

# Glossary and Definitions

## **5S**

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

## **Adapted Comparator Group**

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

## **AGM or Annual General Meeting**

The annual general meeting of the Company which is scheduled to be held at 3 pm, UK time, on 1 August 2013

## **AE**

Anode effects

## **AIDS**

Acquired Immune Deficiency Syndrome

## **Aluminium Business**

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

## **Articles of Association**

The articles of association of Vedanta Resources plc

## **Attributable Profit**

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

## **ASARCO**

American smelting and refining company, incorporated in United States

## **BALCO**

Bharat Aluminium Company Limited, a company incorporated in India

## **BMM**

Black Mountain Mining Pty

## **Board or Vedanta Board**

The Board of Directors of the Company

## **Board Committees**

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

## **Businesses**

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

## **Cairn India Group**

Cairn India Limited and its subsidiaries

## **Capital Employed**

Net assets before Net (Debt)/Cash

## **Capex**

Capital expenditure

## **Cash Tax Rate**

Current taxation as a percentage of profit before taxation

## **CEO**

Chief Executive Officer

## **CII**

Confederation of Indian Industries

## **CLZS**

Chanderiya lead and zinc smelter

## **CO2**

Carbon dioxide

## **CMT**

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

## **UK Corporate Governance Code or the Code**

The UK Corporate Governance Code published by the Financial Reporting Council in June 2010

## **Company or Vedanta**

Vedanta Resources plc

## **Company financial statements**

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

## **Convertible Bonds**

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

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

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

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

### Copper Business

The copper business of the Group, comprising:

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

### CREP

Corporate responsibility for environmental protection

### Cents/lb

US cents per pound

### CRRI

Central Road Research Institute

### CRISIL

CRISIL Limited is a rating agency incorporated in India

### CSR

Corporate social responsibility

### CTC

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

### CY

Calendar year

### Deferred Shares

Deferred shares of £1.00 each in the Company

### DGMS

Director General of Mine Safety in the Government of India

### Directors

The Directors of the Company

### Dollar or US\$

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

### DRs

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

### EBITDA

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

### EBITDA Margin

EBITDA as a percentage of turnover

### EBITDA interest cover

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

### EBITDA Margin excluding custom smelting

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

### Economic Holdings or Economic Interest

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

### E&OHSAS

Environment and occupational health and safety assessment standards

### E&OHS

Environment and occupational health and safety management system

### EPS

Earnings per ordinary share

### ESOP

Employee share option plan

### ESP

Electrostatic precipitator

### Executive Committee

The Executive Committee to whom the Board has delegated operational management. It comprises of the Executive Directors and the senior management of the Group

### Executive Directors

The Executive Directors of the Company

### Expansion Capital Expenditure

Capital expenditure that increases the Group's operating capacity

### Financial Statements or Group Financial Statements

The consolidated financial statements for the Company and the Group for the year ended 31 March 2013 as defined in the Independent Auditor's Report to the members of Vedanta Resources plc

### Free Cash Flow

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

### FY

Financial year i.e. April to March

### GAAP, including UK GAAP and Indian GAAP

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

# Glossary and Definitions continued

## **GDP**

Gross domestic product

## **Gearing**

Net Debt as a percentage of Capital Employed

## **GJ**

Giga joule

## **GRMC**

Group Risk Management Committee

## **Government or Indian Government**

The Government of the Republic of India

## **Gratuity**

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

## **Group**

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

## **Gross finance costs**

Finance costs before capitalisation of borrowing costs

## **HSE**

Health, safety and environment

## **HZL**

Hindustan Zinc Limited, a company incorporated in India

## **IAS**

International Accounting Standards

## **ICMM**

International Council on Mining and Metals

## **IFRIC**

IFRS Interpretations Committee (formerly known as the International Financial Reporting Interpretations Committee)

## **IFRS**

International Financial Reporting Standards

## **INR**

Indian rupees

## **Interest Cover**

EBITDA divided by finance costs

## **ISO 9001**

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

## **ISO 14001**

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

## **KCM or Konkola Copper Mines**

Konkola Copper Mines PLC, a company incorporated in Zambia

## **KDMP**

Konkola deep mining project

## **Key Result Areas or KRAs**

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

## **KLD**

Kilo litres per day

## **KPIs**

Key performance indicators

## **Kwh**

Kilo-watt hour

## **Kwh/d**

Kilo-watt hour per day

## **LIBOR**

London Inter Bank Offered Rate

## **LIC**

Life Insurance Corporation

## **Listing or IPO (Initial Public Offering)**

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

## **Listing Particulars**

The listing particulars dated 5 December 2003 issued by the Company in connection with its Listing or revised listing filed in 2011

## **Listing Rules**

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

## **LME**

London Metals Exchange

## **London Stock Exchange**

London Stock Exchange plc

## **Lost time injury**

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

## **LTIFR**

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

## **LTIP**

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

## **MALCO**

The Madras Aluminium Company Limited, a company incorporated in India

## **Management Assurance Services ('MAS')**

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

**MAT**

Minimum alternative tax

**MIS**

Management information system

**MOEF**

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

**mt or tonnes**

Metric tonnes

**MU**

million Units

**MW**

Megawatts of electrical power

**NCCBM**

National Council of Cement and Building Materials

**Net (Debt)/Cash**

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

**NGO**

Non-governmental organisation

**NIHL**

Noise induced hearing loss

**Non-Executive Directors**

The Non-Executive Directors of the Company

**OHSAS 18001**

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

**Oil and gas business**

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

**Ordinary Shares**

Ordinary shares of 10 US cents each in the Company

**ONGC**

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

**PBT**

Profit before tax

**PFC**

Per fluorocarbons

**PHC**

Primary health centre

**PPE**

Personal protective equipment

**Provident Fund**

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

**PSC**

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

**Recycled water**

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

**Relationship Agreement**

The agreement dated 5 December 2003 and subsequently amended in December 2011 between the Company, Volcan Investments Limited and members of the Agarwal family that regulates the ongoing relationship between them, the principal purpose of which is to ensure that the Group is capable of carrying on business independently of Volcan, the Agarwal family and their associates

**Return on Capital Employed or ROCE**

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

**The Reward Plan**

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

**RO**

Reverse osmosis

**SA 8000**

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

**Senior Management Group**

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

**Sesa Goa or Sesa**

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

**SEWT**

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

**The Share Option Plan**

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

# Glossary and Definitions continued

**SHGs**

Self help groups

**SID**

Senior Independent Director

**SO<sub>2</sub>**

Sulphur dioxide

**SBU**

Strategic Business Unit

**STL**

Sterlite Technologies Limited, a company incorporated in India

**Special items**

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

**SPM**

Suspended particulate matter. Fine dust particles suspended in air

**Sterling, GBP or £**

The currency of the United Kingdom

**Sterlite**

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

**Sterlite Energy Limited ('SEL')**

Sterlite Energy Limited, a company incorporated in India

**Superannuation Fund**

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

**Sustaining Capital Expenditure**

Capital expenditure to maintain the Group's operating capacity

**TCM**

Thalanga Copper Mines Pty Limited, a company incorporated in Australia

**TC/RC**

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

**TGS**

Tail gas scrubber

**TGT**

Tail gas treatment

**TLP**

Tail Leaching Plan

**tpa**

Metric tonnes per annum

**TPM**

Tonne per month

**TSPL**

Talwandi Sabo Power Limited, a company incorporated in India

**TSR**

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

**Turnbull Guidance**

The guidance sets out best practice on internal control for UK listed companies and provides additional guidance in applying certain sections of the UK Corporate Governance Code

**Twin Star**

Twin Star Holdings Limited, a company incorporated in Mauritius

**Twin Star Holdings Group**

Twin Star and its subsidiaries and associated undertaking

**Underlying EPS**

Underlying earnings per ordinary share

**Underlying Profit**

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

**US cents**

United States cents

**VAL**

Vedanta Aluminium Limited, a company incorporated in India

**VFD**

Variable frequency drive

**VFJL**

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

**VGCB**

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

**Volcan**

Volcan Investments Limited, a company incorporated in the Bahamas

**VRCL**

Vedanta Resources Cyprus Limited, a company incorporated in Cyprus

**VRFL**

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

**VRHL**

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

**VSS**

Vertical Stud Söderberg

**Water Used for Primary Activities**

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

**WBCSD**

World Business Council for Sustainable Development

**ZCI**

Zambia Copper Investment Limited, a company incorporated in Bermuda

**ZCCM**

ZCCM Investments Holdings plc, a company incorporated in Zambia

**ZRA**

Zambia Revenue Authority

