

## Details of Funding from the Vedanta Group to INC between FY 2003-2004 and 2011-2012

Under Sections 3 & 4 of Foreign Contributions (Regulation) Act (FCRA), 1976, political parties are not permitted to accept contributions from foreign companies or companies controlled in India by foreign companies. Section 293A of Company Act, 1956 states that any Company found to have made such a donation will be made to pay 3 times the amount contributed to the party alongwith imprisonment of the authorising officer of upto 3 years with fine.

S. No.	Name	Complete Address of the Contributing Person/Company	Total Doation	Amount of Contribution (in Rs.)	Mode of Contribution (Cheque/demand Draft/Cash)	Financial Year
1	Sterlite Industries India Ltd	Dhanraj Mahal 5 <sup>th</sup> Floor Csm Road Apollo Bunder Mumbai-39	6,00,00,000	1,00,00,000	Cheque No- 486677,dt- 27.01.2005 HDFC Bank Ltd silvasa	2004-2005
		Business Square,C-Wing 2 <sup>nd</sup> Floor, Andheri-Kurla Road Chakala, Andheri (East) Mumbai-400093		5,00,00,000	Ch.No.091394/Dtd.02.04.2009 ICICI Bank, Mumbai	2009-2010
2	Sesa Goa Limited	Sesa Ghar, Pottl, Panaji, Goa	2,78,50,000	5,00,000	Cheque No 238460 Dtd. 31.05.2005 Canara Bank Panaji, Goa	2005-2006
		Sesa Ghor ,Panji Goa		12,50,000	Cheque No- Canara Bank Panaji Goa	2007-2008
		Sesa Ghor ,Panji Goa		15,00,000	Cheque No, Canara Bank Panaji Goa	2007-2008
		Sesa Ghar, 20 EDC Complex , Panjim, Goa-403001		30,00,000	Ch.No.548287/Dtd.15.04.2009 Canara Bank Panaji, Goa	2009-2010
		Sesa Ghar, Patto Panaji- GOA		2,00,00,000	Bank Transfer RTGS, ICICI Bank Limited Panaji Branch	2011-2012
		Sesa Ghar, Pottl, Panaji, Goa		2,00,000	Cheque No 913411 Dtd 20.02.2006 Canara Bank Mapusa, Goa	2005-2006
		Sesa Ghar Patto, Panaji Goa		2,00,000	Cheque Canara Bank Panaji	2006-2007
		Sesaghar Patto Panaji		5,00,000	Cheque HDFC bank panaji	2004-2005
		Sesa Ghar Patto Panaji		5,00,000	Cheque Canara bank panaji	2004-2005
		Sesa Ghar Patto Panaji		2,00,000	Cheque Canara bank panaji	2004-2005
3	Solaries Holding s Ltd.	First India Place, Tower C, Mehrauli-Gurgaon Road, Gurgaon, Haryana-122002	1,00,00,000	50,00,000	Ch.No.512059/Dtd.21.03.2009 Standard Chartered Bank, Narain Manzil, 23, Barakhamba Road, New Delhi-110001	2009-2010
		First India Place, Tower C, Mehrauli-Gurgaon Road, Gurgaon, Haryana-122002		50,00,000	Ch.No.512060/Dtd.21.03.2009 Standard Chartered Bank, Narain Manzil, 23, Barakhamba Road, New Delhi-110001	2009-2010

Table: Details of Funding from Vedanta Group to INC between 2003-04 and 2011-12 from all over India

## Details of Funding from Vedanta Group to BJP between FY 2003-2004 and 2011-2012

S. No.	Name	Complete Address of the Contributing Person/Company	Total Doation	Amount of Contribution (in Rs.)	Mode of Contribution (Cheque/demand Draft/Cash)	Financial Year
1	Public & Political Awareness Trust	1/1/2, Chinchpada, Silvasa	14,50,00,000	5,00,00,000	ch. 486377HDFC BANK,NEW DELHI	2003-2004
		1/1/2, Chinchpada, Silvasa-396230 (D & NG)		5,00,00,000	RTGS Thru. HDFC Bank	2011-2012
		Silvasa		2,00,00,000	486381 HDFC Bank New Delhi	2004-2005
		Silvasa		1,50,00,000	Ch.no. 486678,79, HDFC bank ltd silvasa	2004-2005
		Dadra & Nagar Haveli		50,00,000	Ch.no. 486378 HDFC bank silvasa	2004-2005
		Padra & Nagar Haveli		50,00,000	Ch.. 486376 HDFC BANK,SILVASA	2003-2004
2	Vedanta The Madras Aluminium Co Ltd		3,50,00,000	3,00,00,000	104791 ICICI Bank	2009-2010
				50,00,000	104792 ICICI Bank	2009-2010
3	Sesa Goa Limited	Sesa ghor 20 EDC complex patto	1,41,50,000	5,00,000	Cheque No. 362506, Canara Bank Panaji	2004-2005
		Sesa ghor 20 EDC complex patto		2,00,000	Cheque No. 364369, Canara Bank Panaji	2004-2005
		Sesa. Ghor 20 EDC Complex Pattc		5,00,000	238464 Canara Bank, Panaji	2005-2006
		SESA GOA LTD. SESA GHOR 20 EDC COMPLEX PATTO, PANAJI-GOA		2,00,000	CHEQUE NO. 913853 CANARA. BANK. PANAJI	2006-2007
		20 EDC Complex Panaji Goa		15,00,000	Cheque No.- 893723 Canara Bank Panaji	2007-2008
		20 EDC Compiex Patto Panaji Goa		12,50,000	Chaque No 541344 Canara Bank Panaji	2007-2008
		20 E D Complex Patto Panji, Goa		50,00,000	202831 ICICI Bank	2009-2010
		P O BOX 125, SESA GHOR 20 EDC Complex Patto , Panji Goa – 403001		10,00,000	22753 ICICI Bank	2009-2010
				15,00,000	041450 ICCI Bank Ltd.Panji	2011-2012
		P.O.Box 125 ,Sesa Ghor 20 EDC Complex Patto Panaji – Goa 403001		25,00,000	042277 ICICI Bank Ltd.	2011-2012

Table: Details of Funding from the Vedanta Group to BJP between 2003-04 and 2011-12 from all over India

# Who We Are



Vedanta Resources is a FTSE 100, London Stock Exchange listed, globally diversified natural resources major with interests in Zinc, Lead, Silver, Copper, Iron Ore, Aluminium, Power and Oil & Gas.

Our exploration portfolio from all the four continents that we operate in, follows a history of consistent geological discovery. With a business model of growth, constant value creation and improved operations, the company's vision is focussed towards building the wealth of our shareholders and sustainably engaging the community we operate in.

Accountability being a core characteristic of Vedanta's work philosophy, our long term business approach adopts best practices towards fulfilling vital customer needs in a safe and responsible manner.

Our people are dedicated towards continuously reviewing strategic plans to keep in line with the variables of opportunity, innovation and focus. Vedanta's success as a diversified resources major is due to a constant awareness of the impact we make on the lives of those working with us. Be they our people and their families or our business partners, we give back to the community that constantly nurtures us through economic and other developments in our host countries.

At the broadest level, we do this by directly employing over 30,000 people, and contracting over 69,000 more, with the majority drawn from the surrounding communities of each of our operations\*. This is in addition to our contribution to the countries we operate in through the timely payments of our tax obligations. We contributed US\$ 4.7 billion to our host governments through direct and indirect taxes and royalties. In addition we have spent over US\$ 10.9 billion in operating costs, over US\$ 500 million in wages and benefits and some US\$ 38 million in community investments.

We work towards minimizing the effect of our operations on the environment and to maximise the benefits for the local communities, while respecting their laws and customs. To ensure a long-term future of the Group, we aim to grow our reserves and resources at a faster rate than we deplete them through constant exploration and acquisitions.

## Our Story

[Who We Are](#)

[What We Do](#)

[Vision & Values](#)

## Why Vedanta



Vedanta is a dynamic organisation and boasts of some of the most creative, skilled, forward-thinking and ethnically varied talent pool...

## Investor Relations



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## Directors' Report *continued*

Mr Naresh Chandra and Mr Jean-Pierre Rodier were appointed to the Board as Non-executive Directors on 18 May and 14 June 2004, respectively.

Following his appointment as Finance Minister in the new Indian Government, Mr Chidambaram resigned as a Director on 22 May 2004.

Details of the Directors' service contracts, emoluments, the interests of the Directors and their immediate families in the share capital of the Company, options to subscribe for shares in the Company and the share capital of its subsidiaries are shown in the Remuneration Report on pages 34 to 40.

### Corporate Social Responsibility

Details of the Group's approach to Corporate Social Responsibility are set out in the report headed Corporate Social Responsibility on pages 22 to 26.

### Employment Policies

A summary of the Group's employment policies is set out in the report headed Corporate Social Responsibility on pages 22 to 26.

### Charitable and Political Donations

During the year the Group made charitable donations of US\$460,000. The most significant charitable donation was US\$330,000 to the Sterlite Foundation. Details about the activities of the Sterlite Foundation and of the Group's involvement with local communities during the year can be found in the Corporate Social Responsibility report.

During the year, Sterlite made a donation of US\$1.2 million to the Political and Public Awareness Fund in India, a trust with political objectives, further details of which are provided in note 30 to the Financial Statements.

### Substantial Shareholdings

As at 18 June 2004, the Company has been notified, in accordance with sections 198 to 208 of the Companies Act 1985, of the following interests in the Ordinary Shares of the Company:

Notification received from	No. of Ordinary Shares	% of Issued Share Capital
Volcan Investments Limited <sup>1</sup>	154,157,911	53.83%
Ospraie Portfolio Limited	10,163,124	3.55%
Deutsche Bank AG	8,618,982	3.01%

<sup>1</sup> The Company has also been notified that Agnivesh Agarwal and DP Agarwal are indirectly interested in 154,157,911 Ordinary Shares (representing 53.83% of the Company's issued share capital) by virtue of their beneficial interest in shares in Volcan.

### Supplier Payment Policy

The Group does not follow any specific external code or standard on payment terms. Instead, responsibility for determining payment terms is delegated to the individual businesses within the Group which take into account local market and industry practice. As a Group, the policy for determining payment terms is either to agree terms of payment at the start of a binding contract or to ensure that the supplier is aware of the individual business' usual payment terms. Payment is made in accordance with contractual and other legal obligations, and reflects local market practices.

The Company is a holding company and, as such, has few suppliers. Trade creditor days of the Company at 31 March 2004 were 14.5 days.

### Post-Balance Sheet Events

As disclosed in note 34 to the Financial Statements, on 2 April 2004, the Group acquired a 2.4% interest in Sterlite which was acquired from the Sterlite Employees Welfare Trust for an aggregate consideration of US\$21.4 million. After completing this acquisition, the Company's direct and effective interests in Sterlite increased to 62.5% and 68.1%, respectively.

In June 2004, SEBI approved a three-for-ten rights issue by Sterlite. This has subsequently been amended to a one-for-two rights issue and re-submitted to SEBI for approval. Completion is expected in the second half of 2004, with expected proceeds of US\$440 million, net of all costs. The Company has fully underwritten the rights issue.

### Value of Land

Land is carried in the balance sheet at historic cost. It is not practical to estimate the market value of land and mineral reserves and resources at any one point in time, since the market values depend on commodity prices which fluctuate on a day-to-day basis.



Notes to the Financial Statements *continued*30. Related Party Transactions *continued*(b) Corporate Related Party Transactions *continued*• *Twin Star*

During the year ended 31 March 2004, the Group paid fees amounting to US\$268,539 to Blake, Cassels & Graydon LLP, a Canadian firm of lawyers, in respect of corporate finance and legal advice provided to the Company. US\$42,900 of these fees related to the de-merger of Twin Star International Limited from Twin Star, and are regarded as having been incurred on behalf of Volcan.

As at 31 March 2004 the US\$42,900 of fees were included within "Amounts due from related parties" in note 16. Payment in full was received from Volcan on 5 April 2004. No interest has been applied on this balance given the short time period between the date when the fees were remitted to Blake, Cassels and Graydon LLP, and the date of receipt from Volcan.

*Transactions with SOTL*

During the year ended 31 March 2004, the Group paid deferred consideration of US\$10.6 million to SOTL, relating to the acquisition of 20% of SOVL from SOTL in January 2003. As a result of this acquisition, share application funds pending allotment of US\$26.2 million in SOVL were returned to SOTL.

Also during the year, the Group purchased an electricity generator from SOTL for US\$1.8 million. US\$0.4 million of this had been advanced in the year ended 31 March 2003, with the balance of US\$1.4 million being paid during the year ended 31 March 2004.

SOTL is a related party by virtue of being controlled by the same ultimate parent company as Vedanta.

*Political and Public Awareness Trust*

During the year, the Group contributed US\$1.2 million to the Political and Public Awareness Trust. This Trust makes contributions to political parties and related causes. The Trust is a related party as it is controlled by members of the Agarwal family.

*Sterlite Foundation*

During the year, US\$0.3 million was paid by BALCO and HZL to the Sterlite Foundation. The Sterlite Foundation is a registered not-for-profit entity engaged in computer education and other related social and charitable activities. The major activity of the Sterlite Foundation is providing computer education for disadvantaged students. The Foundation is a related party as it is controlled by members of the Agarwal family.

## 31. Commitments and Guarantees

The Group has a number of continuing operational and financial commitments in the normal course of business including:

- exploratory mining commitments;
- mining commitments arising under production sharing agreements; and
- completion of the construction of certain assets.

The principal capital commitments of the Group were as follows:

	31 March 2004 US\$ million	31 March 2003 US\$ million
Contracted but not provided	958.7	103.6

The commitments at 31 March 2004 primarily relate to the expansion projects at HZL (US\$215.9 million), BALCO (US\$515.8 million) and Vedanta Alumina Limited (US\$222.2 million).

In addition, companies within the Group provide guarantees within the normal course of business. Guarantees have also been provided in respect of certain short term and long term borrowings, details of which are provided in note 19.

A summary of the most significant guarantees is set out below:

*Secured Loans*

At 31 March 2004, the Group had US\$666.2 million of loans secured upon its assets. See note 19 for further details.

The following Directors held office during the year ended 31 March 2011:

	Appointed	Designation
<b>Executive Directors</b>		
AK Agarwal	16 May 2003	Executive Chairman
N Agarwal	24 November 2004	Deputy Executive Chairman
MS Mehta	1 October 2008	Chief Executive
<b>Non-Executive Directors</b>		
N Chandra	18 May 2004	Non-Executive Director
A Mehta	24 November 2004	Non-Executive Director
ER Macdonald	23 March 2005	Non-Executive Director

#### Appointment and Replacement of Directors

The Company's Articles of Association specify that the minimum number of Directors of the Company, unless determined by ordinary resolution, shall be two. There is no limit on the maximum number of Directors. The Company or the Board may appoint any person to be a Director. Any Director appointed by the Board shall hold office only until the next general meeting and is then eligible for election by the shareholders. At every Annual General Meeting the Articles specify that one-third of the Directors, or if their number is not three or multiple of three, the number nearest to one-third, shall retire from office. The Directors to retire by rotation are those who have been longest in office since appointment or re-appointment. Accordingly Mr Navin Agarwal, Mr Naresh Chandra and Mr Aman Mehta will retire by rotation at the forthcoming Annual General Meeting and being eligible will offer themselves for re-election.

#### Powers of the Directors

Subject to the provisions of the Companies Acts and the Articles of Association and to any directions given by special resolution, the business of the Company is to be managed by the Board which may exercise all the powers of the Company.

#### Directors' and Officers' Liability Insurance and Indemnities

The Company purchases and maintains liability insurance for its Directors and officers and those of the subsidiaries of the Group, as permitted by the Companies Act 2006. The insurance policy does not provide cover where the Director has acted fraudulently or dishonestly. The Company believes that it is appropriate to provide such cover to protect Directors from innocent error as the Directors carry significant liability under criminal and civil law and under the UK Listing, Prospectus and Disclosure and Transparency Rules, and face a range of penalties.

In addition the Articles of Association of the Company contain an indemnity provision in favour of the Directors of the Company against proceedings brought by third parties, subject to the Companies Act 2006, to allow the Company to pay defence costs for the Director where the Director is exonerated.

#### Employees

Information on the Group's employees and its policies with respect to employees can be found in the Sustainable Development Report on pages 22 to 23.

#### Charitable Donations

During the year, the Group made charitable donations of US\$1.68 million paid to the Vedanta Foundation (2010: US\$1.1 million) and other charitable donations of US\$1.35 million (2010: US\$0.63 million).

Further details about the Group's involvement with local communities during the year can be found in the Sustainable Development Report.

#### Political Donations

It is the Board's policy that neither Vedanta nor any of its subsidiary companies may, under any circumstances, make donations or contributions to political organisations within the United Kingdom or European Union. In exceptional circumstances, where such political donations or contributions are to be paid in the United Kingdom and European Union, and if deemed necessary for legitimate business reasons, they will not be made without the approval of the Board and the shareholders in the general meeting.

During the year, the Group made political donations in India of US\$0.02 million (2010: US\$3.66 million) either through a trust or directly in respect of the Indian general election. The Board believes this will encourage and strengthen the democratic process in India.

#### Supplier Payment Policy

Responsibility for determining payment terms is delegated to individual businesses within the Group, which take into consideration the commercial circumstances, local market and industry practice. The Group's policy is either to settle terms of payment with suppliers when agreeing the terms of each transaction or to ensure that the supplier is aware of the individual business's usual payment terms. Payment is made in accordance with contractual and other legal obligations and reflects local market practices.

Trade creditor days of the Company at 31 March 2011 were 42 days (2010: 62 days).



### Dividends

The Directors recommend a final dividend for the year ended 31 March 2012 of 35.0 US cents per ordinary share (2011: 32.5 US cents per ordinary share). Subject to shareholders approving this recommendation at the Annual General Meeting on 28 August 2012, the final dividend will be paid on 5 September 2012 to shareholders on the register of members as at 17 August 2012.

Taken together with the interim dividend of 20.0 US cents per ordinary share paid to shareholders on 15 December 2011, the total dividend for the year is 55.0 US cents per ordinary share (2011: 52.5 US cents per ordinary share).

### Directors

The names, specific responsibilities and biographical details of the current Board of Directors are shown on pages 58 to 59 and details of the Directors who held office during the year ended 31 March 2012 are shown in the Corporate Governance Report on page 64. Details of the remuneration of the Directors, their interests in the shares of the Company and service contracts are contained in the Remuneration Report on pages 83 to 91.

### Appointment and Replacement of Directors

The Company's Articles of Association specify that the minimum number of Directors of the Company, unless determined by ordinary resolution, shall be two. There is no limit on the maximum number of Directors. The Company or the Board may appoint any person to be a Director. Any Director appointed by the Board shall hold office only until the next general meeting and is then eligible for election by the shareholders. The Articles specify that at least one-third of the Directors, or if their number is not three or multiple of three, the number nearest to one-third, shall retire from office. The Directors to retire by rotation are those who have been longest in office since appointment or reappointment. However, in accordance with the requirements of the UK Corporate Governance Code all of the Directors will retire at the forthcoming Annual General Meeting and being eligible will offer themselves for re-election.

### Powers of the Directors

Subject to the provisions of the Companies Acts and the Articles of Association and to any directions given by special resolution, the business of the Company is to be managed by the Board which may exercise all the powers of the Company.

### Directors' and Officers' Liability Insurance and indemnities

The Company purchases and maintains liability insurance for its Directors and officers and those of the subsidiaries of the Group, as permitted by the Companies Act 2006. The insurance policy does not provide cover where the Director has acted fraudulently or dishonestly. The Company believes that it is appropriate to provide such cover to protect Directors from innocent error as the Directors carry significant liability under criminal and civil law and under the UK Listing, Prospectus and Disclosure and Transparency Rules, and face a range of penalties.

In addition the Articles of Association of the Company contain an indemnity provision in favour of the Directors of the Company against proceedings brought by third parties, subject to the Companies Act 2006, to allow the Company to pay defence costs for the Director where the Director is exonerated.

### Employees

Information on the Group's employees and its policies with respect to employees can be found in the Sustainable Development Report.

### Charitable Donations

During the year, the Group made charitable donations of a total of US\$3.12 million (2011: US\$3.03 million). US\$2.31 million was paid to the Vedanta Foundation (2011: US\$1.68 million) and other charitable donations of US\$0.81 million (2011: US\$1.35 million) were made.

Further details about the Group's involvement with local communities during the year can be found in the Sustainable Development Report.

### Political Donations

It is the Board's policy that neither Vedanta nor any of its subsidiary companies may, under any circumstances, make donations or contributions to political organisations within the United Kingdom or European Union. In exceptional circumstances, where such political donations or contributions are to be paid in the United Kingdom and European Union, and if deemed necessary for legitimate business reasons, they will not be made without the approval of the Board and the shareholders in the general meeting.

During the year, the Group made political donations in India of US\$2.01 million (2011: US\$0.02 million) either through a trust or directly in respect of the Indian general election. The Board believes that supporting the political process in India will encourage and strengthen the democratic process.

### Supplier Payment Policy

The responsibility for determining payment terms is delegated to the individual businesses within the Group, which take into consideration the commercial circumstances, local market and industry practice. The Group's policy is either to settle terms of payment with suppliers when agreeing the terms of each transaction or to ensure that the supplier is aware of the individual business's usual payment terms. Payment is made in accordance with contractual and other legal obligations and reflects local market practices.

Trade creditor days of the Company at 31 March 2012 were 30 days (2011: 42 days).

### Value of Land

Land is carried in the Balance Sheet at historic cost. It is not practical to estimate the market value of land at each balance sheet date.