Corporate Information

Directors

Minimax Limited

Date of appointment: June 23, 2011

Prasun Kumar Mukherjee

Date of appointment: August 10, 2011

Administrator And Registered Agent

Multiconsult Limited
Les Cascades Building
Edith Cavell Street
Port Louis
Mauritius

Registered Office

c/o Multiconsult Limited
Les Cascades Building
Edith Cavell Street
Port Louis
Mauritius

Bankers

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

Auditor

Deloitte
7th Floor, Raffles Tower
19 Cybercity
Ebène
Mauritius

Commentary of the Directors

The Directors present their commentary, together with the audited financial statements of Bloom Fountain Limited (the "Company") for the year ended March 31, 2013.

Principal Activity

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

Results and Dividend

The Company's profit for the year ended March 31, 2013 is US$ 1,143,443 (2012: loss of US$ 133,671).

The Directors do not recommend the payment of dividend for the year 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.

Auditor

The auditor, Deloitte, has indicated its willingness to continue in office and will be automatically re-appointed at the Annual Meeting.

Independent Auditors' 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 auditor's report and for no other purpose. We do not accept or assume responsibility to anyone other than the company and the company's shareholder 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 18 which comprise the statement of financial

position at March 31, 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year 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. 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 18 give a true and fair view of the financial position of Bloom Fountain Limited as at March 31, 2013 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte
Chartered Accountants

Date: April 24, 2013

Pradeep Malik
FCA
Licensed by FRC

SECTION 04

Statement of Financial Position as at March 31, 2013

USD

	Notes	2013	2012
ASSETS			
Non - Current Assets			
Investment in subsidiary	5	127,793,683	91,932,579
Loan receivable	6	59,962,043	25,677,421
		187,755,726	117,610,000
Current Assets			
Other receivables	7	227,811	44,081
Cash and cash equivalents		40,643	914,143
Total current assets		268,454	958,224
Total Assets		188,024,180	118,568,224
EQUITY AND LIABILITIES			
Equity			
Stated capital	8	1,000,001	1,000,001
Retained Earnings / Accumulated losses		1,009,772	(133,671)
Total Equity		2,009,773	866,330
Current Liabilities			
Share application monies	9	-	900,000
Optionally convertible redeemable preference shares	10	185,990,000	116,750,000
Other payables	11	24,407	51,894
Total Liabilities		186,014,407	117,701,894
Total Equity and Liabilities		188,024,180	118,568,224

For and on behalf of the Board of Directors

Place: Port Louis, Mauritius
Date: April 24, 2013

Minimax Limited
Director

Prasun Kumar Mukherjee
Director

The notes on pages 8 to 18 form an integral part of these financial statements Auditors' Report on page 3

SECTION 04

Statement of Comprehensive Income for the year ended March 31, 2013

USD

	Notes	**Year ended March 31, 2013**	Period from June 23, 2011 (Date of Incorporation) to Year ended March 31, 2012
Revenue		146,369	44,080
Interest Income	12	1,175,726	-
Administrative Expenses		(171,083)	(177,751)
Finance Cost	13	(7,569)	-
Profit / (Loss) For The Year / Period	14	1,143,443	(133,671)
Other Comprehensive Income		-	-
Total Comprehensive Income / (Loss) For The Year / Period		1,143,443	(133,671)

For and on behalf of the Board of Directors

Place: Port Louis, Mauritius
Date: April 24, 2013

Minimax Limited
Director

Prasun Kumar Mukherjee
Director

The notes on pages 8 to 18 form an integral part of these financial statements Auditors' Report on page 3

Statement of Cash Flow for the year ended March 31, 2013

₹ in crore

Particulars	Notes	Year ended March 31, 2013	Period from June 23, 2011 (Date of Incorporation) to Year ended March 31, 2012
Operating activities			
Net cash used in operating activities	16	(243,500)	(125,857)
Investing activities			
Acquisition of a subsidiary		(33,500,000)	(90,000,000)
Loan to subsidiary		(35,470,000)	(27,610,000)
Net cash used in investing activities		(68,970,000)	(117,610,000)
Financing activities			
Proceeds from issue of shares		68,340,000	117,750,000
Share application monies received		-	900,000
Net cash generated from financing activities		68,340,000	118,650,000
Net (decrease)/increase in cash and cash equivalents		(873,500)	914,143
Cash and cash equivalents at beginning of year/period		914,143	-
Cash and cash equivalents at end of year/period		40,643	914,143
Cash and cash equivalents consist of:			
Cash at bank		**40,643**	**914,143**
		40,643	914,143

For and on behalf of the Board of Directors

Place: Port Louis, Mauritius
Date: April 24, 2013

Minimax Limited
Director

Prasun Kumar Mukherjee
Director

The notes on pages 8 to 18 form an integral part of these financial statements Auditors' Report on page 3

SECTION 04

Statement of Changes in Equity for the year ended March 31, 2013

USD

	Notes	Stated capital	**Accumulated losses / Retained earnings**	Total
Issue of shares	8	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
Total Comprehensive Income For The Year		-	1,143,443	1,143,443
At March 31, 2013		**1,000,001**	**1,009,772**	**2,009,773**

For and on behalf of the Board of Directors

Place: Port Louis, Mauritius
Date: April 24, 2013

Minimax Limited
Director

Prasun Kumar Mukherjee
Director

The notes on pages 8 to 18 form an integral part of these financial statements Auditors' Report on page 3

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 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, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius. The Company's principal activity is investment holding and to provide consultancy services.

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

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on April 1, 2012.

2.1 Revised Standards applied with no material effect on the financial statements

The following relevant revised Standards have been applied in these financial statements. Their application has not had any significant impact on the amounts reported for current and prior periods but may affect the accounting for future transactions or arrangements.

IAS 12	Income Taxes - Limited scope amendment (recovery of underlying assets)
IFRS 7	Financial Instruments: Disclosures - Amendments enhancing disclosures about transfers of financial assets

2.2 New and revised Standards in issue but not yet effective

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 1	Presentation of Financial Statements - Amendments resulting from Annual Improvements 2009-2011 Cycle (Comparative Information) (effective January 1, 2013)
IAS 27	Consolidated and Separate Financial Statements - Reissued as IAS 27 Separate Financial Statements (as amended in 2011) (effective January 1, 2013)
IAS 27	Consolidated and Separate Financial Statements – Amendments for investment entities (effective January 1, 2014)
IAS 32	Financial Instruments: Presentation - Amendments to application guidance on the offsetting of financial assets and financial liabilities (effective January 1, 2014)
IAS 32	Financial Instruments: Presentation - Amendments resulting from Annual Improvements 2009-2011 Cycle (tax effect of equity distributions (effective January 1, 2013)
IFRS 7	Financial Instruments: Disclosures - Amendments related to the offsetting of assets and liabilities (effective January 1, 2013)
IFRS 7	Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective January 1, 2015)
IFRS 9	Financial Instruments - Classification and measurement of financial assets (effective January 1, 2013)
IFRS 9	Financial Instruments - Reissue classification and measurement of financial liabilities and derecognition requirements (effective January 1, 2013)
IFRS 9	Financial Instruments: Disclosures – Deferral of mandatory effective date of IFRS 9 and amendments to transition disclosures (effective January 1, 2015)
IFRS 10	Consolidated Financial Statements - Original issue (effective January 1, 2013)
IFRS 10	Consolidated Financial Statements - Amendments to transitional guidance (effective January 1, 2013)
IFRS 10	Consolidated Financial Statements - Amendments for investment entities (effective January 1, 2014)
IFRS 12	Disclosures of Interests in Other Entities - Original issue (effective January 1, 2013)
IFRS 12	Disclosures of Interests in Other Entities - Amendments to transitional guidance (effective January 1, 2013)
IFRS 12	Disclosures of Interests in Other Entities - Amendments for investment entities (effective January 1, 2014)
IFRS 13	Fair Value Measurement (effective January 1, 2013

The Directors anticipate that these IFRSs will be applied on their effective dates in future periods 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.

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 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 ("USD"). The Company's business or other activities is carried out in a currency other than the Mauritian Rupee. The Company's functional currency is USD, 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.

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 (USD) as the transactions are in USD.

NOTE 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

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Consultancy fees

Consultancy fees are recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

(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

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating

Notes forming part of the financial statements as at and for the year ended March 31, 2013

interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Loan and receivables

Loan and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loan 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.

Impairment of financial assets

The Company's financial assets are assessed for indicators of impairment at the end of each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Derecognition of financial assets (cont'd)

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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.

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.

Compound instruments

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for

Notes forming part of the financial statements as at and for the year ended March 31, 2013

similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to stated capital. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the compound instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

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 amortised costs using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial.

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 unwound 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. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

e) Impairment

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(f) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(g) 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.

(h) Related parties

Related parties are individuals and companies where the individual or company has the ability directly or indirectly, to

Notes forming part of the financial statements as at and for the year ended March 31, 2013

control the other party or exercise significant influence over the other party in making operating and financial decisions, or vice versa.

(i) **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.

NOTE 5 INVESTMENT IN SUBSIDIARY

USD

Particulars	**2013**	2012
Balance at beginning of year/period	91,932,579	-
Addition during the year/period	33,500,000	90,000,000
Capital contribution	2,191,055	2,102,628
Notional capital contribution / Impairment of notional investment	170,049	(170,049)
Balance at end of year/period	127,793,683	91,932,579

USD

Company	Country of Incorporation	Type of Shares	No of Shares Held		% Holding		Value of Investment at cost	
			2013	2012	**2013**	2012	**2013**	2012
Western Cluster Limited	Liberia	Ordinary shares	100	51	100%	51%	123,500,000	90,000,000

During the year ended March 31, 2013, the Company acquired the remaining stake of 49% 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 USD 123,500,000 and capital contribution of USD 4,293,683.

The capital contribution relates to the total discount on the fixed term interest free loan of USD 63,080,000 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 USD 100 each. The transaction is expected to take effect by July 31, 2013.

NOTE 6 LOAN RECEIVABLE

USD

Particulars	**2013**	2012
Balance at beginning of year/period	25,677,421	-
Loan advanced to subsidiary	35,470,000	27,610,000
Notional interest expense	(2,191,055)	(2,102,628)
Amount unwound during the year/period	1,005,677	170,049
Balance at end of year/period	59,962,043	25,677,421

During the year ended March 31, 2013, the Company granted additional loan of USD 35,470,000 to Western Cluster Limited, such that the total amount of the loan at March 31, 2013 was USD 63,080,000. 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%.

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 7 OTHER RECEIVABLES

USD

Particulars	2013	2012
Amount due from subsidiary	190,450	44,080
Advance	34,861	-
Prepayments	2,500	-
Share capital receivable	-	1
	227,811	**44,081**

The amount due from subsidiary, Western Cluster Limited, is interest free, unsecured and repayable within 90 days of receipt of invoice by the company.

The advance of USD 34,861 to Mr. Atul Mittal (Company Secretary of Western Cluster Limited), in respect of services related to the Project Development Agreement (PDA), is interest free, unsecured and repayable on demand.

NOTE 8 STATED CAPITAL

USD

Particulars	2013	2012
Issued and Fully Paid		
1,000,001 Ordinary shares of USD 1	1,000,001	1,000,001

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

NOTE 9 SHARE APPLICATION MONIES

USD

Particulars	2013	2012
Share application monies	-	900,000

Share application monies represent advance payments from shareholder to subscribe for optionally convertible redeemable preference shares ("OCRPS"). During the year, the application monies have been used to subscribe to optionally convertible redeemable preference shares.

NOTE 10 OPTIONALLY CONVERTIBLE REDEEMABLE PREFERENCE SHARES ("OCRPS")

The Company has issued 1,859,900 (2011: 1,167,500), 0.25% Optionally Convertible Redeemable Preference Shares (OCRPS) of USD 1 each with a premium of USD 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.

NOTE 11 OTHER PAYABLES

USD

Particulars	2013	2012
Professional fees	-	4,800
Audit fees	3,450	3,450
Management consultancy	13,388	43,644
Accrued interest on optionally convertible redeemable preference shares	7,569	-
	24,407	**51,894**

NOTE 12 INTEREST INCOME

USD

Particulars	2013	2012
Notional interest income	1,175,726	170,049
Reversal of notional interest income	-	(170,049)
	1,175,726	**-**

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

Notes forming part of the financial statements as at and for the year ended March 31, 2013

NOTE 13 FINANCE COST

USD

Particulars	2013	2012
Accrued interest on optionally convertible redeemable preference shares	7,569	-
	7,569	-

NOTE 14 LOSS FOR THE YEAR/PERIOD

USD

Particulars	2013	2012
This item is arrived at after charging:		
- Setting up fee	-	1,000
- Licence fee	300	300
- Audit fees	14,375	10,350

NOTE 15 The Company is a "Category 2 Global Business Licence Company" and is not tax resident in Mauritius.

NOTE 16 NET CASH USED IN OPERATING ACTIVITIES

USD

Particulars	2013	2012
Profit/(loss) for the year/period	1,143,443	(133,671)
Reversal of notional interest income	-	170,049
Interest income	(1,175,726)	(170,049)
Changes in working capital		
Other receivables	(183,730)	(44,080)
Other payables	(27,487)	51,894
Cash used in operations	(243,500)	(125,857)

NOTE 17 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.

NOTE 18 FINANCIAL INSTRUMENTS

Fair values

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

USD

Particulars	2013	2012
Financial assets		
Other receivables	225,311	44,081
Cash and cash equivalents	40,643	914,143
Financial liabilities	265,954	958,224
Other payables	24,407	51,894
Share application monies	-	900,000
Optionally convertible redeemable preference shares	185,990,000	116,750,000
	186,014,407	**117,701,894**

Notes forming part of the financial statements as at and for the year ended March 31, 2013

Currency profile

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

USD

Company	Financial assets 2013	Financial liabilities 2013	Financial assets 2012	Financial liabilities 2012
United States Dollars	265,954	186,014,407	958,224	117,701,894

NOTE 19 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.

(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 Company is not exposed to significant interest rate risk, 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.

USD

	3 months to 1 year	More than 1 year	Total
March 31, 2013			
Liabilities			
Optionally convertible redeemable preference shares	185,990,000	-	185,990,000
Other payables	24,407	-	24,407
	186,014,407	**-**	**186,014,407**
March 31, 2012			
Liabilities	900,000	-	900,000
Share application monies	116,750,000	-	116,750,000
Optionally convertible redeemable preference shares	51,894	-	51,894
Other payables	117,701,894	-	117,701,894

SECTION 04

Notes forming part of the financial statements as at and for the year ended March 31, 2013

(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.

NOTE 20 RELATED PARTY TRANSACTIONS

During the period from April 1, 2012 to March 31, 2013, the Company traded with certain 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 146,369.
- Professional services received from Sesa Goa Limited, holding company, the transaction value was USD 1,814.
- The Company has given additional loan to Western Cluster Limited, a subsidiary company, of USD 35,470,000. The loan is unsecured, repayable after 5 years and interest free.
- Loan receivable from Western Cluster Limited, a subsidiary company, of USD 63,080,000.
- Sundry creditors include amount payable to Sesa Goa Limited, holding company, of USD 1,814. The amount due is interest free, unsecured and repayable within 7 days of receipt of invoice by the company.
- Sundry debtors include amount receivable from Western Cluster Limited, a subsidiary company, of USD 190,450. The amount due is interest free, unsecured and repayable within 90 days of receipt of invoice by the company.

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

NOTE 21 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, 2013.

NOTE 22 COMPARATIVES

The financial statements of the Company covers the period from April 1, 2012 to March 31, 2013 and comparatives for the period from June 23, 2011 to March 31, 2012.

NOTE 23 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, 2013. 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.

NOTE 23 CAPITAL COMMITMENT

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. The transaction is expected to take effect by July 31, 2013.

Appendix I for the year ended March 31, 2013

USD

	March 31, 2013	Period from June 23, 2011 (Date of Incorporation) to March 31, 2012
Revenue		
Consultancy Fees	146,369	44,080
Interest Income	1,175,726	-
Administrative Expenses		
Setting Up Fee	-	1,000
Licence Fee	300	300
Registered Agent And Registered Office Fee	3,250	500
Professional Fee	149,169	71,969
Bank Guarantee Commission	-	90,394
Accounting Fee	600	1,800
Audit Fee	14,375	10,350
Bank Charges	3,389	1,438
	(171,083)	(177,751)
Finance Cost	(7,569)	-
Profit/(Loss) for the Year/Period	**1,143,443**	**(133,671)**