LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as Shareholder(s)/beneficial owners of Cairn India Limited **("Cairn"/ "Target")**. If you require any clarifications about the action to be taken; you should consult your stock-broker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your Equity Shares in the Target, please hand over this Letter of Offer and the accompanying Form of Acceptance cum acknowledgement, Form of Withdrawal and Transfer Deed to the member of the Stock Exchange through whom the said sale was effected.

CASH OFFER OF Rs. 355/- (Rupees Three Hundred and Fifty Five only) PER FULLY PAID UP EQUITY SHARE OF Rs. 10 EACH (the **"Offer Price"**)

Pursuant to Regulation 10 and Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto

TO ACQUIRE
Up to 383,985,368 fully paid up Equity Shares of face value Rs. 10/- each, representing 20.01% of the Emerging Voting Capital **("Offer")**

OF
Cairn India Limited
having its registered office at
101, West View, Veer Savarkar Marg, Prabhadevi, Mumbai 400025,
Tel: 022-24338306; Facsimile: 022-24311160

BY
Twin Star Energy Holdings Limited (formerly known as THL Aluminium Limited)
and Vedanta Resources Plc
as the Acquirers
having their respective registered offices at
Multiconsult Limited, Rogers House, 5 President John Kennedy St. Port Louis, Mauritius.
Tel: +230 4052000; Facsimile: +230 2125265
and
2nd Floor Vintners Place, 68 Upper Thames Street, London, EC4V 3BJ, United Kingdom.
Tel: +44 207 4995900; Facsimile: +44 207 4918440

AND

Sesa Goa Limited and Sesa Resources Limited (formerly known as V.S. Dempo and Co. Private Limited)
as the Persons Acting in Concert ("PACs")
having their registered office at
Sesa Ghor, 20 EDC Complex, Patto, Panaji – 403001, Goa, India
Tel: +91 832 2460600; Facsimile: +91 832 2460721

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
JM FINANCIAL	LINK INTIME INDIA PVT LTD
JM Financial Consultants Private Limited 141, Maker Chamber III Nariman Point Mumbai 400 021 Tel: +91 22 6630 3030 Fax: +91 22 2204 7185 Website: www.jmfinancial.in Email: lakshmi.lakshmanan@jmfinancial.in **Contact Person: Lakshmi Lakshmanan** SEBI Registration Number: INM000010361	**Link Intime India Private Limited** C-13, Panalal Silk Mills Compound LBS Marg, Bhandup (W) Mumbai 400 078 Tel: +91 22 2596 0320 Fax: +91 22 2596 0329 Website: www.linkintime.co.in Email: nilesh.chalke@linkintime.co.in **Contact Person: Nilesh Chalke** SEBI Registration Number: INR000000221

1 ATTENTION:

i. The Offer is made in accordance with Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations.

ii. This is not a competitive bid.

iii. This Offer is not subject to any minimum level of acceptance by the Shareholders.

iv. Shareholders who have accepted the Offer by tendering the requisite documents, in accordance with the terms of the Public Announcement and the Letter of Offer, shall have the option to withdraw acceptance tendered by them up to three (3) working days prior to the date of closing of the Offer, in terms of regulation 22(5A) of the SEBI (SAST) Regulations i.e. by April 26, 2011.

v. In terms of Regulation 25(6) of the SEBI (SAST) Regulations, the Acquirers and PACs can revise the Offer Price upwards up to seven (7) working days prior to the closing of the Offer (i.e. by April 19, 2011). If there is any upward revision in the Offer Price by the Acquirers and PACs until the last date of revision i.e., by April 19, 2011, the same will be informed by way of a public announcement in the same newspapers in which the Public Announcement has appeared and simultaneously with the issue of the public announcement referred above, inform the Board, Stock Exchange on which the Equity Shares of the Company are listed and the Target at its registered office and increasing the value of the escrow account as provided under sub-regulation 9 of Regulation 28 of SEBI (SAST) Regulations. The Acquirers and PACs would pay such revised price for all the Equity Shares validly tendered any time during the Offer and accepted under the Offer.

vi. The Offer is conditional upon receipt of approval from the Reserve Bank of India for acquisition of Equity Shares from non-resident shareholders by Sesa Goa and/or Sesa Resources Limited as PACs to the Offer and/or for acquisition of Equity Shares from resident shareholders by Vedanta Resources Plc and/or Twin Star Energy Holdings Limited as Acquirers.

vii. Other approvals required

(a) The acquisition by the Acquirers of the Equity Shares pursuant to the SPD is conditional upon (unless waived by the parties under the SPD to the extent applicable)

i. Receipt of approvals of the shareholders of Vedanta Resources Plc as required under the UK Listing Authority's rules related to companies listed on the main list of the London Stock Exchange; and

ii. Receipt of approvals of the shareholders of Cairn Energy Plc as required under the UK Listing Authority's rules related to companies listed on the main list of the London Stock Exchange

The shareholders of Vedanta Resources Plc and Cairn Energy Plc have approved the acquisition/ sale of Equity Shares pursuant to the SPD vide their resolution dated December 10, 2010 and October 7, 2010 respectively.

(b) Sesa Goa Limited and Sesa Resources Limited would require their respective shareholders' approval under section 372A of the Act, in the event its acquisition of Equity Shares in the Offer exceeds the limits specified therein as applicable to each of them. The shareholders of Sesa Goa Limited and Sesa Resources Limited have granted the required approval under section 372A vide their resolution dated October 18, 2010 and October 15, 2010 respectively. As per the explanatory statement to the resolution of Sesa Goa, the investment limit may be utilized amongst other things for the acquisition of up to twenty percent of Equity Shares of the Target.

viii. To the best of the knowledge of the Acquirers and the PACs, as of the date of the Public Announcement and this Letter of Offer, there are no other statutory approvals required to implement the Offer other than that specified above. If any other statutory approvals become applicable prior to the completion of the Offer, the Offer would also be subject to such other statutory approvals. Acquirers and the PACs will have the right not to proceed with the Offer in terms of Regulation 27(1)(b) of the SEBI (SAST) Regulations in the event any of the statutory approval(s) that are required are refused.

ix. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to the Acquirers and PACs for payment of consideration to the Shareholders, subject to the Acquirers and PACs agreeing to pay interest for the delayed period if directed by SEBI in terms of regulation 22(12) of the SEBI (SAST) Regulations. However, if the Acquirers or PACs fail to obtain statutory approvals in time on account of the willful default or neglect or inaction or non-action by the Acquirers or PACs in obtaining the requisite approval(s), the amount held in the escrow account shall be subject to forfeiture and be dealt with in the manner provided in the SEBI (SAST) Regulations.

x. To the best of their knowledge, the Acquirers and PACs do not require any approvals from financial institutions or banks for the Open Offer.

xi. No competitive bid has been received with respect to the Offer.

xii. Form of Acceptance and Form of Withdrawal are also enclosed with this Letter of Offer.

xiii. The Public Announcement and this Letter of Offer, Form of Acceptance and Form of Withdrawal would also be available on SEBI's website (www.sebi.gov.in).

xiv. A schedule of the activities pertaining to the Offer is given below:-

Activity	**Day & Date**
Public Announcement	Tuesday – August 17, 2010
Specified Date*****	Friday – August 20, 2010
Last date for a competitive bid	Tuesday – September 7, 2010
Date by which Letter of Offer to be dispatched to Shareholders	Wednesday – April 6, 2011
Date of opening of the Offer	Monday – April 11, 2011
Last date for upward revision of the Offer Price / number of Equity Shares	Tuesday – April 19, 2011
Last date for withdrawing acceptance of the Offer	Tuesday – April 26, 2011
Date of closing of the Offer	Saturday – April 30, 2011
Last date of communicating rejection/acceptance and payment of consideration for accepted tenders and/or the unaccepted Equity Shares/share certificates will be dispatched/credited	Sunday – May 15, 2011

* *Specified date is only for the purpose of determining the names of the Shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of the Equity Shares (other than the parties to the share purchase deed and any other member of the Seller's group of companies) are eligible to participate in the Offer any time before the closing of the Offer.*

2 RISK FACTORS

Risks relating to the Offer

- The Offer is conditional upon receipt of the necessary statutory and regulatory approvals described above. In the event of statutory and/or regulatory approvals not being received in a timely manner, the Offer process may be delayed beyond the schedule indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders of the Target whose Equity Shares have been accepted in the Offer as well as the return of the Equity Shares not accepted by the Acquirer and/or PACs may be delayed.

- In case of delay in receipt of the regulatory and/or statutory approval(s) SEBI has the power to grant an extension of time to the Acquirer and/ or PACs for payment of consideration to the Shareholders of the Target.

- In the event of litigation leading to a stay on the Offer, or delay in receipt of litigation process or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the schedule indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Equity Shares have been accepted in the Offer as well as the return of the Equity Shares not accepted by the Acquirers and PACs may be delayed beyond the schedule indicated in this Letter of Offer.

- The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer till the completion of the Offer formalities, and the Shareholders will not be able to trade such Equity Shares. During such period there may be fluctuations in the market price of the Equity Shares. The Acquirers and PACs make no assurance with respect to the market price of the Equity Shares both during the Offer period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

- In the event of oversubscription to the Offer, the acceptance of the Equity Shares tendered will be on a proportionate basis and will be contingent upon the level of subscription. The unaccepted Equity Shares will be returned to the Shareholders in accordance with the Schedule of Activities for the Offer.

- Further, Shareholders should note that after the last date of withdrawal i.e. April 26, 2011, Shareholders who have lodged their Equity Shares would not be able to withdraw their Equity Shares even if the acceptance of Equity Shares under the Offer and dispatch of consideration gets delayed. The tendered Equity Shares and documents would be held by the Registrar to the Offer, till the process of acceptance of tenders and the payment of consideration is completed. The Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer.

Payment of royalty with regards to certain oil fields between the Target, Oil and Natural Gas Corporation Limited (“ONGC”) and the Government of India (GOI)

- With respect to the pre-New Exploration Licensing Policy (“pre-NELP” and the term “NELP” shall be construed accordingly) block of RJ-ON-90/1, ONGC has been paying 100% of royalty on the full production from the block as Licensee since commencement of production in accordance with the provisions of clause 16.4 of the production sharing contract.

  As per current rates, royalty is payable @ 20% of the well head price of crude oil produced (on a cum royalty basis) which translates to approximately 15% of the value realized from sale of crude oil. The amount of royalty paid would depend on the total crude oil produced and the well head price for the same.

  ONGC have claimed that they are entitled to recover the royalty payments they make as Licensee from the revenues generated from the Rajasthan block which, if established, would mean that the Target would have to indirectly bear a share of the burden of royalty. The Target has advised the GoI formally that it considers that the Rajasthan PSC is clear and unequivocal in stating that the royalty obligation is not a 'contract cost' and not cost recoverable as it is to be met by ONGC as Licensee only. Should ONGC/GoI press for cost recovery we believe the matter may go to arbitration or other means of dispute resolution under the Rajasthan PSC.

  As per Article 14.12 of the PSC, the percentage of total production of Petroleum from any Development Area which shall be available to each Party in any year for recovery of its share of Contract Costs shall be determined on the basis of the respective portion of each Party’s cumulative unrecovered contract costs which are and remain recoverable from that Development Area at the end of the previous financial year ending 31st March (each Party’s “Entitlement Interest”).

Production from the block commenced during FY 2009-10. Accordingly each JV Party is entitled to a percentage of the total production of Petroleum produced in that financial year in accordance with its Entitlement Interest, calculated as above.

If ONGC were entitled to cost recover its royalty payments, the Target believes that as of March 31, 2010 there would be no financial impact on the Target as there was no Royalty paid by ONGC as of end March 31, 2009 (being the preceding financial year).

ONGC paid Rs. 1296 million (US$ 28.8 mm) as royalty for FY 2009-10. Accordingly, if royalty were to be cost recovered, this would increase ONGC's Entitlement Interest for FY 2010-11 and, for the period April to Dec 2010, this would impact the consolidated revenue of the Target by approximately Rs. 678 million (US$15 million). This considers the application of Article 14.12 as mentioned above.

Total royalty paid by ONGC for the first 9 months of financial year 2010-11 is Rs. 11,716 million ($260.3 million) and these costs along with the royalty payable for the remaining 3 months of FY 2010-11 would require to be factored into the calculations for each Party's Entitlement Interest for FY 2011-12 if cost recovery were to be established. The Target believes, therefore, that if ONGC's entitlement to cost recovery of the royalty payments were to be established, this would have an adverse impact on the revenues of the Target and the GOI's share of profits from the block.

Others

- The Acquirers, the PACs and the Manager to the Offer accept no responsibility for the statements made otherwise than in this Letter of Offer /PA and anyone placing reliance on any other source of information (not released by the Acquirers or the PACs or the Manager to the Offer) would be doing so at his/her/their own risk.

  The risk factors set forth above are not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirers and PACs, but are only indicative. They do not relate to the present or future business or operations of the Target or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Shareholder in the Offer. The Shareholders are advised to consult their stockbroker, investment consultant or tax advisor, if any, for further risks with respect to their participation in the Offer.

1 DEFINITIONS

Unless the context otherwise indicates or requires in this Letter of Offer, the following terms have the meanings given below.

Acquirers	Twin Star Energy Holdings Limited (formerly THL Aluminium Limited) and Vedanta Resources Plc will together be referred to as Acquirers and individually as Acquirer No.1 and Acquirer No.2 respectively
Act	The Companies Act, 1956 as amended from time to time
Advisor to the Acquirer	ENAM Securities Private Limited
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services Limited
DP	Depository Participant
Emerging Voting Capital	1,919,202,066 Equity Shares of the Target of a face value of Rs. 10/- each as on May 15, 2011 i.e. 15 days post closure of the Offer
Equity Share (s)/ Share (s)	Outstanding equity shares of face value Rs. 10/- each of Cairn India Limited
Fiscal	Financial Year ended March 31
Form of Acceptance	Form of Acceptance cum Acknowledgement
INR or Rs	Indian Rupees
Manager to the Offer/JM Financial / Manager	JM Financial Consultants Private Limited
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Body
Offer/ Open Offer	Open Offer to acquire 383,985,368 Equity Shares being 20.01% of the Emerging Voting Capital of the Target pursuant to Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations, at a price of Rs. 355/- per fully paid up Equity Share
Offer Price	Rs. 355/- per fully paid up Equity Share of face value Rs 10 each
Persons acting in concert/PACs	Sesa Goa Limited ("Sesa Goa") and Sesa Resources Limited (formerly known as V.S. Dempo and Co. Private Limited) ("SRL") will together be referred to as the PACs and individually as PAC No.1 and PAC No.2 respectively
Person(s) eligible to participate in the Offer	All shareholders (registered and unregistered) of Equity Shares of Cairn India Limited (other than the parties to the share purchase deed and any other member of the Seller's group of companies) anytime before the closure of the Offer
Public Announcement/ "PA"	Public announcement of the Offer made by the Acquirers and PAC No.1 dated August 16, 2010 and published on August 17, 2010
RBI	Reserve Bank of India
Registrar to the Offer	Link Intime India Private Limited
Sale Shares	Equity Shares to be acquired in terms of the Share Purchase Deed
SCRA	Securities Contract (Regulations) Act, 1956 as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
Sellers / Cairn Energy & CHUK	Cairn Energy Plc (Cairn Energy) and Cairn UK Holdings Limited (CHUK) will together be referred to as the "Sellers" and individually as "Seller"
Sesa Goa	Sesa Goa Limited or PAC No.1
Shareholders	All owners (registered and unregistered) of Equity Shares of the Target
Shares Purchase Deed/ SPD	Share Purchase Deed dated August 15, 2010 entered into by the Acquirers and the Sellers
Specified Date	August 20, 2010
Special Depository Account	Depository account with Ventura Securities Limited as Depository Participant, called "LIIPL-

	CIL Open Offer Escrow Demat Account”
SRL	Sesa Resources Limited or PAC No. 2
Target / Company / Cairn	Cairn India Limited
TSEHL	Twin Star Energy Holdings Limited
US$	United States Dollar
Vedanta	Vedanta Resources Plc
Voting Capital	Equity share capital and voting rights of the Target on a fully diluted basis as on the date of consummation of the transaction as per the SPD for acquisition of the Sale Shares

Kindly note that any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

2 DISCLAIMER

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF CAIRN INDIA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE PACS OR THE COMPANY WHOSE SHARES/CONTROL ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT THE ACQUIRERS AND PACS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER. THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS AND PACS DULY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER JM FINANCIAL CONSULTANTS PRIVATE LIMITED HAS SUBMITTED A DUE-DILIGENCE CERTIFICATE DATED AUGUST 30, 2010 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS AND PACS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3 DETAILS OF THE OFFER

3.1 Background to the Offer

3.1.1 Cairn is promoted by CHUK (referred to as the “Promoter” of the Target), which is a wholly owned subsidiary of Cairn Energy. As on the date of the PA, Cairn Energy indirectly through CHUK and nominee holders owns in aggregate 1,183,243,791 Equity Shares each in the Target, constituting 62.36% of the paid-up equity share capital of the Target.

3.1.2 This Offer is being made under Regulations 10 and 12 of the SEBI (SAST) Regulations pursuant to the Share Purchase Deed.

3.1.3 In terms of the SPD, the Acquirers (either by itself or any person nominated by it (which may include the PACs)) have agreed to acquire from CHUK such number of Equity Shares being the Sale Shares representing 51% of the Voting Capital as reduced by:

(a) The number of Equity Shares validly tendered in this Offer provided that the Sale Shares shall in no event be reduced below 40% of the Voting Capital pursuant to the adjustment under this clause a) and;

(b) At the election of the Acquirers, any transfer of Equity Shares by the Sellers (other than the Sale Shares) for emergency funding reasons following severe financial difficulty prior to consummation of the sale and purchase of the Sale Shares in terms of the SPD.

Provided that the aggregate of Equity Shares in the capital of the Target to be acquired pursuant to this Offer and the SPD shall not be less than 51% of the Voting Capital. As on the date, 51% of the Voting Capital represents 978,793,054 Equity Shares.

3.1.4 The details of TSEHL, Vedanta and Seller being the parties to SPD are as follows :

Name of Party	Nature	Address
TSEHL	Acquirer	Multiconsult Limited Rogers House, 5 President John Kennedy St. Port Louis Mauritius.
Vedanta	Acquirer	2nd Floor Vintners Place, 68 Upper Thames Street, London, EC4V 3BJ, UK.
Cairn Energy	Seller	50 Lothian Road, Edinburgh, EH3 9BY
CHUK	Seller	50 Lothian Road, Edinburgh, Midlothian EH3 9BY

3.1.5 As stated above and subject to 3.1.3 (b), post completion of the Offer (assuming full acceptance in offer), the Acquirers (and or its nominee(s)) pursuant to the SPD shall acquire from the Sellers not less than 40% of the Voting Capital. As of the date of this Letter of Offer, 40% of the Voting Capital represents 767,680,827 Equity Shares.

3.1.6 The acquisition shall be at a price per Equity Share of US$ equivalent of Rs.355/- ("Per Share Sale Consideration"). The US$ to Rs. exchange rate has been fixed at 1 US$ = Rs.46.765 under the SPD. The Per Share Sale Consideration may stand reduced for any breach of warranties by Sellers in terms of the SPD. In addition to the Sale Consideration, the Acquirers will be paying an amount of US$ equivalent of Rs.50/- per Equity Share ("Non-compete Fee") to the Sellers for agreeing not to compete directly or indirectly in the business of extraction, transport or processing of oil or gas in India, Pakistan, Bhutan and Sri Lanka with Company or its subsidiaries. Except investing for investment purposes only (up to 5% shares or debentures of such company), no group company of Seller should engage, indulge or carry on above mentioned business as principal, agent, consultant, shareholder, partner etc for a period of 3 years from the Completion Date. In addition, Sellers should not entice away persons of Company or its Subsidiaries who at Completion Date is or within 1 year prior to Completion Date is officer or employee of Company or its Subsidiaries.

3.1.7 The salient features of the SPD are as follows:

a) The acquisition is for such number of Equity Shares being the Sale Shares representing 51% of the Voting Capital under the SPD, reduced by (i) and (ii) below:

    i. the number of Equity Shares validly tendered in this Offer provided the Sale Shares shall in no event be reduced below 40% of the Voting Capital under the SPD pursuant to the adjustment under this sub-clause (a); and

    ii. At the election of the Acquirers, any transfer of Equity Shares by the Sellers (other than the Sale Shares) for emergency funding reasons following severe financial difficulty prior to consummation of the sale and purchase of the Sale Shares in terms of the SPD.

    Provided that the aggregate of Equity Shares in the capital of the Target to be acquired pursuant to this Offer and the SPD shall not be less than 51% of the Voting Capital under the SPD.

b) Completion of the transaction as per the SPD is conditional upon closing of the below mentioned conditions:

    i. The passing at a duly convened and held general meeting of Cairn Energy, to be held on or prior to October 30, 2010, or such other date as may be applicable of a resolution to approve the sale of the Sale Shares;
    ii. The passing at a duly convened and held general meeting of Vedanta, to be held on or prior to October 30, 2010, or such other date as may be applicable of a resolution to approve the purchase of the Sale Shares;
    iii. Completion of the Acquirer's and PAC's obligations under this Offer, such completion to be evidenced by the certificate of completion to be issued by the Manager to the Offer; and
    iv. Continued operation of or beneficial use under certain material contracts, licenses, leases or permits of the Target in relation to certain material assets of the Target in the manner set out in the SPD; and
    v. Consent from government agencies or regulators required for completion of acquisition in relation to certain material assets of the Target in the manner set out in the SPD having been obtained

c) The SPD lapses if any conditions as set out in SPD are not satisfied or obtained or waived on or before April 15, 2011 without recourse to either the Sellers or Acquirers having claim on each other.
d) The Acquirers have the right to cancel the SPD as a result of occurrence of any Force Majeure event prior to the passing of a shareholder resolution to approve the purchase of Sale Shares at a duly convened and held meeting of Vedanta.
e) Prior to the meeting of shareholders of Cairn Energy, the Sellers are prohibited from soliciting any person to make

competing proposal (at such term is defined in the SPD). If Cairn Energy's shareholders do not approve the transaction as per the SPD or if the Sellers breach their non-solicit obligations (as described above), the Sellers are required to pay a break fee of 1% of Cairn Energy's market capitalization less £1 to the Acquirers.

f) As stated above, the Sellers hold 62.36% of the paid-up equity share capital in the Target. The Sale Shares are to represent 51% of the Voting Capital of the Target. The remaining of approximately 10.63% of the share capital of the Target is to be retained by the Sellers ("Retained Shares"). The Sellers have agreed to give the Acquirers a pre-emption right over the transfer of the Retained Shares where any disposal of such Retained Shares would result in the recipient of the Equity Shares, to hold 20% or more of the issued share capital of the Target.

g) The Sellers and the Acquirers have also entered into put and call arrangements in relation to a portion of the Sale Shares of the Target that may be retained by the Sellers on account of the adjustments mentioned in a) above. The put and call obligations relate to a number of the Target Equity Shares equal to the difference between (A) 51% of the Voting Capital and (B) aggregate of (i) the number of Equity Shares actually acquired by the Acquirers at completion as defined under the SPD, (ii) the number of Equity Shares sold by the Sellers to any person at any price provided they were first offered to the Acquirers or its nominees at a price of Rs.405 per Equity Shares with a period of acceptance of at least 21 days and such offer was made to the Acquirers after a period of 6 months from completion as defined under the SPD and (iii) number of Equity Shares acquired pursuant to the exercise of the options mentioned herein. The put and call options are subject to a maximum of 10% (exercisable in two tranches of up to 5% each) of the issued share capital of the Company as at the date of exercise of options in terms of the SPD. The first tranche becomes exercisable from July 31, 2012 for a period of six months for up to 5% of the issued share capital of the Target at the time. The second tranche is exercisable from July 31, 2013 for a period of six months for up to 5% of the issued share capital of the Target at the time. The exercise price for the put and call obligations for both tranches is US$ equivalent of Rs. 405/- per Equity Share. The exchange rate has been fixed under the SPD as 1 US$ = Rs. 46.765. The SPD further provides that the Acquirers would not be required to purchase under the put options as mentioned above any Equity Shares of the Target where such acquisition would require the Acquirer or any member of its group to make any offer under the SEBI (SAST) Regulations.

   In this context, it may be noted that SEBI vide its letter no. CD/DCR/TO/BV/OW/9093/2011, dated March 18, 2011 has communicated that in its view the above-mentioned put option and call option arrangements and the Right of First Refusal do not conform to the requirements of a spot delivery contract nor with that of a contract of Derivatives as provided under section 18A of the Securities Contracts (Regulation) Act, 1956. Therefore, SEBI is of the view that the above-mentioned put option and call option arrangement along with the right of first refusal are in violation of Notification No. SO 184(E) dated March 1, 2000 issued by SEBI. In view of this, the Acquirers and Sellers have agreed that the call and put option arrangement between the Sellers and the Acquirers and the right of first refusal to the Acquirers as provided in the SPD shall not be exercisable or enforceable. Hence the Acquirers and Sellers will be unable to act on the call and put option arrangement and right of first refusal.

h) Following completion of the transaction of the Sale Shares under the SPD, the Sellers shall be de-classified as a promoter of the Target. If any amendment is proposed to the Articles of Target to remove any specific rights or restrictions in favour of the Sellers, the Sellers would vote and ensure that their group would vote in favour of such amendment.

i) The parties have agreed that the Acquirers and the Sellers will obtain certain information and access rights in respect of the Target for their disclosure and other requirements

j) Following completion and for as long as the Acquirers or their group hold more than 51% of the issued equity share capital of the Company, the Sellers and their group agreed not (A) purchase any Equity Shares or securities in the Company in aggregate exceeding 1% of the equity share capital of the Company or (B) enter into any agreement or act in concert with any person holding more than 5% of the issued share capital of the Company, in so far as such agreement relates to Equity Shares held by any member of the Sellers group in the Company.

3.1.8 Shareholders of Sesa Goa have vide their resolution dated October 18, 2010 accorded the approval to increase investment limit upto Rs. 16,000 crores. As per the explanatory statement to the above resolution, the investment limit may be utilized amongst other things for the acquisition of upto twenty percent of Equity Shares of the Target. In the event less than twenty percent of the shares of the Target are tendered in the Offer, Sesa Goa may acquire the balance shares from either the Sellers directly under the SPD and/or from the Acquirers. The acquisition, if any, from the Acquirers and/or its nominated persons is subject to,

(i) Acquisition not resulting in an increase in the Offer Price;

(ii) Being compliant with the pricing guidelines under FEMA, RBI approval (if required) and compliance with SEBI (SAST) Regulations.

3.1.9 In accordance with the requirements of SEBI letter dated March 18, 2011, kindly note that between the date of the PA and this Letter of Offer we have received several complaints with respect to the payment of Non-compete Fees by the Acquirers to the Sellers. The key contentions of the complainants have been (i) The Sellers shall continue to hold a substantial stake in the Target post the completion of the transfer of Sale Shares, (ii) The payment of non-compete fees should be in a lump sum as against a per share basis, (iii) the period of non-compete is too short to be of any substance, (iv) the proposed takeover regulations do not recognize the concept of non-compete fee, (v) excerpts from Sellers press releases wherein they have stated their focus area post the transfer of the Sale Shares as advancing its exploration programme in its frontier basin positions in Greenland that do not fall under the territories covered under the SPD, (vi) non-compete does not make much sense in a regulated industry, (vii) employees of the Target continue to remain with the Target, etc:

As of the date of this Letter of Offer we have responded/ clarified that the payment of Non-compete Fee and consequently the Offer Price are in compliance with the provisions of the SEBI (SAST) Regulations and the payment of the Non-compete Fee is justified given (i) the vast experience, knowledge and expertise of the Sellers in the crude oil and natural gas exploration and production business, (ii) the Sellers have no restrictions on the sale of the balance shares held by them in the Target, or to re-enter the Indian markets (iii) the Sellers but for the Non-compete Fee are free to participate in the future licenses to be granted under the NELP, (iv) the payment of non-compete in lump sum or on per share basis is based on commercial understandings and there are no restrictions on payment of non-compete fees as a lump sum, (vii) the payment is in accordance with regulation 20(8) of the SEBI (SAST) Regulations.

3.1.10 The Target and its subsidiaries have entered into various production sharing contracts (“PSCs”) with the Government of India (“GOI”). The details of these PSCs along with the rights available to the parties to the PSCs and the status of applications pending before the GOI seeking approval for the proposed transfer of the Sale Shares under the SPD (“Sale Transaction”) is provided below:

Sl. No.	PSC Block Name	Details of Application to the GoI	Status of GoI Approval
1.	KK-DWN- 2004/1 (NELP Block)	On September 09, 2010, the Target together with its applicable subsidiaries submitted an application to the GoI, requesting the GoI to grant its approval for the proposed Sale Transaction	Pending
2.	GS-OSN-2003/1 (NELP Block)*	On September 09, 2010, the Target together with its applicable subsidiaries submitted an application to the GoI, requesting the GoI to grant its approval for the proposed Sale Transaction	NA*
3.	KG-DWN-98/2 (NELP Block)	On September 09, 2010, the Target together with its applicable subsidiaries submitted an application to the GoI, requesting the GoI to grant its approval for the proposed Sale Transaction	Pending
4.	KG-ONN-2003/1 (NELP Block)	On September 09, 2010, the Target together with its applicable subsidiaries submitted an application to the GoI, requesting the GoI to grant its approval for the proposed Sale Transaction	Pending
5.	PR-OSN-2004/1 (NELP Block)	On September 09, 2010, the Target together with its applicable subsidiaries submitted an application to the GoI, requesting the GoI to grant its approval for the proposed Sale Transaction	Pending
6.	MB-DWN-2009/1 (NELP Block)	On September 09, 2010, the Target together with its applicable subsidiaries submitted an application to the GoI, requesting the GoI to grant its approval for the proposed Sale Transaction	Pending
7.	KG-OSN-2009/3 (NELP Block)	On September 09, 2010, the Target together with its applicable subsidiaries submitted an application to the GoI, requesting the GoI to grant its approval for the proposed Sale Transaction	Pending
8.	RJ-ON-90/1 (pre-NELP)	On November 23, 2010, the Target together with its applicable subsidiaries, while reserving their rights, submitted an application to the GOI, requesting the GOI to grant its approval for the proposed Sale Transaction.	Pending
9.	Ravva Block (pre-NELP)	On November 23, 2010, the Target together with its applicable subsidiaries, while reserving their rights, submitted an application to the GOI, requesting the GOI to grant its approval for the proposed Sale Transaction.	Pending
10.	CB/OS – 2 (pre-NELP)	On November 23, 2010, the Target together with its applicable subsidiaries, while reserving their rights, submitted an application to the GOI, requesting the GOI to grant its approval for the proposed Sale Transaction.	Pending

** This block stands relinquished on December 4, 2010. The formalities involved are yet to be completed*

The Target Company is running its business as usual and if the MoPNG does not grant its approval with regard to the Production Sharing Contracts (PSC), it will be have no bearing on the business of the Target Company and will not effect its operations/profitability. Further while, the PSCs do not specifically provide the rights that would be available to the parties to the PSCs, should the GOI not grant its approval for the assignment of the participating interest in the NELP Blocks, the PSCs contain provisions relating to arbitration, termination and legal recourses and the aggrieved party may seek such recourse as deemed appropriate in the event the GOI does not grant its approval for the assignment of the participating interest.

The Pre-NELP PSC provision relating to assignment of participating interest provides that the Government shall not unreasonably withhold consent, provided that the conditions specified in the Pre-NELP PSC are satisfied. The conditions prescribed under the PSC broadly require that: (i) prospective assignee must have sufficient financial standing and technical competence to meet its obligations under the PSC and should be willing to provide an unconditional undertaking to assume its share or obligations and to provide guarantees thereof; (ii) prospective assignee must not be a company incorporated in a country with which the Government has restricted trade or business; (iii) prospective assignee should be willing to comply with any reasonable conditions of the Government, as may be necessary to ensure performance under the PSC; and (iv) the Government should be satisfied that the assignment will not adversely affect performance or obligations under the PSC or be contrary to the interest of India.

In the event that GOI does not grant its approval for the assignment of the participating interest, the aggrieved parties under the Pre-NELP PSCs can seek recourse to dispute resolution through sole expert, conciliation and arbitration. Each Pre-NELP PSC provides detailed procedure for resolution of disputes through sole expert, conciliation and arbitration.

Pending disputes under the PSC are set out under section 7.22 below.

3.1.11 This Offer is a mandatory Offer under Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations. The Offer is conditional upon, receipt of approval from Reserve Bank of India for acquisition of Equity Shares from non-resident shareholders by Sesa Goa Limited and Sesa Resources Limited as PACs to the Offer and/or for acquisition of Equity Shares from resident shareholders by Vedanta Resources Plc and/or Twin Star Energy Holdings Limited as Acquirers.

3.1.12 Other approvals required include

(a) The acquisition by the Acquirers of the Equity Shares pursuant to the SPD is conditional upon (unless waived by the parties under the SPD to the extent applicable)

i. Receipt of approvals of the shareholders of Vedanta Resources Plc as required under the UK Listing Authority's rules related to companies listed on the main list of the London Stock Exchange; and

ii. Receipt of approvals of the shareholders of Cairn Energy Plc as required under the UK Listing Authority's rules related to companies listed on the main list of the London Stock Exchange

The shareholders of Vedanta Resources Plc and Cairn Energy Plc have approved the acquisition/ sale of Equity Shares pursuant to the SPD vide their resolution dated December 10, 2010 and October 7, 2010 respectively.

(b) Sesa Goa and SRL would require their respective shareholders' approval under section 372A of the Act, in the event its acquisition of Equity Shares in the Offer exceeds the limits specified therein as applicable to each of them.

The shareholders of Sesa Goa Limited and Sesa Resources Limited have granted the required approval under section 372A vide their resolution dated October 18, 2010 and October 15, 2010 respectively. As per the explanatory statement to the resolution of Sesa Goa, the investment limit may be utilized amongst other things for the acquisition of up to twenty percent of Equity Shares of the Target.

3.2 Details of the proposed Offer

3.2.1 The Public Announcement was published on August 17, 2010 in the following newspapers, in accordance with Regulation 15 of the SEBI (SAST) Regulations.

Publications	Editions	Type
Business Standard	All editions	English
Pratahkal	All editions	Hindi
Mumbai Lakshadeep	Mumbai edition	Marathi

(The Public Announcement is also available at the SEBI website: www.sebi.gov.in)

3.2.2 Pursuant to the substantial acquisition of equity shares and control, this mandatory Offer is being made by the Acquirers and PACs in compliance with regulations 10 and 12 and other applicable provisions of SEBI (SAST) Regulations. The Acquirers and PACs hereby make this Offer to the Shareholders of the Target (other than the parties to the SPD and any other member of the Seller's group of companies) to acquire up to an aggregate of 383,985,368 Equity Shares of face value of Rs.10/ - each of the Target constituting 20.01% of the Emerging Voting Capital at the Offer Price payable in cash, in accordance with the SEBI (SAST) Regulations and subject to the terms and conditions mentioned in the PA and in this Letter of Offer ("Open Offer Shares").

3.2.3 Neither the Acquirers nor the PACs as on the date of the PA hold any Equity Shares in the Target. Pursuant to the completion of all the Offer formalities (assuming full acceptance in the Open Offer) and the consummation of the purchase and sale of the Sale Shares in accordance with the SPD, the Acquirers and the PACs would hold a maximum of 1,151,666,195 Equity Shares of the Target constituting 60.01% of the Voting Capital of the Target.

3.2.4 For the purpose of this Offer, Sesa Goa and SRL are the persons acting in concert with the Acquirers, within the meaning of regulation 2(1)(e) of the SEBI (SAST) Regulations. Apart from the PACs, while there may be persons "deemed to be acting in concert" with the Acquirers, there are no other persons acting in concert for the purpose of this Offer.

3.2.5 The Acquirers and/or the PACs will acquire up to 383,985,368 Equity Shares of the Target that are validly tendered as per terms of the Offer in such proportion amongst themselves, as may be decided or agreed between them.

3.2.6 Subject to the receipt of regulatory and/or statutory approvals as set out, and other terms and conditions as set out in the Public Announcement and this Letter of Offer, Acquirers and/or PACs will acquire Equity Shares validly tendered pursuant to the Offer up to the number of Open Offer Shares. In terms of regulation 27 of the SEBI (SAST) Regulations, if the statutory approvals are refused, the Open Offer shall stand withdrawn.

3.2.7 This Offer is not conditional upon any minimum level of acceptance by the Shareholders of the Target.

3.2.8 Neither the Acquirers nor the PACs, or their respective directors have acquired any Equity Shares of Target during the 12 months period prior to the date of the PA. This is not a competitive bid. This Offer is not pursuant to an indirect acquisition of (i) Equity Shares of Target or (ii) control over the Target.

3.2.9 The Equity Shares of the Target validly tendered pursuant to the Offer will be acquired by the Acquirers and/or PACs as fully paid up, free from all liens, charges and encumbrances and together with all the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

3.2.10 Neither the Acquirers or the Sellers or the Target has been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any of the regulations made under the SEBI Act.

3.2.11 The Manager to the Offer does not hold any Equity Shares in the Target as at the date of PA.

3.3 Reasons for the Acquisition/Offer and Future Plans

3.3.1 The Offer is being made in compliance with Regulations 10 and 12 and other applicable provisions of SEBI (SAST) Regulations, for the purpose of substantial acquisition of shares and voting rights, accompanied with change in control of the Target, thereby enabling the Acquirers to exercise control over the Target. The Acquirers may seek appointment of its nominee on the Board of the Target, in accordance with the provisions of the Companies Act, 1956, SEBI (SAST) Regulations and other applicable laws.

3.3.2 The Acquirers and the PACs would continue to support the existing business of the Target. The Acquirers would become the promoters of the Target and the Sellers post completion of acquisition in terms of SPD shall no longer be promoters of the Target.

3.3.3 The strategic control over the Target will provide the Acquirers an opportunity to leverage its core skills of successfully executing and operating complex large scale industrial projects to grow the Target businesses. The unique position of Acquirers in Rajasthan would further help them in achieving this.

3.3.4 Acquirers' and Target's businesses have complementary development and operating philosophies as both Acquirers and Target focus on delivery of projects and achieving production target.

3.3.5 The acquisition offers Vedanta a platform to enhance and further diversify the group's growth pipeline. The acquisition would provide Vedanta with world class assets with significant potential for future growth. It also provides Vedanta a comprehensive footprint across India's natural resources sector.

3.3.6 As on this date, the Acquirers and PACs do not have any plans to make any material change to the existing line of business of the Target or its subsidiaries or to dispose off or otherwise encumber any assets of the Target in the next 24 months, except in the ordinary course of business. The Board of the Target shall take appropriate decisions in these matters in the ordinary course of business of the Target or to the extent required for the purpose of restructuring, joint venture, rationalization of assets, investments or liabilities of the Target for commercial reasons, and operational efficiencies and on account of regulatory approvals.

3.3.7 Other than as aforesaid, the Acquirers and PACs undertake that they will not sell, dispose of or otherwise encumber any substantial asset of the Target without the prior approval of the Shareholders of the Target to the extent applicable laws require such approval.

4 BACKGROUND OF THE ACQUIRERS AND PACS

A) TWIN STAR ENERGY HOLDINGS LIMITED (ACQUIRER NO.1)

(i) TSEHL is a limited company having its registered office at Multiconsult Limited Rogers House, 5 President John Kennedy St. Port Louis, Mauritius. The company was incorporated as Arlington Investment Limited on February 27, 2008. Its name was subsequently changed to THL Aluminium Limited with effect from May 9, 2008. Subsequently the company had applied for a name change to Twin Star Energy Holdings Ltd. The same was granted by way of a certificate of incorporation on change of name dated August 19, 2010.

(ii) The issued and paid up capital of TSEHL is US$ 100. The company is a wholly owned subsidiary of Vedanta Resources Holdings Limited which is wholly owned subsidiary of Vedanta. Currently TSEHL has no operations and consequently the company has not prepared any detailed financial statements.

(iii) The directors on the board of directors of TSEHL are as follows: Mr. Gyaneshwarnath Gowrea, Mr. Din Dayal Jalan and Mr. Craig Thomas Downes. None of the directors of TSEHL are directors on the board of the Target.

(iv) There are no pending litigations with respect to TSEHL

(v) The provisions of Chapter II of the SEBI (SAST) Regulations are not applicable to the company as of date.

(vi) TSEHL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 ("SEBI Act") as amended or under any other regulation made under the SEBI Act. As TSEHL does not hold any Equity Shares in the Target and is an unlisted company, provisions of Chapter II of the SEBI (SAST) Regulations are not applicable.

(vii) TSEHL is part of the Vedanta group. For information on the companies promoted by the Vedanta group please refer to section titled "Details of Companies Promoted by The Acquirers and PACs".

(viii) The names, addresses, experience and qualifications of the Board of Directors of TSEHL are as below.

Name of the Director	Designation & Appointment Date	Director Identification Number (DIN)	Qualification	Residential Address
Gyaneshwarnath Gowrea	Director August 13, 2010	NA	Fellow of Association of Chartered Certified Accountants, United Kingdom and member of the Society of Trust and Estate Practitioners	15 Reverend Lebrun Street, Rose Hill, Mauritius
Craig Thomas Downes	Director August 13, 2010	NA	Bachelor of Business Science and a member of CFA South Africa and the Financial Analysts Society of Mauritius.	30B Morcellement les Multipliants, Petite Riviere Noire, Mauritius
Din Dayal Jalan	Director September 2, 2010	00006882	B.Com, FCA	House No. D-2, Yashadgarh, Opp. The Study School, Ambavgarh, Udaipur – 313004, Rajasthan, India

Details of the experience of Directors

Mr. Gyaneshwarnath Gowrea is the Managing Director of Multiconsult Limited and the Director of Cim tax Services Ltd. He also serves on the board of various multinational companies.

Mr. Craig Thomas Downes is the Chief Operating Officer of Multiconsult. He joined Multiconsult in June 2008 after working with Maitland Fund Services both in Cape Town, where he headed up the New Business Take-on team, and in Luxembourg, where he was responsible for Fund Administration operations. Craig started his career with Absa Private Bank and prior to his departure was providing Estate Planning and Financial Planning solutions to clients in the mass affluent market.

Mr. Din Dayal Jalan is the Chief Financial Officer of Vedanta Resources Plc and was recently re-appointed on March 31, 2011 as the Chief Financial Officer of Sterlite Industries (India) Limited, a post he had earlier held between March 2003 to May 2009. Mr. Jalan joined Sterlite Industries (India) Limited as the president of its Australian operations and was responsible for the business and operations of CMT and TCM from January 2001 to February 2002 before becoming its chief financial officer (metals).

B) VEDANTA RESOURCES Plc (ACQUIRER NO.2)

(i) Vedanta is an English public limited company having its registered office at 2nd Floor Vintners Place, 68 Upper Thames Street, London, EC4V 3BJ, UK. The company was incorporated as an English private company limited by shares by the name of Angelchange Limited on April 22, 2003 under English law. The name of the company was changed to Vedanta Resources Limited on June 26, 2003. The company was re-registered as a public limited company on November 20, 2003 under the name Vedanta Resources Plc. Vedanta is the flagship company of the Vedanta Group, a diversified industrial group based out of United Kingdom with interests in metals and mining and operations spanning the globe with significant interests in India. The Promoters of Vedanta is Volcan Investments Limited owned by a family trust of Agarwal Family.

(ii) The issued and paid-up equity share capital as at 16 August 2010 of Vedanta consists of 296,115,085 ordinary shares of US 10 cents each including 265,003,274 voting right shares, 24,206,816 treasury shares and 6,904,995 shares held by custodian as underlying shares for global depository receipts of Vedanta. Of the treasury shares Vedanta currently holds 22,502,483 ordinary shares in its own books. As at 16 August 2010 a further 1,704,333 shares had been purchased under Vedanta's Buyback programme by an independent company, Gorey Investments Limited (Gorey) and this company will not vote on these shares. These shares purchased by Gorey will be treated in the consolidated accounts of Vedanta as treasury shares. In addition to the above Vedanta's issued share capital includes 50,000 deferred shares.

(iii) The shares of Vedanta are listed on the London Stock Exchange ("LSE"). The closing price of the ordinary shares on LSE on August 13, 2010 was GBP 20.53 per share amounting to a market capitalisation of ordinary shares with voting rights of GBP 5.44 billion. (Source: Closing Market price as per the London Stock Exchange).

(iv) As on date of Public Announcement, share capital of Vedanta is as follows:

Name of the Shareholder	Number of equity shares	% of issued capital
Volcan Investments Limited – Promoter	162,250,000	54.79%
Institutions and Public Shareholders	102,753,274	34.70%
Treasury Shares	24,206,816	8.17%
Shares held by Custodian against global depository receipts	6,904,995	2.33%
Total	**296,115,085**	**100.00%**

Source: Management certificate dated August 16, 2010

(v) The names of the directors on the board of the Vedanta are as follows: Mr. Anil Agarwal, Mr. Navin Agarwal, Mr. MS Mehta, Mr. Naresh Chandra, Mr. Aman Mehta and Mr. Euan Macdonald.

(vi) Mr. Naresh Chandra and Mr. Aman Mehta, who are independent directors on the board of directors of Vedanta, are also independent directors on the board of directors of the Target.

(vii) Vedanta has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 ("SEBI Act") as amended or under any other regulation made under the SEBI Act. As Vedanta does not hold any Equity Shares in the Target and is not listed on any Indian exchanges, provisions of Chapter II of the SEBI (SAST) Regulations are not applicable.

(viii) Brief financials of Vedanta for the preceding three financial years ended March 31, 2010, March 31, 2009 and March 31, 2008 are provided below:

Profit & Loss Statement	Year ended March 31, 2010		Year ended March 31, 2009		Year ended March 31, 2008	
	Dollar (in Million)	Rs. (in Lacs)	Dollar (in Million)	Rs. (in Lacs)	Dollar (in Million)	Rs. (in Lacs)
Sales	7,930.5	3,579,827.7	6,578.9	3,351,949.6	8,203.7	3,279,018.9
Other Operation Income	87.8	39,632.9	115.9	59,051.1	86.8	34,694.0
Total Revenues (1)	**8,018.3**	**3,619,460.6**	**6,694.8**	**3,411,000.6**	**8,290.5**	**3,313,712.9**
Total Operating Expenses (2)	(5,722.4)	(2,583,091.4)	(5,082.6)	(2,589,584.7)	(5,280.1)	(2,110,456.0)
Profit Before Exceptional Items, Depreciation, Interest and Tax(3)	**2,295.9**	**1,036,369.3**	**1,612.2**	**821,415.9**	**3,010.4**	**1,203,256.9**
Exceptional Items	(67.3)	(30,379.2)	(31.9)	(16,253.1)	11.1	4,436.7
Depreciation and Amortization (4)	(563.0)	(254,138.2)	(473.3)	(241,146.4)	(429.1)	(171,511.3)
Net Interest	176.0	79,446.4	74.0	37,703.0	170.8	68,268.8
Profit Before Tax and Minority Interests	**1,841.6**	**831,298.2**	**1,181.0**	**601,719.5**	**2,763.2**	**1,104,451.0**
Income Tax	(330.4)	(149,142.6)	(280.5)	(142,914.8)	(757.7)	(302,852.7)
Minority interest	(908.9)	(410,277.5)	(681.1)	(347,020.5)	(1,126.5)	(450,262.1)
Profit After Tax (5)	**602.3**	**271,878.2**	**219.4**	**111,784.3**	**879.0**	**351,336.3**

Source: As per the certificate B.L. Gupta (Proprietor Babulal Gupta & Co Chartered Accountants, Membership no. 38613) dated August 19, 2010

Balance Sheet Statement	Year ended March 31, 2010		Year ended March 31, 2009		Year ended March 31, 2008	
	Dollar	Rs.	Dollar	Rs.	Dollar	Rs.
	(in Million)	(in Lacs)	(in Million)	(in Lacs)	(in Million)	(in Lacs)
Sources of Funds						
Paid in Share Capital	29.6	13,361.4	28.9	14,724.6	28.8	11,511.4
Retained Earnings (excluding Revaluation Reserves)	4,582.5	2,068,540.5	3,096.3	1,577,564.9	3,818.1	1,526,094.6
Net Worth (excluding Minority Interests) (6)	4,612.1	2,081,901.9	3,125.2	1,592,289.4	3,846.9	1,537,605.9
Minority Interests	6,729.1	3,037,515.7	4,458.7	2,271,707.7	5,360.6	2,142,631.8
Total Stockholders Equity	**11,341.2**	**5,119,417.7**	**7,583.9**	**3,863,997.1**	**9,207.5**	**3,680,237.8**
Long-term Loans	7,161.0	3,232,475.4	3,816.4	1,944,455.8	1,556.9	622,292.9
Short-term Loans	1,012.6	457,087.6	1,298.5	661,585.8	1,417.2	566,454.8
Other long –term Liabilities	1,776.5	801,912.1	1,353.4	689,557.3	1,751.8	700,194.5
Other short-term Liabilities	2,670.3	1,205,373.4	2,136.9	1,088,750.6	2,102.5	840,369.3
Total Stockholders Equity and Liabilities	**23,961.6**	**10,816,266.2**	**16,189.1**	**8,248,346.5**	**16,035.9**	**6,409,549.2**
Uses of Funds						
Net fixed Assets (7)	14,326.7	6,467,072.4	9,348.4	4,763,009.8	8,354.5	3,339,293.7
Investments Accounted for using the Equity Method	102.8	46,403.9	104.2	53,089.9	29.8	11,911.1
Short-term Assets	9,449.0	4,265,278.6	6,638.9	3,382,519.6	7,498.4	2,997,110.5
Other Assets (8)	83.1	37,511.3	97.6	49,727.2	153.2	61,234.0
Total Miscellaneous Expenditure not written off	-	-	-	-	-	-
Total Assets	**23,961.6**	**10,816,266.2**	**16,189.1**	**8,248,346.5**	**16,035.9**	**6,409,549.2**

Source: As per the certificate B.L. Gupta (Proprietor Babulal Gupta & Co Chartered Accountants, Membership no. 38613) dated August 19, 2010

Other Financial Data	Year ended March 31, 2010		Year ended March 31, 2009		Year ended March 31, 2008	
	Dollar	Rs.	Dollar	Rs.	Dollar	Rs.
Dividend (%)	450.0	450.0	415.0	415.0	365.0	365.0
Earnings Per Share(9)	2.2	99.1	0.8	38.9	3.1	122.1
Return on Equity after Taxes (%) (10)	15.6	15.6	6.3	6.3	28.5	28.5
Book Value Per Share (11)	16.8	757.0	11.2	570.1	13.4	533.6

Source: As per the certificate B.L. Gupta (Proprietor Babulal Gupta & Co Chartered Accountants, Membership no. 38613) dated August 19, 2010

(1) Total Revenues computed as Sales plus Other Operating Income.
(2) Total Operating Expense has been computed as Total Revenues less Earnings before Interest and Taxation.\
(3) Profit before Exceptional Items Depreciation Interest and Tax = Income from Operations (EBIT) before Depreciation and Amortization (EBITDA).

(4) Depreciation and Amortization of Intangible Assets, Property, Plant and Equipment and Financial Assets.
(5) Profit after Tax = Net Income (after Minority Interests).
(6) Net Worth (excluding Minority Interests) computed as Paid in Share Capital plus Retained Earnings (excluding Revaluation Reserves).
(7) Net Fixed Assets are defined as Property Plant and Equipment (net carrying amount).
(8) Other Assets computed as Intangible Assets plus Other financial Assets plus Deferred Tax Assets plus Other Receivables and miscellaneous long-term Assets.
(9) Earnings per share = Net Income after minority interest / Weighted average number of outstanding paid up capital.
(10) Return on Equity after Taxes = Net income after minority interest / Average Net worth.
(11) Book Value per Share = Net worth / Number of outstanding equity shares after excluding treasury shares

The certificate of B.L. Gupta (Proprietor Babul Gupta & Co Chartered Accountants) dated August 19, 2010, confirms that the financial information as mentioned above in Dollar millions have been extracted from the audited financial statements of Vedanta Resources Plc

(ix) The reasons for fall/rise in total income and profit after tax for the relevant years are as follows:

Fiscal 2010 compared to Fiscal 2009

Revenues were US$7.9 billion (Rs. 3,579,828 Lacs) in FY 2010, up 21% from US$6.6 billion (Rs. 3,351,950 Lacs) in FY 2009 primarily as a result of higher volumes across all business segments and the acquisition of SRL.

Profit after tax increased 175% to US$602.3 million (Rs. 271,878 Lacs) primarily on account of improved topline from strong commodity prices for copper and zinc and the acquisition of SRL coupled with cost reduction measures adopted by the group. The Profit after tax was also impacted from foreign exchange gains and lower interest rates.

Fiscal 2009 compared to Fiscal 2008

Vedanta recorded revenues of approximately US$6.6 billion (Rs. 3,351,950 Lacs) for the financial year ended March 31, 2009 as against US$8.2 billion (Rs. 3,279,019 Lacs) for the financial year ended March 31, 2008. The decline in revenues was primarily due to lower average LME prices of all the metals partly off set by increased revenues from allied business like phosphoric acid, met coke, pig iron, etc that benefited from record prices in first half of financial year 2009 and surplus power sales at MALCO and BALCO.

Vedanta recorded a PAT of approximately US$219.4 million (Rs. 111,784 Lacs) for financial year ended March 31, 2009 as against US$879.0 million (Rs. 351,336 Lacs) for year ended March 31, 2008. The decline was primarily on account of lower realization owing to fall in LME prices for metals, industry wide escalation in prices, foreign exchange translation losses, increased borrowing costs owing to new debts raised to fund project finance needs partly offset by increased interest and investment incomes.

(x) **Significant Accounting Policies:**

Basis of consolidation

The consolidated financial information incorporates the results of the Company and all its subsidiaries, being the companies that it controls. This control is normally evidenced when the Group is able to govern a company’s financial and operating policies so as to benefit from its activities or where the Group owns, either directly or indirectly, the majority of a company’s equity voting rights unless in exceptional circumstances it can be demonstrated that ownership does not constitute control.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies. Adjustments are made to bring any dissimilar accounting policies that may exist in line with Group policy.

All inter-company balances and transactions, including unrealised profits arising from intra-Group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Revenue recognition

Revenue represents the net invoice value of goods and services provided to third parties after deducting discounts, volume rebates, outgoing sales taxes and duties, and are recognised when all significant risks and rewards of ownership of the asset sold are transferred to the customer. Revenues from sale of material by-products are included in revenue.

Dividend income is recognised when the shareholders’ right to receive payment is established.

Interest income is recognised on an accrual basis in the income statement.

Certain sales contracts provide for provisional pricing based on the price on The London Metal Exchange Limited (“LME”), as specified in the contract, when shipped. Final settlement of the prices is based on the applicable price for a specified future period. The Company’s provisionally priced sales are marked to market using the relevant forward prices for the future period specified in the contract with a corresponding adjustment to revenue.

Business combinations

The results of subsidiaries acquired or sold during the year are consolidated for the periods from, or to, the date on which control passed. Acquisitions are accounted for under the purchase method. The acquirer’s identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair value at the acquisition date.

Excess purchase consideration, being the difference between the fair value of the consideration given and the fair value of the identifiable assets and liabilities acquired, is capitalised as an asset on the balance sheet.

To the extent that such excess purchase consideration relates to the acquisition of mining properties and leases, that amount is capitalised within property, plant and equipment as “mining properties and leases”. Other excess purchase consideration relating to the acquisition of subsidiaries is capitalised as goodwill. Goodwill arising on acquisitions is reviewed for impairment annually.

Where the fair values of the identifiable assets and liabilities exceed the cost of acquisition, the surplus is credited to the income statement in the period of acquisition.

Where it is not possible to complete the determination of fair values by the date on which the first post-acquisition financial statements are approved, a provisional assessment of fair values is made and any adjustments required to those provisional fair values, and the corresponding adjustments to purchased goodwill, are finalised within 12 months of the acquisition date.

The interest of minority shareholders in the acquiree is initially measured at the minority’s proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

For acquisitions of additional interests in subsidiaries, where there is no change in control, the group recognises a reduction to the minority interest of the respective subsidiary with the difference between this figure and the cash paid, inclusive of transaction fees, being recognised in equity. In addition, upon dilution of minority interests the difference between the cash received from sale or listing of the subsidiary shares and the increase to minority interest is also recognised in equity.

Mining properties and leases

Exploration and evaluation expenditure is written off in the year in which it is incurred.

The costs of mining properties and leases, which include the costs of acquiring and developing mining properties and mineral rights, are capitalised as property, plant and equipment under the heading ‘Mining properties and leases’ in the year in which they are incurred.

When a decision is taken that a mining property is viable for commercial production, all further pre-production primary development expenditure other than land, buildings, plant and equipment, etc is capitalised as part of the cost of the mining property until the mining property is capable of commercial production. From that point, capitalised mining properties and lease costs are amortised on a unit-of-production basis over the total estimated remaining commercial reserves of each property or Group of properties.

Exploration and evaluation assets acquired are recognised as assets at their cost of acquisition subject to meeting the commercial production criteria mentioned above and are subject to impairment review.

Stripping costs and secondary development expenditure, mainly comprising of costs on blasting, haulage, excavation, etc incurred during the production stage of an ore body are charged to the income statement immediately.

In circumstances where a mining property is abandoned, the cumulative capitalised costs relating to the property are written off in the period.

Commercial reserves are proved and probable reserves. Changes in the commercial reserves affecting unit of production calculations are dealt with prospectively over the revised remaining reserves

Other property, plant and equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the income statement in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised.

Assets in the course of construction

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed.

Depreciation

Mining properties and other assets in the course of development or construction, freehold land and goodwill are not depreciated. Capitalised mining properties and lease costs are amortised once commercial production commences, as described in "Property, plant and equipment – mining properties and leases". Leasehold land and buildings are depreciated over the period of the lease or if shorter their useful economic life.

Other buildings, plant and equipment, office equipment and fixtures, and motor vehicles are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Buildings:

Operations	30 years
Administration	50 years
Plant and equipment	10 – 20 years
Office equipment and fixtures	3 – 20 years
Motor vehicles	9 – 11 years

Major overhaul costs are depreciated over the estimated life of the economic benefit derived from the overhaul. The carrying amount of the remaining previous overhaul cost is charged to the income statement if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit.

Property, plant and equipment held for sale or which is part of a disposal Group held for sale is not depreciated. Property, plant and equipment held for sale is carried at the lower of its carrying value and fair value less disposal cost and is presented separately on the face of the balance sheet.

Impairment

The carrying amounts of property, plant and equipment and investments in associates are reviewed for impairment if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable and the carrying amount of goodwill is reviewed for impairment annually. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Whenever the carrying value of an asset exceeds its recoverable amount, an impairment loss is charged to the income statement.

The Group reviews the residual value and useful life of an asset at least at each financial year-end and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.
For mining properties and leases, other investments and goodwill, the recoverable amount of an asset is determined on the basis of its value in use, being the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life, discounted using a market-based, risk-adjusted, discount rate.

For other property, plant and equipment, the recoverable amount of an asset is also considered on the basis of its net selling price, where it is possible to assess the amount that could be obtained from the sale of an asset in an arm's length transaction, less the cost of disposal.

Recoverable amounts are estimated for individual assets or, if this is not possible, for the relevant cash-generating unit.

Taxation

Tax expense represents the sum of tax currently payable and deferred tax.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided, using the balance sheet method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Exceptions to this principle are

Tax payable on the future remittance of the past earnings of subsidiaries, associates and joint ventures where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax is not recognised on goodwill impairment which is not deductible for tax purposes or on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; an

Deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognised directly in equity is recognised in equity and not in the income statement

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant Group entity intends to settle its current tax assets and liabilities on a net basis.

Restoration, rehabilitation and environmental costs

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing production of a mine. Costs arising from the installation of plant and other site preparation work, discounted to net present value, are provided for and a corresponding amount is capitalised at the start of each project, as soon as the obligation to incur such costs arises. These costs are charged to the income statement over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision. The cost estimates are reviewed periodically and are adjusted to reflect known developments which may have an impact on the cost estimates or life of operations. The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate. The unwinding of the discount is shown as a finance cost in the income statement.

Costs for restoration of subsequent site damage which is caused on an ongoing basis during production are provided for at their net present values and charged to the income statement as extraction progresses. Where the costs of site restoration are not anticipated to be significant, they are expensed as incurred.

Foreign currency translation

The functional currency for each entity in the Group is determined as the currency of the primary economic environment in which it operates. For all principal operating subsidiaries, the functional currency is the local currency of the country in which it operates, except KCM where the functional currency is US dollars, since that is the currency of the primary economic environment in which it operates. In the financial statements of individual Group companies, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in other currencies are translated into functional currency at exchange rates prevailing on the balance sheet date. All exchange differences are included in the income statement, except, where the monetary item is designated as an effective hedging instrument of the currency risk of designated forecast sales, where exchange differences are recognised in equity exchange differences on foreign currency borrowings relating to assets under construction, for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

For the purposes of consolidation, the income statement items of those entities for which the US dollar is not the functional currency are translated into US dollars at the average rates of exchange during the period. The related balance sheets are translated at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of such operations, and on foreign currency borrowings to the extent that they hedge the Group's investment in such operations, are reported in other comprehensive inward and accumulated in equity.

On disposal of a foreign entity, the deferred cumulative exchange differences recognised in equity relating to that particular foreign operation would be recognised in the income statement.

(xi) **Details of Contingent Liabilities**

Commitments

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.

Particulars	As at March 31, 2010	As at March 31, 2009	As at March 31, 2008
Capital commitments contracted but not provided	$ 4,065.4 million (Rs. 1,834,941 Lacs)	$ 3,674.0 million (Rs. 1,871,903 Lacs)	$3314.0 million (Rs. 1,324,606 Lacs)

Guarantees

As at 31 March 2010, $133.3 million (Rs. 60,172 Lacs) of guarantees were advanced to banks in the normal course of business [2009: $252.7 million (Rs.128,751 Lacs) , 2008: $139.4 million (Rs. 55,718 Lacs)]. The Group has also entered into guarantees advanced to the customs authorities in India of $908.3 million (Rs. 410,007 Lacs) relating to the export of iron ore and payment of import duties on purchases of raw material [2009: $283.5 million (Rs. 144,443 Lacs) , 2008: $154.6 million (Rs. 61,794 Lacs)].

Export obligations

The Indian entities of the Group have export obligations of $5,091.2 million (Rs 2,298,168 Lacs) [2009: $3,909.0 million (Rs. Lacs 1,991,636 Lacs) , 2008: $2473.9 million (Rs. 988,818 Lacs)] on account of concessional rates of import duty paid on capital goods under the Export Promotion Capital Goods Scheme and under Advance Licence Scheme for import of raw material laid down by the Government of India.

In the event of the Group's inability to meet its obligations, the Group's liability would be $723.0 million (Rs. 326,362 Lacs) [2009: $556.5 million (Rs. 283,537 Lacs) , 2008: $355.6 million (Rs. 142,133 Lacs)], reduced in proportion to actual exports. This liability is backed by bonds executed in favour of the customs department amounting to $958.2 million (Rs. 432,532 Lacs) [2009: $515.5 million (Rs. 262,647 Lacs) , 2008: $325.7 million (Rs. 130,182 Lacs)].

Guarantees to suppliers

The Group has given corporate guarantees to certain suppliers of concentrate. The value of these guarantees was $170 million (Rs. 76,738 Lacs) at 31 March 2010 [2009: $120.0 million (Rs. 61,140 Lacs) , 2008: $150.0 million (Rs. 59,955 Lacs)].

Environmental and terminal benefits ('ETB') cash reserve account – KCM

Pursuant to the terms of the shareholders' agreement between VRHL and ZCI dated 5 November 2004, KCM is expected to contribute a minimum of $10 million (Rs. 4,514 Lacs) [with a maximum of $18.0 million (Rs. 8,125 Lacs)] in any financial year to ensure that the amount of ETB liabilities are covered by a cash reserve when the life of the Konkola Ore Body comes to an end. The ETB liabilities refer to KCM's obligations in relation to the environment and any terminal benefits payable to its employees. As at 31 March 2010, ETB liabilities provided for were $76.0 million (Rs. 34,306 Lacs) [2009: $49.9 million (Rs. 25,424 Lacs) , 2008: $61.7 million (Rs. 24,661 Lacs)], although these liabilities are likely to fluctuate at each future reporting date.

Shortfall Funding Commitment – KCM

Pursuant to the KCM acquisition agreement, Vedanta has agreed to fund capital expenditure in the period from the date of acquisition to the earlier of 5 November 2013, the exercise of certain call options previously held by ZCI and Vedanta's divestment of its interest in KCM (the earliest date of which was 1 January 2008), up to a limit of $220 million (Rs. 99,308 Lacs) in the event that internally generated cash flows are insufficient to fund the capital expenditure programme set out in the acquisition agreement.

Contingencies

The approximate value of claims against the companies total $380.4 million (Rs. 171,713 Lacs), of which $10.4 million (Rs 4695 Lacs) is included as a provision in the balance sheet as at 31 March 2010. In the view of the Directors, there are no significant unprovided liabilities arising from these claims.

The approximate value of claims against the companies total $221.3 million (Rs. 112,752 Lacs), of which $15.5 million (Rs 7,897 Lacs) is included as a provision in the balance sheet as at 31 March 2009. In the view of the Directors, there are no significant unprovided liabilities arising from these claims.

The approximate value of claims against the companies total $240.8 million (Rs. 96,248 Lacs), of which $32.9 million (Rs 13,150 Lacs) is included as a provision in the balance sheet as at 31 March 2008. In the view of the Directors, there are no significant unprovided liabilities arising from these claims.

(xii) Composition of the Board of Directors

Vedanta Resources Plc has 6 directors on its board. With the exception of the following, the company has throughout the year ended March 31, 2010, fully complied with the principles set out in section 1 of the Combined Code on Corporate Governance ("Combined Code").

a) Code provisions A.2.2 and A.3.1 – Appointment of Mr. Anil Agarwal as Executive Chairman in 2005 does not meet the strict independence criteria on his appointment because he was previously the chief executive and through Volcan Investment Limited, members of his family have a controlling interest in the company

b) Code Provision A.4.1 – The Nomination Committee works collaboratively with Volcan Investment Limited when making appointments to the board of directors and to this extent differs from the process set out in the Combined Code

Audit Committee

The audit committee is responsible for making recommendations to the board concerning the appointment of the external auditors and for reviewing the independence of the external auditor and approving their fees. The committee develops policy in relation to the provision of non-audit services by the auditors and discusses the nature and scope of the audit. The committee also monitors the integrity of the financial statements, reviews the groups internal controls, risk management systems and the activities of the internal audit function.

Members of the audit committee are as follows

a) Mr. A Mehta – Chairman and non-executive director
b) Mr. N Chandra – Non-executive director and senior independent director
c) Mr. ER Macdonald – Non-executive director

Remuneration Committee

The committee is responsible for setting broad policy for the remuneration of the chairman, executive directors and the senior management group. The committee determines the remuneration packages for individual executive directors, including basic salary, bonus, long term incentives, pensions and other benefits. It also reviews and approves the provisions of the service agreements of the executive directors. The committee considers the design and operation of the company's share incentive schemes.

Members of the remuneration committee are as follows

a) Mr. N Chandra – Chairman and Senior Independent Director
b) Mr. ER Macdonald – Non-Executive Director
c) Mr. A Mehta – Non-Executive Director

Please find below the composition of the board of directors of the company.

Name of the Director	Designation & Appointment Date	Director Identification Number (DIN)	Qualification	Residential Address
Mr. Anil Agarwal	Executive Chairman / 16.05.2003	00010883	Entrepreneur	Flat 2, 42 Hill Street, London, W1J 5NU
Mr. Navin Agarwal	Deputy Executive Chairman / 24.11.2004	00006303	Entrepreneur	Soham, 8/738 Behramji Gamadia Road (Carmichael Road), Mumbai 400 026
Mr. M S Mehta	Chief Executive Officer / 01.10.2008	00019566	BE (Mech.) and an MBA from the Indian Institute of Management, Ahmedabad	Zinc House, Yashad Garh, Udaipur
Mr. Naresh Chandra	Non-Executive Director / 18.05.2004	00015833	Master's degree in Mathematics from Allahabad University	Sector C-4/4053 Vasant Kunj, New Delhi, India
Mr. Aman Mehta	Non-Executive Director / 24.11. 2004	00009364	Bachelor's degree in Economics from Delhi University	4/7 Shanti Niketan, New Delhi, India
Euan Macdonald	Non-Executive Director / 23.03.2005	NA	Bachelor's degree in economics from the Cambridge University and a Masters degree in finance and international business from Columbia Business School.	Suffolk House, Chiswick Mall, London, W4 2PR

Mr.Naresh Chandra and Mr.Aman Mehta are also on the board of Target.

Details of experience of Directors

Mr. Anil Agarwal founded the Vedanta group in 1976 and is also the Chairman of Sterlite Industries (I) Limited. Since 1976, the group has grown under his leadership, vision and strategy. He has over 30 years experience as an industrialist and also serves as a director on the boards of BALCO, Hindustan Zinc Limited and Vedanta Aluminium Limited.

Mr. Navin Agarwal is responsible for directing the group's business strategy as well as managing its overall growth. He also chairs the group's Executive Committee. In this role, he oversees the planning and completion of the pipeline of strategic growth projects. Mr Agarwal also oversees the inorganic growth, strategic treasury and capital raising initiatives including long-term debt and global investor relations, as well as augmenting and managing the top talent of the group.

Mr. M S Mehta is the Chief Executive Officer of the company. He has over 20 years experience in the steel sector and joined the Vedanta group in the year 2000. Since then he has held various positions including the Head of Copper Business and as group Commercial Director (Base Metals). Prior to becoming the Chief Executive Officer of the company he served as the Chief Executive Officer of Hindustan Zinc Limited.

Mr. Naresh Chandra is a former bureaucrat in the Indian Civil Services. He has been the Home Secretary for the Government of India in the year 1990 and has served as the Cabinet Secretary for 1990 to 1992. He has also served as the Senior Adviser to the Prime Minister of India from 1992 to 1995 and the Indian Ambassador to United States of America from 1996 to 2001. He was Chairman of the Indian Government Committee on Corporate Governance from 2002 to 2003. He is the current chairman of National Security Advisory Board. He was awarded the prestigious civilian award of Padma Vibhushan by the President of India.

Mr. Aman Mehta is non-executive director on the board of the company. He has held numerous positions, including that of Chairman and Chief Executive Officer of HSBC USA Inc. (the New York based arm of HSBC Holding plc), and as Deputy Chairman of HSBC Bank Middle East, based in Dubai with responsibility for the HSBC Group's operations in the Middle East. In 1999, Mr. Mehta was appointed the Chief Executive Officer of the Hong Kong and Shanghai Banking Corporation, a position he held until his retirement. He is also a member of a number of corporate and institutional boards both in India and abroad.

Mr. Euan Macdonald has over 20 years experience in the field of emerging market finance while working at S.G. Warburg. From 1995 to 1999, Mr. Macdonald was the Chairman of SBC Warburg India, responsible for all the bank's activities in India, and then from 1999 to 2001, he was the Executive Vice Chairman of HSBC Securities and Capital Markets, India.

(xiii) Brief details of the acquisitions and spin offs by Vedanta in preceding three years are as follows:

Acquisitions

a) On April 23, 2007, Vedanta acquired a 51.0 per cent ownership interest in Sesa Goa Limited ("Sesa Goa") through acquisition of Finsider International Limited and further acquired a 0.2 per cent interest in Sesa Goa through an open offer in September 2007, increasing its ownership interest to 51.2 per cent.
b) On June 11, 2009, Sesa Goa acquired the entire issued share capital of SRL. SRL has one subsidiary, Sesa Mining Corporation Limited (formerly known as Dempo Mining Corporation Private Limited), and a 50:50 joint venture, Goa Maritime Private Limited.
c) Vedanta signed a definitive Share Purchase Agreement on May 9, 2010 with Anglo American Plc under which Vedanta, through one of its controlled Group companies, will acquire Anglo American Zinc, with economic ownership transferred from January 1, 2010. Completion of acquisition of 100% owned Skorpion mine in Namibia, 100 % owned Lisheen mine in Ireland and the 74% owned Black Mountain Mining, which includes the Black Mountain mine and Gamsberg project in South Africa, was completed on December 4, 2010, February 4, 2011 and February 15, 2011 respectively.

Spin Offs

a) In September 2007, Vedanta, through one of its subsidiaries, sold all of the issued and outstanding shares it held in Twin Star International (84.2%) which was the owner of 223,417,031 common shares of Sterlite Gold Limited.
b) In November 2008, Vedanta completed the disposal of its 38.8% interest in India Foils Limited ('IFL') which is involved in the manufacture of aluminium foils and flexible packaging products. IFL is listed on the Calcutta Stock Exchange and was an associate company of Vedanta

(xiv) There are no pending litigations with respect to Vedanta

(xv) The company has complied with the applicable provisions of Chapter II of the SEBI (SAST) Regulations as under:

SI No	Regulation/Sub-regulation	Due date for compliance as mentioned in the regulations	Actual date of compliance	Delay, if any (in no. of days) Col.4 – Col.3	Remarks
1	**2**	**3**	**4**	**5**	**6**
1	6(1)	20.4.1997	NA	NA	NA
2	6(3)	20.4.1997	NA	NA	
3	8(1)	21.4.1998	NA	NA	
4	8(2)	21.4.1998	NA	NA	
5	8(1)	21.4.1999	NA	NA	
6	8(2)	21.4.1999	NA	NA	
7	8(1)	21.4.2000	NA	NA	
8	8(2)	21.4.2000	NA	NA	
9	8(1)	21.4.2001	NA	NA	
10	8(2)	21.4.2001	NA	NA	
11	8(1)	21.4.2002	NA	NA	
12	8(2)	21.4.2002	NA	NA	
13	8(1)	21.4.2003	NA	NA	
14	8(2)	21.4.2003	NA	NA	
15	8(1)	21.4.2004	NA	NA	NA
16	8(2)	21.4.2004	NA	NA	NA
17	8(1)	21.4.2005	NA	NA	NA
18	8(2)	21.4.2005	NA	NA	NA
19	8(1)	21.4.2006	NA	NA	NA
20	8(2)	21.4.2006	NA	NA	NA

SI No	Regulation/Sub-regulation	Due date for compliance as mentioned in the regulations	Actual date of compliance	Delay, if any (in no. of days) Col.4 – Col.3	Remarks
21	8(1)	21.4.2007	NA	NA	NA
22	8(2)	21.4.2007	NA	NA	NA
23	8(1)	21.4.2008	NA	NA	NA
24	8(2)	21.4.2008	NA	NA	NA
25	8(1)	21.4.2009	NA	NA	NA
26	8(2)	21.4.2009	NA	NA	NA
27	8(1)	21.4.2010	NA	NA	NA
28	8(2)	21.4.2010	NA	NA	NA
29	7(1)		NA	NA	NA
30	7(1A)		NA	NA	NA
31	8A (2)		NA	NA	NA
32	8A (3)		NA	NA	NA

(xvi) Name and contact details of the compliance officer: Mr. Deepak Kumar, 2nd Floor Vintners Place, 68 Upper Thames Street, London, EC4V 3BJ, UK, Tel: +44 207 4995900; Facsimile: +44 207 4918440

(xvii) For companies promoted by Vedanta, please refer “Details of Companies Promoted by the Acquirers and PACs”

C) SESA GOA LIMITED (“PAC No.1”)

Sesa Goa Limited is one of the “persons acting in concert” (“PACs”) with the Acquirers for the purpose of this Offer within the meaning of Regulation 2(1) (e) of the SEBI (SAST) Regulations.

(i) Sesa Goa Limited was incorporated as a private limited company on June 25, 1965 under the Companies Act, 1956. The company became a public limited company pursuant to its initial public offer in the year 1981. It became a subsidiary of Vedanta Resources Plc pursuant to acquisition of controlling stake in Sesa Goa by the latter. Its registered office is located at Sesa Ghor, 20 EDC Complex, Patto, Panaji – 403001, Goa, India.

(ii) Sesa Goa Limited is one of India’s largest producers and exporters of iron-ore in the private sector. It is engaged in the business of exploration, mining and processing of iron-ore. Its mining operations are carried out in the states of Goa and Karnataka in India. The company has also diversified its operations into manufacturing of metallurgical coke and pig iron through its erstwhile subsidiary Sesa Industries Ltd. Pursuant to the order of the Single Judge of Hon’ble High Court of Bombay at Goa dated December 18, 2008 approving the scheme of amalgamation of Sesa Industries Limited into Sesa Goa and the order of the Hon’ble Supreme Court of India dated February 7, 2011 upholding the same, Sesa Industries Limited was merged into Sesa Goa effective from February 14, 2011 with the appointed date of April 1, 2005.

(iii) Sesa Goa Limited has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 as amended or under any other regulation made under the SEBI Act.

(iv) The shares of Sesa Goa Limited are listed on the NSE and the BSE. The closing price of the equity shares as of August 16, 2010 was Rs.322 and Rs.322.55 on the NSE and BSE respectively.

(v) The promoters of Sesa Goa are Finsider International Company Limited, Westglobe Ltd and Twin Star Holdings Limited and are part of the Vedanta Group. The promoters held 55.73% of the share capital in the company as of the date of the PA.

(vi) As on date of the PA, the share capital of Sesa Goa Limited consists of paid up and subscribed equity capital of Rs. 859,702,559 consisting of 859,702,559 equity shares of Re. 1 fully paid-up.

(vii) The consolidated financial information of Sesa Goa Limited is as follows:

Rs. In lakh

Profit and Loss Account information				
Particulars	**three month period ended June 30, 2010 (unaudited)**	**financial year ended March 31, 2010 (audited)**	**financial year ended March 31, 2009 (audited)**	**financial year ended March 31, 2008 (audited)**
Income from Operations	239,404	579,780	491,794	376,589
Other Income	2,101	18,931	4,274	6,140
Total Income	241,505	598,711	496,068	382,729
Total Expenditure	(95,345)	(270,966)	(241,703)	(151,941)
Profit before Depreciation, Interest & Tax	146,160	327,745	254,365	230,788
Depreciation	(1,914)	(7,450)	(5,167)	(4,996)
Interest (net)	14,523	24,164	21,818	6,702
Profit before tax	**158,769**	**344,459**	**271,016**	**232,494**
Provision for tax	(28,319)	(80,555)	(71,527)	(77,601)
Profit after tax	**130,450**	**263,904**	**199,489**	**154,893**

Source: As per the certificate of Rajesh K Hiranandani (Partner Deloitte Haskins & Sells Chartered Accountants, Membership number 36920) dated August 20, 2010

Rs. In lakh

Balance Sheet			
Particulars	**financial year ended March 31, 2010 (audited)**	**financial year ended March 31, 2009 (audited)**	**financial year ended March 31, 2008 (audited)**
Sources of funds			
Paid up equity share capital	8,310	7,872	3,936
Reserves and Surplus	787,790	467,040	293,071
Net worth	796,100	474,912	297,007
Secured Loans	4,437	191	-
Unsecured Loans	191,619	-	-
Deferred tax liability	7,502	6,643	6,640
Total	**999,658**	**481,746**	**303,647**
Application of funds			
Net Fixed Assets	225,570	59,303	49,748
Investments	456,485	312,519	205,100
Net Current Assets	317,603	109,924	48,799
Total	**999,658**	**481,746**	**303,647**

Source: As per the certificate of Rajesh K Hiranandani (Partner Deloitte Haskins & Sells Chartered Accountants, Membership number 36920) dated August 20, 2010

Particulars	financial year ended March 31, 2010	financial year ended March 31, 2009	financial year ended March 31, 2008
Dividend (Interim and Final) (%)	325	225	450
Basic Earnings per Share (Rs.)	32.41	25.26	19.58
Return on Net worth (%) *	41.53	51.69	67.37
Book value per share (Rs.) **	98.15	60.33	75.46

Source: As per the certificate of Rajesh K Hiranandani (Partner Deloitte Haskins & Sells Chartered Accountants, Membership number 36920) dated August 20, 2010

*: Return on net worth calculated as Net Profit after tax and preference dividend divided by average net worth

**: Book value per share calculated as Net worth divided by weighted average number of outstanding equity shares

(viii) The reasons for fall/rise in total income and profit after tax for the relevant years are as follows:

Year Ended March 2010 compared to Year Ended March 2009

a) Sales: Income from Operations during the year 2009-10 has gone up by 18% as compared to the revenue of 2008-09. The major growth has come from the acquisition of SRL, whose ten months (approx.) attributable operations have directly impacted the revenues of Sesa Goa on a consolidated basis. Apart from the SRL acquisition there is significant growth in the sales volume of Sesa Goa, which has also resulted in the growth of the operational income. The decrease in the sales prices of iron ore during the year 2009-10 as compared to the year 2008-09 has given adverse impact on the Revenue.

b) Profit after tax: Profit after tax during the year 2009-10 has gone up by 35% as compared to the profit after tax of 2008-09. The major growth has come from the acquisition of SRL and significant growth in the sales volume of Sesa Goa which has resulted in the increase of the profit after tax. Profit during the year 2009-10 has also gone up significantly due to an exchange gain of Rs.122Cr. on reinstatement of foreign currency convertible bonds (FCCB) which was issued by Sesa Goa in October 2009. There has been an interest expense on FCCB during the year 2009-10 which is offset by the income from investment of the FCCB funds in the fixed deposits. There has been reduction in the export duty during the year 2009-10 as compared to the year 2008-09 which has also impacted the profit positively.

Year Ended March 2009 compared to Year Ended March 2008

a) Sales: Income from Operation during the year 2008-09 has gone up by 31% as compared to the revenue of 2007-08. The growth in the revenue is partly on account of increase in the sales volume & Sales Price. Moreover, growth in the revenue has come due to the increase in the average exchange rate of US$ during the year 2008-09 as compared to year 2007-08, which has resulted higher export realization. The average exchange rate of US$ was 46.22 during the year 2008-09 as compared to 40.22 during the year 2007-08.

b) Profit after tax: Profit after tax during the year 2008-09 has gone up by 29% as compared to the profit after tax of 2007-08 on account of increase in sales volume. The increase in profit has been offset by a loss of Rs.223Cr. (approx.) on account of losses from the forward contracts of the foreign currency. Investment income has also gone up significantly during the year 2008-09 as compared to year 2007-08 on account of increase in surplus funds available for investment. The export duty has been changed to ad valorem during the year 2008-09 from the specific rate of duty which has also impacted the profit adversely.

(ix) **Significant Accounting Policies**

Basis of accounting

The consolidated financial statements of Sesa Goa Limited (the “Company”), its subsidiaries and jointly controlled entity (the “Group”) have been prepared on accrual basis under historical cost convention to comply in all material respects with the Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 1956

Use of estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognised in the period in which the results are known /materialized.

Principles of consolidation

The consolidated financial information incorporates the results of the Company, its subsidiaries and its jointly controlled entity, being the companies that it controls or in respect of which it is in joint control. This control is normally evidenced when the Company is able to govern another company's financial and operating policies so as to benefit from its activities or where the Company owns, either directly or indirectly, the majority of another company's equity voting rights unless in exceptional circumstances it can be demonstrated that ownership does not constitute control.

The financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. Interest in the jointly controlled entity is reported using proportionate consolidation. The financial statements of the subsidiaries and the jointly controlled entity are prepared for the same reporting year as the Company, using consistent accounting policies to the extent practicable. Adjustments are made to align any dissimilar accounting policies that may exist where practicable. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Particulars of subsidiaries and the jointly controlled entity are given below:

Name of Company	Country of Incorporation	% of voting power held on 31.3.2010
Sesa Industries Limited ("SIL")*	India	88.25%
Sesa Resources Limited ("SRL")	India	100.00%
Sesa Mining Corporation Limited ("SMCL")	India	100.00%
Goa Maritime Private Limited ("GMPL")	India	50.00%

** Sesa Industries Limited has since been merged into Sesa Goa*

Revenue recognition

Revenue is recognized when significant risks and rewards of ownership of the goods sold are transferred to the customer and the commodity has been delivered to the shipping agent/customer.

Revenue represents the invoice value of goods and services provided to third parties net of discounts, sales taxes/value added taxes, and is after considering adjustments on final invoices (arising on analysis variances) received up to the year end.

Revenue in respect of contracts for services is recognized on completion of services.

Dividend income is recognized when the right to receive dividend is established.

Interest income is recognized on a time proportion basis by reference to the principal outstanding and at the interest rate applicable.

Foreign currency transactions

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Year end balance of monetary assets and liabilities are translated at the year end rates. Exchange difference arising on restatement or settlement is charged to the Profit and Loss Account.

Foreign currency forward contracts

The Group enters into forward derivative financial instruments to hedge its exposure to foreign currency. The Group does not hold derivative financial instruments for speculative purposes. Derivative financial instruments are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent balance sheet dates.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Profit and Loss Account.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in Reserves and Surplus. Amount deferred to Reserves and Surplus are recycled in the Profit and Loss Account in the period when the hedged item is recognised in the Profit and Loss Account.

Derivative financial instruments that do not qualify for hedge accounting are marked to market at the balance sheet date and gains or losses are recognised in the Profit and Loss Account immediately.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised in Reserves and Surplus is kept in Reserves and Surplus until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Reserves and Surplus is transferred to the Profit and Loss Account for the year.

Fixed Assets

Fixed assets except for the leasehold mine at Karnataka, are stated at their original cost along with taxes, duties (net of Modvat/Cenvat availed, if any) and freight interest on borrowings up to the date of commissioning for operation, attributable to acquisition/construction of the concerned assets.

The iron ore reserves of the leased mine located in Karnataka were valued and shown as fixed assets by erstwhile A. Narrain Mines Ltd. (ANML). The Group continues to show the value of the said mining lease as fixed assets after merger of said ANML. The Group's other mining leases having ore reserves, however, are not valued. Amounts paid to Government authorities towards renewal of forest clearances in respect of owned mining leases are capitalized as a part of mining leases.

Depreciation

Depreciation except on the leasehold mine at Karnataka, and in respect of vehicles, furniture, computers and railway wagons is provided for on Straight Line Method (SLM) at the rates specified in Schedule XIV of the Companies Act, 1956. In respect of vehicles, furniture and computers depreciation has been charged on SLM method at annual rate of 20%, 10% and 30% respectively to bring it in line with the useful life of the assets. The cost of railway wagons procured under Wagon Investment Scheme (WIS) is being depreciated at the rate of 10% per annum on a Straight Line basis. The value of mining leases capitalized are amortized in proportion to actual quantity of ore extracted there from. Amounts paid towards renewal of forest clearances in respect of owned mining lease are amortized over the operating period of the lease. Fixed assets costing less than Rs. 5,000 are wholly depreciated in the year of acquisition.

Depreciation has been charged from the month of the date of purchase in the case of acquisitions made during the year. In respect of assets sold, depreciation is provided up to the month prior to the date of sale.

Impairment of assets

The carrying amounts of tangible fixed assets are reviewed for impairment, if events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Whenever the carrying value of an asset exceeds recoverable amount, impairment is charged to the Profit and Loss Account.

Taxes on income

The Group's income taxes include taxes on each entity's taxable profits, fringe benefits tax, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities/receivables are carried at current amounts and in accordance with enacted tax regulations, rates or in the case of deferred taxes those that have been substantially enacted.

Deferred tax is calculated to correspond to the tax effect arising when final tax is determined. Deferred tax corresponds to the net effect of tax on all timing differences which occur as a result of items being allowed for income tax purposes during a period different from when they were recognised in the financial statements.

(x) Details of Contingent Liabilities

Rs. In Lakhs

Sr. No.	Description	As at 31st March 2010	As at 31st March 2009	As at 31st March 2008
1	Guarantees (excluding the liability for which provisions have been made) given by the Bankers in favour of various parties, none of which have been invoked	1,185	1,333	1,532
2	Letters of Credit opened by the banks in favour of various suppliers	17,992	6,342	315
3	Bonds executed in favour of customs authorities in respect of export of iron ore	101,084	128,197	58,371
4	Claims by custom authorities (under dispute) relating to differential export duty on export shipments. The said amount is also included in 4 above	4,913	4,913	1,879
5	Bills discounted under letters of credit with banks	47,108	26,968	6,502

Sr. No.	Description	As at 31st March 2010	As at 31st March 2009	As at 31st March 2008
6	Dead rent on deemed mining leases for the period from 20.12.1962 to 23.5.1987 and royalty for the period from 20.12.1961 to 30.9.1963 sought to be levied by the Government pursuant to the Goa, Daman & Diu Mining Concessions (Abolition & Declaration as Mining Leases) Act 1987, challenged by Special Leave Petition before Supreme Court of India	22	22	22
7	Claims relating to commercial and employment contracts	715	614	520
8	Claims by Chennai Port Trust related to shortfall of throughput from Chennai Port	113	113	113
9	Civil suit filed against the company, claiming damage towards infringement of patent	3,750	3,750	3,750
10	Disputed sales tax demands (including interest and penalty)	45	98	98
11	Disputed income tax demands including interest and penalty	2,361	385	842
12	Disputed service tax demands including interest and penalty	38	-	-
13	Disputed demand from customs authorities towards fine and penalty for improper documentation of equipments loaded/unloaded to/from the company's vessel M.V. Orissa and its improper use	35	35	35
14	Disputed demand from customs authorities for transferring imported metallurgical coke at concessional rate of duty under the provisions of Customs (Import of Goods at Concessional rate of Duty for manufacture of Excisable Goods) Rules 1996 to the erstwhile M/s. Sesa Kembla Coke Company Limited, appealed before the Appellate Authority	160	160	160
15	Disputed forest development tax levied by Government of Karnataka challenged by writ petition filed in the High Court of Karnataka and stay granted	16,412	2,988	-
16	Notice issued by the Deputy Conservator of Forest, Chitradurga, demanding registration of a supplemental forest lease agreement by payment of stamp duty calculated on the net present value which has been challenged in the High Court of Karnataka	92	92	-
17	Cess on transportation of Ore, coal and coke within Goa levied by Government of Goa under the Goa Rural Development and Welfare Cess Act, 2000 (Goa Act 29 of 2000) challenged by way of writ petition in the High Court of Bombay, Panjim Bench	8,549	2,126	-
18	Disputed marine claims	1,357	-	-
19	Claim for non performance of contract of affreightment under arbitration	374	1,274	-

(xi) **Composition of the Board of Directors**

Sesa Goa Limited has 8 directors on its board. In compliance with clause 49 of the listing agreement, the company has (i) not less than 50% of the board comprising non-executive directors and (ii) at least one third of the board comprises independent directors.

Audit Committee

The Audit committee of the company is constituted in line with the provisions of clause 49 of the listing agreement with the stock exchanges read with section 292 A of the Companies Act, 1956. The terms of reference include, oversight of the company's financial reporting process, recommendation to the board on the appointment, re-appointment, replacement or removal of the statutory auditors, reviewing the annual financial statement, reviewing the performance of the internal auditors and the internal control systems, discussions with the auditors on significant findings, discussions with statutory auditors on nature and scope of audit and post audit discussions on areas of concern, reviewing quarterly financial statements, reviewing the whistle blower mechanism and carrying out other terms of reference of the audit committee.

The constitution of the audit committee as of the date is as follows:

Name of the Director	Title
P.G. Kakodkar	Chairman – Independent Director
G.D. Kamat	Independent Director
J.P. Singh	Independent Director
K.K. Kaura	Non-Executive Director
Mr. Ashok Kini	Independent Director

Shareholders/Investors Grievance Committee

The company has constituted a shareholders and investors grievance committee to look into the redressal of complaints of investor such as transfer or credit of shares, non-receipt of dividend/notices/annual reports etc:

The constitution of the shareholders/investors grievance committee as of the date is as follows:

Name of the Director	Title
P.G. Kakodkar	Chairman – Independent Director
P.K. Mukherjee	Managing Director
S. Gupta	Director Finance Designate

Remuneration Committee

The company constituted a remuneration committee in September 2000, the terms of reference include appraisal of the performance of the Managing Director/Executive Directors, determine and recommend to the board, compensation payable to them.

The constitution of the remuneration committee as of the date is as follows:

Name of the Director	Title
K.K. Kaura	Chairman Non-Executive Director
P.G. Kakodkar	Independent Director
G.D. Kamat	Independent Director
Ashok Kini	Independent Director

The composition of the board of directors of Sesa Goa is as under

Name of the Director	Designation & Appointment Date	Director Identification Number (DIN)	Qualification	Residential Address
Pandurang G. Kakodkar	Non-Executive Director March 31, 2000	00027669	MA (Economics)	Flat 1001, Brooke Ville, Opp. Bafana Hsg. Society, Mogul Lane, Mahim, Mumbai – 400 016
Gurudas D. Kamat	Non-Executive Director December 23, 2005	00015932	B.A, L.L.B	'12/UG-1, Kamat Kinara, Nomoxim, Caranzalem - Goa 403002
Kuldip K. Kaura	Non-Executive Director October 30, 2007	00006293	B.E.(Hons) Mechanical Engineering	12th Floor, Vastu Bandra, Bandra (W), Mumbai – 400 050

Name of the Director	Designation & Appointment Date	Director Identification Number (DIN)	Qualification	Residential Address
Prasun K. Mukherjee	Chief Executive Officer and Managing Director Whole time director on the board since July 1, 2000	00015999	B.Com (Hons), FCA, AICWA	H.No.8/290, Near All India Radio, Altinho, Panaji, Goa – 403 001
Arun K. Rai	Whole Time Director February 1, 1999	00016060	B.Sc in Mining Engineering	House No.B-282, Alto Betim, Patel Estate, Reis Magos, Goa – 403501
Amit Pradhan	Whole Time Director – Iron & Coke July 1, 2000	00128568	M.Sc (Physics) from IIT Delhi	Villa No. 2, Kamat Kinara, P.O. Caranzalem, Goa 403 002
Jagdish Pal Singh	Non-Executive Director July 19, 2010	02782928	M.A, MPA (Harvard), IAS Retd. (Rajasthan 1972)	C-83, Valmiki Marg, Hanuman Nagar, Jaipur
Ashok Kini	Non-Executive Director January 24, 2011	00812946	B.Sc/M.A./C.A.I.I.B (Certified Associate, Indian Institute of Bankers)	B-202 , Mantri Pride Apartments, Mountain Road, 1st Block, Jaynagar, Bangalore, Karnataka, 560 011

Details of experience of Directors

Mr. Pandurang G. Kakodkar is a non-executive and independent director of the company. He has over 40 years experience in the State Bank of India, retiring as the Chairman in 1997. He is currently a private information technology and banking consultant. His other directorship include Goa Carbon Limited, Uttam Galva Steel Limited, Financial Technologies (India) Limited, Fomento Resorts and Hotels Limited, Centrum Finance Limited, Multi Commodity Exchange of India Limited, IBX Forex Limited and Anand Rathi Financial Services Limited.

Mr. Gurudas D. Kamat is a non-executive and independent director on the board of the company. Mr. Kamat retired as the Chief Justice of Gujarat High Court in January 1997. He is currently engaged in judicial work relating to arbitration and conciliation. He has over 45 years experience in the field of legal practice and judiciary having practiced in Bombay as well as in Goa in various branches of law. Mr. Kamat was a prosecutor for the Government of Goa from 1967 to 1969. From 1980 onwards he was an advocate for the Customs and Central Excise Department of the Government of India. He was also a member of the senate and faculty of law of Bombay University from 1978 to 1980 and was appointed as a judge of Bombay High Court on November 29, 1983.

Mr. Kuldip K. Kaura is a non-executive director of the company. He last served as the Chief Executive Officer of Vedanta from where he retired in September 2008. Mr.Kaura has earlier served as the chief executive officer and managing director of Sterlite Industries (I) Limited and also Managing Director of Hindustan Zinc Limited. He is currently advisor to Vedanta. He was prior to joining the Vedanta group, the Managing Director and Country Manager at ABB India. He has also served as member of the national council of Confederation of Indian Industries. He is at present the Managing Director of ACC Limited.

Mr. Prasun K. Mukherjee is the Managing Director of the company. He has over 31 years experience in finance, accounts, costing, taxation, legal and general management. He was rated as one of India's best Chief Financial Officers (CFOs) in the year 2005 by the Business Today magazine and in 2009 Business World magazine declared Mr. Mukherjee as India's most 'Value'able CEO.

Mr. Arun K. Rai is a whole time director of the company. He has over 34 years experience in the field of mining and allied areas.

Mr. Amit Pradhan is a whole time directors of the company. He is currently responsible for the Vedanta group's business in Pig Iron, Coke and Power. He has over 32 years experience in material/project management and has also had a stint in business development.

Mr. Jagdish Pal Singh is a non-executive and independent director on the board of the company. former secretary India, Ministry of Finance and mines, special secretary labour and has over 36 year of executive experience in key positions in the state and union government.

Mr. Ashok Kini is a non-executive and independent director on the board of the company. He holds a Postgraduate from Madras Christian College, Chennai. He retired as MD of State Bank of India in December 2005 after serving the bank for 38 years. He was responsible for the Bank's IT plans, from concept to execution and vendor management, domestic distribution, retail business, consumer banking, marketing/brand management, etc. He is currently on Board of IndusInd Bank Limited, Gulf Oil Corporation Limited, UTI Asset Management Company and Financial Information Network & Operations Pvt. Limited

(xii) Sesa Goa has complied with the applicable provisions of Chapter II of the SEBI (SAST) Regulations as under

SI No	Regulation/Sub-regulation	Due date for compliance as mentioned in the regulations	Actual date of compliance	Delay, if any (in no. of days) Col.4 – Col.3	Remarks
1	**2**	**3**	**4**	**5**	**6**
1	6(2)	20.5.1997	Note 1	-	Also reported on 18.1.2000 for period ended 31.12.1999 as per BSE/NSE circular
2	6(4)	20.5.1997	Note 1	-	
3	8(3)	30.4.1998	14.4.1998	-	
4	8(3)	30.4.1999	16.4.1999	-	
5	8(3)	30.4.2000	18.4.2000	-	
6	8(3)	30.4.2001	09.4.2001	-	
7	8(3)	30.4.2002	17.4.2002	-	
8	8(3)	30.4.2003	08.4.2003	-	
9	8(3)	30.4.2004	08.4.2004	-	
10	8(3)	30.4.2005	20.4.2005	-	
11	8(3)	30.4.2006	24.4.2006	-	
12	8(3)	30.4.2007	24.4.2007	-	
13	8(3)	30.4.2008	22.4.2008	-	
14	8(3)	30.4.2009	29.4.2009	-	
15	8(3)	03.9.2009	01.9.2009	-	NA
16	8(3)	30.4.2010	28.4.2010	-	NA
17	8(3)	05.8.2010	23.7.2010	-	NA
18	7(3)	03.2.2009	28.1.2009	-	NA
19	7(3)	30.7.2009	24.7.2009	-	NA
20	7(3)	14.9.2009	07.9.2009	-	NA
21	7(3)	16.9.2009	09.9.2009	-	NA
22	7(3)	18.9.2009	11.9.2009	-	NA
23	7(3)	09.4.2010	03.4.2010	-	NA

Note 1: The stock exchange Mumbai vide letter No. CRD/Rem/SAST/500295/61/07-08 dated May 11, 2007 requested for disclosure under regulation 6(4) and 6(2) which has been provided by the company vide letter dated May 18, 2007

(xiii) The details of the material litigations of the company are as below:

S No	Suit No./ Case No./ Appeal No.	Plaintiff / Petitioners / Complainant / Applicant	Defendant / Respondent	Name & Address of the Court / Arbitration Panel	Amount under consideration	Brief Description of Case	Status
1	Civil Appeal No. 4110 of 2008	Harinarayan Bajaj	Sesa Goa Limited	Supreme Court	Amount not determinable	Complaint with respect to alleged violation of the SEBI (SAST) Regulations in the acquisition of Sesa Goa Limited by Mitsui & Co. Limited	On January 19, 2011, the Supreme Court allowed application of Petitioner to join M/s Vedanta Resources Plc as party to this Petition. The date for the final hearing is awaited.
2	C S No 27 of 2005	Sun Coke	Sesa Goa Limited	District Court & Controller of Patent	375 million	Infringement of patent and damages towards license fee. Proceedings before controller of patents for revocation of patent granted to Sesa Goa are going on.	Proceedings in District Court stayed pending decision of Controller of Patents. Date of hearing before Controller of Patents not yet fixed/notified.
3	SLP No 1381of 2009	Krishna H Bajaj	Sesa Goa Limited, Sesa Industries Limited, directors of the Sesa Goa Limited	Supreme Court	Amount not determinable	Special leave petition in Supreme Court against the dismissal of a complaint by the High Court of Bombay relating to dishonest misappropriation of property and criminal breach of trust filed in the Metropolitan Magistrate Court at Girgaum, Mumbai	The matter was fixed for hearing on April 1, 2011.
4	WP No 243 of 2008	Amona Bachao Andolan	Sesa Goa Limited	High Court of Bombay at Goa	Amount not determinable	Complaint related to alleged pollution due to industrial and mining related activities	Date of hearing not fixed /notified
5	WP No 244 of 2009 WP No 455 of 2009	Sesa Goa Limited	Government of Goa – Transportation Department	High Court of Bombay at Goa	Amount not determinable	Writ petition filed against the cess charged on iron ore, coke and coal transportation. Transport Department issued demand notices dated 27/07/2010, 16/08/2010, 28/09/2010 and 12/01/2011 for Rs.	Listed for final hearing. No date has been fixed though

S No	Suit No./ Case No./ Appeal No.	Plaintiff / Petitioners / Complainant / Applicant	Defendant / Respondent	Name & Address of the Court / Arbitration Panel	Amount under consideration	Brief Description of Case	Status
						6,27,55,860/-, Rs.1,25,55,000/-, Rs. 51,34,95,380/- & Rs.1,25,55,000/- respectively. We have filed stay applications in respect of the said demand notices.	
6	WP No. 13595 of 2008	Sesa Goa Limited	Karnataka Government	High Court of Karnataka	Amount not determinable	Writ petition filed against Karnataka government notification imposing forest development tax ("FDT") of 12% on iron ore obtained from forest area. Under direction from the High Court the company has pending final hearing paid 6% FDT (50% by cash and 50% by BG) .	The final hearing is in progress. Next date for hearing is April 7, 2011
7	WP No. 7203 of 2009	Sesa Goa Limited	Karnataka Government	Karnataka High Court	Amount not determinable	Writ petition challenging computation of stamp duty on net present value paid by the Company towards use of forest land.	Date of hearing not fixed /notified
8	WP No 330 of 2009 WP No 322 of 2010	Akash Naik Vittal Shiva Gaonkar & others	Sesa Goa Limited & Ors	High Court of Bombay at Goa	Amount not determinable	First writ petition alleges that the mining lease held by the company for Advalpal mine has lapsed. The High Court, has directed the company to cease operations at the Phase I of the project by April 30, 2010. Second writ petition was filed against the removal of dump on the grounds of safety and damage to nearby village. The	Matter was taken up on March 30, 2011 and will be now listed on board in next week

S No	Suit No./ Case No./ Appeal No.	Plaintiff / Petitioners / Complainant / Applicant	Defendant / Respondent	Name & Address of the Court / Arbitration Panel	Amount under consideration	Brief Description of Case	Status
						High Court has initially directed the company not to remove dump from the location. However, this order was modified and now the High Court has directed removal of dump only after the submission of a report by NEERI on the issue. On April 29, 2010 the High Court passed Order in W. P. No. 322 of 2010 directing us not to remove dump from Phase I and appointed NEERI to do the study and file necessary report. High Court by its order dated August 3 2010 has directed NEERI to furnish the report by December 2010. NEERI has filed report before High Court, and we have been directed to remove the dump on or before March 31, 2011 in consultation with NEERI We have received approval from Indian Bureau of Mines and hence, as per the direction of the High Court we have filed approval before the Court and sought direction to carry out mining activity at Phase II of the project.	

S No	Suit No./ Case No./ Appeal No.	Plaintiff / Petitioners / Complainant / Applicant	Defendant / Respondent	Name & Address of the Court / Arbitration Panel	Amount under consideration	Brief Description of Case	Status
						A Miscellaneous Civil Application has been filed by Goa Foundation in Writ Petition 330 of 2009 seeking injunction from carrying out operation in Phase II of the project. We have filed our reply on the same. We have also filed an application asking the Hon'ble High Court to relieve the company from implementing Directions 'A' and 'B' given in the Order dated August 3, 2011 in view of the NEERI's recommendation.	
9	WP 256 of 2009	Rohidas Harischnadra Bhandari & Ors.	Sesa Goa Limited & Ors.	High Court of Bombay at Goa	Amount not determinable	Writ petition filed alleging dust and noise pollution being caused by the company due to transportation activities. Order was passed by the High Court on June 21, 2010 directing short term measures as per affidavit of Directorate of Transportation dated April 22, 2010 to be implemented in respect of South as well as North Goa. The order also directed Directorate of Transport to file an additional affidavit setting out steps for implementation of the interim	Date of hearing not fixed/notified

S No	Suit No./ Case No./ Appeal No.	Plaintiff / Petitioners / Complainant / Applicant	Defendant / Respondent	Name & Address of the Court / Arbitration Panel	Amount under consideration	Brief Description of Case	Status
						measures for North Goa.	
10	Appeal no 4 of 2009	Sesa Goa Limited	Goa State Pollution Control Board	Administrative Tribunal	Amount not determinable	Appeal filed against notices issued by Goa State Pollution Control directing the suspension of operations to mines bearing TC no. 69/51 and 70/52. We have obtained the Chief Wild Life warden's approval for above mentioned leases. Since the Forest Department has withdrawn its complaint filed against us, we have filed an application to close this matter. The matter is now fixed for their reply/ arguments on our application.	Stay has been obtained on the notices and the hearing was fixed on March 25, 2011. The same has been adjourned to April 1, 2011
11	SLP No. 34728 of 2010	Sesa Goa Ltd.	State of Karnataka	Supreme Court	Amount not determinable	We have filed an SLP in the Supreme Court challenging the Order of the High Court dated November 19, 2010, whereby our Writ Petition 24062 of 2010 was dismissed in connection with Orders (26/7/2010 and 28/7/2010) of the State Government of Karnataka thereby banning of export of iron ore of Karnataka origin. State Government filed their reply and the Honb'le Court passed an order on February 11, 2011 upon the statement of State Govt. counsel that they are taking steps to notify the rules and upon request for time, matter was	Date of hearing is fixed in the first week of April.

S No	Suit No./ Case No./ Appeal No.	Plaintiff / Petitioners / Complainant / Applicant	Defendant / Respondent	Name & Address of the Court / Arbitration Panel	Amount under consideration	Brief Description of Case	Status
						adjourned to first week of April 2011. However, SC clarified that Ore lying at major ports upon inventory by the concerned authority can be exported.	
12	WP 169 of 2011	Sesa Goa Ltd & Another	State of Goa and Others.	High Court of Bombay at Goa	Amount not determinable	We have filed a writ petition challenging the order dated March 4, 2011 passed by the Goa Coastal Zone Management Authority (GCZMA) wherein the authority have alleged that we have illegally expanded the portion of Jetties at Amona. In the said order the authorities have directed to stop the activity and remove the alleged unauthorized expanded portion. The Hon'ble Court vide its Order dated March 22, 2011 has granted interim stay of the Order passed by GCZMA.	The next date of hearing is fixed on April 12, 2011.
13	(A) CMA 247 of 2010 (B) CMA 30 of 2011	(A) Goa Energy Pvt. Ltd.& Ors (B) Sesa Goa Ltd. and Ors	(A) Sesa Goa Ltd. and Others (B) Goa Energy Pvt. Ltd.& Others	Principal District Judge at Panaji	Amount not determinable	(A) Goa Energy Pvt. Ltd. (GEPL) and Videocon Industries ltd. (VIL) have filed application against Sesa Goa and SIL u/s 9 of Arbitration & Conciliation Act 1996 before District Court At Panaji. In the above application they are seeking injunction restraining Sesa Goa	The date for the next hearing is April 16, 2011.

S No	Suit No./ Case No./ Appeal No.	Plaintiff / Petitioners / Complainant / Applicant	Defendant / Respondent	Name & Address of the Court / Arbitration Panel	Amount under consideration	Brief Description of Case	Status
						and SIL from using the additional Gases to be produced by our plant in Amona, pending Arbitration Proceedings to be commenced. This is based on the Power Agreement dated April 2, 2004 signed between Sesa Goa and GEPL with VIL as Guarantor, to generate electrical energy at GEPL plant using Coke oven gases and Blast furnace gases generated at Sesa's Met coke and Pig Iron plant respectively. The matter was heard on March 3, 2011. We filed applications on behalf of both Sesa Goa and SIL raising contention that application of GEPL u/s 9 for interim relief at this stage is premature, since pre-arbitration stage is in process between the parties and even notice required for arbitration is so far not been issued. Therefore, in such circumstances, application should be dismissed. However, GEPL lawyer argued for status quo till the disposal of their application, which was not granted. We have filed our detailed reply. (B) We have also	

S No	Suit No./ Case No./ Appeal No.	Plaintiff / Petitioners / Complainant / Applicant	Defendant / Respondent	Name & Address of the Court / Arbitration Panel	Amount under consideration	Brief Description of Case	Status
						invoked arbitration vide notice dated January 17, 2011 and after that we have filed an application under Section 9 of Arbitration & Conciliation Act on February 4, 2011 for securing sum of Rs. 9,07,73,899/- with interest and for an order of Injunction restraining the Respondent from in any way alienating transferring, creating any third party rights or in any manner encumbering 100% equity shares. Both the application u/s 9 were taken up on February 18, 2011, when all the parties made statement that settlement talks are going on and parties will maintain status quo as far as alienation of title and rights.	
14	WP 713 of 2010 now Pil No. 4 of 2011	Ramchandra Vaman Naik & Others.	Sesa Industries Ltd. (since merged with Sesa Goa Ltd) & Others.	High Court of Bombay at Goa	Amount not determinable	A Writ Petition challenging the expansion project at Amona inter alia praying for stoppage of construction activity at expansion project at Amona and for quashing of Cabinet approval dated March 30, 2007, Environment Clearance dated June 3, 2009 and consent to establish dated March 4, 2010 in respect of the expansion project at Amona.	Next date of hearing is fixed on first week of April 2011.
15	Writ Petition No. 7436-	M/s. Sesa Goa Limited	State of Karnataka &	Hon'ble High Court of	Amount not determinable	We have filed this writ petition challenging validity	Matter posted for admission. Next date of

S No	Suit No./ Case No./ Appeal No.	Plaintiff / Petitioners / Complainant / Applicant	Defendant / Respondent	Name & Address of the Court / Arbitration Panel	Amount under consideration	Brief Description of Case	Status
	7439 of 2011	& Others.	Others	Karnataka		of the Government Orders dated July 1 2010, July 29, 2010 and August 31, 2010 passed by the State Government whereby it has imposed the levy of Rs.500.00 as the Toll Fee per trucks on all the trucks / lorries and vehicles transporting Iron Ore in the State of Karnataka.	hearing is April 1, 2011
16	Cr. Application No 2006 of 2009	Mr. H.K Bilpodiwala & Others	State of Maharashtra & Others.	High Court of Judicature at Bombay	Amount not determinable	Magistrate in CC 111/SW/2005 framed the charges against 4 Ex-directors of SIL u/s 63, 68, 73 (2-B) and 73 (3) of companies act 1956 and u/s 420, 409 r/w 34 of IPC. We have challenged then order of framing charges before the High Court. Vide Order dated April 15, 2010, the proceeding before Magistrate Court as far as CC 111/SW/2005 is stayed till disposal of this matter.	Date of hearing is not fixed.

Except the acquisitions by Sesa Goa as mentioned below, it has not carried out any acquisition or spin off in preceding three years:

In the first quarter of financial year ended March 31, 2010 the company acquired all the outstanding common shares of SRL which in turn holds 100% equity shares of Sesa Mining Corporation Limited (formerly known as Dempo Mining Corporation Private Limited) and 50% equity shares in Goa Maritime Private Limited for a total consideration of Rs.1,750 crore on a debt free and cash free basis including net working capital of Rs.145 crore. The acquisition gave the company access to additional iron ore resources of ~ 70 million tonnes.

(xiv) The shareholding pattern of Sesa Goa as of the date of the PA is as under

Name of the Shareholder	Number of equity shares	% of issued capital
Finsider International Company Ltd – Promoter#	401,496,480	46.70%
Westglobe Ltd – Promoter#	44,343,139	5.16%
Twin Star Holdings Ltd – Promoter#	33,274,000	3.87%
Banks	195,495	0.02%
Clearing members	1,105,547	0.13%
Foreign bodies	421,679	0.05%
FIIs	236,394,772	27.50%
Foreign nationals	1,000	0.00%
Hindu undivided families	1,605,825	0.19%
Indian financial institutions	4,731,775	0.55%
Insurance companies	17,385,640	2.02%
Life insurance corporation	3,012,986	0.35%
Bodies corporate	14,258,398	1.66%
Mutual funds	4,197,146	0.49%
Nationalized banks	392,360	0.05%
Non-resident Indians	1,955,742	0.23%
Resident individuals	94,298,371	10.97%
Trusts	632,204	0.07%
Total	**859,702,559**	**100.00%**

 # For further information see "Details of the companies promoted by the Acquirers and PACs"

(xv) Name and contact details of the compliance officer: Mr. Chitnis CD, Sesa Ghor, 20 EDC Complex, Patto, Panaji – 403001, Goa, India , Tel: +91 832 2460600; Facsimile: +91 832 2460721

(xvi) For companies promoted by Sesa Goa please refer "Details of Companies Promoted by the Acquirers and PACs"

D) SESA RESOURCES LIMITED ("PAC No.2")

Sesa Resources Limited (formerly known as V.S. Dempo and Co. Private Limited) is the other "persons acting in concert" or ("PAC No.2") with the Acquirers for the purpose of this Offer within the meaning of Regulation 2(1) (e) of the SEBI (SAST) Regulations

(i) SRL was incorporated as a private limited company on April 22, 1965 under the Companies Act, 1956. The company was acquired by Sesa Goa through an acquisition of its entire equity share capital in June 2009.

(ii) SRL is engaged in the business of mining of iron-ore in the state of Goa.

(iii) SRL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 as amended or under any other regulation made under the SEBI Act.

(iv) The shares of SRL are not listed on any exchange.

(v) The company is a 100% subsidiary of Sesa Goa and is part of the Vedanta group.

(vi) As of the date of the PA, the share capital of SRL consists of paid up and subscribed equity capital of Rs.12,500,000 consisting of 1,250,000 equity shares of Rs.10 face value fully paid up.

(vii) The directors on the board of SRL are as follows: Mr.Prasun K. Mukherjee, Mr.Arun K Rai, Mr.Sushil Gupta, Mr.Din Dayal Jalan and Mr.Pramod Unde.

(viii) The financial information as at / for the financial years ended March 31, 2010, March 31, 2009 and March 31, 2008 and for the three month period ended June 30, 2010 of SRL is as follows:

Rs. in Lakhs

Profit and Loss Account information				
Particulars	**three month period ended June 30, 2010 (unaudited)**	**financial year ended March 31, 2010**	**financial year ended March 31, 2009**	**financial year ended March 31, 2008**
Income from Operations	46,779	115,064	97,296	71,515
Other Income	1,550	5,517	506	1,468
Total Income	48,329	120,581	97,802	72,983
Total Expenditure	(11,470)	(46,290)	(61,283)	(47,752)
Profit before Depreciation, Interest & Tax	36,859	74,291	36,519	25,231
Depreciation	(228)	(1,005)	(1,043)	(1,229)
Interest (net)	615	557	(191)	(214)
Profit before tax & Exceptional item	**37,246**	**73,843**	**35,285**	**23,788**
Exceptional item	-	-	-	(2,500)
Profit before tax & after Exceptional item	**37,246**	**73,843**	**35,285**	**21,288**
Provision for tax	(12,095)	(24,518)	(12,607)	(8,955)
Profit after tax	**25,151**	**49,325**	**22,678**	**12,333**

Source: As per the certificate of C R Rajagopal (Partner Deloitte Haskins & Sells Chartered Accountants, membership no. 23418) dated August 30, 2010

Balance Sheet			
Particulars	**financial year ended March 31, 2010**	**financial year ended March 31, 2009**	**financial year ended March 31, 2008**
Sources of funds			
Paid up equity share capital	125	125	125
Reserves and Surplus (Excl Revaluation Reserve of `6734lakhs)	57,304	7,979	47,038
Net worth	57,429	8,104	47,163
Secured Loans	3,476	18,115	13,844
Unsecured Loans	-	-	-
Deferred tax liability	393	199	185
Total	**61,298**	**26,418**	**61,192**
Application of funds			
Net Fixed Assets	9,226	8,648	7,293
Investments	53,953	1,369	27,325
Net Current Assets	(1,881)	16,401	26,574
Miscellaneous expenditure not written off	-	-	-
Total	**61,298**	**26,418**	**61,192**

Source: As per the certificate of C R Rajagopal (Partner Deloitte Haskins & Sells Chartered Accountants membership no. 23418) dated August 30, 2010

Particulars	**financial year ended March 31, 2010**	**financial year ended March 31, 2009**	**financial year ended March 31, 2008**
Dividend (Interim and Final) (%)	-	20,960	3,200
Basic Earnings per Share (Rs.)	3,946.04	1,814.19	986.71
Return on Net worth (%) *	150.54	82.06	28.46
Book value per share (Rs.) **	4,594.33	648.30	3,773.08

Source: As per the certificate of C R Rajagopal (Partner Deloitte Haskins & Sells Chartered Accountants) dated August 30, 2010

** Return on net worth calculated as Net Profit after tax and preference dividend divided by average net worth*
*** Book value per share calculated as Net worth divided by weighted average number of outstanding equity shares*

(ix) The reasons for the fall/rise in total income and profit after tax for the relevant years are as follows:

Year Ended March 2010 compared to Year Ended March 2009

a) Sales
Income from Operations during the year 2009-10 has gone up by 18% as compared to the revenue of 2008-09. There has been increase in the volume, which has resulted in the growth of the operational income. Marginal increase in the sales realization has also resulted in the increase of Income from Operations.

b) Profit after tax
Profit after tax during the year 2009-10 has gone up by 118% as compared to the profit after tax of 2008-09. The hire income of transhipper has contributed in the increase of the profit after tax. There has been a loss of `145Crores on account of forward contracts of the foreign currency in the year 2008-09 which has also given rise to increase in the profit after tax for the year 2009-10 as compared to year 2008-09.

Year Ended March 2009 compared to Year Ended March 2008

a) Sales
Income from Operation during the year 2008-09 has gone up by 36% as compared to the revenue of 2007-08. The growth in the revenue is on account of increase in the sales volume & Price.

b) Profit after tax
Profit after tax during the year 2008-09 has gone up by 84% as compared to the profit after tax of 2007-08 on account of increase in sales volume and better sales realisation. The increase in profit has been offset by a loss of Rs.145 crores on account of losses from the forward contracts of the foreign currency. There has been a write off of investment of Rs. 25 crores in the year 2007-08.

(x) **Significant Accounting Policies**

Basis of accounting
The financial statements are prepared as a going concern under historical cost convention on an accrual basis and comply in all material respects with the Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 1956.

Use of estimates
The presentation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period.
Difference between the actual results and the estimates are recognised in the periods in which the results are known /materialise.

Revenue recognition
Revenue is recognized when significant risks and rewards of ownership of the goods sold are transferred to the customer and the commodity has been delivered to the shipping agent/customer. Revenue represents the invoice value of goods and services provided to third parties net of discounts, volume rebates, outgoing sales taxes and duties. In cases where the terms of the executed sales agreement allow for an adjustment to the sales price based on a survey of the goods by the customer (for instance an assay for mineral content), recognition of the sales revenue is based on the most recently determined estimate of product specifications

Revenue in respect of contracts for services is recognised on completion of services.

Dividend income is recognised when the shareholders' right to receive payment is established by the balance sheet date. Interest income is recognised on a time proportion basis in the Profit and Loss Account.

Tangible Fixed assets
Fixed assets are stated at historical cost (exclusive of available Central and State VAT credit) less accumulated depreciation / amortisation and impairment loss. Costs include expenses incidental to the installation of assets, attributable borrowing and financing costs. Borrowing costs include foreign currency translation differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest costs.

Assets in the course of construction

Assets in the course of construction are reflected as Capital Work in Progress. At the point when an asset is operating at management's intended use the cost of construction (net of income earned during the construction period) is transferred to the appropriate category of fixed assets.

Intangible fixed assets

Intangible fixed assets other than goodwill are recognised if such assets are identifiable non-monetary assets, they represent resources controlled by the Company as a result of past events, such assets are held for use through which future economic benefits are expected to flow to the Company and their costs can be reasonably measured. Goodwill arising on a business acquisition is recognised to the extent of the excess of the amount paid over the fair value of the net assets acquired. Intangible fixed assets are stated at cost less amortisation and impairment loss if any.

Depreciation and amortisation

Depreciation except as indicated below is provided for using the Straight Line Method (SLM) at the rates specified under Schedule XIV of the Companies Act, 1956 calculated for the remaining life of the assets reckoned from 1st June 2009. Hitherto, the depreciation was calculated on written down value method at the rates prescribed under same statute.

a) vehicles, furniture and computers are depreciated at an annual rate of 20%, 10% and 30% respectively.

b) individual items of assets costing upto Rs.5,000 are wholly depreciated in the year of acquisition.

Depreciation has been charged from the month of the date of purchase in the case of acquisitions made during the year. In respect of assets sold, depreciation is provided upto the month prior to the date of sale.

Impairment of assets

The carrying amounts of fixed assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is recognised in the profit and loss account where the carrying amount of an asset exceeds its recoverable amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

Investments

Long term investments are stated at cost less provision for diminution. Provision for diminution is made to recognise decline (other than temporary) in the value of investments, if any. Current investments are stated at cost or fair value, whichever is lower.

Inventories

a) Stock of iron ore is valued at lower of cost and net realisable value. Material cost of finished goods is determined on a weighted average basis. Net realisable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal.
b) Consumable stores and spares are valued at cost determined on the basis of weighted average method.

Foreign currency transactions

a) Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction.

b) Foreign currency monetary assets and liabilities denominated are translated at year end exchange rates.

c) Exchange difference arising on settlement of transactions and translation of monetary items are recognized as income or expense in the Profit and Loss account.

Borrowings costs:

Borrowing Cost attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto the date when such assets are ready for intended use. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation on that asset is determined as the actual borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowings. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditure on that asset. The capitalisation rate is determined as the weighted average of the borrowing costs applicable to the borrowings of the enterprise that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. All other costs are charged to Profit and Loss Account

Employee benefits

Short term
Short term employee benefits are recognised as an expense at the undiscounted amount expected to be paid over the period of services rendered by the employees to the Company.

Long term

Provident fund: The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions as specified under the law are paid to the provident fund and pension fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return or pension and recognises such contributions and shortfall, if any, as an expense in the year incurred.

The Company also contributes to a government administered provident fund in respect of its crew members of the Transfer Vessel, which is also charged to the Profit and loss account.

Gratuity Fund: The Company accounts for the net present value of its obligations for gratuity to employees (other than crew members of the Company's Transfer Vessel) based on an independent external actuarial valuation carried out annually and determined using the projected unit credit method. The Company makes annual contributions to funds administered by trustees and managed by insurance company for amounts notified by the said insurance company. Actuarial gains and losses are immediately recognised in the Profit and Loss Account.

Provision for gratuity to the crew members is made on a reasonable estimate basis as actuarial valuation of the liability is not possible.

Superannuation fund: The Company has a defined contribution plan for certain categories of employees, wherein it annually contributes a predetermined proportion of employee's salary to an insurance company which administers the fund. The Company recognises such contributions as an expense over the period of services rendered.

Compensated Absences

The liability in respect of compensated absences for employees is determined on the basis of an independent actuarial valuation carried out at the year end.

Foreign currency forward contracts
The Company enters into forward derivative financial instrument to hedge its exposure to foreign currency. The Company does not hold derivative financial instruments for speculative purposes. Derivative financial instruments are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent balance sheet dates.
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Profit and Loss Account.
Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in reserves and surplus. Amount deferred to reserves and surpluses are recycled in the income statement in the periods when the hedged item is recognized in the Profit and Loss Account. Derivative financial instruments that do not qualify for hedge accounting are marked to market at the balance sheet date and gains or losses are recognized in the income statement immediately. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised in reserves and surplus is kept in reserves and surplus until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in reserves and surplus is transferred to net profit or loss for the year.

Provisions, contingent liabilities and contingent assets
A provision is recognized only when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. A Contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is neither recognized nor disclosed.

Segment reporting
The Company primarily operates in the business segment of mining and export of iron ore. As per the management's perspective, the risks and returns from its sales do not materially vary geographically. Accordingly, there are no other reportable segments as required to be reported under Accounting Standard No. 17.

Taxes on income

The Company's income taxes include taxes on the Company's taxable profits, adjustment attributable to earlier periods and changes in deferred taxes. Valuation of all tax liabilities/receivables is carried at nominal amounts and in accordance with enacted tax regulations, rates or in the case of deferred taxes those that have been substantially enacted.

Deferred tax resulting from **'**timing differences**'** between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty backed by convincing evidence that asset will be realised in future.

(xi) **Details of Contingent Liabilities**

Rs.in Lakhs

Sr. No.	Description	As at 31st March 2010	As at 31st March 2009	As at 31st March 2008
1	Guarantees issued by the bankers in favour of various parties	109.77	160.47	496.81
2	Corporate guarantees given to banks and others on behalf of the wholly owned subsidiary	121.81	496.81	160.37
3	Disputed marine claims	1,357.38	1,382.23	1,382.23
4	Disputed Income tax demands	1,368.92	1,368.92	1,368.92
5	Bonds executed in favour of customs for import against duty credit certificate issued under Target Plus Scheme	761.25	761.25	-
6	Settlements with certain labour / staff segment linked to different Trade Unions for the period commencing from 1st January 2007, pending for resolution with the central government.	Not ascertainable	Not ascertainable	Not ascertainable
7	Cess on transportation of ore, within Goa levied by govt. of Goa under the Goa rural development and welfare cess act, 2000 (Goa Act, 29 of 2000).	2,000.16	-	-

(xii) Composition of the Board of Director

The names, addresses, experience and qualifications of the Board of Directors of the company are as below.

Name of the Director	Designation & Appointment Date	Director Identification Number (DIN)	Qualification	Residential Address
Prasun K. Mukherjee	Non Executive Director on the board since June 11, 2009	00015999	B.Com (Hons), FCA, AICWA	H.No.8/290, Near All India Radio, Altinho, Panaji, Goa – 403 001
Arun K. Rai	Non Executive Director on the board since June 11, 2009	00016060	B.Sc. in Mining Engineering	House No.B-282, Alto Betim, Patel Estate, Reis Magos, Goa – 403501
Sushil Gupta	Non Executive Director on the board since June 11, 2009	01898693	B. Com, F.C.A	02/S1, House of Royals, Caranzalem – Goa - 403002
Din Dayal Jalan	Non Executive Director on the board since June 11, 2009	00006882	B. Com, F.C.A	House No. D-2, Yashadgarh, Opp. The Study School, Ambavgarh, Udaipur – 313004, Rajasthan, India

Name of the Director	Designation & Appointment Date	Director Identification Number (DIN)	Qualification	Residential Address
Pramod Unde	Non Executive Director on the board since October 20, 2009	02821250	Engineering Degree in Mechanical and AMIE from Pune University	Block No.D, Adwalpalkar Shellter, Caranzalem – Goa - 403002

Details of experience of directors

Mr. Prasun K. Mukherjee is a non-executive director on the board of the company. He is also the Managing Director of Sesa Goa. He has over 31 years experience in finance, accounts, costing, taxation, legal and general management. He was rated as one of India's best Chief Financial Officers (CFOs) in the year 2005 by the Business Today magazine and in 2009 Business World magazine declared Mr. Mukherjee as India's most 'Value'able CEO.

Mr. Arun K Rai is a non-executive director on the board of the company. He is also the wholetime director on the board of Sesa Goa. He has over 34 years experience in the field of mining and allied areas.

Mr. Sushil Gupta is a non-executive director on the board of the company. He is currently Director Finance designate of Sesa Goa and has over 17 years of experience in finance and accounts

Mr. Din Dayal Jalan is non- executive director of the company. He is wholetime director of Sterlite Industries (India) Limited. Mr. Jalan has over 30 years of experience working in various companies in the engineering, mining and non ferrous metals.

Mr. Pramod Unde is a non-executive director of the company. He is currently wholetime director of Sesa Mining Corporation Limited (formerly known as Dempo Mining Corporation Private Limited). He was Chief of Projects & Operations, KDMP, KCM – Zambia. He has over 27 years of experience in functions like Commercial, Operations and Projects.

(xiii) Following is a brief description of the material litigations involving Sesa Resources Ltd and Sesa Mining Corporation

S No	Suit No./ Case No./ Appeal No.	Plaintiff / Petitioners / Complainant / Applicant	Defendant / Respondent	Name & Address of the Court / Arbitration Panel	Amount under consideration	Brief Description of Case	Status
1	Appeal no. 7 of 2009	SRL	Goa State Pollution Control Board	Administrative Tribunal	Amount not determinable	Appeal filed against notices issued by Goa State Pollution Control directing the suspension of operations to mine bearing TC no. 40/54 (Curpem)	Stay has been obtained on the notices and the hearing was fixed on March 25, 2011. The same has been adjourned to April 1, 2011
2	WP No. 443 of 2004	Village Panchayat of Surla and Others	State of Goa and Others	High Court of Bombay at Panaji	Rs. 8,553,263 has been deposited with the Deputy Collector as compensation.	Writ Petition is filed by the Village Panchayat of Surla and others with respect to accumulation of silt in certain areas, depletion of water resources, construction of some bandharas. The petition seeks to stop accumulation of silt and compensation for crop loss.	Final date of hearing is not fixed
3	WP No	SRL	Government of	High Court of	Amount not	Writ petition	Listed for final

	270/2009		Goa – Transportation	Bombay at Goa	determinable	filed against the cess charged on iron ore transportation.	hearing though no specific date has been fixed for the same.
4.	WP No 259/2009	Sesa Mining Corporation Limited	Government of Goa – Transportation Department	High Court of Bombay at Goa	Amount not determinable	Writ petition filed against the cess charged on iron ore transported.	Listed for final hearing. Date for the hearing is yet to be fixed
5.	WP No 1 of 2008	Villagers of Shirgao Village	Sirigao Nagarik Sanghatana, Sirigao Goa & 7 others	High Court of Bombay at Panaji	Amount not determinable	The issues regarding depletion of water, damage to water resources and damage to agricultural fields which has been referred to NEERI for examination & findings. NEERI filed its report on March 2009. The companies have filed their respective objections to the NEERI's report. Pollution Control Board sought time of 6 months for feasibility study by State Authority of Water Resource Dept. which is still pending. Further the High Court directed Goa State Pollution Control Board to monitor compliances from the mining Companies. The Court by its Order dated July 8, 2010 also directed the GSPCB to file compliance report with respect compliances of Mining Companies by August 31, 2010 and also directed the parties to comply with the directions issued	No specific date has been fixed for the hearing

						by the GSPCB. As per request from GSPCB, Water Resource Department is conducting study as Water Recharge Measures proposed for Shirgao area. In view of this, joint inspection of the area was conducted by WRD with three mining companies for implementing the GSPCB directions. The Petitioner filed fresh application seeking relief against M/s Bandekar Mines submitting that their activities may lead to depleting of water body and also prayed for appointing National Institute of Hydrology for further study. The Respondent suggested appointment of National Geophysical research Institute, Hyderabad (NGRI) and vide Order dated March 14, 2011 the High Court decided to appoint NGRI to study and identify the source/s of water to Dhonachi Talli and to identify the same on a sketch/plan.	

(xiv) For companies promoted by SRL, please refer "Details of Companies Promoted by the Acquirers and PACs"

5 DETAILS OF COMPANIES PROMOTED BY THE ACQUIRERS AND PACS

The following table provides the details of the companies promoted by Vedanta Resources Plc, Twin Star Energy Holdings Limited, Sesa Goa Limited and Sesa Resources Private Limited

S No.	Name of the Company	Date of incorporation	Nature of activity	Economic holding of Vedanta		Country of incorporation	Immediate holding company	Immediate percentage holding	
				March 31, 2010	March 31, 2009			March 31, 2010	March 31, 2009
Direct Subsidiaries of Vedanta									
1	Vedanta Resources Holdings Limited (VRHL)	May 13, 2003	Holding company	100.00%	100.00%	Great Britain	Vedanta	100.00%	100.00%
2	Vedanta Resources Jersey Limited (VRJL)	June 10, 2009	Financing company	100.00%	Nil	Jersey (CI)	Vedanta	100.00%	Nil
3	Vedanta Resources Jersey II Limited (VRJ2)	March 1, 2010	Financing company	100.00%	Nil	Jersey (CI)	Vedanta	100.00%	Nil
4	Vedanta Finance (Jersey) Limited (VFJL)	January 17, 2006	Financing company	100.00%	100.00%	Jersey (CI)	Vedanta	100.00%	100.00%
5	Vedanta Resources Investments Limited (VRIL)	April 29, 2008	Financing company	100.00%	100.00%	Mauritius	Vedanta	100.00%	100.00%
Indirect subsidiaries of Vedanta									
6	Bharat Aluminium Company Limited (BALCO)	November 25, 1965	Aluminium mining and smelting	29.01%	31.30%	India	Sterlite	51.00%	51.00%
7	Copper Mines of Tasmania Pty Limited (CMT)	July 18, 1994	Copper mining	56.88%	61.30%	Australia	MCBV	100.00%	100.00%
8	Fujariah Gold	August 28, 2007	Gold and silver processing	56.88%	61.30%	UAE	CMT	100.00%	100.00%
9	Hindustan Zinc Limited (HZL)	January 10, 1966	Zinc mining and smelting	36.93%	39.80%	India	SOVL	64.92%	64.92%
10	The Madras Aluminium Company Limited (MALCO)	August 31, 1960	Energy generation	94.54%	93.20%	India	Twin Star	94.54%	93.20%
11	Monte Cello BV (MCBV)	September 24, 1997	Holding company	56.88%	61.30%	Netherlands	Sterlite	100.00%	100.00%
12	Monte Cello Corporation NV (MCNV)	December 8, 1992	Holding company	100.00%	100.00%	Netherlands	Twin Star	100.00%	100.00%
13	Konkola Copper Mines	November 10, 1999	Copper mining and smelting	79.40%	79.40%	Zambia	VRHL	79.40%	79.40%

S No.	Name of the Company	Date of incorporation	Nature of activity	Economic holding of Vedanta		Country of incorporation	Immediate holding company	Immediate percentage holding	
				March 31, 2010	March 31, 2009			March 31, 2010	March 31, 2009
	Plc (KCM)								
14	Konkola Resources Plc	November 5, 2010	Holding company	Nil	Nil	England and Wales	VRHL	Nil	Nil
15	Sterlite Energy Limited (SEL)	February 2, 1995	Energy generation	56.88%	61.30%	India	Sterlite	100.00%	100.00%
16	Sesa Goa Limited (Sesa Goa)	June 25, 1965	Iron Ore and Met coke	57.41%	52.70%	India	Finsider	48.32%	51.20%
17	Sesa Industries Limited (SIL)*	May 17, 1993	Pig iron	50.64%	46.50%	India	Sesa Goa	88.25%	88.25%
18	Sesa Resources Limited (SRL)	April 22, 1965	Iron Ore	57.41%	Nil	India	Sesa Goa	100.00%	Nil
19	Sesa Mining Corporation Limited (SMCL)	June 22, 1965	Iron Ore	57.41%	Nil	India	SRL	100.00%	Nil
20	Goa Maritime Private Limited (Associate company)	July 10, 2003	Iron Ore	28.71%	Nil	India	SRL	50.00%	Nil
21	Sterlite Industries (India) Limited (Sterlite)	September 8, 1975	Copper smelting	56.88%	61.30%	India	Twin Star	54.00%	57.90%
22	Sterlite Opportunities and Ventures Limited (SOVL)	January 11, 2002	Holding company	56.88%	61.30%	India	Sterlite	100.00%	100.00%
23	Sterlite Infra (Sterlite Infra)	June 25, 1999	Non trading	56.88%	61.30%	India	Sterlite	100.00%	100.00%
24	Thalanga Copper Mines Pty Limited (TCM)	November 6, 1969	Copper mining	56.88%	61.30%	Australia	MCBV	100.00%	100.00%
25	Twin Star Holdings Limited (Twin Star)	January 12, 1993	Holding company	100.00%	100.00%	Mauritius	VRHL	100.00%	100.00%
26	Vedanta Aluminium Limited (VAL)	January 18, 2001	Alumina mining, refining and smelting	87.28%	88.60%	India	Twin Star	45.50%	45.50%
27	Richter Holding Limited (Richter)	March 20, 2007	Financing company	100.00%	100.00%	Cyprus	VRCL	100.00%	100.00%
28	Westglobe Limited	April 6, 2007	Financing company	100.00%	100.00%	Mauritius	Richter	100.00%	100.00%
29	Finsider International Company Limited	January 13, 1985	Financing company	100.00%	100.00%	Great Britain	Richter	100.00%	100.00%
30	Vedanta	November 25,	Financing	100.00%	100.00%	Great Britain	VRHL	100.00%	100.00%

S No.	Name of the Company	Date of incorporation	Nature of activity	Economic holding of Vedanta		Country of incorporation	Immediate holding company	Immediate percentage holding	
				March 31, 2010	March 31, 2009			March 31, 2010	March 31, 2009
	Resources Finance Limited (VRFL)	2004	company						
31	Vedanta Resources Cyprus Limited (VRCL)	November 3, 2004	Financing company	100.00%	100.00%	Cyprus	VRFL	100.00%	100.00%
32	Welter Trading Limited	May 11, 2006	Financing company	100.00%	100.00%	Cyprus	Twin Star	100.00%	100.00%
33	Lakomasko BV	April 24, 2007	Financing company	100.00%	100.00%	Netherlands	VRHL	100.00%	100.00%
34	THL KCM Limited (THL KCM)	April 15, 2008	Financing company	100.00%	100.00%	Mauritius	Twin Star	100.00%	100.00%
35	Twin Star Energy Holdings Limited (TSEHL)	February 27, 2008	Financing company	100.00%	100.00%	Mauritius	Twin Star	100.00%	100.00%
36	Twin Star Mauritius Holdings Limited (TSMHL)	September 21, 2010	Financing company	Nil	Nil	Mauritius	Twin Star	Nil	Nil
37	KCM Holding Limited	April 15, 2008	Financing company	100.00%	100.00%	Zambia	THL KCM	100.00%	100.00%
38	Sterlite (USA) Inc	May 29, 2008	Financing company	56.88%	61.30%	USA	Sterlite	100.00%	100.00%
39	Talwandi Sabo Power Limited	April 5, 2007	Energy generation	56.88%	61.30%	India	SEL	100.00%	100.00%
40	Allied Port Services Pvt Limited	October 5, 2004	Port services	87.28%	Nil	India	VAL	100.00%	Nil
41	THL Zinc Ventures Limited (TZVL)	February 28, 2008	Holding company	Nil	Nil	Mauritius	Sterlite Infra	Nil	Nil
42	THL Zinc Limited	April 15, 2008	Holding company	Nil	Nil	Mauritius	TZVL	Nil	Nil
43	THL Zinc Holding Cooperatief U.A.	December 1, 2010	Holding company	Nil	Nil	Netherlands	THL Zinc Limited	Nil	Nil
44	THL Zinc Holding B.V.	April 20, 2007	Holding company	Nil	Nil	Netherlands	Sterlite Infra	Nil	Nil
45	THL Zinc Namibia Holding (Pty) Limited (TZMHL)	June 16, 1998	Mining and exploration	Nil	Nil	Namibia	THL Zinc Limited	Nil	Nil
46	Skorpion Zinc (Pty) Limited	May 27, 1997	Acquisition of immoveable and moveable	Nil	Nil	Namibia	TZMHL	100.00%	100.00%

S No.	Name of the Company	Date of incorporation	Nature of activity	Economic holding of Vedanta		Country of incorporation	Immediate holding company	Immediate percentage holding	
				March 31, 2010	March 31, 2009			March 31, 2010	March 31, 2009
	(SZPL)		properties						
47	Amica Guesthouse (Pty) Limited	July 19, 2004	Accommodation and catering services	Nil	Nil	Namibia	SZPL	100.00%	100.00%
48	Namzinc (Pty) Limited	June 16, 1998	Mining	Nil	Nil	Namibia	SZPL	100.00%	100.00%
49	Skorpion Mining Company (Pty) Limited	September 15, 1998	Mining	Nil	Nil	Namibia	SZPL	100.00%	100.00%
50	Rosh Pinah Health Care (Pty) Limited	December 27, 2006	Leasing out of medical equipments and buildings and conducting services related thereto	Nil	Nil	Namibia	SZPL	69.00%	69.00%
51	Roshskor Township (Pty) Limited	October 24, 2000	Development of town and delivering of utilities	Nil	Nil	Nambia	SZPL	50.00%	50.00%
52	Pecvest 17 (Proprietary) Limited	September 8, 2010	Investment company	Nil	Nil	Republic of South Africa	THL Zinc Limited	Nil	Nil
53	Black Mountain Mining (Pty) Limited	November 11, 2005	Mining	Nil	Nil	Republic of South Africa	THL Zinc Limited	Nil	Nil
54	Anglo American Lisheen Finance Limited	December 3, 1996	Investment company	Nil	Nil	Ireland	THL Zinc Holding B.V.	Nil	Nil
55	Anglo Base Metals (Ireland) Limited	December 3, 1996	No operations	Nil	Nil	Ireland	Anglo American Lisheen Finance Limited	100.00%	100.00%
56	Anglo American Lisheen Mining Limited	June 2, 1993	Mining	Nil	Nil	Ireland	Anglo American Lisheen Finance Limited	100.00%	100.00%
57	Killoran Lisheen Mining Limited	August 30, 1996	Mining	Nil	Nil	Ireland	Anglo American Lisheen Finance Limited	100.00%	100.00%
58	Killoran Lisheen Finance Limited	December 17, 1996	Investment company	Nil	Nil	Ireland	Anglo American Lisheen Finance Limited	100.00%	100.00%
59	Lisheen Milling Limited	February 18, 1997	Manufacturing	Nil	Nil	Ireland	Anglo American Lisheen	100.00%	100.00%

S No.	Name of the Company	Date of incorporation	Nature of activity	Economic holding of Vedanta		Country of incorporation	Immediate holding company	Immediate percentage holding	
				March 31, 2010	March 31, 2009			March 31, 2010	March 31, 2009
							Finance Limited		
60	Killoran Concentrates Limited	May 7, 1999	No operations	Nil	Nil	Ireland	Anglo American Lisheen Finance Limited	100.00%	100.00%
61	Killoran Lisheen Limited	December 5, 1975	No operations	Nil	Nil	Ireland	Anglo American Lisheen Finance Limited	100.00%	100.00%
62	Lisheen Mine Partnership	October 1, 1997	Mining – Partnership firm	Nil	Nil	Ireland	Anglo American Lisheen Mining Limited & Killoran Lisheen Mining Ltd	100.00%	100.00%
63	Azela Limited	October 6, 1997	No operations	Nil	Nil	Ireland	Killoran Lisheen Limited	100.00%	100.00%
64	Killoran Lisheen Holdings Limited	August 30, 1996	No operations	Nil	Nil	Ireland	Killoran Lisheen Limited / Azela Limited	100.00%	100.00%

**The same has been merged into Sesa Goa*

Brief financial information of Indian holding cum operating company from the audited financial statements

The Madras Aluminium Company Limited (MALCO)

In Rs. lakhs

Particulars	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008
Equity Capital and reserves (excluding revaluation reserves)	51,223.90	39,192.50	36,975.20
Total Income	49,824.50	52,411.50	50,833.50
Profit after Tax	14,655.10	4,586.40	6,528.20
Earnings per Share	13.85	5.72	8.10
Net Asset Value	45.53	34.84	32.87

MALCO is not a sick industrial company and has not been referred to BIFR

Sterlite Industries (India) Limited (Sterlite)

In Rs.lakhs

Particulars	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008
Equity Capital and reserves (excluding revaluation reserves)	2,223,548.00	1,403,902.00	1,315,630.00
Total Income	1,457,333.00	1,205,938.00	1,340,517.00
Profit after Tax	83,150.00	123,643.00	95,163.00
Earnings per Share	10.39	17.45	14.10
Net Asset Value	264.58	198.15	185.69

Sterlite is not a sick industrial company and has not been referred to BIFR

Vedanta Aluminium Limited (VAL)

In Rs. lakhs

Particulars	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008
Equity Capital and reserves (excluding revaluation reserves)	219,735.50	166,425.60	106,191.40
Total Income	148,524.50	20,688.30	-
Profit after Tax	19,985.07	(53,037.30)	(490.89)
Earnings per Share	2.34	(6.46)	(0.06)
Net Asset Value	25.71	19.47	13.84

VAL is not a sick industrial company and has not been referred to BIFR

Sesa Mining Corporation Limited (SMCL)

In Rs. lakhs

Particulars	Year ended March 31, 2010	Year ended March 31, 2009	Year ended March 31, 2008
Equity Capital and reserves (excluding revaluation reserves)	1,150	1,150	1,150
Total Income	14,166	14,784	13,752
Profit after Tax	**1,229**	**1,788**	**1,337**
Earnings per Share	106.93	155.54	116.28
Net Asset Value	958	851	696

SMCL is not a sick industrial company and has not been referred to the BIFR

6 DISCLOSURE IN TERMS OF REGULATION 21(2)

Pursuant to successful closure of the Offer and even assuming full acceptances, the public shareholding of the Target shall not fall below the minimum level required as per the listing agreement and notifications of the Central Government dated June 4, 2010 and August 9, 2010 amending the Securities Contract (Regulation) Rules, 1957.

7 BACKGROUND OF THE TARGET

7.1 Cairn India Limited is a public limited company having its registered office currently located at 101, West View, Veer Savarkar Marg, Prabhadevi, Mumbai 400025. The registered office of the Target was shifted from Lentin Chambers, 3rd Floor, Dalal Street, Fort, Mumbai 400 023 to 401, Dalamal Towers, Nariman Point on October 12, 2006 and subsequently, to its current registered office.

7.2 The Target was incorporated as a public limited company on August 21, 2006 under the Companies Act, 1956 and commenced its business under certificate of commencement of business dated September 14, 2006

7.3 As on August 16, 2010, the issued, subscribed and paid-up Equity Share capital of the Target is Rs. 18,974,549,430 divided into 1,897,454,943 fully paid up Equity Shares of a face value of Rs. 10/- each. There are currently no outstanding partly paid up shares or any other instruments convertible into Equity Shares of the Target at a future date, except for 21,747,123 outstanding employee stock options.

7.4 Target is one of the largest crude oil and natural gas exploration and production Company in India. Cairn India along with its subsidiary companies, have been granted rights to explore and develop oil exploration blocks in the India sub continent. Cairn India Group has a working interest in 10 blocks in India and 1 block in Sri Lanka. Three of these are currently producing hydrocarbons. Cairn India is focused on creating shareholder value by developing its resource base in Rajasthan and seeks to continue with its track record of exploration success. Cairn India's portfolio is fostered in both mature and frontier areas, as well as in regions and basins where the current data set can be optimized or reinterpreted. The Company's oil and gas fields are located at Ravva (Andhra Pradesh), Cambay Basin (Gujarat) and Barmer (Rajasthan).

7.5 The Target had released an update on the Rajasthan project and resource base on March 23, 2010 that stated that the Rajasthan potential for the block was re-estimated to 6.5 billion barrels of oil equivalent (boe) in place. It further stated that the prospective resources had increased and was re-estimated at 2.5 billion boe in place. The discovered resource base had increased from 3.7 billion to 4.0 billion boe in place.

7.6 The Target has communicated that as per the existing approved field development plans for the Rajasthan block, estimated oil and gas in place was stated as follows:

- Total oil in place: 1570 MMstb
- Total oil reserves (till May 14, 2020): 370 MMstb
- Total gas in place: 384 Bcf
- Total gas volumes (till May 14, 2020): 59.5 Bcf

Recoverable gas volumes are not reserves since the gas is used internally for power and heating

7.7 The Shareholders of the Target have approved a scheme of arrangement between itself and its wholly owned following subsidiaries: (i) Cairn Energy India Pty Limited, (ii) Cairn Energy India West BV, (iii) Cairn Energy Cambay BV and (iv) Cairn Energy Gujarat BV with effect from January 1, 2010 (hereinafter referred to as the “Scheme”). The Scheme was filed before the Chennai High Court and the Bombay High Court, under Section 391-Section 394 of the Companies Act, 1956. The Scheme was sanctioned by the Chennai High Court by its order dated April 1, 2010. Subsequently, the Bombay High Court also sanctioned the Scheme by its order dated June 22, 2010, subject to the same being approved by the Government of India. There would be no fresh issuance of shares pursuant to the scheme of arrangement

7.8 The Equity Shares of the Target are listed on the BSE and NSE. The Equity Shares of the Target have been listed on the BSE and NSE since January 9, 2007.

7.9 Paid up Share capital structure of the Target as on the date of the Public Announcement:

Paid Up Equity Shares of the Target	**No of Equity Shares**		**Voting Rights**	
	No of Equity Shares	**%**	**Voting Rights**	**%**
Fully Paid Up Equity Shares	1,897,454,943	100%	1,897,454,943	100%
Total Equity Shares	1,897,454,943	**100%**	1,897,454,943	**100%**

The Emerging Voting Capital has been determined as under

Emerging Voting Capital	
Fully Paid up Equity Shares as on date of the PA	1,897,454,943
ESOPs outstanding as of the date of the PA as reduced by cancellations of ESOPs up to the date of this Letter of Offer	21,747,123
Total	**1,919,202,066**

7.10 Find below the build up of the current capital structure of the Target since inception and till the date of the Public Announcement.

Date of Allotment	**Number of Equity Shares**	**Cumulative Share Capital (Rs.)**	**Percentage of Equity Shares**	**Cumulative paid up Share capital (%)**	**Face Value #**	**Mode of Allotment**	**Identity of Allottees (promoters/ex-promoters/others)**	**Status of Compliance***
August 21, 2006	50,000	500,000	0.00	0.00	10	Cash	Cairn UK Holdings Limited	Complied
October 12, November 22 & December 8, 2006	365,028,898	3,650,788,980	19.24	19.24	10	Cash	Cairn UK Holdings Limited	Complied
December 20, 2006	861,764,893	12,268,437,910	45.42	64.66	10	Consideration other than cash*	Cairn UK Holdings Limited	Complied
December 29, 2006	538,470,588	17,653,143,790	28.38	93.04	10	Cash	IPO & Pre-IPO Placement	Complied

Date of Allotment	Number of Equity Shares	Cumulative Share Capital (Rs.)	Percentage of Equity Shares	Cumulative paid up Share capital (%)	Face Value #	Mode of Allotment	Identity of Allottees (promoters/ex-promoters/others)	Status of Compliance*
February 8, 2007	13,085,041	17,783,994,200	0.69	93.73	10	Cash	Cairn UK Holdings Limited pursuant to green shoe option	Complied
March 7, 2008	792,240	17,791,916,600	0.04	93.77	10	Cash	Lawry Smyth pursuant to ESOP	Complied
April 22, 2008	113,000,000	18,921,916,600	5.96	99.72	10	Cash	Petronas International Corporation Limited and Orient Global Tamarind Fund Pte pursuant to preferential allotment	Complied
May 7, 2008	525,000	18,927,166,600	0.03	99.75	10	Cash	Rahul Dhir pursuant to stock options exercise	Complied
May 27, 2008	1,713,078	18,944,297,380	0.09	99.84	10	Cash	Rahul Dhir pursuant to stock options exercise	Complied
December 8, 2008	1,600,000	18,960,297,380	0.08	99.92	10	Cash	Rahul Dhir pursuant to stock options exercise	Complied
December 19, 2008	638,078	18,966,678,160	0.03	99.96	10	Cash	Rahul Dhir pursuant to stock options exercise	Complied
January 15, 2010	10,831	18,966,786,470	0.00	99.96	10	Cash	Employees pursuant to stock options exercise	Complied
February 1, 2010	11,750	18,966,903,970	0.00	99.96	10	Cash	Employees pursuant to stock options exercise	Complied
February 15, 2010	82,255	18,967,726,520	0.00	99.96	10	Cash	Employees pursuant to stock options exercise	Complied
March 2, 2010	16,575	18,967,892,270	0.00	99.96	10	Cash	Employees pursuant to stock options exercise	Complied
March 15, 2010	55,239	18,968,444,660	0.00	99.97	10	Cash	Employees pursuant to stock options exercise	Complied
March 29, 2010	129,666	18,969,741,320	0.01	99.97	10	Cash	Employees pursuant to stock options exercise	Complied
April 15, 2010	189,385	18,971,635,170	0.01	99.98	10	Cash	Employees pursuant to stock options exercise	Complied
April 30, 2010	11,819	18,971,753,360	0.00	99.99	10	Cash	Employees pursuant to stock options exercise	Complied
May 17, 2010	38,084	18,972,134,200	0.00	99.99	10	Cash	Employees pursuant to stock options exercise	Complied
May 31,	56,922	18,972,703,420	0.00	99.99	10	Cash	Employees pursuant	Complied

Date of Allotment	Number of Equity Shares	Cumulative Share Capital (Rs.)	Percentage of Equity Shares	Cumulative paid up Share capital (%)	Face Value #	Mode of Allotment	Identity of Allottees (promoters/ex-promoters/others)	Status of Compliance*
2010							to stock options exercise	
June 15, 2010	27,202	18,972,975,440	0.00	99.99	10	Cash	Employees pursuant to stock options exercise	Complied
June 30, 2010	49,690	18,973,472,340	0.00	99.99	10	Cash	Employees pursuant to stock options exercise	Complied
July 15, 2010	13,245	18,973,604,790	0.00	99.99	10	Cash	Employees pursuant to stock options exercise	Complied
July 30, 2010	51,966	18,974,124,450	0.00	99.99	10	Cash	Employees pursuant to stock options exercise	Complied
August 13, 2010	42,498	18,974,549,430	0.00	100.00	10	Cash	Employees pursuant to stock options exercise	Complied
Total	**1,897,454,943**	**18,974,549,430**	**100.00%**	**100.00%**				

** 135,267,264 shares of Cairn India Holdings Limited issued as consideration by Cairn UK Holdings Limited*

7.11 As on the date of the Public Announcement and this Letter of Offer, the trading of Equity Shares of the Target has not been suspended either on BSE or NSE.

7.12 As on the date of the Public Announcement and this Letter of Offer, there have been no instances of non-listing of some and/or all Equity Shares of the Target at any stock exchange(s) as applicable.

7.13 Target marketable lot is 1 Equity Share.

7.14 The Target has duly complied with the various requirements of Clause 49 relating to corporate governance under the Listing Agreements with the BSE and NSE from time to time. No penal actions have been initiated by the BSE and NSE against the Target till date.

Composition of the Board of Directors:

The Board of Directors of the Company includes a total of 10 directors including seven non-executive directors, four of whom are independent. In terms of clause 49 of the Listing Agreement the Company is required to increase the number of independent directors to at least half the strength of the board.

Audit Committee

The Audit committee of the company is constituted in line with the provisions of clause 49 of the listing agreement with the stock exchanges read with section 292 A of the Companies Act, 1956. The terms of reference include, oversight of the company's financial reporting process, recommendation to the board on the appointment, re-appointment or replacement of the statutory auditors, reviewing the annual financial statement, reviewing the adequacy of the internal audit function, discussions with the auditors on significant findings, discussions with statutory auditors on nature and scope of audit and post audit discussions on areas of concern, reviewing quarterly financial statements, reviewing the whistle blower mechanism and carrying out other terms of reference of the audit committee.

The constitution of the Audit Committee as of date is as follows:

Name of the Director	Title
Mr. Aman Mehta	Chairman and Independent Director
Mr. Naresh Chandra	Independent Director
Dr. Omkar Goswami	Independent Director
Ms Jann Brown	Non-Executive Director
Mr. Edward T Story	Independent Director

Shareholders' Grievance Committee

The company has constituted a Shareholders'/Investors' Grievance committee with the objective of redressal of shareholders' and investors' complaints such as relating to transfer of Equity Shares, non-receipt of Balance Sheet and non-receipt of declared dividends.

The constitution of the Shareholders/Investors Grievance Committee as of date is as follows:

Name of the Director	Title
Dr. Omkar Goswami	Chairman
Mr. Edward T Story	Member
Mr. Rahul Dhir	Member

Remuneration (Compensation) Committee

The company constituted a remuneration committee to make recommendations to the Board as to the Company's framework or broad policy for the remuneration of the executive Directors and senior executives' one level below the Board.

The constitution of the Remuneration Committee as of date is as follows:

Name of the Director	Title
Mr. Naresh Chandra	Chairman and Independent Director
Sir Bill Gammell	Non-Executive Director
Dr. Omkar Goswami	Independent Director
Mr. Aman Mehta	Independent Director
Mf. Malcom Shaw Thomas	Non-Executive Director

7.15 As on the date of the Public Announcement, the Board of Directors of the Target comprises of 10 directors of which Mr. Naresh Chandra and Mr. Aman Mehta also serve as independent directors on the board of the Acquirer No.2.

7.16 Find below the details relating to the Board of Directors of the Target as on the date of the Public Announcement:

Name of the Director	Designation Appointment Date	Director Identification Number	Qualifications	Residential Address
Sir Bill Gammell	Chairman and Non-Executive Director August 22, 2006	00915084	BA Economics	36, Dick Place, Edinburgh EH2JB, UK
Mr. Rahul Dhir	Managing Director	00899449	Bachelor of Technology, MSc. and MBA	B-36 Malcha Marg, New Delhi – 110021
Mr. Rick Bott	Executive Director	02224816	B.S in Marine science and Masters in Geology	4603 Holy Street, Bellaire Tx, 77401, United States of America

Name of the Director	Designation Appointment Date	Director Identification Number	Qualifications	Residential Address
Mr. Indrajit Banerjee	Executive Director	01365405	B.Com and ACA	F-100, East of Kailash, New Delhi 110065
Ms. Jann Brown	Non-Executive Director	02467538	MA, member Institute of Chartered Accountants Scotland and Chartered Institute of Taxation.	Slatehall, Aberlady, Longniddry, EH320 QB, Aberlady, EH320 QB, United Kingdom
Mr. Malcolm Thomas	Non-Executive Director	01365674	BSc. Hons and MBA	Garth Hills, 10 Ferryhills road, North Queensferry, Inverkeithing, KY111HE, United Kingdom
Mr. Edward Story	Non-Executive and Independent Director	02582353	MBA	Elm Pass Road, POB 1523, Center Point TX 78010, Center Point, 78010, United States of America
Mr. Naresh Chandra	Non-Executive and Independent Director	00015833	Master's degree in Mathematics from Allahabad University	C4/4053, Vasant Kunj, New Delhi 110070, India
Mr. Aman Mehta	Non-Executive and Independent Director	00009364	Bachelor's degree in Economics from Delhi University	4/7 Shanti Niketan, New Delhi, 110021, India
Dr. Omkar Goswami.	Non-Executive and Independent Director	00004258	Masters of Economics and D.Phil	E-121, Masjid Moth, First floor, Greater Kailash – III, New Delhi - 110048

Brief details of the background and experience of the Directors of the Target is as follows:

Sir Bill Gammell is the Chairman and Non-Executive Director of the Company. He holds a BA in Economics and Accountancy from Stirling University and was awarded a knighthood in 2006 for services to industry in Scotland. He has over 30 years experience in the international oil and gas industry. He founded Cairn Energy Plc and was appointed Chief Executive on its initial listing in 1988. Sir Bill Gammell, who is an ex-Scotland regby internationalist, is also a member of the Asia task force and the UK India Business Council.

Mr. Rahul Dhir joined Cairn India in May 2006 as its Chief Executive Officer and was appointed Managing Director on August 22, 2006. He started his career as an oil and gas reservoir engineer before moving into investment banking. He has worked at SBC Warburg, Morgan Stanley and Merrill Lynch. He was the Managing Director and Co-Head of Energy and Power Investment Banking at Merrill Lynch
.

Mr. Rick Bott is an Executive Director on the board of the Company. He is also the Chief Operating Officer of the Company. He has global exploration and production experience of more than 21 years and has served in several senior positions in Ocean Egypt Companies, Ocean Yemen Corporation, British Gas and Tenneco. Prior to joining the Company, he was Vice President of Devon Energy's International Division responsible for developing and implementing business growth and exploration strategy.

Mr. Indrajit Banerjee is an Executive Director on the board of the Company. He is also the Chief Financial Officer of the Company. He started his career in Price Waterhouse Coopers and has held several senior positions through out his career including 17 years at the Indian Aluminium Company and at Lucent Technologies (India). Prior to joining the Company, he was President – Finance and Planning at Lupin Limited

Mr. Jann Brown is a Non-Executive Director on the board of the Company. She is also Finance Director at Cairn Energy Plc. She is also a Senior Independent Director of Hansen Transmission International NV which is listed on the LSE.

Mr. Malcolm Thomas is a Non-Executive Director on the board of the Company. He started his career in the oil industry in Schlumberger and became manager of their business in Qatar and Brunei. He joined Cairn Energy Plc in 1989 and held a number of senior positions in Cairn Energy. He is currently the Chief Operating Officer of Cairn Energy and also serves as Executive Director on the board of Agora Oil & Gas AS and trustee of the University of Edingurgh Development Trust.

Mr. Edward Story is a Non-Executive and Independent Director on the board of the Company. He is the Chairman of the North American Mangolia Business Council. He has more than 40 years experience in the international oil and gas industry and is the founder and Chief Executive Officer of the LSE listed SOCO International Plc.

Mr. Naresh Chandra is a Non-Executive and Independent Director on the board of the Company. He is a retired IAS officer. He has previously been Chairman of the Committee on Corporate Governance. He has served as India's ambassador to the USA, Advisor to the Prime Minister of India, Governor of Rajasthan, Cabinet Secretary to the Government of India and Chief Secretary to the Government of Rajasthan. He currently serves as independent director on the boards of several companies including Vedanta

Mr. Aman Mehta is a Non-Executive and Independent Director on the board of the Company. He was earlier Chief Executive Officer of HSBC Asia Pacific. He is also a member of Advisory Council of INSEAD, France and International Advisory Boards of Prudential Inc., USA and Capital Land Limited of Singapore. He also serves as independent director on the boards of several companies including Vedanta.

Dr. Omkar Goswami is Non-Executive and Independent Director on the board of the Company. He has authored various books and research papers on economic history, industrial economics, public sector, economic policy, corporate finance, corporate governance, public finance, tax enforcement and legal reforms.

7.17 The financial highlights (based on consolidated accounts) for the financial year / period ending March 31, 2010, March 31, 2009 and December 31, 2007 and the three month period ending June 30, 2010 are as follows::

(Amounts Rs. in Lakhs, unless otherwise stated)

Profit & Loss Statement	**3 month period ended June 30, 2010 (Reviewed)**	**Year Ending March 31, 2010# (Audited)**	**Audited financial 15 months ended March 31, 2009**	**Audited financial year ended Dec 31, 2007**
Income from operations	84,060	162,303	143,267	101,226
Other Income	2,807	40,766	55,103	13,241
Total Income	**86,867**	**203,069**	**198,370**	**114,467**
Total Expenditure	26,683	85,104	71,960	82,312
Profit Before Exceptional Items, Depreciation Interest and Tax	60,184	117,965	126,410	32,155
Exceptional Items	-	-	-	-
Depreciation, depletion and Amortisation	16,595	14,851	26,980	19,401
Interest and Finance costs	4,926	1,480	641	162
Profit Before Tax	38,663	101,634	98,789	12,592
Provision for Tax	10,522	(3,476)	18,444	15,046
Profit After Tax	**28,141**	**105,110**	**80,345**	**(2,454)**

 # The audited financial statements for year ended March 31, 2010 are subject to the adoption by the Shareholders of the Target in the AGM of the Target

Source: As per the certificate of B.L.Gupta (Proprietor Babulal Gupta & Co. membership number 38613) dated August 26, 2010

Balance Sheet Statement	**Year Ending March 31, 2010# (Audited)**	**Audited financial 15 months ended March 31, 2009**	**Audited financial year ended Dec 31, 2007**
Sources of funds			
Paid up equity share capital	189,697	189,667	177,840
Stock Option Outstanding	4,640	3,890	9,471
Reserves and Surplus (excluding revaluation reserves)	3,192,496	3,086,676	2,760,841
Net worth	**3,386,833**	**3,280,233**	**2,948,152**
Secured loans	340,071	2,224	1,694
Unsecured loans	-	433,415	29,550
Deferred Tax Liability	46,194	56,237	49,165
Total	**3,773,098**	**3,772,109**	**3,028,561**

Balance Sheet Statement	Year Ending March 31, 2010# (Audited)	Audited financial 15 months ended March 31, 2009	Audited financial year ended Dec 31, 2007
Application of Funds			
Net fixed assets	978,988	656,739	295,463
Investments	171,241	17,128	71,289
Deferred tax assets	1,662	839	-
Net current assets	89,280	565,476	125,310
Goodwill	2,531,927	2,531,927	2,531,927
Profit and Loss Account debit balance	-	-	4,572
Total	**3,773,098**	**3,772,109**	**3,028,561**

 # The audited financial statements for year ended March 31, 2010 are subject to the adoption by the Shareholders of the Target in the AGM of the Target
Source: As per the certificate of B.L.Gupta (Proprietor Babulal Gupta & Co. membership number 38613) dated August 26, 2010

Other Financial Data	3 month period ended June 30, 2010	Year Ending March 31, 2010# (Audited)	Audited financial year ended March 31, 2009	Audited financial year ended December 31, 2007
Dividend (%)	Nil	Nil	Nil	Nil
Basic Earning Per Share *	1.48	5.54	4.31	(0.14)
Return on Net worth (%) **	NA	3.15%	2.58%	-0.08%
Book Value Per Share (Rs.) ***	NA	178.54	172.94	165.78

 # The audited financial statements for year ended March 31, 2010 are subject to the adoption by the Shareholders of the Target in the AGM of the Target
Source: As per the certificate of B.L.Gupta (Proprietor Babulal Gupta & Co. membership number 38613) dated August 26, 2010

**Earnings per share calculated by dividing the net profit by weighted average number of Equity Shares for the year/period*
*** Return on net worth calculated by dividing net profit by average net worth for the year/period*
**** Book value per share is arrived by dividing closing net worth by closing number of shares*

7.18 **Significant accounting policies**

Basis of preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 under the historical cost convention and on an accrual basis. The accounting policies, in all material respects, have been consistently applied by Cairn India Group and are consistent with those used in the previous period.

Principles of consolidation

The consolidated financial statements relate to the Cairn India Group. In the preparation of these consolidated financial statements, investments in subsidiaries have been accounted for in accordance with the provisions of Accounting Standard-21 (Consolidated Financial Statements). The financial statements of the subsidiaries have been drawn up to the same reporting date as of Cairn India Limited. The Consolidated Financial Statements are prepared on the following basis:

The financial statements of the Company and its subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealised profits or losses in accordance with Accounting Standard-21 (Consolidated Financial Statements).

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements. The financial statements of the subsidiaries are adjusted for the accounting principles and policies followed by the Company.

The difference between the cost to the Company of its investment in subsidiaries and its proportionate share in the equity of the investee company at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill is tested for impairment by the management on each reporting date.

Oil and gas assets

Cairn India Group follows the successful efforts method of accounting for oil and gas assets as set out by the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI) on "Accounting for Oil and Gas Producing Activities".

Expenditure incurred on the acquisition of a license interest is initially capitalized on a license by license basis. Costs are held, undepleted, within exploratory & development work in progress until the exploration phase relating to the license area is complete or commercial oil and gas reserves have been discovered.

Exploration expenditure incurred in the process of determining exploration targets which cannot be directly related to individual exploration wells is expensed in the period in which it is incurred.

Exploration/appraisal drilling costs are initially capitalised within exploratory and development work in progress on a well by well basis until the success or otherwise of the well has been established. The success or failure of each exploration/appraisal effort is judged on a well by well basis. Drilling costs are written off on completion of a well unless the results indicate that oil and gas reserves exist and there is a reasonable prospect that these reserves are commercial.

Where results of exploration drilling indicate the presence of oil and gas reserves which are ultimately not considered commercially viable, all related costs are written off to the profit and loss account. Following appraisal of successful exploration wells, when a well is ready for commencement of commercial production, the related exploratory and development work in progress are transferred into a single field cost centre within producing properties, after testing for impairment.

Where costs are incurred after technical feasibility and commercial viability of producing oil and gas is demonstrated and it has been determined that the wells are ready for commencement of commercial production, they are capitalized within producing properties for each cost centre. Subsequent expenditure is capitalised when it enhances the economic benefits of the producing properties or replaces part of the existing producing properties. Any costs remaining associated with such part replaced are expensed in the financial statements.

Net proceeds from any disposal of an exploration asset within exploratory and development work in progress are initially credited against the previously capitalised costs and any surplus proceeds are credited to the profit and loss account. Net proceeds from any disposal of producing properties are credited against the previously capitalised cost and any gain or loss on disposal of producing properties is recognised in the profit and loss account, to the extent that the net proceeds exceed or are less than the appropriate portion of the net capitalised costs of the asset.

Depletion

The expenditure on producing properties is depleted within each cost centre.

Depletion is charged on a unit of production basis, based on proved reserves for acquisition costs and proved and developed reserves for other costs.

Site restoration costs

At the end of the producing life of a field, costs are incurred in restoring the site of production facilities. Cairn India Group recognizes the full cost of site restoration as a liability when the obligation to rectify environmental damage arises. The site restoration expenses form part of the exploration & development work in progress or cost of producing properties, as the case may be, of the related asset. The amortization of the asset, calculated on a unit of production basis based on proved and developed reserves, is included in the depletion cost in the profit and loss account.

Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized where the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation/depletion is provided in subsequent periods on the revised carrying amount of the asset over its remaining useful life.

Tangible fixed assets, depreciation and amortization

Tangible assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which take a substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act 1956, whichever is higher. The expected useful economic lives are as follows:

Vehicles	2 to 5 years
Freehold buildings	10 years
Computers	2 to 5 years
Furniture and fixtures	2 to 5 years
Office equipments	2 to 5 years
Plant and Equipment	2 to 10 years
Leasehold land	Lease period

Leasehold improvements are amortized over the remaining period of the primary lease or expected useful economic lives, whichever is shorter.

Intangible fixed assets and amortization

Intangible assets, other than oil and gas assets, have finite useful lives and are measured at cost and amortized over their expected useful economic lives as follows:
Computer software 2 to 4 years
Goodwill arising on acquisition is capitalized and is tested for impairment.

Leases

Finance leases, which effectively transfer substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that Cairn India Group will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

Joint Ventures

Cairn India Group participates in several Joint Ventures involving joint control of assets for carrying out oil and gas exploration, development and producing activities. Cairn India Group accounts for its share of the assets and liabilities of Joint Ventures along with attributable income and expenses in such Joint Ventures, in which it holds a participating interest. Joint venture cash and cash equivalent balances are considered by the Cairn India Group to be the amounts contributed in excess of the Cairn India Group's obligations to the joint ventures and are, therefore, disclosed within Loans and Advances.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Cairn India Group and the revenue can be reliably measured.

Revenue from operating activities

From sale of oil, gas and condensate

Revenue represents the Cairn India Group's share of oil, gas and condensate production, recognised on a direct entitlement basis, when significant risks and rewards of ownership are transferred to the buyers.

As operator from the joint venture

Cairn India Group recognizes parent company overhead as revenue from joint ventures based on the provisions of respective PSCs.

Tolling income

Tolling income represents Cairn India Group's share of revenues from Pilotage and Oil Transfer Services from the respective joint ventures, which is recognized based on the rates agreed with the customers, as and when the services are rendered.

Interest income

Interest income is recognised on a time proportion basis.

Dividend income

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognized even if same are declared after the balance sheet date but pertains to the period on or before the date of balance sheet as per the requirement of schedule VI of the Companies Act, 1956.

Foreign currency transactions and translations

Cairn India Group translates foreign currency transactions into Indian Rupees at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into Indian Rupees at the rate of exchange prevailing at the Balance Sheet date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting Cairn India Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the period in which they arise except those arising from investments in non-integral operations.

All transactions of integral foreign operations are translated as if the transactions of those foreign operations were the transactions of the group itself. In translating the financial statements of a non-integral foreign operation for incorporating in the consolidated financial statements, Cairn India Group translates the assets and liabilities at the rate of exchange prevailing at the balance sheet date. Income and expenses of non-integral operations are translated using rates at the date of transactions. Resulting exchange differences are disclosed under the foreign currency translation reserve until the disposal of the net investment in non-integral operations.

Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the income tax laws. Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier period.

Deferred tax assets and liabilities are measured, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various subsidiaries or countries of operation are not set off against each other as Cairn India Group does not have a legal right to do so. Current and deferred tax assets and liabilities are only offset where they arise within the same entity and tax jurisdiction.

Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If Cairn India Group has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty, supported by convincing evidence, that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier periods are re-assessed and recognised to the extent that it has become reasonably certain or virtually certain, as the case may be, that future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay income tax under the normal provisions during the specified period, resulting in utilization of MAT credit. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. Cairn India Group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the individual company will utilize MAT credit during the specified period.

7.19 The details of contingent liabilities of Target is as follows :

Ravva Joint Venture Arbitration proceedings : ONGC Carry

(a) Ravva is an unincorporated Joint Venture (JV) in which Cairn India Group has an interest. The calculation of the Government of India's (GoI) share of petroleum produced from the Ravva oil field has been a matter of disagreement for some years. An arbitration panel opined in October 2004 and Cairn has been willing to be bound by the award, although it was not as favourable as had been hoped. The GoI, however, had lodged an appeal in the Malaysian courts in respect of one element of the award which was in Cairn's favour, namely the "ONGC Carry" issue. The "ONGC Carry" issue relates to whether Contractor Parties under Ravva PSC are entitled to include in their accounts for the purposes of calculating the PTRR certain costs paid by Contractor Parties in consideration for ONGC having paid 100% of costs prior to the signing of the Ravva PSC in 1994. Cairn India Group challenged both the GoI's right to appeal and the grounds of that appeal.

A judgment was delivered by the Malaysian High Court on 12th January 2009, ruling in favour of the GoI and setting the arbitration award aside. This had the effect of negating the original award in favour of Cairn India Group.

Cairn India Group appealed against above judgment to the Malaysian Court of Appeal. A judgment was delivered by the Malaysian Court of Appeal on 15th September 2009, which reversed the ruling of the High Court in Malaysia of 12th January 2009 and had the effect of reinstating the original award in favour of Cairn India Group. The Government of India has applied for leave to appeal this judgment to the Federal Court of Malaysia (the apex court).

In addition, consistent with GoI's view that the set-aside meant they have a binding judgment in their favour, GoI has demanded and commenced recovery from Cairn's buyers, of revenues from sale proceeds to set-off against the sums they claim are due as a result of the Malaysian judgment being in their favour. This recovery action was contested by Cairn in the Indian courts, pursuant to which, the Government has given an undertaking to stop recoveries post January 2010. The amounts recovered by the Government aggregate to approximately Rs. 7,230,000 thousand (USD 160 million). The net effective deduction as on 31st March 2010, after adjusting the current year's profit petroleum, amounts to approximately Rs. 2,291,000 thousand (USD 51 million).

In the event that the GoI's appeal is successful, then Cairn India Group would be required to pay approximately Rs. 2,888,000 thousand (USD 64 million) and potential interest of Rs. 1,398,000 thousand (USD 31 million). The same dispute existed at the end of the previous period.

Ravva Joint Venture Arbitration proceedings : Base Development Cost

(b) Ravva joint venture had received a claim from the Director General of Hydrocarbons (DGH) for the period from 2000-2005 for USD 166.4 million for an alleged underpayment of profit petroleum

to the Indian Government, out of which, Cairn India Group's share will be USD 37.4 million (approximately Rs. 1,688,000 thousand) plus potential interest at applicable rate (LIBOR plus 2% as per PSC).

This claim relates to the Indian Government's allegation that the Ravva JV has recovered costs in excess of the Base Development Costs ("BDC") cap imposed in the PSC and that the Ravva JV has also allowed these excess costs in the calculation of the Post Tax Rate of Return (PTRR). Cairn believes that such a claim is unsustainable under the terms of the PSC because, amongst other reasons, the BDC cap only applies to the initial development of the Ravva field and not to subsequent development activities under the PSC. Additionally the Ravva JV has also contested the basis of the calculation in the above claim from the DGH. Even if upheld, Cairn believes that the DGH has miscalculated the sums that would be due to the Indian Government in such circumstances. Companies have initiated the arbitration proceedings, the arbitration panel has been fully constituted and one hearing has taken place. A further hearing has been scheduled for oral closing arguments. The same dispute existed at the end of the previous period.

(c) **Service tax**

One of the subsidiary companies of the Cairn India Group has received four show cause notices from the tax authorities in India for nonpayment of service tax as a recipient of services from foreign suppliers.

These notices cover periods from 16th August 2002 to 31st March 2009. A writ petition(s) has been filed with Chennai High Court challenging the liability to pay service tax as recipient of services in respect of first show cause notice (16th August 2002 to 31st March 2006) and challenging the scope of some services in respect of second show cause notice (1st April 2006 to 31st March 2007). The reply for second and third show cause notice has also been filed before the authorities.

Should the adjudication go against Cairn India Group, it will be liable to pay the service tax of approximately Rs. 1,679,000 thousand (previous period Rs. 978,000 thousand) plus potential interest of approximately Rs. 634,000 thousand (previous period Rs. 395,000 thousand), although this could be recovered in part, where it relates to services provided to Joint Venture of
which Cairn India is operator.

(d) **Tax holiday on gas production**

Section 80-IB (9) of the Income Tax Act, 1961 allows the deduction of 100% of profits from the commercial production or refining of mineral oil. The term ‘mineral oil’ is not defined but has always been understood to refer to both oil and gas, either separately or collectively.

The 2008 Indian Finance Bill appeared to remove this deduction by stating [without amending section 80-IB (9)] that “for the purpose of section 80-IB (9), the term ‘mineral oil’ does not include petroleum and natural gas, unlike in other sections of the Act”. Subsequent announcements by the Finance Minister and the Ministry of Petroleum and Natural Gas have confirmed that tax holiday would be available on production of crude oil but have continued to exclude gas.

Cairn India Group filed a writ petition to the Gujarat High Court in December 2008 challenging the restriction of section 80-IB to the production of oil. Gujarat High Court did not admit the writ petition on the ground that the matter needs to be first decided by lower tax authorities. A Special Leave Petition has been filed before Supreme Court against the decision of Gujarat High court.

In the event this challenge is unsuccessful, the potential liability for tax and related interest on tax holiday claimed on gas production for all periods to 31st March 2010 is approximately Rs. 2,321,000 thousand (previous period Rs. 2,370,000 thousand).

Based on the legal opinions received, the management is of the view that the liability in the cases mentioned in (a) to (d) above are not probable and accordingly no provision has been considered necessary there against.

7.20 The reasons for fall/rise in Sales and Profit after Tax for the relevant years are as follows:

Fifteen month period ended March 31, 2009 compared with financial year ended March 31, 2010

Our sales revenue has gone by 13% in 2009-10 to Rs. 1,623 crore as compared to Rs. 1,432 crore of previous period 2008-09. The increase is mainly on account of increase in sales volume on commencement of production and sales from Rajasthan field. The gross production for FY 2009-10 was 69,059 boepd and working interest production was 24,957 boepd. In the previous financial period, gross production was 66,146 boepd and working interest production was 17,264 boepd. This was compensated to certain extent by reduction in oil price realization. The average oil price realization was USD 68.2/bbl and for the previous financial period it was USD 87.5/bbl.

PAT has also increased by 30% during 2009-10. Increase was mainly on account of higher revenues (Rs. 190 crore), higher inventory differential (Rs. 59 crore), lower depreciation/depletion charge on account of booking of additional reserves in RV & CB (Rs. 121 crore), higher exchange fluctuation gain due to appreciation of Rs. against USD from Rs. 50.99 per dollar to Rs. 45.12 per dollar (Rs. 72 crore), deferred tax credit/reversal (Rs. 171 crore), compensated by increase in operating expenses due to commissioning of RJ production (Rs. 211 crore) and reduction in investment income due to lower investment (Rs. 172 crore). Reversal/credit in deferred tax liability was on account of change in assumptions pertaining to calculation of Rajasthan timing differences.

Financial year ended December 31, 2007 compared with fifteen month period ended March 31, 2009

During financial period 2008-09, revenue went up by 42%. This was mainly on account of higher oil price realization and depreciation of

Rs. against USD. The average oil price realization for the current period was US$ 87.5/bbl and for the year 2007 it was Rs. 74.5/bbl. Rs. has depreciated from Rs. 39.42 per dollar to Rs. 50.99 per dollar. The gross production of the operating units for current period ended 31st March 2009 was 66,146 boepd and working interest production was 17,264 boepd.

There was a profit (PAT) of Rs. 803 crore in 2008-09 as compared to loss of Rs. 24 crore in the previous year 2007. Major increase was on account of higher revenues (Rs. 420 crore), higher other/investment income on higher investments (Rs. 214 crore), exchange fluctuation gain (Rs. 372 crore), lower exploration cost (Rs. 83 crore), compensated by higher expenditure (Rs. 116 crore) and higher depletion/depreciation charge (Rs. 62 crore).

The profit and loss account for the fifteen months ended March 31, 2009 may not be strictly comparable with the financial year ended December 31, 2007 and financial year ended March 31, 2010.

7.21 Pre and Post Offer shareholding pattern of the Target

Shareholder's Category	Shareholding & voting rights prior to the agreement/ acquisition and offer			Equity Shares/ voting rights agreed to be acquired which triggered off the Regulations (Assuming full acceptances)#			Equity Shares/ voting rights to be acquired in open offer (Assuming full acceptances)			Shareholding/ voting rights after the acquisition and offer		
	(A)			(B)			(C)			(D) = (A) + (B) + (C)		
	No.	% of (5)	% of (7)	No.	% of (5)	% of (7)	No.	% of (5)	% of (7)	No.	% of (5)	% of (7)
(1) **Promoter group**												
a. Parties to agreement, if any												
Cairn Energy*	Nil			Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
CHUK*	1,183,243,785	62.36	61.65	(767,680,827)	(40.46)	(40.00)	Nil	Nil	Nil	415,562,958	21.90	21.65
b. Promoters other than (a) above*	6	0.00	0.00	Nil	Nil	Nil	Nil	Nil	Nil	6	0.00	0.00
Total 1 (a+b)	**1,183,243,791**	**62.36**	**61.65**	**(767,680,827)**	**(40.46)**	**(40.00)**	**Nil**	**Nil**	**Nil**	**415,562,958**	**21.90**	**21.65**
(2) **Acquirers**												
Vedanta**	Nil	Nil	Nil	767,680,827	40.46	40.00	Nil@	Nil	Nil	767,680,827	40.46	40.00
TSEHL**	Nil	Nil	Nil									
PAC No.1**	Nil	Nil	Nil	Nil	Nil	Nil	383,985,368	20.24	20.01	383,985,368	20.24	20.01
PAC No.2**	Nil	Nil	Nil	Nil	Nil	Nil						
Acquirers including PACs	**Nil**	**Nil**	**Nil**	**767,680,827**	**40.46**	**40.00**	**383,985,368**	**20.24**	**20.01**	**1,151,666,195**	**60.70**	**60.01**
(3) Parties to the agreement other than (1)(a) and 2	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
(4) **Public**												
a. FIs/ MFs/ Banks/ SFIs/FII`s	345,482,608	18.21	18.00	Nil	Nil	Nil	(383,985,368)	(20.24)	(20.01)	330,225,784	17.40	17.21
b. Others (including FVCI, NRI, Foreign companies)	368,728,544	19.43	19.21	Nil	Nil	Nil						
Total (4) (a+b)	**714,211,152**	**37.64**	**37.21**	**Nil**	**Nil**	**Nil**	**(383,985,368)**	**(20.24)**	**(20.01)**	**330,225,784**	**17.40**	**17.21**
TOTAL(5) (1+2+3+4)	**1,897,454,943**	**100.00**	**98.87**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**1,897,454,943**	**100.00**	**98.87**
Outstanding ESOP (6)****	**21,747,123**	**NA**	**1.13**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**21,747,123**	**NA**	**1.13**

Shareholder's Category	Shareholding & voting rights prior to the agreement/ acquisition and offer			Equity Shares/ voting rights agreed to be acquired which triggered off the Regulations (Assuming full acceptances)#			Equity Shares/ voting rights to be acquired in open offer (Assuming full acceptances)			Shareholding/ voting rights after the acquisition and offer		
	(A)			(B)			(C)			(D) = (A) + (B) + (C)		
	No.	% of (5)	% of (7)	No.	% of (5)	% of (7)	No.	% of (5)	% of (7)	No.	% of (5)	% of (7)
Grand Total Including ESOP (7) = (5) + (6)	1,919,202,066	NA	100.00	Nil	Nil	Nil	Nil	Nil	Nil	1,919,202,066	NA	100.00

**** Post Completion of the Open Offer and sale of the Sale Shares Cairn UK Holdings Limited along with nominee would cease to be the promoters of the Company***
***** Post Completion of the Open Offer and sale of the Sale Shares, Cairn would become part of the Vedanta group***
****** For sake of simplicity it has been assumed that no Equity Shares have been granted pursuant to exercise of ESOPs***
 # Assuming that the Sellers do not sell any Equity Shares in terms of clause 3.1.3 (b) mentioned above
@ Assumed that the entire Equity Shares tendered and accepted in the Offer would be acquired by the PACs

Further details of the Shareholders in the Public category are as under:

FIs, MFs, Banks, SFIs	No. of shareholders	Total No. of Equity Shares	% of current share capital	% of the Emerging Voting Capital
Mutual Funds	107	41,999,733	2.21	2.19
Financial Institutions/Banks	29	95,689,489	5.04	4.99
Central Government/State Government(s)	Nil	Nil	Nil	Nil
Insurance Companies	Nil	Nil	Nil	Nil
Foreign Institutional Investors	411	207,793,386	10.95	10.83
Sub Total	**547**	**345,482,608**	**18.21**	**18.00**

7.22 The details of litigation matters of Target are as below :

S. No.	Suit No./ Case No./ Appeal No.	Dated	Plaintiff/ Petitioners / Complainant/ Applicant	Defendant/ Respondent	Name & Address of the Court/ Arbitration Panel	Amount under Consideration*	Brief Description of Case	Status
1	Civil Application No. 08(f) - 290-2009(W)	May 27, 2010	Government of India	Cairn Energy India Pty Limited & Ravva Oil (Singapore) Ptd Ltd	Federal Court of Malaysia	USD 64 million plus interest (USD 31.6 million)	Government of India has filed an appeal in the Federal Court of Malaysia against the order of Malaysian Court of Appeal that reinstated the Arbitral Award in relation to ONGC Carry issue which relates to inclusion of costs incurred by ONGC prior to entering into the Ravva PSC.	The Federal Court heard the matter on January 19, 2011 and judgment was reserved and is thus currently awaited from the court.
2	Arbitration	August 12, 2009	Cairn Energy India Pty Limited & Ors (Videocon Industries Ltd & Ravva Oil (Singapore	Govt. of India	Arbitration Tribunal	USD 37.4 million plus interest thereon (Gross Rs. 16,88,000 Thousand)	A dispute between Government of India and the Company & others whether to allow excess cost recovery taken by Ravva JV against the Base Development Cost (BDC) as mentioned in PSC with an escalation of 5% or more.	Tribunal published the Award on January 18, 2011 at Kaula Lumpur, broadly in favour of the Companies (CEIL,VIL&ROS), which confirmed

S. No.	Suit No./ Case No./ Appeal No.	Dated	Plaintiff/ Petitioners / Complainant/ Applicant	Defendant/ Respondent	Name & Address of the Court/ Arbitration Panel	Amount under Consideration*	Brief Description of Case	Status
			) Pte Ltd					companies were entitled to recover the developments costs spent in the tune of $278million over and above the BDC cap but disallowed the over run of $22.3million spent in respect of base development itself. An award obliging GoI to pay 50% legal costs to the Companies was also made.
3	Special leave Petition		Cairn India Group	Govt of India	Supreme Court of India	Approx Rs. 2321000 Thousand	SLP on the interpretation of the term “mineral oil” under Section 80 IB (9) and for inclusion of gas refining under the said clause	SLP filed but to be admitted
4	Arbitration		Cairn Energy India Pty Limited	Govt of India & Oil and Natural Gas Corporation Limited	Arbitration Tribunal	Yet to be ascertained	To determine if the Company is liable to pay cess under Oil Industry (Development) Act, 1974. Currently the Company is continuing to pay cess at the current rates of Rs.2,500 per MT, albeit under protest. The Company has paid an aggregate of Rs.8,751.4 million as cess (including education cess and secondary and higher secondary education cess) under protest up to end of February 2011.	Arbitration panel is currently in process.
5	CWP 11965 & 15191 of 2009		Cairn Energy India Pty Limited	State of Rajasthan & Ors	Rajasthan High Court, Jaipur	Yet to be ascertained	These writ petitions has been filed for stay against the Rajasthan Sales Tax Dept. demand of payment of 4% tax on crude oil sales assuming intra-state sale.	Awaiting counter affidavits to be filed by Government of Rajasthan and others
6	D.B.Civil W.P No. 9204/2009		Kailash Bhandari	Union of India & others	High Court of Rajasthan, Jodhpur	Yet to be ascertained	Public interest litigation filed against the GoI & others upon shifting of delivery point from Barmer to Rajasthan, consequent of loss of VAT to Rajasthan State Govt. and questioning the validity of GoI’s actions on shifting of delivery point without consulting / consent	Notices yet to be served to Union of India and government of Rajasthan.

S. No.	Suit No./ Case No./ Appeal No.	Dated	Plaintiff/ Petitioners / Complainant/ Applicant	Defendant/ Respondent	Name & Address of the Court/ Arbitration Panel	Amount under Consideration*	Brief Description of Case	Status
							of the state government etc. Hearing scheduled on February 15, 2010. Cairn filed its reply on November, 30, 2009. GoI & Government Of Rajasthan are yet to file their replies.	

7.23 Till date, the trading of Equity Shares of the Target has not been suspended either on the BSE or NSE. The Target has not been prohibited by the SEBI from dealing in securities, in terms of direction issued under Section 11B or any other regulations made under the Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto.

7.24 The provision wise compliance of Chapter II regulations of SEBI (SAST) Regulations of Target are as follows:

Sl.No.	Regulation/Sub-regulation	Due date for compliance as mentioned in the regulations	Actual date of compliance	Delay, if any (in no. of days) Col4-Col.3	Remarks
1	2	3	4	5	6
1	8(3)	April 30, 2007	May 3, 2007	3 days	-
2	8(3)	April 30, 2008	April 9, 2008	Nil	-
3	8(3)	April 30, 2009	April 9, 2009	Nil	-
4	7(3)	-	April 28, 2008	-	-
5	7(3)	-	October 19, 2009	-	-
6	8(3)	April 30, 2010	April 13, 2010	Nil	-
7	8A	NA	NA	NA	NA

7.25 Name and contact details of the compliance officer: Ms. Neerja Sharma 101, West View, Veer Savarkar Marg, Prabhadevi, Mumbai 400025, Tel: 022-24338306; Facsimile: 022-24311160

8 OFFER PRICE AND FINANCIAL ARRANGMENTS

8.1 Justification of Offer Price

8.1.1 The Equity Shares of the Target are listed on the BSE and NSE. Based on the information available, the Equity Shares of the Target are frequently traded on the NSE and the BSE (within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations and most frequently traded on the NSE).

8.1.2 The annualized trading turnover during the preceding 6 calendar months prior to the month in which the Public Announcement is made in terms of number and percentage of total listed Equity Shares in each stock exchange.

Stock Exchange	Total No. of Equity Shares traded during the six calendar months prior to the month of PA	Total No. of Listed Equity Shares as of the date of the PA	Annualised Trading Turnover (as % of Total Equity Shares Listed)(1)
BSE	51,174,389	1,897,454,943	5.4%*
NSE	308,530,865	1,897,454,943	32.5%*

(Source: www.bseindia.com, www.nseindia.com)

Note 1: Assumed 250 trading days in a year.
**As per the CA certificate dated August 27, 2010 provided by B.L. Gupta (Proprietor: Babulal Gupta & Company, Membership no. 38613)*

8.1.3 The Offer Price of Rs 355 per share is justified, as in terms of Regulation 20(4) of the SEBI (SAST) Regulations, the minimum Offer Price should be the highest of the following:

(a)	The negotiated price under the SPD	Rs. 355/- per share
(b)	Highest price paid by the Acquirers for acquisitions including by way of allotment in a public issue or rights issue or preferential issue during the 26 weeks prior to the date of the Public Announcement i.e. August 17, 2010	NIL
(c)	The average of the weekly high and low of closing prices of the Equity Shares of the Target, on NSE where it was most frequently traded for the 26 week preceding the date of the Public Announcement i.e. August 17, 2010	Rs. 300.18 per share
(d)	The average of the daily high and low prices of the Equity Shares of the Target, on the NSE where it was most frequently traded for the two week preceding the date of the Public Announcement i.e. August 17, 2010	Rs. 342.82 per share

As per the CA certificate dated August 16, 2010 provided by B.L. Gupta (Proprietor: Babulal Gupta & Company, Membership no. 38613)

8.1.4 The 26 weeks average of weekly high and low of NSE closing prices prior to date of the Public Announcement:

Week No	Week ending	Low (Rs)	High (Rs)	Average (Rs)	Volume
1	February 22, 2010	264.45	269.90	267.18	7,470,517
2	March 1, 2010	257.80	266.05	261.93	8,376,644
3	March 8, 2010	267.60	272.35	269.98	5,794,630
4	March 15, 2010	263.45	276.65	270.05	14,876,402
5	March 22, 2010	279.60	285.35	282.48	12,645,132
6	March 29, 2010	292.75	298.85	295.80	21,550,451
7	April 5, 2010	299.10	310.25	304.68	9,206,305
8	April 12, 2010	303.90	311.65	307.78	9,878,257
9	April 19, 2010	299.25	308.45	303.85	8,579,823
10	April 26, 2010	297.85	301.75	299.80	6,833,034
11	May 3, 2010	302.30	317.50	309.90	11,816,418
12	May 10, 2010	285.60	308.40	297.00	16,515,347
13	May 17, 2010	288.35	302.00	295.18	12,240,666
14	May 24, 2010	277.55	290.15	283.85	14,733,359
15	May 31, 2010	271.50	300.15	285.83	19,262,228
16	June 7, 2010	290.40	300.20	295.30	11,364,943
17	June 14, 2010	288.25	304.85	296.55	10,392,683
18	June 21, 2010	305.25	310.15	307.70	9,781,000
19	June 28, 2010	305.35	311.90	308.63	7,746,109
20	July 5, 2010	295.25	303.75	299.50	10,470,080
21	July 12, 2010	296.45	311.90	304.18	7,080,080

Week No	Week ending	Low (Rs)	High (Rs)	Average (Rs)	Volume
22	July 19, 2010	312.95	316.35	314.65	11,941,949
23	July 26, 2010	311.75	331.25	321.50	9,750,214
24	August 2, 2010	328.50	340.95	334.73	19,806,616
25	August 9, 2010	338.95	346.55	342.75	7,832,801
26	August 16, 2010	332.25	355.45	343.85	15,839,418
Average of the 26 week weekly high and low of closing prices				300.18	

Source: (www.nseindia.com)

The 2 weeks average of daily high and low of NSE daily prices prior to the date of the Public Announcement:

Day	Date	Low (Rs)	High (Rs)	Average (Rs)	Volume
1	August 3, 2010	338.45	346.90	342.68	1,612,355
2	August 4, 2010	339.15	344.90	342.03	1,655,120
3	August 5, 2010	342.65	348.60	345.63	1,553,335
4	August 6, 2010	341.50	346.90	344.20	1,387,396
5	August 9, 2010	338.40	345.00	341.70	1,226,188
6	August 10, 2010	335.20	342.50	338.85	2,991,637
7	August 11, 2010	330.40	337.10	333.75	1,863,545
8	August 12, 2010	333.55	344.75	339.15	2,844,293
9	August 13, 2010	342.25	358.20	350.23	6,913,755
10	August 16, 2010	331.85	368.05	349.95	37,206,771
Average of the 2 week daily high and low prices				342.82	

Source: (www.nseindia.com)

8.1.5 The Equity Shares of the Target are not infrequently traded on any exchange in terms of Regulation 20(5) of the SEBI (SAST) Regulations.

On the basis of the above, Offer Price of Rs. 355 per Share is justified in terms of Regulation 20 of the SEBI (SAST) Regulations.

8.1.6 The Offer Price is in full compliance and is justified in terms of Regulation 20 of the SEBI (SAST) Regulations.

8.1.7 The Non-Compete Fee is not in excess of twenty five percent of the Offer Price as computed above and consequently is not added to the same in accordance with the SEBI (SAST) Regulations.

8.1.8 The Acquirers and/or PACs may acquire Equity Shares of the Target after the date of the PA either through open market purchases, negotiated transactions and/or from amongst themselves up to 7 working days prior to the closure of the Offer. In terms of Regulation 20(7) of the SEBI (SAST) Regulations, if the Acquirers and/or PACs acquire Equity Shares of the Target after the date of the PA and up to 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid applications received under the Offer.

8.1.9 The Acquirers and PACs are permitted to revise this Offer upward up to 7 working days prior to the date of closure of the Offer. In the event of such revision, a public announcement will be made in the same newspapers where the PA has appeared and the revised offer price would be paid for all the Equity Shares validly tendered anytime during the Offer.

8.1.10 Shareholders of Sesa Goa have vide their resolution dated October 18, 2010 accorded the approval to increase investment limit upto Rs. 16,000 crores. As per the explanatory statement to the above resolution that investment limit may be utilizes amongst other things for the acquisition upto twenty percent of Equity Shares of the Target. In the event less than twenty percent of the shares of the Target are tendered in the Offer, Sesa Goa may acquire the balance shares from either the Sellers directly under the SPD and/or from the Acquirers.

8.1.11 As mentioned in 8.1.10 Sesa Goa intends to acquire Equity Shares to the extent of short fall in the Offer from the Sellers subject to the necessary approvals from the RBI and/or the Acquirers and its nominated persons as the case may be. The acquisition from Acquirers is subject to,

(i) Acquisition not resulting in an increase in the Offer Price;
(ii) Being compliant with the pricing guidelines under FEMA, RBI approval (if required) and compliance with SEBI (SAST) Regulations.

8.2 **Financial Arrangements**

8.2.1 The total funding requirement for the Offer (assuming full acceptances) i.e. for the acquisition of up to 383,985,368 Equity Shares of the Target from the public Shareholders of the Target at Rs. 355/- per Equity Share is Rs. 136,314,805,640/- (Rupees One hundred and thirty six billion, three hundred and fourteen million, eight hundred and five thousand and six hundred and forty only) (the "Maximum Consideration")

8.2.2 In accordance with regulation 28 of the SEBI (SAST) Regulations, an escrow arrangement has been created in the form of acceptable securities ("Securities Escrow") with appropriate margin. For this purpose Sesa Goa has pledged securities in favour of the Manager to the Offer which is in excess of the minimum escrow amount required as per the SEBI (SAST) Regulations. The minimum escrow amount required is computed as the sum of 25% of the value of the Maximum Consideration up to Rs.1,000.00 million and 10% of the value of the Maximum Consideration in excess of Rs.1,000.00 million i.e. Rs. 13,781,480,564 (Rupees Thirteen billion, seven hundred and eighty one million, four hundred and eighty thousand and five hundred and sixty four only). The Manager to the Offer has been duly authorized by the Acquirers and the PACs to realize the value of the Securities Escrow by sale of the pledged securities or otherwise in terms of regulation 28 of the SEBI (SAST) Regulations, provided that if there is a deficit on realization of the value of the securities, such deficit, if any shall be made good by the Manager to the Offer.

Details of the securities offered as pledge are as under

S No.	Folio No.	Name of fund	Plan	Units as of March 31, 2011	Value as of March 31, 2011 in Rs.
1	4386184083	RELIANCE INTERVAL FUND – QUARTERLY PLAN – SERIES I – INSTITUTIONAL DIVIDEND PLAN	DIVIDEND PAYOUT OPTION	63,701,557.130	65,15,26,786/-
2	4386184083	RELIANCE MONTHLY INTERVAL FUND – SERIES II – INSTITUTIONAL DIVIDEND PLAN	DIVIDEND PAYOUT OPTION	29,58,72,387.783	296,09,72,508/-
3	4386184083	RELIANCE MONEY MANAGER FUND – INSTITUTIONAL OPTION – DAILY DIVIDEND PLAN	DAILY DIVIDEND REINVEST OPTION	12,29,658.336	123,13,44,812/-
4	4386184083	RELIANCE MONTHLY INTERVAL FUND – SERIES I – INSTITUTIONAL DIVIDEND PLAN	DIVIDEND PAYOUT OPTION	149,956,487.315	150,63,42,906/-
5	730289/72	ICICI PRUDENTIAL BANKING AND PSU DEBT FUND PREMIUM PLUS DAILY DIVIDEND	DAILY DIVIDEND REINVEST OPTION	23,65,02,793.931	238,19,37,889/-
6	730289/72	ICICI PRUDENTIAL BLENDED PLAN B INSTITUTIONAL DAILY DIVIDEND OPTION - II	DAILY DIVIDEND REINVEST OPTION	55,30,61,268.264	553,47,60,642/-
7	730289/72	ICICI PRUDENTIAL BLENDED PLAN B INSTITUTIONAL DIVIDEND OPTION II	DIVIDEND PAYOUT OPTION	9,61,08,557.478	100,03,74,753/-
8.	730289/72	ICICI PRUDENTIAL FLEXIBLE INCOME PLAN PREMIUM – DAILY DIVIDEND REIVNEST OPTION	DAILY DIVIDEND REINVEST OPTION	1,41,87,909.165	150,01,58,576/-
TOTAL					**1,676,74,18,872/-**

8.2.3 In addition to above, the Acquirers and PACs in accordance with regulation 28(10) of the SEBI (SAST) Regulations, have deposited a sum in excess of one percent of the Maximum Consideration as and by way of security for fulfillment of obligations under the SEBI (SAST) Regulations. The Acquirers, the PAC No.1, the Manager to the Offer and ICICI Bank Limited, a banking corporation incorporated under the laws of India and having one of its branch offices at 30, Mumbai Samachar Marg, Raja Bahadur Mansion, Fort, Mumbai 400 001, have also entered into an escrow agreement for the purpose of the Offer dated August 16, 2010 (the "Offer Escrow Agreement") in accordance with Regulation 28 of the SEBI (SAST) Regulations. Pursuant to the Offer Escrow Agreement, the PAC No.1 has deposited cash for an amount of Rs. 1,401,546,593 (Rupees One hundred and forty crore fifteen lacs forty six thousand five hundred and ninety three only) in an escrow account named SESA – Open Offer Escrow Account ("Escrow Account"). The Manager to the Offer has been authorized to operate the Escrow Account in terms of the SEBI (SAST) Regulations.

8.2.4 The Acquirers and the PACs have adequate resources and has made firm financial arrangements for financing the acquisition of the Equity Shares under the Offer, in terms of regulation 16(xiv) of the SEBI (SAST) Regulations.

8.2.5 B.L. Gupta (Proprietor: Babulal Gupta & Co., Chartered Accountants, Membership No. 38613) have vide their certificate dated August 16, 2010 certified on the basis of the funds available with the PAC No.1 in its treasury department, internal accruals and comfort letter from Sterlite Industries (I) Limited ("SIIL") the Acquirers and the PACs collectively have sufficient means and financial capability for the purpose of acquiring in cash up to 383,985,368 Equity Shares of the Target (being 20 % of the Emerging Voting Capital of the Target) at an Offer Price of Rs.355/- per Equity Share for a total consideration of approximately Rs. 136,314,805,640/- (Rupees One hundred and thirty six billion, three hundred and fourteen million, eight hundred and five thousand and six hundred and forty only).

8.2.6 Based on the above and in light of the escrow arrangements set out above, the Manager to the Offer is satisfied with the ability of the Acquirers or the PACs to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

9 TERMS AND CONDITIONS OF THE OFFER

9.1 Statutory Approvals required for the Offer

9.1.1 The Offer is conditional upon receipt of approvals from the Reserve Bank of India for acquisition of Equity Shares from non-resident shareholders by Sesa Goa Limited and Sesa Resources Limited as PACs to the Offer and/or for acquisition of Equity Shares from resident shareholders by Vedanta Resources Plc and/or Twin Star Energy Holdings Limited as Acquirers.

9.1.2 The Acquirers and the PACs have taken the necessary steps and made the necessary applications for obtaining the approvals set out above.

9.1.3 The Acquirers and the PACs shall within fifteen days from the date of closure of the Offer complete all the procedures relating to the Offer including payment of consideration to the Shareholders who have accepted the Offer.

9.1.4 As of the date of the PA, to the best of the knowledge of the Acquirers and the PACs, there are no other statutory approvals required to implement the Offer other than those specified above. However, in case any other approval is required at a later date before the closure of the Offer, the Offer shall be subject to all such approvals.

9.1.5 The Acquirers and the PACs will have the right not to proceed with the Offer in the event any of the statutory approvals that are required, are refused in terms of Regulation 27 of the SEBI (SAST) Regulations.

9.1.6 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to Acquirers and PACs for payment of consideration to public Shareholders of the Target, subject to them agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. However, if the delay occurs on account of the willful default or neglect or inaction or non-action by Acquirers and PACs in obtaining the requisite approval(s), the amount held in the Escrow Account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28(12) of the SEBI (SAST) Regulations

9.1.7 To the best of their knowledge, no consents are required by the Acquirers and/or the PACs from any financial institutions or banks for the Offer.

A schedule of the activities pertaining to the Offer is given below:-

Activity	Day & Date
Public Announcement	Tuesday – August 17, 2010
Specified Date*	Friday – August 20, 2010
Last date for a competitive bid	Tuesday – September 7, 2010
Date by which Letter of Offer to be dispatched to Shareholders	Wednesday – April 6, 2011
Date of opening of the Offer	Monday – April 11, 2011
Last date for upward revision of the Offer Price / number of Equity Shares	Tuesday – April 19, 2011
Last date for withdrawing acceptance of the Offer	Tuesday – April 26, 2011
Date of closing of the Offer	Saturday – April 30, 2011
Last date of communicating rejection/acceptance and payment of consideration for accepted tenders and/or the unaccepted Equity Shares/share certificates will be dispatched/credited	Sunday – May 15, 2011

* *Specified date is only for the purpose of determining the names of the Shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of the Equity Shares other than the parties to the share purchase deed and any other member of the Seller's group of companies) are eligible to participate in the Offer any time before the closing of the Offer.*

10 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

10.1 Procedure for accepting the Offer by eligible persons, unregistered Shareholders, owners of Equity Shares who have sent them for transfer or those who did not receive the Letter of Offer

10.1.1 The Shareholders who qualify and who wish to avail of this Offer will have to deliver the relevant documents as mentioned below and such other documents as may be specified in the Letter of Offer at the Registrar to the Offer's office or at the following collection centres either by hand delivery or by registered post (between 10.00 a.m. and 5 p.m. on all working days i.e. except Sundays and public holidays and between 10.00 a.m. and 2.00 p.m. on Saturdays) on or before the Offer Closing Date. (The documents should not be sent to the Managers to the Offer or the Acquirers or PACs or the Target).

Collection Centre	Address of Collection Centres	Contact Person	Phone No.	Fax	Mode of delivery
Mumbai	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg,Bhandup (W),Mumbai -400078	Nilesh Chalke	022-25960320	022-25960329	Hand Delivery & Registered Post
Mumbai	Link Intime India Pvt. Ltd, 203, Davar House, Next to Central Camera, D N Road, Fort Mumbai - 400 001	Vivek Limaye	022-22694127	022-25960329	Hand Delivery
Ahmedabad	Link Intime India Pvt. Ltd, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009	Hitesh Patel	079-2646 5179	079-2646 5179	Hand Delivery
Bangalore	Link Intime India Pvt. Ltd., 543/A, 7TH Main , 3rd Cross, Hanumanthanagar, Bangalore - 560 019	Prashant D. Shedbal	080-26509004	080-26509004	Hand Delivery
Baroda	Link Intime India Pvt. Ltd., First Floor, Jaldhara Complex, Nr. Manisha Society, Old Padara Road, Vadodara -390015	Alpesh Gandhi	0265-2250241 / 3249857	0265-2250246	Hand Delivery
Coimbatore	Link Intime India Pvt. Ltd,Surya 35, Mayflower	S. Dhanalakshmi	0422-2314792 / 2315792	0422-2314792	Hand Delivery

Collection Centre	Address of Collection Centres	Contact Person	Phone No.	Fax	Mode of delivery
	Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore 641 028				
Kolkata	Link Intime India Pvt. Ltd, 59C,Chowringhee Road,3rd Floor,Kolkata - 700020	Debu Ghosh	033-22890539/40	033-22890539/40	Hand Delivery
New Delhi	Link Intime India Pvt. Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110028	Swapan Naskar	011-41410592/93/94	011-41410591	Hand Delivery
Pune	Link Intime India Pvt. Ltd, Block No 202 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001.	P. N Albal	020 -26051629 / 0084	020 -26053503	Hand Delivery

Shareholders who can not hand deliver their documents at the collection centers referred to above may send the same by registered post /speed post, at their own risk, to the Registrar to the Offer at their Bhandup Office and not to any other collection centre so that the same are received on or before the close of business hours on the Offer Closing Date.

10.1.2 For the purpose of the Offer a special depository account has been opened by Registrar to the Offer, in the name and style of "LIIPL - CIL Open Offer Escrow Demat Account" with Ventura Securities Limited as the depository participant in National Securities Depository Limited ("NSDL"). The DP ID is IN303116 and Client ID is 10597276. Shareholders holding the Equity Shares in dematerialized form will have to deliver the following documents:

(a) Form of acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the depository.

(b) Photocopy of the delivery instruction slip in "off-market" mode or counterfoil of the delivery instruction slip in "off market" mode, duly acknowledged by the relevant DP.

(c) For each delivery instruction the beneficial owner should submit separate form of acceptance cum acknowledgment. The Shareholders having their beneficiary account in Central Depository Securities (India) Limited ("CDSL") have to use inter depository delivery instruction for the purpose of crediting their Equity Shares in favour of escrow depository account with NSDL. The ISIN number allotted to Equity Shares of the Target is INE910H01017. The Shareholders who have sent their physical Equity Shares for dematerialization need to ensure that the process of getting Equity Shares of the Target dematerialized is completed well in time so that the credit in the special depository account is received on or before closure of Offer.

10.1.3 **Shareholders holding Equity Shares in physical form and dematerialized form should enclose:**

Equity Shares in Physical form :

a. Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose name appears on the share certificates.

b. Original share certificate(s).

c. Valid share transfer form(s) duly signed as transferors by all registered Shareholders (in case of joint holdings), in the same order and as per the specimen signatures registered with and duly witnessed at the appropriate place

d. In case of registered Shareholders in whose respect, the aforesaid documents have not been received, but the original share certificate(s) and duly signed transfer form(s) have been received, the Offer shall be deemed to have been accepted.

Equity Shares in Dematerialized form

a. Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all Shareholders.

b. Copy of DP instruction slip duly acknowledged by the DP in “Off-market” mode.

c. In case the aforesaid documents have not been received, but the shares are received in the escrow demat account, the Offer shall be deemed to have been accepted

10.1.4 In addition to shareholder should enclose copy of PAN card, Power of attorney, corporate authorization including board resolution / specimen signatures and No Objection certificate (NOC) / Tax clearance certificate from Income Tax Authorities as applicable.

10.1.5 Persons who have acquired Equity Shares of the Target (irrespective of the date of purchase) but whose names do not appear in the register of members of the Target on the Specified Date or those who have not received the letter of offer, may also participate in this Offer by submitting an application on plain paper giving details regarding their shareholding and confirming their agreement to participate in this Offer as per the terms and conditions of this Offer. Such application should be sent to the Registrar to the Offer together with the relevant share certificate(s) and transfer forms (if the Equity Shares are held in physical form) or a photocopy of the DP instruction slip duly acknowledged by the DP (in case of Equity Shares held in dematerialized form) in “Off-Market” mode, the original contract note issued by a registered share broker of a recognized stock exchange through whom such Equity Shares were acquired and/or such other documents as may be specified in the Letter of Offer.

10.1.6 No indemnity is needed from unregistered Shareholders.

10.1.7 In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations, Shareholders who have accepted the offer by tendering the requisite documents in terms of the PA and the Letter of Offer can withdraw the same up to 3 (three) working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the documents including Form of Withdrawal, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before April 26, 2011.

10.1.8 In case of non-receipt of the ‘Form of Withdrawal’, the withdrawal option can be exercised by making an application on plain paper along with the (in case of Equity Shares held in physical form) name, address, distinctive numbers, folio number, and number of Equity Shares tendered and (in case of dematerialized Equity Shares) name, address, number of Equity Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP, in favor of the special depository account. In case of partial withdrawal of Equity Shares tendered in physical form, if the original share certificate is required to be split, the same will be returned on receipt of share certificate from Target. The facility of partial withdrawal is available only for registered Shareholders.

10.1.9 Shareholders, while tendering their Equity Shares in the Offer may indicate an option to receive the payment of Offer consideration through electronic form by indicating in the space provided in the Form of Acceptance cum Acknowledgement. The payment consideration for Equity Shares accepted under the Offer, in such cases, may be made through National Electronic Clearing Services (NECS), Direct Credit, Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT), as applicable, at specified centers where clearing houses are managed by the Reserve Bank of India, wherever possible. In other cases, payment of consideration would be made through cheque / demand draft / pay order sent by Registered post / speed post. Shareholders who opt for receiving consideration through electronic form are requested to give the authorization for electronic mode of transfer of funds in the Form of Acceptance cum Acknowledgement, provide the Magnetic Ink Character Recognition / Indian Financial System Code of their bank branch and enclose a cancelled cheque or a photocopy of a cheque associated with the particular bank account, along with the Form of Acceptance cum Acknowledgement. In case of joint holders/unregistered owners, payments will be made in the name of the first holder/ unregistered owner.

10.1.10 For the purposes of electronic transfer, in case of Shareholders opting for electronic payment of consideration and for purposes printing on the cheque / demand draft / pay-order for the other cases, the bank account details will be directly taken from the depositories’ database, wherever possible. A Shareholder tendering Equity Shares in the Offer, is deemed to have given consent to obtain the bank account details from the Depositories, for this purpose. Only if the required details cannot be obtained from the depositories’ database then the particulars provided by the Shareholders would be used.

10.1.11 For Shareholders, who do not opt for electronic mode of transfer and for those Shareholders, whose payment consideration is rejected / not credited through NECS / Direct Credit / RTGS / NEFT, due to any technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through Speed Post / Registered Post. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the Shareholder is registered. It is advised that Shareholders provide bank details in the Form of Acceptance cum Acknowledgment, so that the same can be incorporated in the cheque/demand draft/pay order. It will be the responsibility of the tendering Shareholders to ensure that correct bank account details are mentioned with the Depositories and in the Form of Acceptance cum Acknowledgment.

10.1.12 To the extent of the Offer Size and in accordance with the PA and the Letter of Offer to be sent to the Shareholders of the Target, the Equity Shares of the Target that are validly tendered and accepted pursuant to this Offer are proposed to be acquired by the Acquirers and/or PACs. In case the number of validly tendered Equity Shares in the Offer are more than the Equity Shares agreed to be acquired under the Offer, the Acquirers and/or PACs shall accept the offers received from the Shareholders on a proportionate basis as per Regulation 21(6) of the SEBI (SAST) Regulations in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner. Rejected applications will be returned to the applicants by registered post.

10.1.13 The Registrar to the Offer will hold in trust the Equity Shares/share certificates, Equity Shares held in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the Shareholders of the Target who have accepted the Open Offer, until the cheques/drafts for the consideration or the unaccepted Equity Shares/share certificates are dispatched/returned.

10.1.14 The Acquirers and PACs reserve the right to withdraw the Offer pursuant to Regulation 27 of the SEBI (SAST) Regulations. Any such withdrawal will be notified in the form of a public announcement in the same newspapers in which the PA appears.

10.2 **Tax to be deducted at source**

10.2.1 As per the provisions of section 195(1) of the Income Tax Act, 1961 ('the Act'), any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable under the Offer would be chargeable to capital gains under section 45 of the Act or as business profits as the case may be, Acquirers will need to deduct tax at source (including surcharge and education cess) at the applicable tax rate on the consideration payable to the following categories of Shareholders, which are Non-resident Indians, Overseas Corporate Bodies/non-Domestic companies and other persons who are not resident in India.

10.2.2 Foreign Institutional Investors

Consideration payable chargeable as Capital Gains

As per the provisions of section 196D(2) of the Act, there shall be no tax deduction at source on income of Foreign Institutional Investors by way of capital gains from the transfer of securities, subject to receipt of an undertaking from them stating as under:

- their residential status
- that it does not have a permanent establishment in India
- the amount received by them constitutes capital gains; and
- consideration does not constitute business income for them and that in past similar gains, if any, have been assessed as such by the tax authorities in India.

Consideration payable chargeable as Business Income

In case the consideration payable is chargeable as Business Income, the FII will be required to submit a Tax Clearance Certificate from the income tax authorities under the Act indicating the amount of tax to be deducted by Acquirer before remitting the consideration, failing which the Acquirer will arrange to deduct tax at the rate, as may be applicable to the relevant category to which the Shareholder belongs under the Act.

Interest payments

Any interest payment for delay in payment of consideration, if any, will not be governed by the exemption provisions under Section 196D(2) of the Act. Accordingly, the FII will be required to submit a Tax Clearance Certificate from the income tax authorities under the Act indicating the amount of tax to be deducted by Acquirer before remitting the consideration, failing which the Acquirer will arrange to deduct tax at the rate, as may be applicable to the relevant category to which the Shareholder belongs under the Act, on the consideration payable as interest to such Shareholder.

10.2.3 NRIs, OCBs and other non-resident shareholders

Consideration payable chargeable as Capital Gains

Non-resident Indians ("NRIs") (as defined in section 115C (e) of the Act, 1961): shares fall within the purview of "specified asset" as defined in section 115C(f) and therefore, the Acquirers will deduct tax at source in accordance with the provisions of section 115 E of the Act at the rate of 30% in the case of short-term capital gains and at the rate of 10% in the case of long-term capital gains. The aforesaid rate will be further increased by the education cess. Presently the primary education cess is 2% and secondary and higher education cess is 1%. In case a shareholder claims that he is governed by the provisions of section 115E of the Act, he should submit the relevant documents in support thereof and to the satisfaction of the Acquirers. These can either be documents proving that the shares were purchased by the shareholders either from foreign remittances or from funds lying in the non residents external (NRE) account or foreign currency non repatriable (FCNR) account and that these shares have been declared as such in the return of income filed by the shareholders. In case the documents are not submitted or the Acquirers is not satisfied regarding the same then the rate of tax would be that as applicable to any other nonresidents.

Non-residents (other than companies and NRIs): The Acquirers will deduct tax at source at the rate of 30% in the case of short-term capital gains and at the rate of 20% in the case of long-term capital gains. The rate of deduction as above will be increased by the education cess. Presently, the primary education cess is 2% and secondary and higher education cess is 1%.

Foreign companies: The Acquirer will deduct tax at source at the rate of 40% in the case of short-term capital gains, and at the rate of 20% in the case of long-term capital gains. The rate of deduction as above will be increased by the applicable surcharge and education cess. Surcharge @ 2.5% would be applicable if the gross consideration exceeds Rs. 1 crore. Presently, the primary education cess is 2% and secondary and higher education cess is 1%.

For the purpose of determining as to whether the capital gains are short-term or long-term in nature, the Acquirers shall take action based on the information submitted by the aforementioned category of Shareholders. In the case of any ambiguity, incomplete or conflicting information or the information not being provided to the Acquirers, the capital gain shall be assumed to be short-term in nature.

Consideration payable chargeable as Business Income

In case the consideration payable is chargeable as Business Income, the shareholder will be required to submit a Tax Clearance Certificate from the income tax authorities under the Act indicating the amount of tax to be deducted by Acquirer before remitting the consideration, failing which the Acquirer will arrange to deduct tax at the rate, as may be applicable to the relevant category to which the Shareholder belongs under the Act.

Interest payments

For interest payments, if any, NRIs, OCBs, and other non-resident Shareholders will be required to submit a Tax Clearance Certificate from the income tax authorities under the Act indicating the amount of tax to be deducted by Acquirer before remitting the consideration, failing which the Acquirer will arrange to deduct tax at the rate, as may be applicable to the relevant category to which the Shareholder belongs under the Act, on the consideration payable as interest to such Shareholder.

The aforementioned categories of Shareholders should certify in the Form of Acceptance cum Acknowledgement whether the Equity Shares are held by them on investment/capital account or on trade account.

As per the provisions of Section 206AA which come into effect from 1 April 2010, any person receiving a payment on which tax is deductible should obtain and provide a Permanent Account Number to the party making the payment. In absence of a PAN, the tax deducted at source shall be at the rate specified in the relevant provisions of the Act or the rates in force or 20%, whichever is higher.

In the event the aforementioned categories of shareholders require the Acquirers not to deduct tax or to deduct tax at the rate specified in the Double Taxation Avoidance Agreement (DTAA) entered into by the Central Government as applicable to the shareholder in terms of section 90 of the Act, he should submit the following documents:

- a certificate of tax residency from the appropriate authority of the relevant country
- a certificate that the shareholder does not have a permanent establishment in India in terms of the DTAA
- undertaking that similar gains have been taxed as such by the Tax Authorities in India in past
- and such other documents as would be required by the Acquirer.

In case the documents are not submitted or the Acquirer is not satisfied regarding the same, the Acquirer shall deduct tax as aforesaid on the gross consideration.

In the event the aforementioned categories of shareholders require the Acquirers not to deduct tax or to deduct tax at a rate or on a lower amount, they would need to obtain a certificate from the Income Tax authorities either under section 195(3) or under section 197 of the Act, and submit the same to Acquirers while submitting the Form of Acceptance cum Acknowledgement. In the absence of any such certificate from the Income Tax authorities, the Acquirers will deduct tax as aforesaid, and a certificate in the prescribed form shall be issued to that effect.

If for any reasons, the Tax Department raises a vicarious liability on the Acquirers and seeks to recover the tax on the transaction (which is actually tax liability of the shareholder) from the Acquirers, the shareholder agrees to indemnify the Acquirers for the same.

No tax will be deducted at source from the consideration payable for Equity Shares accepted in this open offer for any other category of shareholders who are residents in India. In case of resident shareholders, tax will be deducted on the interest component exceeding Rs. 5,000 (Rupees five thousand) at the applicable current prevailing rates. If the resident shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such shareholders will be required to submit a Tax Clearance Certificate indicating the amount of tax to be deducted by the Acquirer or a self-declaration in form 15G or form 15H as may be applicable. shareholders eligible to receive interest component exceeding Rs. 5,000 (Rupees five thousand) would be required to submit their PAN for income tax purposes. All resident shareholders would be required to submit their PAN for income tax purposes.

While tendering the Equity Shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have been required to submit to acquire the Equity Shares of the Target. In case the previous RBI approvals are not submitted, Acquirers reserves the right to reject such Equity Shares tendered.

The securities transaction tax will not be applicable to the Equity Shares accepted in the Offer.

11 DOCUMENTS FOR INSPECTION

11.1 **Material Documents for inspection by the public will be available at registered office of the PACs at any day except Saturdays, Sundays and the Public Holidays till the closure of the Offer.**

11.1.1 Certificate of incorporation, memorandum and articles of association of the Acquirers and PACs (or their equivalent documents)

11.1.2 A copy of the Fund Sufficiency Certificate certifying the adequacy of financial resources of the Acquirers, issued by B.L. Gupta dated August 16, 2010 (membership number 38613, proprietor Babulal Gupta & Co.)

11.1.3 Audited annual reports of the Target, Vedanta and PACs for the last three years

11.1.4 A letter from ICICI Bank Limited, Fort Branch, Mumbai confirming the amount kept in the Escrow Account

11.1.5 A copy of the Share Purchase Deed dated August 15, 2010

11.1.6 A published copy of the Public Announcement dated August 16, 2010

11.1.7 A copy of the letter from SEBI in terms of proviso to Regulation 18(2)

11.1.8 PAC No.1 letter pledging securities in favour of the Manager to the Offer

11.1.9 PAC letter pledging securities in favour of Manager to Offer

11.1.10 A copy of the Agreement entered into with Depository participant for opening a special depository account for the purpose of the Offer

12 DECLARATION BY THE ACQUIRERS AND PACS

12.1 The Acquirers and PACs and their Directors accept full responsibility for the information contained in the Letter of Offer, including the Form of Acceptance and Form of Withdrawal and also for the obligations of the Acquirers and PACs as laid down in terms of the SEBI (SAST) Regulations.

12.2 The Acquirers and PACs shall be severally and jointly for ensuring compliance with and fulfilling obligations under the SEBI (SAST) Regulations.

12.3 We are authorized on behalf of the Acquirers and PACs to sign this Letter of Offer.

Signed for and on behalf of Board Of Directors of VEDANTA RESOURCES PLC,

Sd/-
Authorized Officer

Signed for and on behalf of Board Of Directors of TWIN STAR ENERGY HOLDINGS LIMITED

Sd/-
Authorized Officer

Signed for and on behalf of Board Of Directors of SESA GOA LIMITED

Sd/-
Authorized Officer

Signed for and on behalf of Board Of Directors of SESA RESOURCES LIMITED

Sd/-
Authorized Officer

Date: April 1, 2011
Place: Mumbai

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

((Please send this Form with enclosures to the Registrars to the Offer at their address given overleaf)

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer dated April 1, 2011)

(To be filled in by the Shareholder)

Folio No./ DP ID / Client ID	Sr. No.	No. of Shares held

OFFER SCHEDULE	
OPENS ON	**Monday, April 11, 2011**
CLOSES ON	**Saturday, April 30, 2011**

From: ____________________

Name: ____________________

Address: ____________________

____

Status: Resident / Non-Resident

Tel No.: __________ Fax No.: __________ E-mail: __________

To,
Cairn India Limited
C/o Link Intime India Private Limited
C-13 Pannalal Silk Mills Compound
LBS Marg, Bhandup West,
Mumbai - 400078

Dear Sir/Madam,

SUB: Cash Open Offer of Rs.355/- (Rupees three hundred and fifty five only) per fully paid equity share to acquire up to 383,985,368 Equity Shares of Rs. 10/- each representing 20.01% of the Emerging Voting Capital of Cairn India Limited ("CIL") ("The Offer") at a price of Rs. 355/- per Share ("Offer Price") in accordance with the above referred Letter of Offer.

I/We refer to the Letter of Offer for acquiring the Equity Shares held by me/us in CIL.

I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

SHARES HELD IN PHYSICAL FORM

I/We hold the following shares in physical form and accept the offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my / our shares as detailed below:

Ledger Folio No:__________ No. of share certificates:__________ No. of shares:__________

Sr. No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
		From	To	
1.				
2.				
3.				
Total No. of Equity Shares				

(In case of insufficient space, please use an additional sheet and authenticate the same)

SHARES HELD IN DEMAT FORM

I/We hold the following shares in Demat Form and accept the Offer and enclose a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP in respect of my/our Equity Shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	Total No. of Shares

I/We have done an off-market transaction for crediting the shares to the Special Depository Account with Ventura Securities Limited, opened with NSDL, as "LIIPL-CIL Open Offer Escrow Demat Account" **whose particulars are,**

DP Name: Ventura Securities Limited	**DP ID: IN303116**	**Client ID: 10597276**

Shareholders having their Beneficiary account with CDSL have to use **INTER-DEPOSITORY INSTRUCTION SLIP** for the purpose of crediting their shares in favour of Special Depository Account with NSDL.

LOCKED-IN SHARES HELD IN DEMAT FORM

I/We hold the following locked-in shares in Demat Form and accept the Offer and enclose a photocopy of the Depository Delivery Instruction(s) Slip / Form (as specified by depository) duly acknowledged by DP for signature verification in respect of my/our Equity Shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	Total No. of Shares

I/We hereby authorize you to initiate corporate action process for transfer of locked in shares to Special Depository Account

Documents enclosed with the Form of Acceptance are stated below

For NRIs/OCBs/FIIs/Foreign Shareholders:

I/We have enclosed the following documents:

☐ No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities.

☐ Previous RBI approvals for holding the shares of CIL hereby tendered in the Offer.

☐ Copy of Permanent Account Number (PAN) Letter / PAN Card

For FII Shareholders : I/We confirm that the Equity Shares of CIL are held by me/us on ☐ Investment/Capital Account OR ☐ Trade Account. (☐ whichever is applicable in your case)

In case the shares are held on trade account, kindly enclose a certificate stating that you are a tax resident of your country of residence/Incorporation and that you do not have a "permanent establishment" in India in terms of the Double Taxation Avoidance Agreement (DTAA) entered into between India and your country of residence.

In order to avail the benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a certificate stating that you are a tax resident of your country of incorporation in terms of the DTAA entered into between India and your country of residence.

For NRIs/OCBs Shareholders:

1. I/We confirm that the equity shares of CIL are held by me/us on ☐ Investment/Capital Account OR ☐ Trade Account. ([☑])whichever is applicable in your case)
2. I/We confirm that the equity shares of CIL are held by me/us as ☐ Long Term Capital Asset OR ☐ Short Term Capital Asset. ([☑])(whichever is applicable in your case)

In case the shares are held on trade account, kindly enclose a certificate stating that you are a tax resident of your country of residence/Incorporation and that you do not have a "permanent establishment" in India in terms of the Double Taxation Avoidance Agreement (DTAA) entered into between India and your country of residence.

In order to avail the benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a certificate stating that you are a tax resident of your country of incorporation in terms of the DTAA entered into between India and your country of residence.

I/We confirm that the Equity Shares of CIL which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original share certificate(s) and the valid share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the consideration only after verification of the documents

I/We note and understand that the Shares would lie in the said A/c. i.e.LIIPL-CIL Open Offer Escrow Demat Account" until the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.

I/We authorize the Acquirer to accept the shares so offered, which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer;

I/We confirm that in case of non-receipt of the aforesaid documents, but receipt of the Shares in the Special Depository Escrow Account, the Acquirer may deem the Offer to have been accepted by me/us; and

I/We further authorize the Acquirer to return to me/us, the Equity Share Certificate(s) in respect of which the offer is not found valid / not accepted, specifying the reasons thereof and in the case of dematerialized shares, to the extent not accepted will be released to my Depository Account at my sole risk.

I/We authorize the Acquirer or the Manager to the Offer or the Registrar to the Offer to send by Registered Post / Speed Post, the draft/cheque, in settlement of the amount to the sole/firstholder at the address mentioned above.

Yours faithfully,

Signed and Delivered Place: Date:

	Full name(s) of the holder	Pan No.	Signature(s)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note: In case of Joint holdings, all holders much sign. In case of Bodies Corporate a stamp of the Company should be affixed and necessary Board Resolution should be attached.

So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form may provide details of bank account of the first / sole shareholder and the consideration payment will be drawn accordingly. For shares that are tendered in electronic form, the bank particulars as recorded with the Depository Participant and stated below will be printed on the cheque, demand draft. Shareholders are advised to update their Bank Account details including Account Number, MICR code and other demographic details with their depository participant to ensure the payment is credited correctly to their Bank Account. Please indicate the preferred mode of receiving the payment consideration. (Please tick)

1) Electronic Mode: ______________________ 2) Physical Mode: ______________________

In case of any change in Bank Details, please indicate below:

Particulars Required	Details
Name of the Bank	
Branch	
A/c. No. and Type	
9 Digit MICR Code	
IFSC Code (for RTGS / NEFT transfers)	

*** Enclosures:**

☐ Power of Attorney

☐ No Objection Certificate and Tax exemption Certificate under Income-Tax Act,1961, for NRIs/ OCBs/Foreign Shareholders as applicable.

☐ Death Certificate / Succession Certificate

☐ Corporate authorization in case of Companies / FIIs along with Board Resolution and Specimen Signatures of Authorised Signatories

☐ Attested copies of PAN Card of all shareholders

☐ RBI approval

	Full name(s) of the holder	Pan No.	Signature(s)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note: In case of Joint holdings, all holders must sign. In case of Bodies Corporate a stamp of the Company should be affixed and necessary Board Resolution should be attached.

*** Enclosures:**

☐ Power of Attorney

☐ No Objection Certificate and Tax exemption Certificate under Income-Tax Act,1961, for NRIs/ OCBs/Foreign Shareholders as applicable.

☐ Death Certificate / Succession Certificate

☐ Corporate authorization in case of Companies / FIIs along with Board Resolution and Specimen Signatures of Authorised Signatories

☐ Attested copies of PAN Card of all shareholders

☐ RBI approval

☐ Others (please specify) : ______________________

Note: All future correspondence, if any, in connection with this Offer, should be addressed to Registrar to the Offer : Link Intime India Private Limited, C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai - 400078, Tel No.+91-22-25960320, Fax No +91-22-25960329, Email :nilesh.chalke@linkintime.co.in, Contact Person: Nilesh Chalke

Payment for accepted shares / the unaccepted shares, if any, will be dispatched / credited by, May 15,2011.

INSTRUCTIONS

1. In the case of dematerialized shares, the shareholders are advised to ensure that their shares are credited into the special depository account, before the closure of the Offer. The Form of Acceptance cum Acknowledgement of such demat shares not credited into the special depository account, before the closure of the Offer will be rejected.
2. Shareholders should enclose the following :
   I. All shareholders, besides providing their PAN No. in the Form of Acceptance, should also enclose a self attested copy of their PAN Cards in their applications.
   II. For Equity Shares held in demat form :
   Free shares -
   - Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
   - Photocopy of the delivery instruction in “Off-Market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.
     a. Photocopy of the interdepository delivery instruction slip if the beneficiary holders having an account with Central Depository Services (India) Ltd
   - For each Delivery instruction, the beneficial owner should submit separate Form of Acceptance

   Locked-in shares -
   - Delivery Instruction Slip or Form (as specified by Depository) for the lock-in shares proposed to be tendered with the signature thereon verified by their depository participant.
   - After the closure of the offer the Target Company shall initiate the process of transferring locked-in equity shares into the Special Depository Account through an appropriate corporate action and only those shares that get transferred in this process shall be considered for acceptance in the Open Offer.

   In case of non-receipt of the shares in special depository account but receipt of the aforementioned documents, the shares tendered shall be treated as invalid and the form of acceptance shall not be considered for acceptance in Open Offer.

II. For Equity Shares held in physical form :-

a) Registered Shareholders should enclose :

- **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificate(s).
- **Original Share Certificate(s).**
- **Valid Share Transfer Form(s)** duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with CIL and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with the Letter of Offer.
- Attestation, where required (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank.

In case of registered shareholder, non-receipt of the aforesaid documents, but receipt of the share certificates along with the duly completed transfer form, the Offer shall be deemed to be accepted.

b) Unregistered owners should enclose :

- **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein.
- **Original Share Certificate(s).**
- **Original broker contract note.**
- **Valid Share Transfer form(s)** as received from the market, duly stamped and executed as the proposed transferee(s) along with blank transfer form duly signed as transferor(s) by the said proposed transferee(s) and witnessed at the appropriate place. The details should be left blank. The details of the Acquirer as transferee will be filled by the Acquirer upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be precondition for acceptance.

3. The share certificate(s) share transfer form(s) and the Form of Acceptance-cum-Acknowledgement should be sent only to the Registrar to the Offer and not to the Manager to the Offer or the Acquirer of CIL.
4. Shareholders having their beneficiary account in CDSLhave to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in the favour of the special depository account with NSDL.
5. Non-Resident shareholders should enclose a copy of the permission received from RBI for the Equity Shares held by them in CIL. If, the shares are held under General Permission of RBI, the non-resident shareholder should furnish a copy of the relevant notification / circular pursuant to which the shares are held and state whether the shares are held on repatriable or non-repatriable basis.
6. NRIs, OCBs and foreign shareholders are required to furnish Bankers Certificates certifying inward remittance of funds for acquisition of shares of CIL.
7. Non-resident shareholders should enclose No Objection Certificate / Exemption Certificate from the Income Tax Authorities under Income Tax Act, 1961, indicating the tax to be deducted, if any, by the Acquirer before remittance of consideration. Otherwise tax will be deducted, at maximum marginal rate as may be applicable to the category and status of the shareholder, on the full consideration payable by the Acquirer.
8. FIIs are requested to enclose the SEBI Registration Letter; OCBs are requested to enclose Form OAC of the current year.

(In case OCBs tender shares a specific RBI approval needs to be obtained)

	Collection Centre	Address of Collection Centres	Contact Person	Phone No.	Fax No.	Mode of Delivery
1.	Mumbai	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg,Bhandup (W), Mumbai -400078	Nilesh Chalke	022-25960320	022-25960329	Hand Delivery & Registered Post
2.	Mumbai	Link Intime India Pvt. Ltd, 203, Davar House, Next to Central Camera, D N Road, Fort Mumbai - 400 001	Vivek Limaye	022-22694127	022-25960329	Hand Delivery
3.	Ahmedabad	Link Intime India Pvt. Ltd, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009	Hitesh Patel	079-2646 5179	079-2646 5179	Hand Delivery
4.	Bangalore	Link Intime India Pvt. Ltd., 543/A, 7TH Main , 3rd Cross, Hanumanthanagar, Bangalore - 560 019	Prashant D. Shedbal	080-26509004	080-26509004	Hand Delivery
5.	Baroda	Link Intime India Pvt. Ltd., First Floor, Jaldhara Complex, Nr. Manisha Society, Old Padara Road, Vadodara -390015	Alpesh Gandhi	0265-2250241 / 3249857	0265-2250246	Hand Delivery
6.	Coimbatore	Link Intime India Pvt. Ltd, Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore 641 028	S. Dhanalakshmi	0422-2314792 / 2315792	0422-2314792	Hand Delivery
7.	Kolkata	Link Intime India Pvt. Ltd, 59C, Chowringhee, Road, 3rd Floor, Kolkata -700020	Debu Ghosh	033-22890539/40	033-22890539/40	Hand Delivery
8.	New Delhi	Link Intime India Pvt. Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi - 110028	Swapan Naskar	011-41410592/93/94	011-41410591	Hand Delivery
9.	Pune	Link Intime India Pvt. Ltd, Block No 202 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001	P. N Albal	020 -26051629 / 0084	020 -26053503	Hand Delivery

Collection timings for all the locations mentioned above will be 10 am to 4pm Monday to Friday (except Public Holidays and on Saturday falling on April 30, 2011 being the Offer closure date).

Applicants who cannot hand deliver their documents, at the Collection Centres, may send their documents only by Registered Post, at their own risk, to the Registrars at **Link Intime India Private Limited**, C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai - 400078, Tel No.+91-22-25960320, Fax No +91-22-25960329, Email :nilesh.chalke@linkintime.co.in, Contact Person: Nilesh Chalke, so as to reach the Registrars on or before the closure of the Offer.

Checklist of Documents to be submitted by the Shareholders
(to be read along with Letter of Offer)

I. Physical Form

- Registered Shareholders Form of Acceptance duly completed and signed
- Original Share Certificate(s)
- Valid Share Transfer Deed(s) duly signed as transferors by all shareholder(s) and duly witnessed.
- Self attested copy of PAN Card of the accountholders

II. Dematerialised Form (including locked-in shares)

- Form of Acceptance duly completed and signed
- Photocopy of the Delivery Instructions or counterfoil of the Delivery Instructions in "Off-Market" mode, duly acknowledged by the DP.
- Photocopy of the Interdepository Delivery Instruction Slip (for beneficiary owners maintaining an account withCDSL)
- Self attested copy of the PAN card of the accountholders
- For locked in shares - Delivery Instruction Slip or Form (as specified by Depository) with signature duly verified by the depository participant

Unregistered Shareholders

- Form of Acceptance duly completed and signed and
- Valid Share Transfer form(s) as received from the market duly stamped and executed in their favour as proposed transferee along with another valid transfer form duly signed as transferor(s) by the said purposed transferee and witnessed.
- Original Share Certificate(s)
- Original broker contract note, if any
- Photocopy of the acknowledgement of lodgement or receipt by the Registrars.

Self attested copy of the PAN card of the proposed transferees

III. Non-Resident Shareholders

- RBI approval
- Bankers Certificate Certifying Inward Remittance
- No objection certificate / Tax exemption certificate from ITO
- For FIIs, SEBI Registration Letter
- For OCBs, Form OAC of the latest year.
- Self attested copy of the PAN card of the accountholders

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ACKNOWLEDGEMENT SLIP

Cairn India Limited - Open Offer

LINK INTIME INDIA PRIVATE LIMITED,
C-13 PANNALAL SILK MILLS COMPOUND, LBS MARG, BHANDUP (WEST), MUMBAI-400078
Contact person: Nilesh Chalke

FOLIO NO. / DPID ____________________ Client ID ____________________ Sr. No. __________

Received from Mr./Ms. ____

Form of Acceptance along with (Please put tick mark in the box, whichever is applicable)

☐ Physical Form: __________ number of Certificate for __________ number of Shares along with Transfer Deed.

☐ Demat Form (including locked-in shares) : Copy of DP Delivery Instruction Slip / Inter-Depository Delivery Instruction Slip / Form for transfer of locked-in shares with signature verified by DP (as applicable) __________ number of Shares

Signature of official and Date of Receipt	Stamp of Collection Centre

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All queries in this regard to be addressed to the Registrar to the Offer at the following address quoting your Reference Folio No. / DPID / Client Id

Link Intime India Private Limited
C-13 Pannalal Silk Mills Compound, LBS Marg,
Bhandup (West), Mumbai - 400078.
Tel No.+91-22-25960320
Fax No +91-22-25960329
Contact Person: Nilesh Chalke

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrars to the Offer at their address given overleaf)

FORM OF WITHDRAWAL

(*To be filled in by the Shareholder)*

From:

Name: ____

Address: ____

____

____

CIL - OPEN OFFER	
Opens On	**Monday, April 11, 2011**
Last Date Of Withdrawal	**Tuesday, April 26, 2011**
Closes On	**Saturday, April 30, 2011**

Tel No: ________________ Fax No.: ____________________ E-mail: ________________________________

THIS FORM SHOULD BE USED BY THE SHAREHOLDERS ONLY FOR EXERCISING THE WITHDRAWAL OPTION AS PROIVDED IN THE LETTER OF OFFER.

To,
Cairn India Limited
C/o Link Intime India Private Limited
C-13 Pannalal Silk Mills Compound
LBS Marg, Bhandup (West), Mumbai - 400078

Dear Sir,

SUB: Cash Open Offer of Rs.355/- (Rupees three hundred and fifty five only) per fully paid equity share to acquire up to 383,985,368 Equity Shares of Rs. 10/- each representing 20.01% of the Emerging Voting Capital of Cairn India Limited ("CIL") ("The Offer") at a price of Rs. 355/- per Share ("Offer Price") in accordance with the above referred Letter of Offer.

Withdrawal of the shares tendered in the Offer

I/We refer to the Letter of Offer dated April 1, 2011, for acquiring the Shares held by me/us in **Cairn India Limited.**

I/We, the undersigned have read the letter of Offer, understood its content and unconditionally accept the terms and conditions and procedure as mentioned therein.

I/We, the undersigned, have read the procedure for withdrawal of equity shares tendered by me/us in the offer as mentioned in the Letter of Offer an unconditionally agree to the terms and conditions mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorise the Acquirer to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirer/Manager to the Offer/ Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centers mentioned in the Letter of Offer or below as per the mode of delivery indicated therein on or before the last date of withdrawal i.e., no later than 1700 hours on April 26, 2011.

I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay/loss in transit of the Shares held in physical form and also for the delay in non-receipt of Shares held in the dematerialised form in the Depository account due to inaccurate/incomplete particulars/instructions.

I/We also note and understand that the Acquirer will return the original share certificate(s), share transfer deed(s) and Shares only on completion of verification of the documents, signatures and beneficiary position as available from the Depository from time to time.

The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Ledger Folio No: ___________ No. of share certificates: ___________ No. of shares: ___________

Sr. No.	Certificate No.	Distinctive No(s)		No. of Equity Shares
		From	To	
	TENDERED			
1				
2				
3				
	WITHDRAWN			
1				
2				
3				

(In case of insufficient space, please use an additional sheet and authenticate the same).

I/We hold the following Shares in dematerialised Form and have tendered the shares in the Offer and had done an off-market transaction for crediting the Shares to the special depository account **"LIIPL-CIL Open Offer Escrow Demat Account"** as per the following particulars:

DP Name: Ventura Securities Limited	**DP ID:** IN303116	**Client ID:** 10597276

Please find enclosed a photocopy of the Depository Delivery Instruction(s) duly acknowledged by the Depository Participant.

I/We hold the following locked-in shares in dematerialised Form and have filled the Depository Delivery Instruction(s) Slip / Form (as specified by depository) duly acknowledged by DP for signature verification for crediting the locked-in Shares to the special depository account "**LIIPL-CIL Open Offer Escrow Demat Account" as per the following particulars:**

DP Name: Ventura Securities Limited	**DP ID:** IN303116	**Client ID:** 10597276

Please find enclosed a photocopy of the Depository Delivery Instruction(s) / Form (as specified by depository) duly acknowledged by DP for signature verification.

The particulars of the account from which my/our Shares have been tendered (including locked-in shares) that I/We wish to withdraw, are as detailed below:

DP Name	**DP ID**	**Client ID**	**No of Shares Tendered**
Name of the Beneficiary		**No of Shares to be withdrawn***	

I/We note that the Shares will be credited back only to that Depository Account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard.

I/We confirm that the particulars given above are true and correct.

In case of dematerialised Shares (including locked-in shares), I/We confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

*In case of dematerialised Shares being locked-in shares, we request you not to initiate corporate action for transfer of shares to Special Depository Account.

Yours faithfully,

Signed and delivered

	FULL NAME(S) OF THE HOLDERS	SIGNATURE(S)	VERIFIED AND ATTESTED BY US. PLEASE AFFIX THE STAMP OF DP (IN CASE OF DEMAT SHARES) / BANK (IN CASE OF PHYSICAL SHARES)
First / Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note: In case of joint holdings, all holders must sign. A Corporation must affix its rubber stamp and necessary Board Resolution should be attached.

Place :

Date :

INSTRUCTIONS

1. Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the Collection Centers mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. no later than 1400 hours on April 26, 2011. Any receipt of Form of Withdrawal post April 26, 2011, would not be accepted / considered for withdrawal from the Offer.
2. Shareholders should enclose the following:-
   i. For Equity Shares held in demat form (including locked-in shares):
      - ❑ Duly signed and completed Form of Withdrawal.
      - ❑ Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
      - ❑ Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.
      - ❑ For locked in shares - Delivery Instruction Slip or Form (as specified by Depository) with signature duly verified by the depository participant

   ii. For Equity Shares held in physical form:
      - ❑ Duly signed and completed Form of Withdrawal.
      - ❑ Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
      - ❑ In case of partial withdrawal, Valid Share Transfer form(s) for the remaining equity shares (i.e. shares not withdrawn) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with **Cairn India Limited** and duly witnessed at the appropriate place.

   iii. Unregistered owners should enclose:
      - ❑ Duly signed and completed Form of Withdrawal.
      - ❑ Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
3. The withdrawal of Shares will be available only for the Share certificates/the Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.
4. The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company/Depository as the case may be.
5. The Form of Withdrawal should be sent only to the Registrar to the Offer.
6. Request for withdrawal from unregistered shareholders can be considered to the extent the shares tendered an received are found to be valid
7. Separate Request for withdrawal should be submitted for each Folio / DP Id Client Id
8. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company. The facility of partial withdrawal is available only to registered shareholders.
9. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
10. The Form of Withdrawal and other related documents should be submitted at any of the Collection Centers of **Link Intime India Private Limited** as stated below.
11. Applicants who cannot hand deliver their documents at the Collection Centers, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at **Link Intime India Private Limited**, C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400078, Tel No.+91-22-25960320, Fax No +91-22-25960329. Email :nilesh.chalke@linkintime.co.in Contact Person: Nilesh Chalke , so as to reach the Registrars on or before the last date of withdrawal i.e. **no later than 1700 hours on April 26, 2011.**

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Cairn India Limited – Open Offer

Link Intime India Private Limited,

C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400078

Contact person: Nilesh Chalke

Acknowledgement Slip

FOLIO NO./DP ID / Client ID Sr. No. ________________

Received from Mr. / Ms. ____

Form of Withdrawal alongwith Acknowledgement / Delivery Instructions / Copy of Form of Acceptance

☐ For Physical Form –

Physical Shares:

No. of Shares tendered __________________ / Withdrawal request for __________________ shares

Fresh Transfer Form for __________________ shares (in case of partial withdrawal)

☐ Demat Form – ____

Demat Shares

No. of Shares tendered___________________ / Withdrawal request for _____________ shares

Signature of official and Date of Receipt	Stamp of Collection Centre

12. **Table featuring details of collection centers is given below**

	Collection Centre	Address of Collection Centre	Contact Person	Phone No.	Fax	Moe of delivery
1	Mumbai	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg,Bhandup (W), Mumbai -400078	Nilesh Chalke	022-25960320	022-25960329	Hand Delivery & Registered Post
2	Mumbai	Link Intime India Pvt. Ltd, 203, Davar House, Next to Central Camera, D N Road, Fort, Mumbai - 400 001	Vivek Limaye	022-22694127	022-25960329	Hand Delivery
3	Ahmedabad	Link Intime India Pvt. Ltd, 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009	Hitesh Patel	079-2646 5179	079-2646 5179	Hand Delivery
4	Bangalore	Link Intime India Pvt. Ltd., 543/A, 7TH Main , 3rd Cross, Hanumanthanagar, Bangalore - 560 019	Prashant D. Shedbal	080-26509004	080-26509004	Hand Delivery
5	Baroda	Link Intime India Pvt. Ltd., First Floor, Jaldhara Complex, Nr. Manisha Society, Old Padara Road, Vadodara -390015	Alpesh Gandhi	0265-2250241 / 3249857	0265-2250246	Hand Delivery
6	Coimbatore	Link Intime India Pvt. Ltd, Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore 641 028	S. Dhanalakshmi	0422-2314792 / 2315792	0422-2314792	Hand Delivery
7	Kolkata	Link Intime India Pvt. Ltd, 59C, Chowringhee,Road,3rd Floor, Kolkata -700020	Debu Ghosh	033-22890539/40	033-22890539/40	Hand Delivery
8	New Delhi	Link Intime India Pvt. Ltd., A-40, 2nd Floor, Naraina Industrial Area, Phase II, Near Batra Banquet, New Delhi – 110028	Swapan Naskar	011-41410592/ 93/94	011-41410591	Hand Delivery
9	Pune	Link Intime India Pvt. Ltd, Block No 202, 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001.	P. N Albal	020 -26051629 / 0084	020 -26053503	Hand Delivery

Collection timings for all the locations mentioned above will be 10 am to 4 pm on Monday to Friday (except Public Holidays and on Saturday falling on April 30, 2011 being the Offer closure date).

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Note: All future correspondence, if any, in connection with this Offer, should be addressed to Registrar to the Offer:

Link Intime India Private Limited,
C-13 Pannalal Silk Mills Compound, LBS Marg,
Bhandup (West), Mumbai - 400078,
Tel No.+91-22-25960320,
Fax No +91-22-25960329.
Contact Person: Nilesh Chalke