Corporate Information

Directors:

Minimax Limited
Prasun Kumar Mukherjee

Administrator and Registered Agent:

Multiconsult Limited
Rogers House
5, President John Kennedy Street
Port Louis
Mauritius

Registered Office:

c/o Multiconsult Limited
Rogers House
5, President John Kennedy Street
Port Louis
Mauritius

Bankers:

Standard Chartered Bank (Mauritius) Limited
Units 6A and 6B
6th Floor, Raffles Tower, Lot 19
Cybercily
Ebene
Mauritius

Auditors:

Deloitte
7th Floor, Raffles Tower
19 Cybercily
Ebene
Mauritius

Commentary of the Directors

The directors present their commentary, together with the audited financial statements of Bloom Fountain Limited (the "Company") for the period from June 23, 2011 (date of incorporation) to March 31, 2012.

PRINCIPAL ACTIVITY

The principal activity of the Company is investment holding and to provide consultancy services.

RESULTS AND DIVIDEND

The Company's loss for the period from June 23, 2011 (date of incorporation) to March 31, 2012 is USD 133,671.

The directors do not recommend the payment of dividend for the period under review.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial period, which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Deloitte, have indicated their willingness to continue in office and will be automatically re-appointed at the Annual Meeting.

Independent Auditor's Report

To the shareholder of Bloom Fountain Limited

This report is made solely to the Company's shareholder, as a body. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to the shareholder in an Auditors' Report and for no other purpose. We do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Bloom Fountain Limited on pages 4 to 17 which comprise the statement of financial position at March 31, 2012 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended and a summary of significant accounting policies and other explanatory information.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 4 to 17 give a true and fair view of the financial position of Bloom Fountain Limited as March 31, 2012 and of its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards.

Bloom Fountain Limited

Balance Sheet

as at March 31, 2012

	Note	2012 USD
ASSETS		
Non - current assets		
Investment in subsidiary	5	91,932,579
Loan receivable	6	25,677,421
		117,610,000
Current assets		
Other receivables		44,081
Cash and cash equivalents		914,143
Total current assets		958,224
Total Assets		118,568,224
EQUITY AND LIABILITIES		
Equity		
Stated capital	7	1,000,001
Loss for the period		(133,671)
Total equity		866,330
Current liabilities		
Share application monies	8	900,000
Optionally convertible redeemable preference shares	9	116,750,000
Other payables	10	51,894
Total liabilities		117,701,894
Total Equity And Liabilities		118,568,224

For and on behalf of the Board of Directors

Place: Port Louis, Mauritius
Date: April 20, 2012

Minimax Limited
Director

Prasun Kumar Mukherjee
Director

Bloom Fountain Limited

Statement of Comprehensive Income

for the period from 23 June 2011 (date of incorporation) to 31 March 2012

	Note	2012 USD
Revenue		44,080
Interest Income	11	**170,049**
Administrative Expenses		**(177,751)**
Finance Cost	12	**(170,049)**
Loss Before Taxation	13	**(133,671)**
Taxation	14	**-**
Loss For The Period		**(133,671)**
Other Comprehensive Income		**-**
Total Comprehensive Loss For The Period		**(133,671)**

For and on behalf of the Board of Directors

Place: Port Louis, Mauritius
Date: April 20, 2012

Minimax Limited
Director

Prasun Kumar Mukherjee
Director

Bloom Fountain Limited

Statement of Cash Flows

for the period from 23 June 2011 (date of incorporation) to 31 March 2012

	Note	2012 USD
Operating activities		
Net cash used in operating activities	15	(125,857)
Investing activities		
Acquisition of a subsidiary		(90,000,000)
Loan to subsidiary		(27,610,000)
Net cash used in investing activities		(117,610,000)
Financing activities		
Proceeds from issue of shares		117,750,000
Share application monies received		900,000
Net cash generated from financing activities		118,650,000
Net increase in cash and cash equivalents		914,143
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period		914,143
Cash and cash equivalents consist of:		
Cash at bank		914,143
		914,143

For and on behalf of the Board of Directors

Place: Port Louis, Mauritius
Date: April 20, 2012

Minimax Limited
Director

Prasun Kumar Mukherjee
Director

Statement of Changes in Equity

for the period from 23 June 2011 (date of incorporation) to 31 March 2012

	Note	Stated capital USD	Loss for the period USD	Total USD
Issue of shares	7	1,000,001	-	1,000,001
Total comprehensive loss for the period		-	(133,671)	(133,671)
At March 31, 2012		**1,000,001**	**(133,671)**	**866,330**

For and on behalf of the Board of Directors

Place: Port Louis, Mauritius
Date: April 20, 2012

Minimax Limited
Director

Prasun Kumar Mukherjee
Director

Notes to the financial statements

for the period from 23 June 2011 (date of incorporation) to 31 March 2012

1. REPORTING ENTITY AND BUSINESS ACTIVITY

The Company was incorporated in Mauritius as a private company under the Mauritius Companies Act 2001 on June 23, 2011 and was licenced as a Category 2 Global Business Company on June 24, 2011. The Company's registered office address is c/o Multiconsult Limited, Rogers House, 5, President John Kennedy Street, Port Louis, Mauritius. The Company's principal activity is investment holding and to provide consultancy services.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

At the date of authorisation of these financial statements, the following relevant standards were in issue but effective on annual periods beginning on or after the respective dates as indicated:

IAS 1 Presentation of Financial Statements - Amendments to revise the way other comprehensive income is presented (effective July 1, 2012)

IAS 12 ncome Taxes – Limited scope amendment (recovery of underlying assets) (effective January 1, 2012)

IFRS 7 Financial Instruments - Disclosures - Amendments enhancing disclosures about transfers of financial assets (effective July 1, 2011)

IFRS 7 Financial Instruments: Disclosures - Amendments enhancing disclosures about offsetting of financial assets and financial liabilities (effective January 1, 2013)

IFRS 7 Financial Instruments: Disclosures - Amendments requiring disclosures about the initial application of IFRS 9 (effective January 1, 2015)

IFRS 9 Financial Instruments - Classification and Measurement of financial assets (effective January 1, 2015)

IFRS 9 Financial Instruments – Accounting for financial liabilities and derecognition (effective January 1, 2013)

IFRS 10 Consolidated Financial Statements (effective January 1, 2013)

IFRS 12 Disclosures of Interests in other entities (effective January 1, 2013)

IFRS 13 Fair Value Measurement (effective January 1, 2013)

The directors anticipate that these amendments will be applied in the financial statements for the annual periods beginning on the respective dates as indicated above. The directors have not yet had an opportunity to consider the potential impact of the application of these amendments.

3. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements are prepared in accordance with and comply with the International Financial Reporting Standards ("IFRSs").

(b) Basis of preparation

These separate financial statements have been prepared under the historical cost convention.

(c) Functional and presentation currency

The financial statements of the Company are expressed in the United States Dollars ("US$"). The Company's business or other activities is carried out in a currency other than the Mauritian Rupee. The Company's functional currency is US$, the currency of the primary economic environment in which the Company operates.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Notes to the financial statements

for the period from 23 June 2011 (date of incorporation) to 31 March 2012

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future period affected.

Determination of functional currency

The determination of functional currency of the Company is critical since recording of transactions and exchange differences arising are dependent on the functional currency selected. The directors have determined that the functional currency of the Company is the United States Dollars (US$) as the transactions are in US$.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance and comply with International Financial Reporting Standards. A summary of the most important accounting policies, which have been applied consistently, is set out below.

(a) Foreign currency transaction

Transactions in foreign currencies are translated to the respective functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(b) Revenue recognition

Revenues earned by the Company are recognised on the following basis:-

- Interest income - as it accrues, unless collectibility is in doubt using an effective interest rate; and

- Dividend income - when the shareholder's right to receive payment is established.

(c) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

(d) Financial instruments

(i) Loan and receivables

Loan and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loan and receivables are measured at amortised cost using the effective interest method, less any impairment.

Fixed term interest free loan made to the subsidiary is recognised initially at fair value, estimated by discounting the future loan repayment using a rate based on the rate the borrower would pay to an unrelated lender for a loan with similar condition. The loan is reduced by the total discount at initial recognition and is subsequently measured at amortised cost using the effective interest method.

(ii) Financial liabilities and equity instruments issued by the Company.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Notes to the financial statements

for the period from 23 June 2011 (date of incorporation) to 31 March 2012

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as 'other financial liabilities'.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amount received, net of transaction costs.

Investment in subsidiary

Investments in subsidiary is stated at cost. Any impairment in the value of the investment is recognised by reducing the carrying amount of the investment to its recoverable amount and charging the difference to the statement of comprehensive income.

On disposal of an investment the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

The total discount or premium on fixed term interest free loan is treated as capital contribution and is included in the carrying amont of investment in the subsidiary. The capital contribution is unwounded over the period of the loan and is included in profit or loss as interest income or expense.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

(e) Cash and cash equivalents

Cash comprises cash at bank and term deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(f) Related parties

Related parties are individuals and companies where the individual or Company has the ability directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions, or vice versa.

(g) Consolidated financial statements

The Company has taken advantage of paragraph 10 of International Accounting Standard "IAS 27 – Consolidated and Separate Financial Statements", which dispenses it from the need to present consolidated financial statements. The Company is a wholly owned subsidiary of Sesa Goa Limited, which is itself a wholly owned subsidiary of Vedanta Resources Plc. The registered office of Vedanta Resources Plc which prepares consolidated financial statements, available for public use and comply with International Financial Reporting Standards is Hill House, 1 Little New Street, London EC4A 3TR.

Notes to the financial statements

for the period from 23 June 2011 (date of incorporation) to 31 March 2012

5. INVESTMENT IN SUBSIDIARY

	2012 USD
Addition during the period	**90,000,000**
Capital contribution	**2,102,628**
Amount unwounded during the period	**(170,049)**
At year end	**91,932,579**

Details of the investment held during the period is provided below:

Company	Country of Incorporation	Type of Shares	No of Shares Held	% Holding 2012	Value of Investment at cost 2012 USD
Western Cluster Limited	Liberia	Ordinary shares	51	51%	90,000,000

During the period ended March 31, 2012, the Company acquired a controlling stake of 51% in Western Cluster Limited. The Company has adopted the policy of measuring its investment at cost. The directors are of the opinion that the investment is fairly stated at cost and have not suffered any impairment in value. The Investment comprises of cash investment of US$ 90,000,000 and disounting amount of US$ 1,932,579.

The capital contribution relates to the total discount on the fixed term interest free loan of US$ 27,610,000 made to the subsidiary. The discount has been arrived at using a discount factor of 2% over a five year period.

Pursuant to a board meeting of February 24, 2012, the Company proposed to acquire 100% of the share capital of TWIN STAR ENERGY HOLDINGS LTD., a group company, consisting of 60,010 ordinary shares of US$ 100. The transaction is expected to take effect by September 30, 2012.

6. LOAN RECEIVABLE

	2012 USD
Loan advanced to subsidiary	**27,610,000**
Notional interest expense	**(2,102,628)**
Amount unwounded during the period	**170,049**
	25,677,421

During the period ended March 31, 2012, the Company granted a loan of US$ 27,610,000 to Western Cluster Limited. The loan is interest free, unsecured and repayable after a period of 5 years, which may be reviewed by the Company. The interest free loan has been discounted using an approximate interest rate of 2%.

7. STATED CAPITAL

	2012 USD
Issued and Fully Paid	
1,000,001 Ordinary shares of USD 1	**1,000,001**

The stated capital of the Company comprise of 1,000,001 ordinary shares of par value US$ 1 held by Sesa Goa Limited. The ordinary shares carry voting rights and a right to dividend.

8. SHARE APPLICATION MONIES

	2012 USD
Share application monies	**900,000**

Share application monies represent advance payments from shareholder to subscribe for optionally convertible redeemable preference shares ("OCRPS").

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

9. OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES ("OCRPS")

The Company has issued 1,167,500, 0.25% Optionally Convertible Redeemable Preference Shares (OCRPS) of US$ 1 each with a premium of US$ 99 each to Sesa Goa Limited. Each OCRPS can be converted at the option of the investor into a variable number of equity shares and can be redeemed at the option of the Company at any time.

In accordance with paragraph 16 of IAS 32 Financial Instruments: Presentation, the Optionally Convertible Redeemable Preference Shares (OCRPS) have been classified as a liability.

10. OTHER PAYABLES

	2012 USD
Professional fees	4,800
Audit fees	3,450
Management consultancy	43,644

11. INTEREST INCOME

	2012 USD
Notional interest income	**170,049**

This relates to the notional interest income on the interest free loan made to the subsidiary, unwounded during the period.

12. FINANCE COSTS

	2012 USD
Notional interest expense	**170,049**

The notional interest expense relates to the unwinding during the period of the initial capital contribution of US$ 2,102,628 included in the carrying amount of investment in the subsidiary.

13. LOSS BEFORE TAXATION

	2012 USD
This item is arrived at after charging:	
- Setting up fee	**1,000**
- Licence fee	**300**
- Audit fees	**10,350**

14. TAXATION

The Company is a "Category 2 Global Business Licence Company" and is not tax resident in Mauritius.

15. NET CASH USED IN OPERATING ACTIVITIES

	2012 USD
Loss before taxation	**(133,671)**
Interest expense	**170,049**
Interest Income	**(170,049)**
Changes in working capital:	
Other receivables	**(44,080)**
Other payables	**51,894**
Cash used in operations	**(125,857)**

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

16. HOLDING, INTERMEDIATE AND ULTIMATE HOLDING COMPANY

The Company's immediate holding company is Sesa Goa Limited, a company established in India. The intermediate holding company is Vedanta Resources Holdings Ltd, a company established in the United Kingdom and listed on the London Stock Exchange. The ultimate holding company is Volcan Investments Limited, a company established in the Bahamas.

17. FINANCIAL INSTRUMENTS

Fair values

The carrying amounts of cash and cash equivalents and other payables approximate their fair values.0

	2012 USD
Financial assets	
Other receivables	44,081
Cash and cash equivalents	914,143
	958,224
Financial liabilities	
Other payables	51,894
Share application monies	900,000
Optionally convertible redeemable preference shares	116,750,000
	117,701,894

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial assets 2012 USD	Financial liabilities 2012 USD
United States Dollars	958,224	117,701,894

18. FINANCIAL RISK MANAGEMENT

Strategy in using financial instruments

The Company's activities expose it to a variety of financial risks: Market risk (including currency risk and interest rate risk) and liquidity risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(a) Market Risk

Market risk is the risk that changes in market prices, foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Bloom Fountain Limited

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

(b) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any excess cash and cash equivalents of the Company are invested in short-term time deposits and liquid funds.

The following table details the Company's exposure to interest rate risks. The total interest sensitivity gap represents the net notional amounts of all interest sensitive financial instruments.

31 March 2012

	Up to 1 year USD	Non Interest bearing USD
Assets		
Other receivables	44,081	-
Cash and cash equivalents	914,143	-
	958,224	-
Liabilities		
Other payables	-	51,894
Share application monies	-	900,000
Optionally convertible redeemable preference shares	-	116,750,000
Total liabilities	-	117,701,894
Total interest sensitivity gap	958,224	

The Company is not exposed to significant interest rate risk since borrowings are fixed-interest bearing. Hence, no interest rate sensitivity analysis has been presented in the financial statements.

c) Credit risk

The company is exposed to credit risk in relation to the unsecured, interest free loan advanced to the subsidiary

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The table below illustrates the aged analysis of the Company's financial liabilities.

31 March 2012

		3 months to 1 year USD	More than 1 year USD	Total USD
Liabilities Other payables	-		-	117,701,894

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

(e) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company consists of stated capital and accumulated loss.

(f) Significant accounting policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets, financial liabilities and equity instrument are disclosed in note 4 to the financial statements.

19. RELATED PARTY TRANSACTIONS

During the period from June 23, 2011 (Date of incorporation) to March 31, 2012, the Company traded with related parties. The nature and volume of transactions with the entities are as follows:

- Consultancy services provided to Western Cluster Limited, a subsidiary company, the transaction value was USD 44,080.
- The Company has given unsecured loan to Western Cluster Limited, a subsidiary company, of US$ 27,610,000. The loan is repayable after 5 years and the interest rate is Nil.
- Loan receivable from Western Cluster Limited, a subsidiary company, of USD 27,610,000.
- Sundry debtors include amount receivable from Western Cluster Limited, a subsidiary company, of US$ 44,080. The amount due is interest free, unsecured and repayable within 7 days of receipt of invoice by the company.

Compensation to key management personnel

No compensation to key management personnel was paid during the period.

20. EVENTS AFTER THE REPORTING PERIOD

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the period ended March 31, 2012.

21. COMPARATIVES

The financial statements of the Company covers the period from June 23, 2011 (date of incorporation) to March 31, 2012. Therefore, there are no comparatives.

22. GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existance for the forseeable future. The validity of this assumption depends on the continued support of the immediate holding company, Sesa Goa Limited, which has confirmed providing such support in a letter dated April 4, 2012. The directors are of the opinion that this support will be forthcoming over the next twelve months. They therefore believe that this it is appropriate for the financial statements to be prepared on a going concern basis.