the lawful currency of the United States of America;
"Vedanta Aluminium" or "VAL"	Vedanta Aluminium Limited, a company incorporated in India;
"Vedanta" or the "Company"	Vedanta Resources plc; and
"Volcan"	Volcan Investments Limited.

## GLOSSARY OF TECHNICAL TERMS

The following definitions apply to the technical terms throughout this document, unless the context requires otherwise:

"dmt"	dry metric tonnes;
"gmt"	grams per tonne;
"km"	kilometre;
"kt"	kilotonnes;
"ktpa"	kilotonnes per annum;
"KV"	kilovolt;
"Moz"	million ounces;
"mt"	metric tonnes;
"mtpa"	million tonnes per annum;
"MW"	megawatt, a unit of electrical energy equal to one million watts; and
"tpa"	tonnes per annum;

## PART X

### DOCUMENTATION INCORPORATED BY REFERENCE

1. Relevant documentation

The following documentation, which was sent to Vedanta Shareholders at the relevant time and/or is available for inspection in accordance with paragraph 11 of Part VIII of this document, contains information which is relevant to this document.

2. **Documentation incorporated by reference**

The table below sets out the documentation incorporated by reference into this document to ensure that Vedanta Shareholders and others are aware of all information which, according to the particular nature of the Company, is necessary to enable Vedanta Shareholders and others to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company. For the avoidance of any doubt, no information incorporated by reference in such documentation shall be incorporated by reference into this document.

This document should be read and construed in conjunction with these documents, each of which has been previously published or are published simultaneously with this document and that have been filed with the National Storage Mechanism. Those parts of these documents that are not incorporated by reference are either not relevant for investors or covered elsewhere in this Prospectus.

Any information not listed below, but included in the documents incorporated by reference, is given for information purposes only.

<u>Reference Document</u>	<u>Information incorporated by reference</u>	<u>Reference Document Page Reference</u>	<u>Page Reference in this Document</u>
Company's 2013 Annual Report and Accounts	Section entitled "Directors' Remuneration Report"	95-105	31-32
Sesa Sterlite Circular	Paragraph headed "The Cairn Consolidation" of Part VI: "Description of the Transactions"	29	32
Prospectus	Paragraph 3 of Part II: "Relationship with Major Shareholder"	167-169	32
Prospectus	Paragraphs 9.1 and 9.2 of Part I: "Information on the Vedanta Group, the Cairn India Group and the Combined Group"	116-118	32
Prospectus	Paragraphs 14.1, 14.2, 14.4, 14.5 and 14.6(c)(i) of Part X: "Additional Information" of the Prospectus	375-391	32

## Notice of General Meeting

### VEDANTA RESOURCES PLC

*(Incorporated and registered in England and Wales, Registration No. 04740415)*

NOTICE is hereby given that a General Meeting of Vedanta Resources plc (the "Company") will be held at 11.00 a.m. on 30 October 2013 at Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2HA, for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions.

The results of the voting at the General Meeting will be announced through a Regulatory Information Service and will appear on the Company's website ([www.vedantaresources.com](http://www.vedantaresources.com)).

#### ORDINARY RESOLUTIONS

1. THAT the acquisition (whether pursuant to one acquisition or pursuant to a series of acquisitions) by the Company or one of its subsidiaries of up to 29.5 per cent of the entire issued share capital of Hindustan Zinc Limited from the Government of India for an aggregate INR consideration which, taken together with the aggregate INR consideration, if any, paid in respect of the acquisition of interests in Bharat Aluminium Company Ltd referred to in resolution 2 below, shall not exceed the INR equivalent of US\$3,482 million (using the spot rate of exchange as at the latest practicable date prior to the date of the circular to shareholders of the Company dated 14 October 2013 (the "**Circular**") of which this Notice forms part of INR62.1383 per US\$1) in the case of the acquisition of a 29.5 per cent interest (reduced proportionately if less than the entirety of the Government of India's interest in Hindustan Zinc Limited is acquired) and the withdrawal by the Company and its subsidiaries of all and any litigation and proceedings against the Government of India in relation to the contested exercise by the Company of its options to acquire the Government of India's interests in Hindustan Zinc Limited and/or Bharat Aluminium Company Ltd, as described in the Circular, be and is hereby approved on the basis that the acquisition(s) is or are completed on or before 14 October 2014, that there is no material change to the terms of the acquisition(s) from those described in Part VI of the Circular and that any approvals, consents or dispensations required to effect the acquisition(s) are obtained and the directors of the Company (the "**Directors**") (or any duly constituted committee thereof) be authorised to take all such steps as may be necessary or desirable in connection with, and to implement and complete, the acquisition(s) and subsequent withdrawal of litigation and associated matters with such modifications, variations, revisions, waivers or amendments (not being modifications, variations, revisions, waivers or amendments which are material in nature) as the Directors or a duly authorised committee thereof may deem necessary, expedient or appropriate.
2. THAT the acquisition (whether pursuant to one acquisition or pursuant to a series of acquisitions) by the Company or one of its subsidiaries of up to 49.0 per cent of the entire issued share capital of Bharat Aluminium Company Ltd from the Government of India for an aggregate INR consideration not exceeding the INR equivalent of US\$487 million (using the spot rate of exchange as at the latest practicable date prior to the date of the circular to shareholders of the Company dated 14 October 2013 (the "**Circular**") of which this Notice forms part of INR62.1383 per US\$1) in the case of the acquisition of a 49.0 per cent interest (reduced proportionately if less than the entirety of the Government of India's interest in Bharat Aluminium Company Ltd is acquired) provided that the aggregate INR consideration paid in respect of such acquisition and the consideration, if any, paid in respect of the acquisition referred to in resolution 1 above shall not exceed the INR equivalent of US\$3,482 million (using the spot rate of exchange as at the latest practicable date prior to the date of the Circular of INR62.1383 per US\$1) and the withdrawal by the Company and its subsidiaries of all and any litigation and proceedings against the Government of India in relation to the contested exercise by the Company of its options to acquire the Government of India's interests in Bharat Aluminium Company Ltd and/or Hindustan Zinc Limited, as described in the Circular, be and is hereby approved on the basis that the acquisition(s) is or are completed on or before 14 October 2014, that there is no material change to the terms of the acquisition(s) from those described in Part VI of the Circular and that any approvals, consents or dispensations required to effect the acquisition(s) are

obtained and the directors of the Company (the "**Directors**") (or any duly constituted committee thereof) be authorised to take all such steps as may be necessary or desirable in connection with, and to implement and complete, the acquisition(s) and subsequent withdrawal of litigation and associated matters with such modifications, variations, revisions, waivers or amendments (not being modifications, variations, revisions, waivers or amendments which are material in nature) as the Directors or a duly authorised committee thereof may deem necessary, expedient or appropriate.

**By order of the board**

Deepak Kumar  
Company Secretary

14 October 2013

*Registered Office: 2<sup>nd</sup> Floor, Vintners Place, 68 Upper Thames Street, London EC4V 3BJ*

## Notes:

### Voting at the General Meeting

1. It is intended that voting on all resolutions at the General Meeting will be conducted on a poll, rather than a show of hands. The Directors believe that this produces more democratic results, as all shares represented at the General Meeting and those lodged before the General Meeting are included in the results of the voting on a one share one vote basis.

### Proxies

2. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY ("Computershare") (helpline number +44(0)870 707 1388). To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. To be valid, any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 11.00 a.m. on 28 October 2013. If they are a CREST member, shareholders may use the electronic proxy voting service provided by Euroclear.
4. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 11 below) will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.
5. For online voting, members may go to the following website: [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). Shareholders will be asked to enter the Control Number, the Shareholder Reference Number (SRN) and PIN as provided on their proxy form and agree to certain terms and conditions. Shareholders may not use any electronic address provided in this notice of General Meeting or the form of proxy to communicate with the Company for any purposes other than those expressly stated.

### Nominated persons

6. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 to 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

## **Right to attend and vote**

8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at 11.00 a.m. on 28 October 2013 or, in the event of any adjournment, at 11.00 a.m. on the date which is two days before the day of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

## **Total number of shares and voting rights**

9. As at 10 October 2013 (being the latest practicable date before publication of this Notice), the Company's issued share capital comprised 297,585,010 ordinary shares of US\$0.10 each, of which 266,473,199 carry voting rights in relation to all circumstances at general meetings of the Company. Of the remaining 31,111,811 ordinary shares of US\$0.10, 24,206,816 were held as treasury shares including 1,704,333 shares purchased by Gorey Investments Limited, an independent company and 6,904,995 were issued on the conversion of certain convertible bonds issued by one of the Company's subsidiaries. These 6,904,995 ordinary shares are held through a global depositary receipt and, as a result, carry no voting rights. Therefore, the total voting rights in the Company as at 8 October 2013 were 266,473,199.

## **Instructions for electronic proxy appointment through CREST**

10. CREST members who wish to appoint a proxy or proxies through the Euroclear electronic proxy appointment service may do so by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications, and must contain the information required for such instruction, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare (ID number 3RA50) no later than 11.00 a.m. on 28 October 2013. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

### **Corporate shareholders**

14. A shareholder of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the General Meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.

### **Right to ask questions**

15. Any member attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. The Company will not answer any questions which do not relate directly to the business of the General Meeting.

### **Communication**

16. You may not use any electronic address (within the meaning of Sections 333(4) of the Companies Act 2006) provided in this notice (or in any related documents, including the Chairman's letter and Proxy Form) to communicate with the Company for any purpose other than those expressly stated.

### **Inspection of documents**

17. A copy of this notice and other information required by Section 311A of the Companies Act can be found on the Company's website ([www.vedantaresources.com](http://www.vedantaresources.com)).

### **Company's registrars**

18. The Company's register of members is maintained by Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE. The shareholder helpline number is +44(0)870 707 1388.

### **Registration**

19. Shareholders should note that doors to the General Meeting will open at 10.30 a.m. and registration will start at 11.00 a.m.

### **Security**

20. Please note that for security reasons, all hand luggage may be subject to examination prior to entry to the General Meeting. Certain items will not be permitted in the meeting room. These include cameras, recording equipment, items of any nature with potential to cause disorder and such other items as the Chairman of the meeting may specify.
21. Persons who are not shareholders of the Company will not be admitted to the General Meeting unless prior arrangements have been made with the Company in writing. Investors holding shares through nominees are welcome to attend provided that they bring proof of their holding with them to the General Meeting.
22. We ask all those present at the General Meeting to facilitate the orderly conduct of the meeting and reserve the right, if orderly conduct is threatened by a person's behaviour, to require that person to leave.