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If you have sold or otherwise transferred all your Shares in Vedanta Resources plc, please send this document, together with the accompanying Form of Proxy, as soon as possible, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee, except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations. If you have sold or otherwise transferred only part of your holding, you should retain these documents.

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VEDANTA RESOURCES PLC

(Incorporated and registered in England and Wales No. 04740415)

Proposed all share merger of Vedanta Limited and Cairn India Limited
and
Notice of General Meeting

Your attention is drawn to the letter from the Chairman which is set out on pages 2 to 6 of this document and recommends you to vote in favour of the resolution to be proposed at the General Meeting referred to below. You should read the whole of this document and in particular the risk factors set out on pages 7 to 10 of this document when considering what action you should take in connection with the General Meeting.

Notice of a General Meeting of the Company, to be held at 10.00 a.m. on 6 September 2016 at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2HA, is set out at the end of this document. The Form of Proxy for use at the meeting accompanies this document and, to be valid, should be completed and returned to the Company's registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, so as to arrive by no later than 10.00 a.m. on 4 September 2016. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting, should they so wish. Voting directions and proxy appointments may be completed electronically and details are given in the Notice of General Meeting set out at the end of this document.

J.P. Morgan Limited (which conducts its UK investment banking business as J.P. Morgan Cazenove), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company as sponsor, financial adviser and broker in connection with the Cairn India Merger and is acting for no one else in connection with the Cairn India Merger and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for giving advice in connection with the Cairn India Merger or any matters or arrangements referred to or contained in this document.

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Apart from the responsibilities and liabilities, if any, which may be imposed on J.P. Morgan Limited (which conducts its UK investment banking business as J.P. Morgan Cazenove) and Morgan Stanley & Co. International plc by FSMA or the regulatory regime established thereunder, each of J.P. Morgan Limited and Morgan Stanley & Co. International plc accepts no responsibility or liability whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made in connection with the Company or the Cairn India Merger, and nothing in this document is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. Each of J.P. Morgan Limited and Morgan Stanley & Co. International plc accordingly disclaims all and any responsibility or liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<u>Event</u>	<u>Expected time/date 2016</u>
Vedanta	
Latest time for receipt of Forms of Proxy or CREST proxy instructions for the General Meeting	10.00 a.m. on 4 September 2016
General Meeting to approve the Cairn India Merger	10.00 a.m. on 6 September 2016
Vedanta Limited/Cairn India¹	
Posting of documents to shareholders of Vedanta Limited and Cairn India	Q3 2016
Shareholder meetings required to approve the Scheme of Arrangement	8 September 2016 (Vedanta Limited) and 12 September 2016 (Cairn India)
Sanction of the Scheme of Arrangement	Q1 2017
Cairn India Merger becomes effective	Q1 2017

1. The dates included in this timetable are indicative only and may be subject to change

PART I - LETTER FROM THE CHAIRMAN OF VEDANTA RESOURCES PLC



(Incorporated and registered in England and Wales Registration No. 04740415)

Directors:

Anil Agarwal: Executive Chairman
Navin Agarwal: Deputy Executive Chairman
Tom Albanese: Chief Executive Officer
Geoffrey Green: Non-Executive Director
Aman Mehta: Non-Executive Director and Senior Independent Director
Deepak Parekh: Non-Executive Director
Ravi Rajagopal: Non-Executive Director
Katya Zotova: Non-Executive Director

Registered Office:
5th Floor
6 St. Andrew Street
London
EC4A 3AE

19 August 2016

To Shareholders and, for information only, to holders of options under the Vedanta share option schemes

Dear Shareholder,

Proposed all share merger of Vedanta Limited and Cairn India Limited and Notice of General Meeting

Introduction

As set out in more detail in this document, the Group is proposing to undertake an all share merger of Vedanta Limited and Cairn India Limited.

The purpose of this document is to: (i) explain the background to and reasons for the Cairn India Merger; (ii) explain why the Board considers the Cairn India Merger to be in the best interests of Shareholders as a whole; and (iii) convene the General Meeting to obtain Shareholder approval for the Cairn India Merger.

On 14 June 2015, Vedanta announced an all-share merger of Vedanta Limited and Cairn India to be implemented by way of a scheme of arrangement under Indian law.

Pursuant to the terms of the Scheme of Arrangement, which were revised on 22 July 2016, Cairn India will be merged into and with Vedanta Limited and, upon the Scheme of Arrangement becoming effective, for each equity share of face value INR 10 per share held, minority shareholders of Cairn India will receive:

- (a) one fully paid up equity share of Vedanta Limited, with a face value of INR 1; and
- (b) four fully paid up 7.5 per cent. non-cumulative redeemable preference shares of Vedanta Limited, with a face value of INR 10.

The terms of the 7.5 per cent. non-cumulative redeemable preference shares of Vedanta Limited are summarised in Section A of Part VI (*Description of the Cairn India Merger*) of this document.

No shares will be issued (or any form of consideration paid) to Vedanta Limited or any of its subsidiaries for their shareholding in Cairn India.

Based on the closing price of the shares in Vedanta Limited on the last business day prior to the announcement of the revised terms of the Cairn India Merger on 22 July 2016, the value of the total consideration for the Cairn India Merger is approximately INR 14,825 crores (US\$2,206 million).¹

The Group currently has equity interests in Cairn India of approximately 59.9 per cent. and the Company currently has indirect economic interests in Cairn India of approximately 37.6 per cent. Following the implementation of the Cairn India Merger:

- (a) the Company's ownership in Vedanta Limited is expected to decrease to approximately 50.1 per cent. from its current approximately 62.9 per cent. shareholding; and
- (b) the Company's indirect economic interest in Cairn India is expected to increase to approximately 50.1 per cent. from its current approximately 37.6 per cent. interest.

The Cairn India Merger constitutes, for the purposes of the Listing Rules, a significant transaction by the Company and is of such a size as to require Shareholder approval under the Listing Rules. The Cairn India Merger is therefore subject to and conditional upon Shareholder approval and the General Meeting, to be held on 6 September 2016, has been convened for the purpose of obtaining such approval.

Circulars in relation to the Cairn India Merger have been posted to the shareholders of Vedanta Limited and Cairn India. Meetings of shareholders of Vedanta Limited and Cairn India required to approve the Scheme of Arrangement are scheduled to take place on 8 September 2016 and 12 September 2016, respectively, and court sanction of the Scheme of Arrangement and completion of the Cairn India Merger is expected to occur in the first financial quarter of 2017.

Background to and reasons for the Cairn India Merger

The Cairn India Merger will result in further consolidation and simplification of the Group structure in line with the Group's stated strategy and the alignment of interests between Cairn India and Vedanta Limited shareholders. The Directors believe that this will result in a more efficient capital structure, providing increased financial flexibility to improve capital allocation to the highest return projects and support long term sustainable dividends. Following the implementation of the Cairn India Merger, Vedanta Limited is expected to have a stronger balance sheet and enhanced credit profile, allowing for the overall cost of capital within the Group to be reduced.

The Group currently has an equity interest in Cairn India of approximately 59.9 per cent., with the remainder of the equity interests in Cairn India being held by institutional and public shareholders. The Company currently has an indirect economic interest in Cairn India of approximately 37.6 per cent. Following the implementation of the Cairn India Merger:

- (a) the Company's ownership in Vedanta Limited is expected to decrease to approximately 50.1 per cent. from its current approximately 62.9 per cent. shareholding; and
- (a) the Company's indirect economic interest in Cairn India is expected to increase to approximately 50.1 per cent. from its current approximately 37.6 per cent.

Information on Cairn India

Cairn India is one of India's largest private sector oil and gas companies with a world class diversified asset base of eight blocks: one in Rajasthan, two on the west coast of India, four on the east coast of India and one in South Africa. The blocks are located in the Barmer Basin, Krishna-Godavari Basin, the Palar-Pennar Basin, the Cambay Basin, the Mumbai Offshore Basin and the Orange Basin. Cairn India contributes to approximately 27 per cent. of India's domestic crude oil production and, to date, has opened four frontier basins with numerous discoveries. Oil and gas is currently being produced from the Rajasthan, Ravva and Cambay blocks. The average gross production for the financial year ended 31 March 2016 was 203,703 boepd.

¹ Converted from INR to US\$ by reference to the prevailing spot rate of exchange of INR 67.20 per US\$1 as at 21 July 2016.

Cairn India's focus on India has resulted in a significant number of oil and gas discoveries. Cairn India made a major oil discovery (Mangala) in Rajasthan in the north west of India at the beginning of 2004. To date, 38 discoveries have been made in the Rajasthan block RJ-ON-90/1.

The Cairn India Merger

The Cairn India Merger will be effected pursuant to a scheme of arrangement under Indian law. For the Scheme of Arrangement to become effective, it must be approved by at least 50 per cent. of the minority shareholders of Cairn India (i.e. all shareholders of Cairn India excluding Vedanta Limited and its subsidiaries) and Vedanta Limited (i.e. all shareholders of Vedanta Limited excluding Group entities). In addition, approval shall be required from shareholders and creditors of each of Cairn India and Vedanta Limited representing a majority in number and 75 per cent. or more in value who are present and voting at the relevant meeting whether in person or by proxy. The Scheme of Arrangement also requires court sanction. Further details of the approval process for the Scheme of Arrangement are set out in Part VI (*Description of the Cairn India Merger*) of this document.

Circulars in relation to the Cairn India Merger have been posted to the shareholders of Vedanta Limited and Cairn India. Meetings of shareholders of Vedanta Limited and Cairn India required to approve the Scheme of Arrangement are scheduled to take place on 8 September 2016 and 12 September 2016, respectively, and court sanction of the Scheme of Arrangement and completion of the Cairn India Merger is expected to occur in the first financial quarter of 2017.

In addition to shareholder approval and court sanction of the Scheme of Arrangement, the consent of the Indian Ministry of Petroleum & Natural Gas, the Foreign Investment Promotion Board of India or RBI, and each of SEBI, the BSE and the NSE are required to implement the Cairn India Merger. In September 2015, Vedanta Limited and Cairn India each received a "no-objection" letter from the BSE and a "no adverse observation" letter from the NSE. The Directors anticipate that the outstanding consents will be obtained so as to enable the Cairn India Merger to be implemented in the first financial quarter of 2017.

The shares to be issued by Vedanta Limited pursuant to the Scheme of Arrangement will be listed on the NSE and BSE. The listing of Cairn India securities on the BSE and NSE listings will be cancelled following completion of the Cairn India Merger.

Financial effects of the Cairn India Merger

Given that Cairn India is already consolidated into Vedanta's accounts, the Company expects that if the Cairn India Merger is implemented, the results previously attributable to the non-controlling interest will henceforth be attributable to the equity holders of Vedanta.

The Company expects that, if the Cairn India Merger is implemented, its ownership in Vedanta Limited will decrease to approximately 50.1 per cent. from its current approximately 62.9 per cent. shareholding. Accordingly, the Company's economic interest in its subsidiaries held indirectly through Vedanta Limited will also change in this case. The Company's economic interest in Konkola Copper Mines will not be affected. Further details are set out in the table below.

Subsidiary	Current (%)	Post Cairn India Merger (%)
Konkola Copper Mines	79.4	79.4
Vedanta Limited	62.9	50.1
Cairn India	37.6	50.1
HZL	40.8	32.5
BALCO	32.1	25.6
Black Mountain Mining (Pty) Ltd	46.5	37.1
All other subsidiaries ⁽¹⁾	62.9	50.1

⁽¹⁾ Includes Western Cluster, Lisheen, Skorpion, TSPL, MALCO Power and Copper Australia

Further information on the expected effect of the Cairn India Merger on the assets and liabilities of the Group is set out in the unaudited pro forma statement of net assets in Part V (*Unaudited Pro Forma Statement of Net Assets of the Group*) of this document.

Current trading, trends and prospects

As stated by the Company in its 2016 Annual Report and Accounts, the Group has generated strong free cash flow, reduced its net and gross debt and delivered strong EBITDA margins in the financial year ended 31 March 2016. The Group delivered US\$2.3 billion of EBITDA, down 37.8 per cent. on the comparable financial year ended 31 March 2015, driven primarily by lower commodity prices.

Group revenues for the financial year ended 31 March 2016 amounted to US\$10.7 billion, down 17.1 per cent. on the comparable financial year ended 31 March 2015. The decrease was primarily driven by lower BRENT prices and lower LME prices and premia across the metal business.

Risk factors

Shareholders should consider fully the risk factors set out in Part II (*Risk Factors*) of this document.

General Meeting

A notice convening the General Meeting, to be held at 10.00 a.m. on 6 September 2016 at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2HA, is set out at the end of this document. A Form of Proxy to be used in connection with the General Meeting is enclosed. The purpose of the General Meeting is to seek Shareholders' approval for the Cairn Indian Merger.

Notice of 14 clear days has been given in accordance with the provisions of the Companies Act 2006 and the resolution approved by shareholders at the Company's 2016 Annual General Meeting permitting the calling of general meetings by the Company on short notice. The directors of the Company have used this short notice period to ensure that the General Meeting can be held in advance of the Indian shareholder meetings of Vedanta Limited and Cairn India Limited which have been convened for 8 September 2016 and 12 September 2016, respectively.

Action to be taken

You will find enclosed a Form of Proxy for use at the General Meeting or at any adjournment thereof. Whether or not you intend to be present at that meeting, you are requested to complete the Form of Proxy (in accordance with the instructions printed thereon) and return it to the Company's registrars, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, so as to arrive by 10.00 a.m. on 4 September 2016. Completion and return of a Form of Proxy will not preclude you from attending the meeting and voting in person if you so wish.

Further information

Your attention is drawn to the further information contained in Parts II (*Risk Factors*) to X (*Documentation Incorporated by Reference*) of this document. You are advised to read the whole of this document and not to rely solely on the information contained in this letter.

Non-Independent Directors

Navin Agarwal and Aman Mehta are directors of Cairn India and, therefore, they and their associates have an interest in the Cairn India Merger. Navin Agarwal and Aman Mehta properly declared their interests to the Board and did not take part in the Board's consideration of the Cairn India Merger. Accordingly, Navin Agarwal and Aman Mehta did not take part in the Board's consideration of whether or not to recommend the approval of the Resolution.

Recommendation

The Board considers the Cairn India Merger to be in the best interests of Shareholders as a whole.

Accordingly, the Board recommends that Shareholders vote in favour of the Resolution, as the Independent Directors intend to do in respect of their own beneficial holdings amounting (as at 18 August 2016, being the latest practicable date prior to the publication of this document) to 187,771,703 voting Shares in aggregate, representing approximately 69.55 per cent. of the Company's current issued ordinary share capital.

Yours faithfully

Anil Agarwal
Chairman

PART II – RISK FACTORS

Prior to making any decision to vote in favour of the Resolution at the General Meeting, Shareholders should carefully consider, together with all other information included or incorporated by reference into this document, the specific factors and risks described below. The Company considers these to be the known material risk factors relating to the Cairn India Merger.

The risks described below relate only to the Cairn India Merger and are not set out in any particular order of priority.

There may be other risks of which the Board is not aware or which it believes to be immaterial which may, in the future, be connected to the Cairn India Merger and have a material and adverse effect on the business, financial condition, results of operations or future prospects of the Group. In such case, the market price of the Shares could decline and you may lose all or part of your investment.

Any forward looking statements contained herein are made subject to the reservations specified under "Forward-Looking Statements" on page 12 of this document.

Implementation of the Cairn India Merger is conditional upon the receipt (or waiver, where applicable) of various third party approvals which may not be forthcoming

The Cairn India Merger is conditional upon the Scheme of Arrangement being approved by shareholders of each of Vedanta Limited and Cairn India and the requisite majority required in each case is shareholders and creditors representing a majority in number and 75 per cent. or more in value who are present and voting at the relevant meeting whether in person or by proxy. The Cairn India Merger must be also approved by at least 50 per cent. of the minority shareholders of Cairn India (i.e. all shareholders of Cairn India excluding Vedanta Limited and its subsidiaries) and Vedanta Limited (i.e. all shareholders of Vedanta Limited excluding Group entities). The Scheme of Arrangement also requires court sanction. The consent of the Indian Ministry of Petroleum & Natural Gas, the Foreign Investment Promotion Board of India or RBI and each of the BSE, the NSE and SEBI are also required to implement the Cairn India Merger. In September 2015, Vedanta Limited and Cairn India each received a "no-objection" letter from the BSE and a "no adverse observation" letter from the NSE. Other approvals remain outstanding. The authorities from which these clearances are being sought have discretion in administering the governing legislation. There can be no assurance that all such consents and approvals will be obtained (or waived, if applicable) or that, if obtained, they will be obtained so as to enable the Cairn India Merger to be completed in the first financial quarter of 2017.

The Group may fail to realise the financial flexibility, margin benefits, cost savings and other synergies anticipated from, or may incur unanticipated costs associated with the Cairn India Merger

There is no assurance that the Cairn India Merger will achieve the financial flexibility, margin benefits, cost savings and other synergies the Group anticipates. These expected synergies may not develop or may be materially lower than anticipated and other assumptions upon which the Group has determined the terms of the Cairn India Merger may prove to be incorrect. As such, the financial flexibility, margin benefits, cost savings and other synergies anticipated by the Group to result from the Cairn India Merger may not be achieved as expected, or at all, or may be delayed, which could have a material adverse effect on the Group's business, operating results, financial condition and/or prospects.

Cairn India has received a tax demand from the Indian tax authorities for not withholding tax on payments made while acquiring a subsidiary which, if payable, could have a material adverse effect on Cairn India's businesses, operating results, financial condition and/or prospects

In March 2014, Cairn India received a notice from the Tax Authorities alleging failure by Cairn India to withhold tax on the consideration paid to CUKHL, its then holding company, in the financial year ended 31 March 2007 in connection with a purchase of shares. The relevant purchase of shares relates to the acquisition of the shares of CIHL, a 100 per cent. subsidiary of Cairn India, from CUKHL during the financial year ended 31 March 2007, which was part of a group reorganisation by the then ultimate parent company, Cairn Energy Plc.

Based upon the retrospective amendment(s) made in the year 2012 by inserting explanation 5 of section 9(1)(i) of the Income Tax Act, 1961, the Tax Authorities, by an order dated 11 March 2015, have raised a demand of approximately INR 204,947 million (US\$3,068 million) (comprising tax of

approximately INR 102,474 million (US\$1,534 million) and interest of an equivalent amount) for not withholding tax on the consideration paid to CUKHL in connection with the acquisition of shares of CIHL. The Tax Authorities have stated in the order that a short term capital gain of INR 245,035 million (US\$3,668 million) accrued to CUKHL on the transfer of the shares of CIHL to Cairn India in the financial year ended 31 March 2007, on which tax should have been withheld by Cairn India. The Company understands that a tax demand has also been raised by the Tax Authorities on CUKHL with respect to taxability of alleged capital gain earned by CUKHL.

On 27 March 2015, Vedanta filed a Notice of Claim against the GoI under the UK-India bilateral investment treaty (the "BIT") in order to protect its legal position and Shareholder interests. The Company is of the opinion that it has a good case to defend as per provisions of BIT, the benefit of which would ultimately accrue to Cairn India.

The directors of Cairn India are of the opinion that there should be no liability on Cairn India on account of not withholding the taxes in the financial year ended 31 March 2007 based on provisions of law prevailing at the time of transaction as the aforesaid retrospective amendment has cast an obligation on Cairn India to deduct tax by having to predict and anticipate that the retrospective amendment will be made by legislature on a future date. Cairn India has approached the Honourable Delhi High Court against the order referred to above and has also filed an appeal before the Commissioner of Income Tax (Appeals) to defend its position. The next hearing date is scheduled on 23 January 2017. In the event that these liabilities materialise as a result of legal proceedings being determined against Cairn India, Cairn India's financial condition may be adversely affected. If the Cairn India Merger is implemented, the Group's economic exposure to the impact of this risk occurring will increase proportionately.

Cairn India is involved in a number of litigation matters which could individually or in the aggregate have a material adverse effect on the Group's businesses, operating results, financial condition and/or prospects

Cairn India is involved in a number of legal and arbitration proceedings, certain of which the Group has not provided for. In the event that any liabilities or contingent liabilities materialise as a result of any such legal or arbitration proceedings being determined against Cairn India, the Group's financial condition may be adversely affected. A final judgment against Cairn India or its directors in one or more of these proceedings may additionally result in injunctions against it which may require it to cease or limit its operations and such decisions or judgments may have a material adverse effect on the business, results of operations, financial condition or prospects of it and/or the Group. If the Cairn India Merger proceeds the Group's economic exposure to the impact of this risk on Cairn India will increase proportionately.

There is no certainty that the production sharing contract relating to Cairn India's participating interest in the Rajasthan Block will be renewed or that any renewal will be on favourable terms, which could have a material adverse effect on the Group's businesses, operating results, financial condition and/or prospects

Cairn India has a 70 per cent. participating interest in the Rajasthan Block. The related Rajasthan Block PSC is due to expire in May 2020. Cairn India has filed a writ petition before the High Court of Delhi against the MoPNG, the Directorate General of Hydrocarbons ("DGH") and ONGC regarding the extension of the tenure for the Rajasthan Block PSC.

Consistent with the terms of the PSC, Cairn India has been requesting an extension of the tenure of the Rajasthan Block PSC for a period of up to ten years, i.e., until May 2030. ONGC, Cairn India's joint venture partner in the Rajasthan Block, is technically aligned on the recoverable resources potential of the Rajasthan Block beyond the PSC period, until the proposed extension period up to 2030. Cairn India has been making regular requests to the MoPNG for the extension of the tenure of the Rajasthan Block PSC for the past few years. However, apart from seeking further technical and financial details, the MoPNG has not yet made a final decision in the matter.

Cairn India filed a writ petition on 11 December 2015 seeking relief from the High Court of Delhi with regards to the MoPNG's delay. The hearing was held on 14 December 2015, during which the MoPNG and DGH contended that no decision had been made as the requisite data had not been provided by Cairn India and ONGC. ONGC further contended that it had sought certain commercial particulars

from Cairn India which had not been provided. On 14 December 2015, the High Court of Delhi ordered all the parties to exchange the requisite information and documents within specific timelines to enable the GoI to make a decision in the matter.

Following the 14 December 2015 court order, information was exchanged between Cairn India and ONGC for the purpose of obtaining ONGC's commercial alignment. However the MoPNG and ONGC maintained that due to insufficient data provided by Cairn India, ONGC was not able to conclude its commercial assessment. In view of this, on 5 April 2016 the High Court of Delhi ordered ONGC to give Cairn India a final opportunity to provide the requisite documents, pursuant to which Cairn India and ONGC continued to exchange information for the purposes of ONGC's review. On 28 July 2016, the Delhi High Court received ONGC's consent for extension and directed the GoI to file its response within five weeks. The next hearing in this matter is scheduled to take place on 9 September 2016.

Whilst the Group is in continuous dialogue with the GoI and relevant stakeholders, challenges in extending the PSC beyond 2020, or an extension on less favourable terms, could have a material adverse effect on the Group's businesses, operating results, financial condition and/or prospects.

The sale of crude oil by Cairn India is subject to risks that arise from various arrangements with third parties which could have a material adverse effect on the Group's and Cairn India's business, operating results, financial condition and/or prospects

Under the terms of the Rajasthan Block PSC, Cairn India is obliged to sell its entitlement to crude oil in the domestic Indian market until such time as the total availability of crude oil and condensate from all domestic petroleum production activities meets the total national demand and India achieves self-sufficiency. There is currently a mismatch between the demand and the supply for crude oil in India, with the demand outweighing the domestic production of crude oil, and this mismatch is expected to continue in the long term. Further, to the extent that the Group's Indian blocks yield crude oil is not suitable for processing by refineries in India, it may be difficult for the Group to monetise such domestic crude oil reserves and this could have a material adverse effect on Cairn India's business, operating results, financial condition and/or prospects.

Similarly, Cairn India has infrastructure and oil sales agreements with GoI nominated public sector refineries and domestic private sector refineries for expected levels of crude oil production from the Rajasthan Block until March 2017. The Group is subject to the risk of delayed off-takes or payment for delivered production volumes or counterparty default. Stoppage of off-take or supply could result if the buyers fail to take delivery of volumes anticipated by these sales agreements. Additionally, two private sector buyers accounted for approximately 78.2 per cent. of the total sales in the financial year ended 31 March 2016 and any unforeseen disruption at these buyer's facilities would affect sales volume and therefore revenue generation. Any of these could have a material adverse effect on Cairn India's business, operating results, financial condition and/or prospects. If the Cairn India Merger is implemented, the Group's economic exposure to the impact of this risk occurring will increase proportionately.

If the Cairn India Merger is implemented, the portion of the Group's operating profit contributed by Cairn India will increase significantly and any interruption in Cairn India's operations could have a material adverse effect on the Group's businesses, operating results, financial condition and/or prospects

If the Cairn India Merger is implemented and the Group acquires the remaining shares in Cairn India, the Group will have a 100 per cent. interest in Cairn India. Cairn India provided 24.4 per cent of the Group's EBITDA in the financial year ended 31 March 2016 and any interruption in Cairn India's operations could have a material adverse effect on the Group's businesses, operating results, financial condition and/or prospects. If the Cairn India Merger is implemented, the Group's economic exposure to the impact of this risk on Cairn India will increase proportionately.

The Group's operations are subject to risks that could result in decreased production, increased cost of production and increased cost of or disruptions to the Group's activities which could have a material adverse effect on the Group's businesses, operating results, financial condition and/or prospects

The Group's operations are vulnerable to disruptions. Cairn India's oil processing facility in the northern fields of the Rajasthan Block may not function as designed over the life of the fields. This may result in the crude oil not meeting export specifications of pipelines which may mean that crude oil either cannot be sold or will be sold at a significant discount to the agreed crude oil sales price, which could have an adverse effect on the Group's business, financial condition or results of operations.

If the Cairn India Merger is implemented, the Group's economic exposure to the impact of these risks occurring will increase proportionately.

If expansion projects undertaken by Cairn India are delayed, this could have a material adverse effect on the Group's businesses, operating results, financial condition and/or prospects

Cairn India has undertaken expansion projects which have been completed (pending commissioning) or are nearing completion. The timing, implementation and cost of such expansion projects are subject to a number of risks, including a delay in obtaining or a failure to obtain necessary leases, licences, permits, consents or approvals or funding for the projects. In addition the Group does not currently have all the leases, licences, permits, consents and approvals that will be required for its planned expansion and new projects. There can be no assurance that the Group will be able to obtain or renew all necessary leases, licences, permits, consents and approvals in a timely manner. Similarly any planned and proposed future expansions and projects may be materially and adversely affected if funding for such capital expenditure is unable to be obtained on satisfactory terms, or at all, including as a result of any existing facilities becoming repayable before their due date. Any delay in completing planned expansions may have a material adverse effect on the Group's business, operating results, financial condition and/or prospects. If the Cairn India Merger is implemented, the Group's economic exposure to this risk will increase proportionately.

A downgrade in Vedanta's credit ratings may adversely affect the Group

Although it is not anticipated that if the Cairn India Merger is implemented it will be to the detriment of Vedanta's credit ratings, any future downgrade in Vedanta's credit ratings which may otherwise occur may adversely affect the Group's ability to access capital and would likely result in more stringent covenants and higher interest rates under the terms of any new indebtedness.

The Group's stated reserves and resources are only estimates based on a range of assumptions and there can be no assurance that the estimates or grades will be achieved

The Group's reserves and resources (including in relation to Cairn India as described in Part VII (*Reserves Information*) of this document) constitute estimates and no assurance can be given that the estimates or grades will be achieved. There can be no assurance that on site drilling or other exploratory work will result in the affirmation of previous estimates or that production will proceed as contemplated by the Group. Any interruption in the operations, exploration and development activities of the Group's assets could also have a material adverse effect on whether such resource estimates can be achieved. The estimated resources described in this document should not be interpreted as a statement of the commercial viability, potential or profitability of any future operations. Reserves data is not indicative of future operating results. If the Group's actual ore reserves and resources are less than current estimates or are rendered uneconomic, this could have a material adverse effect on the Group's businesses, operating results, financial condition and/or prospects.

PART III – PRESENTATION OF INFORMATION

1. Introduction

The contents of this document should not be construed as legal, financial or tax advice. Shareholders should consult their own solicitor, financial adviser or tax adviser for legal, financial or tax advice.

Certain information in relation to the Company is incorporated by reference into this document. You should refer to Part X (*Documentation Incorporated by Reference*) of this document for further details. Where the documents incorporated by reference themselves make reference to other documents, such other documents are not incorporated and do not form part of this document.

2. Financial Information

Financial information relating to the Group and Cairn India as at 31 March 2016 and for the years ended 31 March 2014, 2015 and 2016, extracted without material adjustment from the consolidation schedules that underlie the Group's audited consolidated accounts for the relevant periods, is set out on pages 13 to 14 of this document, is presented in US dollars, has been prepared in accordance with IFRS as adopted by the European Union and has been audited in accordance with International Standards on Auditing (UK and Ireland).

3. Information on Risk Factors

The risk factors set out in Part II (*Risk Factors*) of this document are those material risk factors of which the Directors are aware. However, these should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties relating to the Cairn India Merger. Additional risks and uncertainties that are not at present known to the Directors, or that the Directors currently deem immaterial, may also have a material and adverse effect on the Group's business, financial condition and prospects.

4. No Profit Forecast

No statement in this document or incorporated by reference into this document is intended to constitute a profit forecast or profit estimate for any period, nor should any statement be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for any member of the Group as appropriate.

5. Basis of Presentation of Reserves

Oil and gas reserves

Estimates of proved, probable and possible reserves and contingent and prospective resources of Cairn India have been prepared according to the PRMS. The PRMS is referenced in published guidance notes of the LSE.

The contingent resources estimated herein are those volumes of oil or gas that are potentially recoverable from known accumulations but which are not currently considered to be commercially recoverable because of either the lack of a market or proper delineation necessary to establish the size of the accumulation for commercial purposes. The prospective resources estimated herein are those volumes of oil or gas that are potentially recoverable from accumulations yet to be discovered. Because of the uncertainty of commerciality and the lack of sufficient exploration drilling, the resources estimated herein cannot be classified as reserves. The resources estimates herein are provided as a means of comparison to other resources and do not provide a means of direct comparison to reserves.

Reserves and production

In this document, unless expressly stated otherwise, references to reserves and production are to total reserves and total production, respectively. Total reserves and total production mean that part of the reserves from a block and that part of the production at mines and operations, respectively, that subsidiaries of the Company have an interest in or rights to. The Company does not wholly-own certain of its subsidiaries and therefore total reserves and total production include reserves and production, respectively, attributable to third party interests in controlled subsidiaries. Rounding adjustments have

been made in calculating some of the reserves and production information included in this document. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

There are numerous uncertainties inherent in estimating ore reserves and estimates of ore reserves are based on certain assumptions so changes in such assumptions could lead to reported ore reserves being restated.

6. **Forward-Looking Statements**

Certain statements contained in this document, including those in Part II (*Risk Factors*) constitute "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "prepares", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. Shareholders should specifically consider the factors identified in this document, which could cause actual results to differ, before making any decision whether to vote in favour of the Resolution. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Such risks, uncertainties and other factors include those set out more fully in Part II (*Risk Factors*) and include, among others: general economic and business conditions, industry trends, competition, changes in government regulation, economic downturn and the Group's ability to implement expansion plans. These forward-looking statements speak only as at the date of this document. Except as required by the FCA, the Listing Rules, the Prospectus Rules, the Disclosure Rules and Transparency Rules, the London Stock Exchange, applicable law or relevant regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. This statement does not seek to qualify the working capital statements given at paragraph 6 of Part VIII (*Additional Information*) of this document.

7. **Rounding**

Certain figures included in this document and in the information incorporated by reference into this document have been subject to rounding adjustments. Accordingly, discrepancies in tables between the totals and the sums of the relevant amounts is due to rounding.

8. **Time**

All references in this document to time are to London time unless stated.

9. **Exchange Rates**

Save as otherwise indicated, references in this document to US\$ amount(s) have been converted from INR to US\$ by reference to the prevailing spot rate of exchange of INR 66.81 per US\$1 as at 18 August 2016, being the latest practicable date prior to the publication of this document.

10. **Definitions**

Capitalised terms used in this document have the meanings ascribed to them in Part IX (*Definitions and Glossary of Technical Terms*) of this document.

PART IV – FINANCIAL INFORMATION ON CAIRN INDIA

FINANCIAL INFORMATION ON CAIRN INDIA

This Part IV sets out summary financial information for Cairn India (including its subsidiaries) and has been extracted without material adjustment from the consolidation schedules that underlie the audited consolidated financial information of Vedanta for the periods referred to below.

CAIRN INDIA BALANCE SHEET

US\$ million	As at 31 March 2016
ASSETS	
Non-current assets	
Goodwill	-
Intangible assets	-
Property, plant and equipment	2,555.7
Financial asset investments	-
Other non-current assets	41.5
Non current tax assets	39.6
Other financial assets (derivatives)	-
Deferred tax assets	880.1
	3,516.9
Current assets	
Inventories	55.4
Trade and other receivables	1,736.6
Other current financial assets (derivatives)	-
Liquid investments	3,079.9
Cash and cash equivalents	222.8
Current tax assets	33.7
	5,128.4
TOTAL ASSETS	8,645.3
LIABILITIES	
Current liabilities	
Short term borrowings	-
Trade and other payables	742.2
Other current financial liabilities (derivatives)	-
Retirement benefits	3.2
Provisions	0.8
Current tax liabilities	-
	746.2
Net current assets	4,382.2
Non-current liabilities	
Medium and long term borrowings	-
Convertible bonds	-
Trade and other payables	-
Other financial liabilities (derivatives)	-
Deferred tax liabilities	173.4
Retirement benefits	-
Provisions	98.6
Non equity non-controlling interests	-
	272.0
TOTAL LIABILITIES	1,018.2
NET ASSETS	7,627.1

US\$ million	As at 31 March 2016
EQUITY	
Share capital	423.1
Share premium account	6,090.1
Share based payment reserves	94.6
Convertible bond reserve	-
Hedging reserves	-
Other reserves	-
Treasury shares	-
Retained earnings and Foreign Currency Translation Reserve	1,019.3
Equity attributable to equity holders of the parent	7,627.1
Non-controlling interests	-
TOTAL EQUITY	7,627.1

CAIRN INDIA: INCOME STATEMENT

US\$ million	Year ended 31 March 2016	Year ended 31 March 2015	Year ended 31 March 2014
Continuing operations			
Revenue	1,322.3	2,397.5	3,092.8
Cost of sales	(1,544.5)	(2,126.9)	(2,097.8)
Gross (loss)/profit	(222.2)	270.6	995.0
Other operating income	12.1	7.3	6.3
Administrative expenses	(45.7)	(71.4)	(67.7)
Special items	(4,934.2)	(6,642.1)	-
Operating (loss)/profit	(5,190.0)	(6,435.6)	933.6
Investment revenue	224.3	294.9	253.9
Finance cost	(11.2)	(15.4)	(14.2)
Other gains and (losses) (net)	(37.5)	(21.1)	(45.1)
(Loss)/profit before taxation	(5,014.4)	(6,177.2)	1,128.2
Tax	1,834.6	1,983.8	(222.4)
(Loss)/profit for the year	(3,179.8)	(4,193.4)	905.8

PART V – UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

Pro forma financial information

The unaudited pro forma statement of net assets of the Group set out below has been prepared on the basis discussed below, to illustrate the effect of the Cairn India Merger as if the Cairn India Merger had occurred as at 31 March 2016. The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position or results.

Basis of preparation

The unaudited pro forma statement of net assets is based on the net assets of the Vedanta Group as at 31 March 2016, which have been extracted without material adjustment from its audited balance sheet as at 31 March 2016. The pro forma financial information has been prepared on the basis set out in the notes below and in a manner consistent with the accounting policies of the Group in its last financial statements, for the year ended 31 March 2016, in accordance with Annex II to the PD Regulation.

Pro Forma Statement of Net Assets of the Group

Description	Vedanta Group as at 31 March 2016 (Note 1)	Adjustment in respect of Cairn India Merger (Note 2)	Pro forma as at 31 March 2016 (Note 3)
	(US\$ million)		
Goodwill.....	16.6	-	16.6
Intangible assets	92.2		92.2
Property, plant and equipment.....	16,647.8		16,647.8
Financial asset investments	6.5		6.5
Non-current tax assets	361.7		361.7
Other non-current assets	237.9		237.9
Financial instruments (derivatives)	0.8		0.8
Deferred tax assets.....	1,255.4		1,255.4
Total non-current assets.....	18,618.9		18,618.9
Inventories.....	1,365.8		1,365.8
Trade and other receivables	1,344.3		1,344.3
Financial instruments (derivatives)	18.3		18.3
Current tax assets.....	35.5		35.5
Liquid investments	8,508.2		8,508.2
Cash and cash equivalents	428.3		428.3
Total current assets	11,700.4		11,700.4
Total assets.....	30,319.3		30,319.3
Short term borrowings	(3,726.6)		(3,726.6)
Convertible bonds.....	(587.2)		(587.2)
Trade and other payables.....	(5,876.1)		(5,876.1)
Financial instruments (derivatives)	(67.7)		(67.7)
Retirement benefit	(4.9)		(4.9)
Provisions.....	(132.1)		(132.1)
Current tax liabilities.....	(17.0)		(17.0)
Current liabilities	(10,411.6)		(10,411.6)
Net current assets	1,288.8		1,288.8
Medium and long term borrowing	(11,949.5)	(453.6)	(12,403.1)
Convertible bonds.....	-	-	-
Trade and other payables.....	(223.5)	-	(223.5)
Financial instruments (derivatives)	(1.2)	-	(1.2)
Deferred tax liabilities	(620.2)	-	(620.2)
Retirement benefits.....	(61.6)	-	(61.6)
Provisions.....	(187.4)	-	(187.4)
Non equity non-controlling interests	(11.9)	-	(11.9)
Non-current liabilities	(13,055.3)	(453.6)	(13,508.9)
Total liabilities	(23,466.9)	(453.6)	(23,920.5)
Net assets.....	6,852.4	(453.6)	6,398.8

Notes to Unaudited Pro Forma Statement of Net Assets:

1. The financial information has been extracted, without material adjustment, from the audited balance sheet of the Group for the year ended 31 March 2016.
2. The adjustment represents the issue of 7.5 per cent. non-cumulative redeemable preference shares, with face value INR 10 per share of Vedanta Limited to minority shareholders of Cairn India pursuant to Cairn India Merger.
3. The pro forma statement of net assets of the Group does not reflect any trading or other transactions undertaken by the Group since 31 March 2016, nor of any other event.

REPORT ON PRO FORMA FINANCIAL INFORMATION

Ernst & Young LLP
1 More London Place
London
SE1 2AF
United Kingdom

The Board of Directors
on behalf of Vedanta Resources plc
16 Berkeley Street
London
United Kingdom
W1J 8DZ

19 August 2016

Dear Sirs,

Vedanta Resources plc (the "Company")

We report on the pro forma financial information (the "**Pro forma financial information**") set out in Part V (*Unaudited Pro Forma Statement of Net Assets of the Group*) of the Class 1 circular dated 19 August 2016 (the "**Investment Circular**"), which has been prepared on the basis described in Part V (Unaudited Pro Forma Statement of Net Assets of the Group), for illustrative purposes only, to provide information about how the Cairn India Merger might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 31 March 2016. This report is required by Listing Rule 13.3.3R and is given for the purpose of complying with that rule and for no other purpose.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to ordinary shareholders as a result of the inclusion of this report in the Investment Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6), consenting to its inclusion in the Investment Circular.

Responsibilities

It is the responsibility of the Directors to prepare the Pro forma financial information in accordance with Listing Rule 13.3.3R.

It is our responsibility to form an opinion as to the proper compilation of the Pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards or practices.

Opinion

In our opinion:

- (a) the Pro forma financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Yours faithfully

Ernst & Young LLP

PART VI – DESCRIPTION OF THE CAIRN INDIA MERGER

The Cairn India Merger will be effected pursuant to a Scheme of Arrangement, amongst and between Cairn India and Vedanta Limited and their respective shareholders and creditors under Indian law.

The terms of the Cairn India Merger are set out in the Cairn India Scheme Document, which, as set out in paragraph 11(g) of Part VIII (*Additional Information*) of this document, is available for inspection.

Pursuant to the terms of the Scheme of Arrangement, which were revised on 22 July 2016, Cairn India will be merged into and with Vedanta Limited and, upon the Scheme of Arrangement becoming effective, for each equity share of face value INR 10 per share held, minority shareholders of Cairn India will receive:

- (a) one fully paid up equity share of Vedanta Limited, with a face value of INR 1; and
- (b) four fully paid up 7.5 per cent. non-cumulative redeemable preference shares of Vedanta Limited, with a face value of INR 10.

No shares will be issued (or any form of consideration paid) to Vedanta Limited or any of its subsidiaries for their shareholding in Cairn India.

Based on the closing price of the shares in Vedanta Limited on the last business day prior to the announcement of the revised terms of the Cairn India Merger on 22 July 2016, the value of the total consideration for the Cairn India Merger is approximately INR 14,825 crores (US\$2,206 million).²

In order to become effective, the Scheme of Arrangement must be approved by at least 50 per cent. of the minority shareholders of Cairn India (i.e. all shareholders of Cairn India excluding Vedanta Limited and its subsidiaries) and Vedanta Limited (i.e. all the shareholders of Vedanta Limited excluding Group entities). In addition, approval shall be required from shareholders and creditors of each of Cairn India and Vedanta representing a majority in number and 75 per cent. or more in value who are present and voting at the relevant meeting whether in person or by proxy. The Scheme of Arrangement also requires court sanction.

After each of the applicable meetings has been held, the chairman appointed for the shareholders' meeting of the relevant company is required to file written reports of the meetings with the relevant Indian courts, together with the resolutions passed approving the Scheme of Arrangement and petitions will be filed by each of Cairn India and Vedanta Limited seeking sanction of the Scheme of Arrangement by the courts. Upon receipt of the petitions, the courts will schedule hearings on the Scheme of Arrangement.

Cairn India and Vedanta Limited will be required to place advertisements in an English-language and a local language newspaper with distribution in the relevant Indian state to inform, inter alia, their respective shareholders and creditors of the date on which the petition hearings will take place. Cairn India and Vedanta Limited will also be required to provide notice of the hearings to their respective secured creditors and to certain unsecured creditors.

Cairn India and Vedanta Limited will be required to file copies of the relevant scheme documents with the relevant Regional Director of the Ministry of Corporate Affairs and the Registrar of Companies. The Regional Director will instruct the relevant Registrar of Companies to undertake an independent review of company documents and the Scheme of Arrangement to verify that the affairs of each of Cairn India and Vedanta Limited have not been conducted in a manner which is prejudicial to the interests of its shareholders and the general public. Upon completion of its review, the Registrar of Companies will submit a report to the Regional Director. Each Regional Director will submit a report detailing the findings of their respective reviews to the jurisdictional High Courts.

Further, Cairn India will be required to file copies of the relevant scheme documents with the Official Liquidator. The jurisdictional High Court will appoint an auditor who will verify that the affairs of Cairn India have not been conducted in a manner prejudicial to the interests of its members or to public

² Converted from INR to US\$ by reference to the prevailing spot rate of exchange of INR 67.20 per US\$1 as at 21 July 2016.

interest. The auditor will submit his report to the Official Liquidator who in turn will submit a report detailing the findings to the jurisdictional High Court.

At the petition hearings, the jurisdictional High Court will consider the reports of the shareholder meetings and the resolutions passed. They will review the report submitted by the Regional Director and Official Liquidator to determine whether the reports raise any objections to the Scheme of Arrangement. Any interested party, having filed the required notice and affidavit, is entitled to appear, either in person or through an appointed representative, at the petition hearing to voice any objection it may have in respect of or to provide support for the Scheme of Arrangement. If the High Court determines that the Scheme of Arrangement is fair and reasonable, it will issue an order to the relevant company sanctioning the Scheme of Arrangement, which must be filed with the Registrar of Companies within 30 days or such other period as may be directed by the courts.

Circulars in relation to the Cairn India Merger have been posted to the shareholders of Vedanta Limited and Cairn India. Meetings of shareholders of Vedanta Limited and Cairn India required to approve the Scheme of Arrangement are scheduled to take place on 8 September 2016 and 12 September 2016, respectively, and court sanction of the Scheme of Arrangement and completion of the Cairn India Merger is expected to occur in the first financial quarter of 2017.

In addition to shareholder approval and court sanction of the Scheme of Arrangement, the consent of the Indian Ministry of Petroleum & Natural Gas, the Foreign Investment Promotion Board of India or RBI, and each of SEBI and the BSE and the NSE are required to implement the Cairn India Merger. In September 2015, Vedanta Limited and Cairn India each received a "no-objection" letter from the BSE and a "no adverse observation" letter from the NSE. The Directors anticipate that these consents will be obtained so as to enable the Cairn India Merger to be implemented in the first financial quarter of 2017.

The Cairn India Merger is also subject to compliance with all applicable laws, including the legal requirements of all jurisdictions in which the distribution is to be made and the rules and regulations of all applicable stock exchanges. The equity shares to be issued by Vedanta Limited pursuant to the Scheme of Arrangement will be listed on the BSE and NSE where Cairn India's shares are currently listed.

Upon implementation of the Cairn India Merger, Cairn India will be amalgamated into Vedanta Limited, all of its liabilities and assets will be vested in and assumed by Vedanta Limited, and Cairn India will be dissolved without being wound up. The Company's ownership in Vedanta Limited is expected to decrease to 50.1 per cent. from its current 62.9 per cent. shareholding, and the Company's economic interest in Cairn India is expected to increase to 50.1 per cent. from its current 37.6 per cent. interest. The Company's economic interest in its subsidiaries held indirectly through Vedanta Limited is also expected to change. The Company expects its economic interest in Konkola Copper Mines will not be affected by the implementation of the Cairn India Merger. Further details are set out in the table below.

Subsidiary	Current (%)	Cairn India Merger (%)
Konkola Copper Mines	79.4	79.4
Vedanta Limited	62.9	50.1
Cairn India	37.6	50.1
HZL	40.8	32.5
BALCO	32.1	25.6
Black Mountain Mining (Pty) Ltd	46.5	37.1
All other subsidiaries ⁽¹⁾	62.9	50.1

⁽¹⁾ Includes Western Cluster, Lisheen, Skorpion, inc International, TSPL, MALCO Power and Copper Australia

The material terms of the 7.5 per cent. non-cumulative preference shares of Vedanta Limited provide that each such share shall:

- (a) have a face value of INR 10;
- (b) be non-cumulative in nature and non-convertible;

- (c) subject to the provisions of the articles of association of Vedanta Limited and subject to the provisions of the Companies Act, 1956 and/or the Companies Act, 2013 (as the case may be and to the extent applicable) as in force from time to time (including any statutory modification(s) or re-enactment(s) thereof) and rules and regulations made thereunder, for the time being in force, and which may relate or are applicable to the arrangement, confer on the holders thereof a right to a fixed preferential dividend of 7.5 per cent. per annum in priority to the dividend, if any, payable to equity shares subject to deduction of taxes at source if applicable;
- (d) not be entitled to participate in any profits in addition to the coupon rate mentioned in paragraph (c) above;
- (e) entitle its holder to the right to vote in accordance with section 47 of the Companies Act, 2013;
- (f) be redeemable on the expiry of 18 months from the date of allotment thereof and such redemption shall be at a face value of INR 10 per share with all payments in respect of such redemption being made after deducting or withholding taxes or duties as may be applicable;
- (g) be listed on a recognised stock exchange; and
- (h) mean that, in the event of winding up of Vedanta Limited, its holder shall have a right to receive payment of the capital paid-up and arrears of dividend, whether declared or not, up to the commencement of winding up, in priority to any payment of capital on the equity shares out of the surplus of Vedanta Limited but shall not have any further right to participate in the profits or assets of Vedanta Limited.

PART VII – RESERVES INFORMATION

1. Introduction

The following information, setting out the estimated oil and gas reserves and mineral resources of Cairn India is provided in compliance with section 132 of the Committee of European Securities Regulators' recommendations for the consistent implementation of the Prospectus Directive Regulation, as updated by the European Securities and Markets Authority on 23 March 2011, 20 March 2013 and 22 March 2013.

There are numerous uncertainties inherent in estimating oil and gas reserves, and estimates of oil and gas reserves are based on certain assumptions so changes in such assumptions could lead to reported oil and gas reserves being restated. Please see the risk factor headed "The Group's stated reserves and resources are only estimates based on a range of assumptions and there can be no assurance that the estimates or grades will be achieved" in Part II (*Risk Factors*) of this document.

2. Oil and Gas Reserves Data

Except where otherwise indicated, the oil and gas reserves data in the following tables is stated as at 31 March 2016 and includes measured, indicated and inferred mineral resources separately quoted. The oil and gas reserves data set out below are estimated on the basis set out in paragraph 5 of Part III (*Presentation of Information*) of this document and as set out below.

Estimates of the gross proved, probable, and possible oil, condensate, and sales-gas reserves, as of 31 March 2016, attributable to certain properties owned by Cairn India, are summarised by field below, expressed in 10³bbl of oil and condensate and 10⁶ft³ of sales gas:

	Gross Reserves					
	Proved		Probable		Possible	
	Oil and Condensate (10 ³ bbl)	Sales Gas (10 ⁶ ft ³)	Oil and Condensate (10 ³ bbl)	Sales Gas (10 ⁶ ft ³)	Oil and Condensate (10 ³ bbl)	Sales Gas (10 ⁶ ft ³)
CB/OS-2 PSC						
CB-X	-	-	-	-	-	-
Gauri	293	401	325	1,223	676	2,917
Lakshmi	5,597	5,333	10,069	14,681	4,797	8,629
CB/OS-2 PSC Total	5,890	5,735	10,394	15,903	5,473	11,546
RJ-ON-90/1 PSC						
Aishwariya	19,451	-	6,639	-	4,009	-
Bhagyam	17,187	0	3,787	0	701	0
Bhagyam EOR	0-	-	14,857	-	7,619	-
Mangala	123,191	0	21,638	0	28,904	0
NE	293	-	150	-	210	-
NI	613	-	476	-	375	-
Raageshwari	688	-	286	-	204	-
Raageshwari Deep	2,531	30,207	1,592	32,453	442	1,583
Saraswati	854	-	174	-	427	-
Kaameshwari West-3		1,267		195		407
Kaameshwari West-6		564		184		507
RJ-ON-90/1 PSC Total	164,808	32,038	49,600	32,832	42,891	2,496-
PKGM-1 License Area						
Ravva	10,775	2,347	5,220	2,025	8,655	8,988
Grand Total	181,472	40,119	65,214	50,761	57,019	23,031

Note: Probable and possible reserves have not been risk adjusted to make them comparable to approved reserves.

Estimates of the proved, probable, and possible oil, condensate, and sales-gas reserves, as of 31 March 2016, attributable to the working interests of certain properties owned by Cairn India, are summarised by field below, expressed in 10³bbl of oil and condensate and 10⁶ft³ of sales gas:

Working-Interest Reserves Summary						
Fields	Proved		Probable		Possible	
	Oil and Condensate (10 ³ bbl)	Sales Gas (10 ⁶ ft ³)	Oil and Condensate (10 ³ bbl)	Sales Gas (10 ⁶ ft ³)	Oil and Condensate (10 ³ bbl)	Sales Gas (10 ⁶ ft ³)
	CB-OS/2 PSC					
CB-X.....	-	-	-	-	-	-
Gauri.....	117	160	130	489	270	1,167
Lakshmi.....	2,239	2,133	4,028	5,872	1,919	3,452
CB-OS/2 PSC Total.....	2,356	2,294	4,158	6,361	2,189	4,619
RJ-ON-90/1 PSC						
Aishwariya.....	13,615	-	4,647	-	2,806	-
Bhagyam.....	12,031	-	2,651	-	491	-
Bhagyam_EOR.....		-	10,400	-	5,333	-
Mangala.....	86,234	-	15,146	-	20,233	-
NE	205	-	105	-	147	-
NI	429	-	333	-	263	-
Raageshwari.....	481	-	200	-	143	-
Raageshwari Deep.....	1,772	21,145	1,114	22,717	310	1,108
Saraswati	598	-	122	-	299	-
Kaameshwari West-3		887		137		285
Kaameshwari West-6		395		129		355
RJ-ON-90/1 PSC Total.....	115,365	22,427	34,720	22,983	30,023	1,747
PKGM-1 License						
Ravva.....	2,424	528	1,175	456	1,947	2,022
Grand Total.....	120,146	25,248	40,052	29,800	34,160	8,388

Note: Probable and possible reserves have not been risk adjusted to make them comparable to proven reserves.

The above reserves are expressed as gross and working interest reserves. Gross reserves are defined as the total estimated petroleum to be produced from these properties after 31 March 2016. Working interest reserves are defined as that portion of the gross reserves to be produced from the properties attributable to the interests owned by Cairn India, as of 31 March 2016, before deduction of royalty or other interests payable.

3. Project Life Data

Estimates of the gross proved, probable, and possible oil, condensate, and sales-gas reserves, as of 31 March 2016, attributable to certain properties owned by Cairn India, are summarised by field below, expressed in 10³bbl of oil and condensate and 10⁶ft³ of sales gas:

As at 31 March 2016	Proved & Probable Oil & Condensate reserves ⁽¹⁾ (103bbl)	Proved, Probable & Possible Oil & Condensate reserves ⁽¹⁾ (103bbl)	Proved & Probable Sales Gas reserves ⁽¹⁾ (106ft ³)	Proved, Probable & Possible Sales Gas reserves ⁽¹⁾ (106ft ³)	Vedanta economic interest (per cent.) ⁽⁴⁾	Expected period of working of reserves ⁽²⁾ (years, approximate)	Expected field life ⁽³⁾ (years, approximate)
OIL & GAS (Gross)							
Reserves at producing blocks							
RJ-ON-90/1 PSC	214,407	257,298	64,870	67,367	26.3	4 years	Expected to be beyond 2040
Ravva PSC	15,995	24,651	4,372	13,359	8.5	3 years	Expected to be 2025
CB/OS-2 PSC	16,284	21,757	21,638	23,184	15.1	8 years	Expected to be 2025

Notes

- (1) Probable & Possible reserves have not been risk adjusted to make them comparable to Proved reserves.
- (2) Proved, Probable and Possible reserve estimate is limited to the volume expected to be produced during the PSC tenure ie. Rajasthan: 2020, Ravva: 2019 and CB/OS-2: 2023
- (3) Expected field life is approximate, based on current understandings of volumes declining year on year and is dependent on, amongst other things, reservoir performance, technical recovery, commerciality and production sharing contract extensions.
- (4) Vedanta's economic interest prior to the implementation of the transaction.

4. Licences, exploration and extraction and exceptional factors

4.1 Background

Cairn India is primarily engaged in the business of exploration, development and production of crude oil, gas and related by-products. Cairn India has a world class diversified asset base with eight production and exploration blocks: one in Rajasthan, two on the west coast of India, four on the east coast of India, and one in South Africa. Oil and gas is currently being produced from the Rajasthan, Ravva and Cambay blocks. Average gross production for the year ended 31 March 2016 was 203,703 boepd, which was 4 per cent. lower than the previous year. The Rajasthan block is the principal production asset. In the Rajasthan block, 38 discoveries have been established since inception. Cairn India also owns and operates significant infrastructure to facilitate the processing, transportation, and sale of crude oil produced in the Rajasthan block. See paragraphs 5.1(f)(i), 5.1(f)(ii) and 5.1(f)(iii) of Part VIII (*Additional Information*) of this document for further details on the PSCs relating to Cairn India's operations.

4.2 Operations

In Rajasthan, Cairn India has a 70 per cent. participating interest in the Rajasthan block pursuant to the Rajasthan Block PSC that runs until May 2020. The block consists of three contiguous development areas: (i) Development Area (DA) 1, primarily comprising the currently producing Mangala, Aishwariya, Raageshwari oil and gas fields and Saraswati (MARS) fields; (ii) DA 2, primarily consisting of the Bhagyam, NI and NE producing fields; and (iii) DA 3, comprising the Kaameshwari West fields. The Rajasthan Block PSC may be extended subject to mutual agreement among the parties for up to an additional ten years in the case of commercial production of non-associated natural gas or up to five years otherwise. There is also provision to further extend the Rajasthan Block PSC by agreement of the parties if production of crude oil or of natural gas is expected to continue after the relevant period.

The Mangala field commenced production in September 2009 and continues to be the largest contributor to production from the Rajasthan block. To increase the ultimate oil recovery and aid to production volumes, Cairn India has implemented an enhanced oil recovery project. Successful execution of polymer flood recovery has yielded positive results with an increase in oil production and stabilisation of water cut. In the fourth quarter of the financial year ended 31 March 2016, polymer injection ramped up to planned levels of 400,000 barrels of liquid per day and Cairn India plans to maintain the injection at this level going forward.

Bhagyam, the second largest field in Rajasthan, commenced production in January 2012. During the financial year ended 31 March 2016, Cairn India faced some challenges at the Bhagyam field. The Bhagyam performance continues to be addressed through reservoir management activities. In view of sustained low oil prices, Cairn India is considering various development options to improve the viability of the Bhagyam EOR project. This includes leveraging the existing facilities built for the Mangala EOR project. Plans are being drawn up to conduct further polymer injection test programmes in multiple wells to demonstrate modelled injection rates. A technical commercial proposal for a multi-well injectivity test has been submitted to the joint venture partners for review and approval. Currently, technical and cost alignment with the joint venture partners is ongoing.

Aishwariya, the third largest discovery in Rajasthan, commenced production in March 2013. During the financial year ended 31 March 2016, the planned infill wells programme in Aishwariya was successfully completed. All 20 infill wells have been brought online and these are playing a key role in sustaining the field oil rates. These wells, along with the increase in injection and sector-wide voidage management, are leading to optimisation of reservoir management and an increase in production recovery.

The Raageshwari oil field commenced production in March 2012, whereas the Saraswati field commenced production in May 2011. Availability of the integrated processing and evacuation facility has reduced operating costs and has therefore made these fields economically viable.

The Rajasthan Block achieved net production of 62.1 mmboe in the financial year ended 31 March 2016 and a cumulative total gross production of 343.3 mmboe until the end of the financial year ended 31 March 2016. The excellent performance by Mangala EOR and encouraging upside from the Aishwariya infill programme helped offset natural decline. This has led to the Rajasthan block achieving net average production of 118,726 boepd for the financial year ended 31 March 2016, down three per cent. year on year. The overall uptime of the facilities in the block stood at approximately 98 per cent. for the year.

Development Area 1, primarily comprising the Mangala, Aishwariya, Saraswati and Raageshwari oil and gas fields, produced a net average of 104,736 boepd during the financial year ended 31 March 2016, up one per cent. year on year, due to the excellent performance of Mangala EOR and encouraging upsides from the Aishwariya infill programme. During the financial year ended 31 March 2016, development Area 2, primarily comprising the Bhagyam NI and NE fields, produced a net average of 13,990 boepd, down 28 per cent. year on year due to natural decline. Bhagyam performance continues to be addressed through reservoir management activities. As of 31 March 2016, Development Area 3 does not have any oil and gas producing fields.

The Rajasthan Block received approval from the GoI to begin selling natural gas in March 2013. The eight inch gas pipeline which runs along the oil pipeline is being used to supply gas to domestic buyers. During the financial year ended 31 March 2016, the average gas production from the Raageshwari Deep Gas field was 27 mmscf and sales were 14 mmscf.

Since inception in the 1994 calendar year, the Ravva block has produced more than double the crude oil and gas initial resource estimated at the time the Ravva PSC was awarded, achieving close to 50 per cent. recovery.

During the financial year ended 31 March 2016, the Ravva block achieved net production of 5,365 boepd, with a plant uptime of 99.7 per cent. Execution of a coil tubing campaign and deeper gas lift injection has helped partially offset the natural decline. Well stimulation in five water injectors has also helped in sustaining required water injection rates to support production from oil wells.

CB/OS-2: The Cambay block started production in the 2002 calendar year. During the financial year ended 31 March 2016, the block achieved net production of 4,100 boepd, down three per cent. from the financial year ended 31 March 2015. The facilities had an uptime of over 99.9 per cent. Cambay's production was largely stable, aided by effective reservoir management practices offsetting its natural decline.

4.3 Development Projects

MBA fields - enhanced oil recovery project including drilling campaign and facilities upgrade.

During the financial year ended 31 March 2016, Cairn India successfully executed the Mangala polymer flood project, yielding positive results with an increase in oil production and stabilisation of water cut. In the fourth quarter of the financial year ended 31 March 2016, polymer injection ramped up to planned levels of 400,000 barrels of liquid per day and Cairn India plans to maintain the injection at this level going forward. EOR contribution increased to an average of about 32,000 boepd in the fourth quarter of the financial year ended 31 March 2016 from 19,000 boepd in the previous financial quarter of the same year. The integrated drilling programme was completed for all of the 93 new wells during the year. The central polymer facility was made fully operational with four trains preparing polymer solution, in October 2015. The facilities modifications required to handle the back-produced polymer fluids are now in the final stages of commissioning. Common facilities for all well-pads are in place and injection is now ongoing at all the well-pads.

Capital expenditure of approximately US\$5.3 billion has been incurred on a gross basis on development in Rajasthan as of 31 March 2016 and Cairn India plans to additionally spend approximately US\$80 million on further development until the financial year ended 31 March 2017. These projects are financed from internal sources of capital.

Barmer Hill and Satellite field development

The Barmer Hill formation, which is spread across the block, has the potential to become a new major oil play in India and can be classified into two major development opportunities as follows:

- Barmer Hill North, consisting of oil prone porcellanite rocks; and
- Barmer Hill South, consisting of muddy porcellanites.

During the financial year ended 31 March 2016, the Barmer Hill appraisal campaign was successfully completed and the results were broadly in line with expectations. A total of 15 wells were drilled, a combination of seven vertical and eight horizontal wells, across Mangala and Aishwariya formations. The wells were put on long term testing to ascertain decline rates and deliverability. A set of advanced technologies was deployed to delineate key parameters.

Using world class technology and lessons from fracking in the United States of America, the overall well hook-up time and cost was reduced by approximately 15 per cent. Fracking was extensively used in the campaign with some 100 fracks and an average of 200,000 lbs per stage proppant being placed during these operations. Appraisal activities produced significant information on well productivity and the possibility of fracking in Mangala and Aishwariya. Wells at Aishwariya showed greater productivity (800-1000 bopd) and a full field development plan ("FDP") for it is under preparation, with a focus on increasing well recoveries and reducing cost through synergies with existing infrastructure and well pads. Cairn India has achieved sub-surface technical alignment with ONGC, its joint venture partner, and it is progressing on technical alignment for the surface facility.

In the financial year ended 31 March 2016, Cairn India successfully concluded the appraisal work in the Guda field. A total of eight wells were tested and modular quick production facilities were deployed in a number of well pads. Long term testing of the wells has yielded a positive indication and a revised FDP is being prepared for monetising this field.

4.4 Gas development

The increase of gas production in a phased manner through low cost augmentation of the existing facility and installation of additional gas compressor stations is underway. A very successful ongoing hydraulic fracturing ("hydrofrac") campaign in the RDG field has resulted in higher than expected well productivity that is expected to aid future growth. About half the planned number of fracks to sustain the growth level have been completed and the campaign is expected to conclude by the end of the first quarter of the financial year ended 31 March 2017. The tendering process for a new gas processing terminal and rig services is also progressing well. As a result of the successful application of hydrofrac technology and better reservoir characterisation, the expected ultimate recovery from the RDG field has been upgraded by over 25 per cent. During this hydrofrac campaign, Cairn India has successfully placed the largest frack in India in one of the RDG wells.

4.5 Exploration

Rajasthan: Since the recommencement of exploration in the Rajasthan Block in March 2013, across the two subsequent financial years, Cairn India has made 13 new discoveries and has drilled and tested 1.7 billion boe of in-place hydrocarbons with an additional 0.45 billion boe drilled but yet to be tested. Cairn India has discovered 2C resources of 200 million boe in Rajasthan since resuming exploration. An additional 77 million boe of prospective 2C resources has been drilled and awaits testing.

In the financial year ended 31 March 2016, Cairn India announced one new discovery thus taking the overall number of discoveries made in the block to 38. Activity was focused upon appraisal of the Raageshwari Deep Gas field and the key oil discoveries at the Diatomite Prospect, NL and Vijay & Vandana, with the objective of progressing these discoveries to development. Advanced technologies like non-radioactive traceable proppant and oriented guns were used in conjunction with advanced geo-mechanical modelling to optimise the fracking programme, with improved results. A sparse layer inversion technique has also been used, resulting in improved imaging and reservoir scale mapping.

The 3D seismic acquisition programme was continued in Rajasthan, with a total of 432 km² acquired during the financial year ended 31 March 2016. The processing of newly-acquired 3D seismic data is currently in progress with a focus on identifying additional prospects that will act to replenish the exploration inventory.

(i) **KG Onshore**

KG-ONN-2003/1, Krishna Godavari Basin (49 per cent. participating interest)

The onshore block KG-ONN-2003/1, located in the Krishna Godavari basin in the state of Andhra Pradesh, was awarded to Cairn Energy India Pty. Ltd. (now Cairn India) with a 49 per cent. participating interest, and ONGC was awarded the remaining 51 per cent. participating interest under the NELP-V round of licence auctions. The production sharing contract was signed in September 2005 and the PEL for the KG block was granted in February 2007. Under the agreement, CIL was the Operator for the Exploration and Appraisal Phases with ONGC becoming the Operator for the Development and Production Phase.

The initial PEL for the block covered an area of 1,697 square km. After completion of Exploration Phase I, an area of 435 square km was relinquished to the GoI and, after completion of Exploration Phase II, another 947 square km was relinquished to the GoI leaving the current balance area of 315 square km, which has been retained as a discovery area. Exploration Phase III has not been entered as at the date of this document.

During Exploration Phases I & II, 523 LKM of 2D seismic data and 255 square km of 3D seismic data was acquired, 1000 LKM of 2D seismic data was reprocessed, and seven exploration wells were drilled, resulting in two discoveries in the Raghavapuram and Golapalli formations (now called Nagayalanka field).

Nagayalanka-1z was the first discovery in the block. Following this discovery, the partners for the block, Cairn India and ONGC, opted to enter Phase II of the exploration license. The drilling of the second exploration well, Nagayalanka-SE-1, resulted in a light oil discovery in the onshore part of the KG basin. The Declaration of Commerciality for the two Nagayalanka discoveries (Nagayalanka-1z and Nagayalanka SE-1) was approved at the management committee meeting held in July 2014.

In November 2014, the management committee approved the extension of the appraisal period, thus regularising the extended well testing of Nagayalanka-1zST and drilling of Nagayalanka-NW-1z within the product sharing contract. Hydro fracturing of Nagayalanka NW-1z produced water with intermittent gas flow initially, which rapidly subsided following which the well flowed only water. Based on test results, no moveable hydrocarbons were established and the well was classified as water wet.

In accordance with the PSC, ONGC took over the Development Phase operatorship on 9 July 2014. Cairn India handed over the existing well sites to ONGC. Preparation of the FDP for the Nagayalanka-1z and Nagayalanka SE-1 discoveries has been undertaken with the Directorate General of Hydrocarbon's approval for extension of the FDP submission deadline.

The production sharing contract also established a management committee for the block, which consists of four members, two of whom are nominated by and represent the GoI and one of whom are nominated by and represent each of ONGC and Cairn India.

(ii) **KG Offshore**

KG-OSN-2009/3, Krishna Godavari Basin (100 per cent. operator, 100 per cent. participating interest)

The offshore block KG-OSN-2009/3 covers an area of 1,988 square km and is located in the Krishna Godavari Basin off the coast of the state of Andhra Pradesh. Cairn India is the operator and holds 100 per cent. interest in the block. Block KG-OSN-2009/3 is a shallow water block with water depths ranging between near shore to 400 metres. The production sharing contract was signed on 30 June 2010 and the PEL was granted in August 2010.

Force majeure was instigated by Cairn India in September 2011 against the GoI after the Ministry of Defense refused access to part of the block. Conditional clearance over a reduced area, together with a reduction in the minimum work programme, was awarded to Cairn India in October 2013. 100 per cent. of the planned 1,075 square km of 3D seismic data acquisition was completed during the financial year ended 31 March 2015. During the year, seismic processing and interpretation projects were carried out and a high quality prospect inventory was completed. Site surveys were carried out on five possible drilling areas, and technical studies and preparations for exploration drilling progressed. Cairn India is awaiting clearance from the GoI to commence safe drilling operations and is also currently engaging with the GoI to obtain an extension of the Initial Exploration Phase for the block, which expired on 8 March 2016.

(iii) **Palar-Pennar**

Palar-Pennar Basin (100 per cent. operator, 35 per cent. participating interest)

The block is located in the Palar Pennar basin, south of the Krishna Godavari basin and north of the Cauvery basin off the east coast of India. Water depths in the block range from a few metres (near the shore) to 400 metres at the eastern boundary of the block. The block covers an area of approximately 9,417 square km. Cairn India has a 35 per cent. ownership interest in the block and is the operator, while the other consortium members, ONGC and Tata, hold interests of 35 per cent. and 30 per cent., respectively. The agreement became effective from April 2007.

The block was under force majeure since the financial year ended 31 March 2010 as its location falls within the prohibited (no entry) zone notified by GoI authorities and permission to carry out exploration and petroleum operations in this area has not been considered appropriate by the GoI's Department of Space. However, the application by Cairn India for the shift of the restricted boundary was accepted by the GoI in January 2014, allowing for further exploration activity. Approval for a 30 month special dispensation period in the block to permit the resumption drilling in respect of three wells, having been halted in the first quarter of the financial year ended 31 March 2011, was granted by the Empowered Committee of Secretaries on 31 December 2014 and was effective from 1 January 2015. The revised date of the expiry of Phase I exploration is expected to be 30 June 2017. The prospect inventory description of the block has been completed. Preparation for drilling three commitment wells in the financial year ended 31 March 2018 is in progress. Cairn India has made a request to the GoI to extend the current exploration license period by two years.

(iv) **Mumbai Offshore**

Mumbai Offshore Basin (100 per cent. operator, 100 per cent. participating interest)

This block was awarded under the NELP VIII licensing round in 2009 and is located in the Mumbai Offshore Basin. Cairn India is the operator and holds 100 per cent. interest in the block. MB-DWN-2009/1 has water depths of between 1,000 and 2,200 metres.

The product sharing agreement between Cairn India and the MoPNG became effective on 2 August 2010, however, after the Ministry of Defense refused access to part of the block, which was under a naval exercise area, Cairn India invoked force majeure. The Ministry of Defence granted free access to the block on 9 May 2013 and Cairn India resumed exploration activities on 2 August 2014. Excusable delay was granted for 623 days for the lost period (26 August 2011 to 9 May 2013) and the expiry of the first exploration phase is now 16 April 2016

The processing of the acquired 2,128 line km of 2D broadband seismic data was delivered in the financial year ended 31 March 2015. The block has poor prospects, as concluded after performing analysis during the year, and Cairn India will exit the block at the end of the current license period. The closure report has been finalised.

(v) **Sri Lanka**

SL 2007-01-001 – Mannar Basin, Sri Lanka (100 per cent., operator, through a subsidiary, with 100 per cent. participating interest)

Sri Lanka block SL 2007-01-001 was awarded by the Petroleum Resources Development Committee ("PRDC") to Cairn India on 16 October 2008. During Exploration Phase I all work programme commitments were delivered, including a 3D seismic acquisition, and three exploration wells were drilled, resulting in two sub-commercial gas discoveries (Dorado and Barracuda). Exploration Phase II was entered in April 2011, additional 3D seismic data were acquired, and one (dry) exploration well was drilled in fulfilment of the work programme.

Given the current level of gas prices and fiscal terms, the development of hydrocarbons in the said block was not deemed commercially viable. The exploration license for the block expired on 15 October 2015. Cairn India has completed exit formalities with the Sri Lankan government.

(vi) **South Africa**

Block 1 - Orange Basin, South Africa (60 per cent, through a wholly-owned subsidiary, with 60 per cent. participating interest)

Cairn India signed a farm-in agreement with PetroSA, the national oil company of South Africa, for the 19,898 square km off-shore block 1, located in the Orange Basin in South Africa. A wholly owned subsidiary, Cairn South Africa Pty. Limited, holds a 60 per cent. interest in the block and is also the operator.

Following farm-in and assignment of the participating interest in the block from Cairn South Africa Pty. Limited in early 2013, Cairn India acquired 1,981 square km of 3D seismic data in the financial year ended 31 March 2014. Additionally, acquisition of 3,000 line km of 2D seismic data was concluded in early March 2014. Both the surveys, 3D seismic and 2D seismic were completed without incident and on time.

The prospect inventory for the block has been finalised. Cairn India is awaiting a decision on the proposed changes to the Mineral and Resources Development Act, 2002 of South Africa and the consequential fiscal regime before considering a decision to progress into the second exploration license phase.

PART VIII – ADDITIONAL INFORMATION

1. Responsibility

The Company and the Directors, whose names are set out below in this paragraph 1, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Directors and their principal functions are as follows:

Anil Agarwal	<i>Executive Chairman</i>
Navin Agarwal	<i>Deputy Executive Chairman</i>
Tom Albanese	<i>Chief Executive Officer</i>
Geoffrey Green	<i>Non-Executive Director</i>
Aman Mehta	<i>Non-Executive Director and Senior Independent Director</i>
Deepak Parekh	<i>Non-Executive Director</i>
Ravi Rajagopal	<i>Non-Executive Director</i>
Katya Zotova	<i>Non-Executive Director</i>

2. Company address

The registered office of the Company is located at 5th Floor, 6 St. Andrew Street, London, EC4A 3AE. The head office of the Company is 16 Berkeley Street, London W1J 8DZ (telephone number +44 (0)20 7499 5900).

3. Directors' interests

3.1 As at 18 August 2016 (being the latest practicable date prior to the publication of this document), the aggregate interests (all of which are beneficial) of each of the Directors in the share capital of the Company which have been notified by each Director to the Company pursuant to Article 19 of MAR and its predecessor legislation or the interests of persons closely associated with them which have been disclosed under Article 19 of MAR and its predecessor legislation (and the existence of which is known to, or could with reasonable diligence be ascertained by, that Director) were as follows:

Director	Number of Shares	Percentage of issued voting share capital
Anil Agarwal ¹	187,488,102	69.44%
Anil Agarwal ²	200,901	0.07%
Navin Agarwal ^{2, 3}	314,055	0.12%
Tom Albanese	82,700	0.03%
Geoffrey Green	-	-
Aman Mehta	-	-
Deepak Parekh	-	-
Ravi Rajagopal	-	-
Katya Zotova	-	-

Note:

1. Volcan and its affiliates own 187,488,102 Shares, or approximately 69.44 per cent. of the issued voting share capital of Vedanta. Volcan is owned and controlled by the Anil Agarwal Discretionary Trust (the "Trust"). Conclave PTC Limited ("Conclave") is the trustee of the Trust and controls all voting and investment decisions of the Trust. As a result, shares beneficially owned by Volcan may be deemed to be beneficially owned by the Trust and, in turn, by Conclave. Mr Anil Agarwal, the Executive Chairman of Vedanta, may be deemed to have beneficial ownership of shares that may be owned or deemed to be beneficially owned by Conclave.
2. Mr Anil Agarwal and Mr Navin Agarwal each hold nominee shares in direct and indirect subsidiaries. These holdings are non-beneficial.

3. 51,660 shares are held by Navin Agarwal's son and wife, which were purchased from the market in March 2015.

3.2 Certain of the Directors are also interested in unissued Shares under share options and awards held by them pursuant to Vedanta share schemes. Those options and awards are not included in the interests of the Directors shown in the table at 3.1 of this Part VIII (*Additional Information*). The options and awards over Shares held by the Directors as at 18 August 2016 (being the latest practicable date prior to the posting of this document) are as follows:

PSP awards granted during the year

The following PSP awards were granted to the Executive Directors on 30 December 2015:

	Type of award	Basis of award granted (% of base compensation)	share price at date of grant (£)	Number of shares over which award was at granted	Face value of award (£'000)	% of face value that would vest at threshold performance
Anil Agarwal	Nominal-cost option	46%	2.717	275,000	747	30%
Navin Agarwal	Nominal-cost option	37%	2.717	130,000	353	30%
Tom Albanese	Nominal-cost option	54%	2.717	200,000	543	30%

The performance condition attached to the above award is based on Vedanta's total shareholder return relative to a comparator group of industry peers. 30 per cent. of the awards will vest at median performance, with full vesting for upper quintile performance.

The companies comprising the total shareholder return comparator group are:

- Global resources group (75 per cent.), consisting of Anglo American, BHP Billiton, Rio Tinto, GlencoreXstrata, Vale, Antofagasta, Grupo Mexico, Hindalco, Alcoa, Dragon Oil (until delisting), Boliden, First Quantum, Petrofac, Tullow Oil; and
- Indian companies group (25 per cent.), consisting of Reliance Industries Ltd, NMDC Ltd, Coal India Ltd, National Aluminium Co Ltd, ONGC and Ultratech Cement Limited.

Share plan awards

The table below shows the Directors' interests in the Company's share plans:

		31 March 2015	Granted in 2015/16	Vested in 2015/16	Lapsed in 2015/16	31 March 2016	Exercise price US cents	Award price £	Earliest/latest exercise date
		Number of shares	Number of shares	Number of shares	Number of shares	Number of shares			
Anil Agarwal									
24 September 2012	ESOP ¹	9,000	-	9,000	-	-		0.1	24 Sept 13 – 16 Mar 16
17 November 2014	PSP	225,000	-	-	-	225,000		0.1	16 Nov 17 – 16 May 18
30 December 2015	PSP	-	275,000	-	-	275,000		0.1	29 Dec 18 – 29 Jun 19
4 January 2016	DSBP ²	-	68,661	-	-	68,661		0	22 May 16 – 22 May 18
Navin Agarwal									
24 September 2012	ESOP ¹	6,120	-	6,120	-	-		0.1	24 Sept 13 – 16 Mar 16
17 November 2014	PSP	140,000	-	-	-	140,000		0.1	17 Nov 17 – 17 May 18
30 December 2015	PSP	-	130,000	-	-	130,000		0.1	30 Dec 18 – 30 Jun 19
4 January 2016	DSBP ²	-	60,362	-	-	60,362		0	12 Aug 16 – 12 Aug 18
Tom Albanese									
17 November 2014	PSP	170,000	-	-	-	170,000		0.1	17 Nov 17 – 17 May 18
30 December 2015	PSP	-	200,000	-	-	200,000		0.1	30 Dec 18 – 30 Jun 19
4 January 2016	DSBP	-	41,939	-	-	41,939		0	12 Aug 16 – 12 Aug 18
Total		550,120	775,962	15,120	0	1,310,962			

- The ESOP 2012 third-year options have vested for Mr Anil Agarwal as well as Mr Navin Agarwal but they have not exercised the same. The time period of exercise has been extended by one month until mid-June 2016 for all the employees, post which the option's will lapse.
- Mr Anil Agarwal's and Navin Agarwal's interest over ordinary shares of US\$0.10 each in the Company includes his interest over 68,661 and 60,362 forfeitable shares, which were awarded to them under the Company's Deferred Share Bonus Plan (the "DSBP") on 4 January 2016, of which for Mr Anil Agarwal 27,465, and for Mr Navin Agarwal 24,145 shares fully vested and ceased to be subject to restrictions and risk of forfeiture on 22 May 2016 and 12 August 2016 respectively. As at 18 August 2016 the shares are currently residing with Sanne Fiduciary Services Limited, acting as the executive's nominee. The remaining 41,196 and 36,217 forfeitable shares held by Mr Anil Agarwal and Navin Agarwal under the DSBP will vest and cease to be subject to restrictions and at risk of forfeiture in two equal tranches on 22 May 2017 and 2018 and 12 August 2017 and 2018 respectively.

3.3 Save as disclosed in paragraphs 3.1 and 3.2 above, the Directors do not have any interest in the share capital of the Company.

- 3.4 So far as the Company is aware, as at 18 August 2016 (being the latest practicable date prior to the publication of this document), the following persons (other than Directors) had notifiable interests in three per cent. or more of the entire issued share capital of the Company:

Shareholder	Nature of holding	Number of ordinary shares of US\$0.10 each	Percentage of total voting rights
Volcan Investments Limited	Indirect	187,488,102	69.70%
Standard Life Investment (Holdings Limited)	Indirect	16,159,239	5.98%
Viktor Falk	Direct	8,340,408	3.10%

4. Directors' service agreements

The Directors have each entered into a service contract or, as appropriate, a letter of appointment, with the Company relating to their appointment to the Board.

4.1 Service Agreements of the Executive Directors

Details of the Executive Directors' service contracts can be found on page 121 of the Company's 2016 Annual Report and Accounts and are incorporated herein by reference. There have been no changes to the terms of these contracts since the publication of the 2016 Annual Report and Accounts.

The Executive Directors have entered into service agreements or, as appropriate, letters of appointment with the Company. Details of these service agreements are set out below. Mr Navin Agarwal has entered into both a letter of appointment with Vedanta and a service agreement with Vedanta Limited. Mr Tom Albanese has a service contract with both Vedanta and Vedanta Limited.

Director	Date of service agreement	Commencement date of office	Term	Notice / payment in lieu of notice ("PILON") provisions	Base compensation for the year ended 31 March 2016	Annual bonus payment for the year ended 31 March 2016
A.K. Agarwal	27 November 2003	16 May 2003	Rolling contract	Six months ⁽¹⁾	(£000) 1,068	(£000) 894 ⁽⁴⁾
N. Agarwal (Vedanta)	4 May 2005	24 November 2004	Rolling contract	Six months	85	-
N Agarwal (Vedanta Limited)	1 August 2003	1 August 2003	31 July 2018	Three months ⁽²⁾	969	533 ⁽⁴⁾
Tom Albanese (Vedanta and Vedanta Limited)	5 March 2014	1 April 2014	31 March 2017	Three months ⁽¹⁾	1,000	556 ⁽⁴⁾

- (1) PILON equivalent to six months' base compensation.
- (2) PILON equivalent to three months' base compensation.
- (3) PILON equivalent to three months' base compensation.
- (4) 50 per cent of the annual bonus paid in deferred bonus shares of the Company and 50 per cent paid in cash.

4.2 Letters of Appointment of the Non-Executive Directors

A summary of the Non-Executive Directors' letters of appointment and remuneration can be found on pages 121 and 123 of the Company's 2016 Annual Report and Accounts and are incorporated herein by reference. The annual fees paid to the Non-Executive Directors for the year ended 31 March 2016 are set out below. Save as disclosed in this paragraph 4 of this Part VIII (*Additional Information*), there have been no changes to the terms of the letters of appointment of the Non-Executive Directors since the publication of the 2016 Annual Report and Accounts.

The Non-Executive Directors have entered into letters of appointment with the Company. Details of these letters of appointment are also set out below.

Director	Date of agreement	Commencement date of office	Expiry / Notice terms	Annual Fee (£000)
G. Green	31 July 2012	1 August 2012	Three months	115,000
A. Mehta	24 November 2004	24 November 2004	Three months	140,000
D. Parekh	31 May 2013	1 June 2013	Three months	115,000
R. Rajagopal	1 July 2016	1 July 2016	Three months	105,000
K. Zotova	1 August 2014	2 August 2014	Three months	122,500

- (1) Mr Mehta's annual fee excludes the salary of £85,204 paid by Cairn India Limited and its subsidiaries.
- (2) Mr Mehta entered into a letter of extension with the Company on 11 May 2016.
- (3) Mr Parekh entered into a letter of extension with the Company on 11 May 2016.
- (4) Mr Green entered into a letter of extension with the Company on 11 May 2016.
- (5) The annual fees paid to Mr Green, Mr Parekh, Mr Rajagopal and Ms Zotova changed on 5 August 2016 following changes made to the composition of the board committees.

Save as mentioned above in this paragraph 4 of this Part VIII (*Additional Information*), there are no existing or proposed service agreements between any Director and the Company or any of its subsidiaries providing for benefits upon termination of employment.

5. Material Contracts

5.1 The material contracts (not being contracts entered into in the ordinary course of business) entered into by the Group (a) in the two years immediately preceding the date of this document and which are, or may be, material to the Group or (b) contain provisions under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document comprise:

- (a) the sale and purchase agreement described in the paragraph headed "The Cairn Consolidation" of Part VI: "Description of the Transactions" of the Vedanta Limited Circular (which paragraph headed "The Cairn Consolidation" of Part VI of the Vedanta Limited Circular is incorporated by reference into this document);
- (b) the Volcan relationship agreement as described in paragraph 3 of Part II: "Relationship with Major Shareholder" of the Prospectus (which paragraph 3 of Part II of the Prospectus is incorporated by reference into this document). The Volcan relationship agreement was amended on 12 November 2014 to ensure compliance with the new independence pursuant to Listing Rule 6.1.4DR;
- (c) the contracts summarised in paragraphs 9.1 and 9.2 of Part I: "Information on the Vedanta Group, the Cairn India Group and the Combined Group" of the Prospectus (which paragraphs 9.1 and 9.2 are incorporated by reference into this document as updated by paragraph 5.2 below);
- (d) the borrowing arrangements and convertible bonds summarised in Note 24 and Note 28, respectively, of the "Notes to the Financial Statements" on pages 175 to 185 of the annual report and accounts of the Company for the financial year ended 31 March 2016 and not otherwise described in this document (which pages 175 to 185 are incorporated by reference into this document);
- (e) the contracts summarised in paragraphs 14.1, 14.2, 14.4, 14.5, and 14.6(c)(i) of Part X: "Additional Information" of the Prospectus (which paragraphs 14.1, 14.2, 14.4, 14.5 and 14.6I(i) of Part X of the Prospectus are incorporated by reference into this document as updated by paragraph 5.2 below); and
- (f) the contracts described below:

- (i) **Rajasthan Block PSC**

Cairn India is working in partnership with its joint operation partner, ONGC, in the Rajasthan Block. The Rajasthan production sharing contract (the "**Rajasthan Block PSC**") was signed in May 1995 between the GoI and a consortium consisting of ONGC and Shell India Production Development BV.

Cairn India acquired its interest in the Rajasthan Block PSC in three stages, eventually acquiring a 100 per cent. beneficial interest in the assets and liabilities as of May 2002 and acquiring legal title to this interest on 20 June 2003. Under the Rajasthan Block PSC, the GoI has an option to acquire a participating interest of 30 per cent. in any development area containing a commercial discovery. The GoI exercised its right in all three development areas, specifically DA 1 in 2005, DA 2 in 2007 and DA 3 in 2009, acting through its nominee, ONGC, and acquired a 30 per cent. participating interest.

Under the Rajasthan Block PSC, the GoI has the option but not an obligation to purchase the entire or part of the crude oil produced from the Rajasthan Block. However, the GoI has granted permission to Cairn India to sell the remaining quantities of crude oil, over and above those allocated to government nominees, to other domestic private refineries. As of 31 March 2016, Cairn India sells the crude oil to both private refineries and, the public sector undertakings refineries. As of 31 March 2016, commercial sales arrangements were in place for over 200,000 boepd with public sector undertakings and private refineries. Any additional sales to the public sector undertakings refineries, special economic zone refineries and overseas are subject to approval from the GoI.

The Rajasthan Block PSC established a management committee for the Rajasthan Block, which consists of four members, two of whom are nominated by and represent the GoI and the licensee, ONGC, together, and two of whom are nominated by and represent Cairn India. The management committee must unanimously approve annual work programmes, budgets, proposals for the declaration of a discovery as commercial, field development plans, and the delineation of or additions to a development area, whereas all other matters only require a majority vote.

The Rajasthan Block PSC is currently due to expire in May 2020, but it may be extended by mutual agreement among the parties for up to an additional ten years in the case of commercial production of natural gas or, in other cases, up to five years. There is also a provision to further extend the production sharing contract by agreement of the parties if production of crude oil or natural gas is expected to continue after the relevant period.

The Rajasthan Block benefitted from a tax holiday of seven years from the financial year ended 31 March 2009 (being the year of commencement of commercial production in the Rajasthan Block) to 31 March 2016. However, during this seven year period, minimum alternate tax rules applied resulting in a taxation of book profits calculated in accordance with the generally accepted accounting principles used in India. Any minimum alternate tax paid can be carried forward for a total period of ten years from the year of credit and used to reduce corporate tax due in future years in excess of minimum alternate tax payable in those years.

Under the Rajasthan Block PSC, until such time as India attains self-sufficiency in its crude oil supply, Cairn India is required to sell to the GoI, or its nominee, all of Cairn India's entitlement to crude oil and condensate extracted from the Rajasthan Block to assist in satisfying domestic Indian crude oil demand. However, the GoI has allowed marketing freedom to Cairn India under the Rajasthan Block PSC to sell remaining quantities, over and above those allocated to the GoI and its nominees, to other domestic private refineries.

(ii) **Ravva Block PSC**

The production sharing contract for the exploration, development and production of the Ravva field (the "**Ravva PSC**") was signed on 28 October 1994 between the GoI and a consortium consisting of ONGC, Videocon Petroleum Limited, Ravva Oil and Cairn

Energy India Pty Limited (formerly known as Command Petroleum (India) Pty Limited) ("**Command Petroleum**") with Command Petroleum being designated as the operator. In 1996, Cairn Energy Plc acquired Command Petroleum, including its interest in the Ravva field, and Cairn India became the operator.

Cairn India holds a 22.5 per cent. working interest in the Ravva field, with the remaining interests currently held by ONGC (40 per cent.), Videocon Petroleum Limited (25 per cent.) and Ravva Oil (12.5 per cent.) (together, the "**Ravva joint operation**"). The Ravva PSC is valid until 27 October 2019, but may be extended by the GoI for up to an additional ten years in the case of commercial production of non-associated natural gas or, in other cases, up to five years.

Under the Ravva PSC, Cairn India is entitled to recover 100 per cent. of exploration, development and costs of production from crude oil and natural gas sales before any profit is allocated among the parties.

Under the Ravva PSC, until such time as India attains self-sufficiency in its crude oil supply, Cairn India is required to sell in the domestic Indian market all of its entitlement to crude oil extracted from the Ravva field to assist in satisfying domestic Indian crude oil demand.

(iii) ***Cambay basin production sharing contract***

Exploration, development and production of the Cambay basin block is governed by a production sharing contract between the GoI and a consortium consisting of ONGC, Tata and Cairn India, (the "**Cambay basin joint operation**") which was signed on 30 June 1998 and expires in 2023. The production sharing contract can be extended for a period of ten years in case of commercial production of non-associated natural gas or for a period not exceeding five years. Cairn India's participating interest in the Cambay basin joint operation consists of a 40 per cent. interest in the Lakshmi, Gauri and CB-X development areas. The remaining interests in these development areas are held by ONGC (50 per cent.) and Tata (10 per cent.).

5.2 The table below provides an update to the material contracts described in Note 24 and Note 28 of the "Notes to the Financial Statements" on pages 175 to 185, respectively, of the Company's 2016 Annual Report and Accounts which are incorporated by reference into this document.

Page reference	Description of material contract	Update
177	US\$1.2 billion term loan facility dated 15 May 2013 between TSMHL as borrower and a syndicate of banks with the Standard Chartered Bank as facility agent	US\$300 million was repaid by TSMHL in June 2015 and a further US\$300 million was repaid in June 2016. US\$600 million is currently outstanding.
175	The Company issued US\$1.65 billion long-term bonds issued in July 2011	US\$750 million bonds due in June 2016 have been repaid
N/A	TSPL has a INR 2000 crores credit facility with the State Bank of India	New facility
N/A	Jharsuguda Aluminium has a INR 5000 crores credit facility with Axis Bank	New facility

Page reference	Description of material contract	Update
183	Vedanta Resource Jersey Limited issued US\$1.25 billion convertible bonds on 13 July 2009	Repaid in full on 14 July 2016

5.3 The table below provides an update to the material contracts described in paragraphs 9.1 and 9.2 of Part I: "Information on the Vedanta Group, the Cairn India Group and the Combined Group" of the Prospectus and paragraphs 14.1, 14.2, 14.4, 14.5 and 14.6c(i) of Part X: "Additional Information" of the Prospectus which are incorporated by reference into this document.

Paragraph reference	Description of material contract	Update
9.1	BALCO Call Option	<p>The GoI filed an application before the High Court of Delhi to partially set aside the arbitral award dated 25 January 2011 in respect of certain matters involving valuation. The High Court of Delhi passed an order dated 10 August 2011 directing the Group's application and the application by the GoI to be heard together as they arise from a common arbitral award.</p> <p>Arbitration proceedings have now concluded and a majority award held that the provisions in the shareholders' agreement relating to the call option and its exercise violated Indian law. Subsequently, an application has been made by the Group to the High Court of Delhi to set aside the arbitration award which is now to be heard on 4 November 2016.</p> <p>On 9 January 2012, Vedanta offered to acquire the GoI's interests in BALCO for US\$338 million. Vedanta has, by way of letters dated 10 April 2012 and 6 July 2012, sought to engage with the GoI on the same terms as the offer. This offer was separate from the contested exercise of the call options, and Vedanta proposed to withdraw the ongoing litigation in relation to the contested exercise of the options should the offer be accepted.</p> <p>To date, the offer has not been accepted by the GoI.</p>
9.2	HZL Call Option	<p>By a letter dated 21 July 2009, Vedanta Limited exercised the second call option. The GoI disputes the validity of the call option and has refused to act upon it. Consequently, Vedanta Limited invoked arbitration and filed a statement of claim.</p> <p>The dispute in relation to the purported exercise of the HZL option has been referred to arbitration proceedings and the next hearing has been set for 20 August 2016.</p>

Paragraph reference	Description of material contract	Update
		<p>On 9 January 2012, Vedanta offered to acquire the GoI's interests in HZL for US\$2,938 million. Vedanta has, by way of letters dated 10 April 2012 and 6 July 2012, sought to engage with the GoI on the same terms as the offer. This offer was separate from the contested exercise of the call options, and Vedanta proposed to withdraw the ongoing litigation in relation to the contested exercise of the options should the offer be accepted.</p> <p>To date, the offer has not been accepted by the GoI.</p>
14.1(a)	Volcan Relationship Agreement	No material update. On 12 November 2014, the Volcan relationship agreement was amended to ensure compliance with new independence provisions to be included in the agreement pursuant to Listing Rule 6.1.4DR.
14.1(b)	Shared Services Agreement	In financial years 2014, 2015 and 2016, Vedanta received US\$0.03 million, US\$0.02 million and US\$0.02 million from Sterlite Technologies Limited, respectively, under the shared services agreement.
14.2(a)	Cairn India Purchase Agreement	No material update.
14.2(b)	Amendment Deeds to the Cairn India Purchase Agreement	No material update.
14.2(c)	ONGC Agreement	No material update.
14.4(a)	Information Agreement	Cairn Energy plc, CUKHL and Cairn India entered into the information agreement on 8 December 2011.
14.4(b)	Cairn Relationship Agreement	Vedanta and Cairn India entered into the relationship agreement on 8 December 2011.
14.5(a)	Share Purchase Agreement Relating to the Acquisition of SRL	No material update.
14.5(b)	Share Purchase Agreement Relating to the Acquisition of the Zinc Assets of Anglo American	No material update.
14.5(c)	Share Purchase and Operation Agreement Relating to the Acquisition of a Majority Stake in Western Cluster Limited	On 20 December 2012, Bloom Fountain Limited acquired the remaining 49.0 per cent. of the fully diluted ordinary share capital of Western Cluster Limited from Elenilto for US\$33.5 million.
14.5(d)	Mineral Development Agreement in Respect of Western Cluster Limited	Due to a change in control of Western Cluster Limited pursuant to the share purchase agreement dated 20 December 2012, the Legislature of Liberia is required to approve the amendment to the mineral development agreement which is currently in progress.

Paragraph reference	Description of material contract	Update
14.6(c)(i)	US\$2.2 billion Term Loan with State Bank of India	This facility was prepaid fully by 30 August 2014. There is currently no amount outstanding under this facility.

5.4 There are no material contracts (not being contracts entered into in the ordinary course of business) entered into by Cairn India (a) in the two years immediately preceding the date of this document and which are, or may be, material to Cairn India, or (b) contain provisions under which Cairn India has any obligation or entitlement which is material to Cairn India as at the date of this document.

6. **Working Capital**

The Company is of the opinion that, if the Cairn India Merger is implemented, the Enlarged Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of this document.

7. **Litigation**

7.1 Save for the litigation described below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have or have had during the 12 months prior to the date of this document a significant effect on the Company or the Group and/or the Company's or the Group's financial position or profitability.

Vedanta Limited has commenced proceedings against the GoI, which has disputed Vedanta Limited's exercise of the call option to purchase its remaining 29.5 per cent. ownership interest in HZL

Pursuant to the Government of India's policy of disinvestment, Vedanta Limited, through its wholly-owned subsidiary, SOVL, acquired 64.92 per cent. of the share capital of HZL through the shareholders' agreement between the GoI and SOVL dated 4 April 2002 (the "SHA") and an open offer mechanism. Under the terms of the SHA, Vedanta Limited was granted two call options to acquire all of the remaining shares in HZL held by the GoI at the time of exercise. Vedanta Limited exercised the first call option on 29 August 2003. On 21 July 2009, SOVL exercised the second call option to acquire the remaining 29.5 per cent. of the share capital shares in HZL held by the GoI. The GoI refused to act upon the second call option stating that the call option violates the provisions of the Indian Companies Act, 1956. Arbitral proceedings are currently under progress and the next hearing has been set for 20 August 2016.

The claim amount is not currently quantifiable.

Vedanta Limited has commenced proceedings against the GoI, which has disputed Vedanta Limited's exercise of the call option to purchase its remaining 49.0 per cent. ownership interest in BALCO

Arbitration proceedings have been concluded in relation to a dispute between the GoI and Vedanta Limited, with respect to Vedanta Limited's exercise of its second call option to acquire the remaining shares in BALCO held by the GoI, pursuant to the shareholders' agreement between the parties. In January 2011, the majority award of the arbitral tribunal rejected Vedanta Limited's claims on the grounds that the clauses relating to the call option, the right of first refusal, the "tag-along" rights and the restriction on the transfer of shares violate the provisions of the Indian Companies Act, 1956. In April 2011, Vedanta Limited filed an application under section 34 of the Arbitration and Conciliation Act, 1996 in the High Court of Delhi to set aside the award dated 25 January 2011 to the extent that it holds these clauses ineffective and inoperative. The GoI also filed an application before the High Court of Delhi to partially set aside the arbitral award dated 25 January 2011 in respect of certain matters involving valuation. The High Court of Delhi passed an order dated 10 August 2011 directing Vedanta Limited's application and the application by the GoI to be heard together as

they arise from a common arbitral award. The matter is currently listed to be heard on 4 November 2016.

The claim amount is not currently quantifiable.

Legal proceedings related to mining operations in the State of Goa

Pursuant to findings in the Justice M.B. Shah Commission Report dated 15 March 2012 on the allegations of illegal mining in the State of Goa, the state government banned iron ore mining operations in Goa on 10 September 2012 and the Ministry of Environment and Forests ("**MoEF**") suspended environmental clearances of all mining leases within the State of Goa. A writ petition was filed before the Supreme Court of India to initiate action based on the Justice M.B. Shah Commission Report and the Supreme Court of India passed an interim order on 5 October 2012 suspending mining operations within Goa.

The Supreme Court of India passed a further interim order on 11 November 2013 directing the Directorate of Mines and Geology to verify the inventory of the excavated mineral ores and the Monitoring Committee be constituted to sell the materials through an e-auction. The Monitoring Committee would e-auction the ore and the proceeds from the auction would go to the state government.

On 21 April 2014, the Supreme Court passed judgment in the matter and lifted the ban with certain stipulations, including that mining by the lessees after 22 November 2007 is illegal, and dumping outside the leased area is impermissible. The Supreme Court also ordered that an interim buffer zone be fixed at one kilometer from the boundaries of National Parks and Sanctuaries, set an ad-hoc cap on annual excavation at 20 million tons other than from dumps until such time as the final report of Expert Committee is submitted, and also ordered the appropriation of the sale value of e-auctioned inventorized ores by the state government as per stipulated conditions, and the payment of 10 per cent. of the sale proceeds to the Goan Iron Ore Permanent Fund. The Supreme Court has held that all mining leases in the State of Goa, including those of Vedanta Limited, expired in 2007 and consequently, no mining operations can be carried out until the renewal or execution of mining lease deeds by the state government. The petition filed by Vedanta Limited in May 2014 for the review of the aforesaid judgment in the Supreme Court of India on certain limited issues was subsequently withdrawn by Vedanta Limited in September 2014.

On 13 August 2014, the High Court of Bombay, Goa Bench passed a common order directing the State of Goa to renew the mining leases for which stamp duty was collected in accordance with the Goa Mineral Policy, 2013 and to decide the other applications for which no stamp duty was collected within three months thereof.

In January 2015, the government of Goa revoked the order suspending mining operations in the State of Goa and in March 2015 the MoEF revoked the suspension of environmental clearances. Subsequently, the lease deeds for all working leases were executed and registered as of August 2015. Vedanta Limited obtained consent to operate under the Air (Prevention of Pollution) Act and Water (Prevention of Pollution) Act from the Goa State Pollution Control Board and mining plan approval from the Indian Bureau of Mines for these leases, and Vedanta Limited resumed operations of its mines on 10 August 2015.

On 10 September 2014, the Goa Foundation challenged the High Court order directing the renewal of mining by way of a special leave petition before the Supreme Court of India, challenging the judgment of the High Court dated 13 August 2014 directing renewal of mining leases. No stay has yet been granted by the Supreme Court. A local activist filed another set of special leave petitions on an identical issue. Two writ petitions were also filed before the Supreme Court by the Goa Foundation and Sudip Tamankar in September 2015 for setting aside the second renewal of iron ore mining leases in Goa made under section 8 (3) of the Mines and Minerals (Development and Regulation) Act, 1957 and challenging the revocation of suspension on mining in the State of Goa.

The Expert Committee has filed its reports on dump handling and ceiling on annual extraction before the Supreme Court recommending the immediate enhancement of the annual extraction

ceiling to 30 million tons, and subsequently to 37 million tons after the development of infrastructure. Vedanta Limited has filed an application before the Supreme Court of India, requesting clarification on whether any contributions to the Goa Permanent Iron Ore Fund should be made under the Supreme Court's orders, as the central government has introduced a provision to set up a social fund known as the District Mineral Foundation in states for similar objectives.

The claim amount is not currently quantifiable.

Appeal proceedings in the High Court of Bombay brought by SEBI to overrule a decision by the SAT that Vedanta Limited has not violated regulations prohibiting fraudulent and unfair trading practices.

In April 2001, SEBI ordered prosecution proceedings to be brought against Vedanta Limited, alleging that it violated regulations prohibiting fraudulent and unfair trading practices, and also passed an order prohibiting Vedanta Limited from accessing the capital markets for a period of two years. SEBI's order was overruled by the SAT on 22 October 2001 on the basis of a lack of sufficient material evidence to establish that Vedanta Limited had, directly or indirectly, engaged in market manipulation and noting that SEBI had exercised its jurisdiction incorrectly in prohibiting Vedanta Limited from accessing the capital markets. In November 2001, SEBI appealed to the High Court of Bombay. No further action or procedures have taken place since 2001.

In addition to the civil proceedings, SEBI also initiated criminal proceedings in 2001 before the Court of the Metropolitan Magistrate, Mumbai, against Vedanta Limited, Vedanta's Executive Chairman, Mr Anil Agarwal, Vedanta Limited's Director of Finance, Mr Tarun Jain, and the chief financial officer of MALCO at the time of the alleged price manipulation. When SEBI's order was overturned in October 2001, Vedanta Limited filed a petition before the High Court of Bombay to defend those criminal proceedings on the grounds that the SAT had overruled SEBI's order on price manipulation. An order has been passed by the High Court of Bombay in Vedanta Limited's favour, granting an interim stay of the criminal proceedings.

As at 18 August 2016 (being the latest practicable date prior to the publication of this document), this matter is listed in the category of "stayed matters".

The claim amount in respect of both civil and criminal proceedings is not currently quantifiable.

Investigation by the SFIO

In October 2009, the MCA ordered the Serious Fraud Investigation Office of India (the "SFIO") to investigate Vedanta Limited (previously known as Sesa Goa Limited) and Sesa Industries Limited (which subsequently merged with Vedanta Limited) in respect of alleged mismanagement, malpractice, financial and other irregularities, including the alleged siphoning and diversion of funds primarily in the period prior to the Company's acquisition of Vedanta Limited in 2007 and for a report to be submitted to the central government. The resulting report made allegations relating to under-invoicing of exported iron ore, over-invoicing of imported coal, over-invoicing of iron ore sold from Vedanta Limited to Sesa Industries Limited, commission paid to Mitsui and other violations of the Companies Act, 1956 during the period from 2001 to 2007. The report recommended that action be taken against the directors of Vedanta Limited. The allegations with regards to offences under the Indian Penal Code in the SFIO report were later dropped. Subsequently, the GoI through the MCA filed various complaints against Vedanta Limited and a number of its directors and officers for allegedly violating certain sections of the Companies Act 1956, specifically, dealing with publication of name outside the premises, irregularity in the form of balance sheet and inducing persons to invest money in Sesa Industries Limited. Foreign directors were not served in relation to these allegations. The other directors and officers were also exempted from appearing in person. The application filed by the Ministry of Corporate Affairs for separation of trial against the unserved accused was dismissed on 11 November 2014 and the Ministry of Corporate Affairs took steps to serve the unserved accused. The Ministry of

Corporate Affairs filed an application for sending summons to the accused as per guidelines issued by the Ministry of Home Affairs to which Vedanta Limited submitted its reply.

Vedanta Limited filed a compounding application with the Registrar of Companies, Goa, on 28 September 2015 and a compounding order was passed on 18 February 2016. The proceedings before the Judicial Magistrate, First Class, Panaji were withdrawn and disposed of on 22 April 2016.

The claim amount is not currently quantifiable.

Writ petitions filed against Vedanta Limited alleging violation of certain air, water and hazardous waste management regulations at its Tuticorin plant.

Various writ petitions were filed before the High Court of Madras alleging that sulphur dioxide emissions from Vedanta Limited's copper smelting operations at Tuticorin were causing air and water pollution and hazardous waste. These petitions sought to cancel Vedanta Limited's permits and environmental approval to operate its smelter.

A writ petition filed in December 2009 before the High Court of Madras challenged the grant of environmental clearance for the expansion of Vedanta Limited's copper smelter at Tuticorin. No order or direction for injunction was ever granted. A further hearing for the writ petition has not been set.

Separately, in March 2013, the Tamil Nadu Pollution Control Board ordered the closure of the copper smelter at Tuticorin due to complaints by local residents regarding a noxious gas leak. On 1 April 2013, Vedanta Limited filed a petition with the NGT challenging the order on the basis that the plant's emissions were within permissible limits. The NGT passed an interim order on 31 May 2013 allowing the smelter to re-commence operations subject to certain conditions and, accordingly, Vedanta Limited re-commenced operations on 16 June 2013. The expert committee constituted by the NGT submitted a report on the operation of the plant on 10 July 2013 stating that the plant's emissions were within the prescribed standards and, based on this report, the NGT, on 15 July 2013, stipulated that the smelter could re-commence its operations. On 8 August 2013, the NGT confirmed its 31 May 2013 order and held that there were no health impacts owing to the operations of the plant. The NGT directed Vedanta Limited to comply with the committee's recommendations to further improve the working of the plant within eight weeks from 8 August 2013. Vedanta Limited implemented the recommendations during the course of 2013. However, the Tamil Nadu Pollution Control Board has filed a notice of appeal against the orders of the NGT. This appeal is pending before the Green bench of the Supreme Court of India. The claim amount is not currently quantifiable.

Petitions have been filed in the Supreme Court of India and the High Court of Orissa to seek the cessation of construction of Vedanta Limited's aluminium refinery in Lanjigarh, which is currently closed, and related mining operations in Niyamgiri Hills, which are currently suspended

In 2004, an individual filed a writ petition before the High Court of Orissa against Vedanta, the Government of Odisha, the Republic of India, the Orissa Mining Corporation, and others alleging that the grant of a mining lease by the Orissa Mining Corporation in favour of Vedanta Limited to mine bauxite in the Niyamgiri Hills at Lanjigarh, in the State of Orissa, would violate the provisions of the Forest (Conservation) Act, 1980 of India. The petition alleged that the felling of trees, construction of an alumina refinery and the development of the mine violates the Forest (Conservation) Act 1980 and would have an adverse impact on the environment. The petition requested that the High Court of Orissa, amongst other things, restrain the grant of the mining lease to mine bauxite, declare the memorandum of understanding entered into between Vedanta Limited and the Orissa Mining Corporation void, declare the immediate cessation of construction of the Lanjigarh alumina refinery and grant an order of an unspecified amount of compensation for damage caused to the environment. The petition was also filed before the Supreme Court of India by certain non-governmental organizations and individuals. On 8 August 2008, the Supreme Court of India granted Vedanta Limited clearance to mine in and around the Niyamgiri Mines on terms and conditions

specified in the Supreme Court of India order dated 23 November 2007. As a result of the order of the Supreme Court of India, the proceedings before the High Court of Orissa became redundant as the issues were already determined.

On 24 August 2010 the MoEF declined to grant forest clearance for the Niyamgiri Mines to the Orissa Mining Corporation, and rendered the environmental clearance non-operational. On 8 March 2011, the Orissa Mining Corporation challenged the order by a special leave petition in the Supreme Court of India. On 1 April 2011, the Supreme Court of India admitted the corporation's plea against the MoEF. The Supreme Court of India in its order dated 18 April 2013 directed the Government of Odisha to place any unresolved issues and claims of the local communities under the Forest Rights Act and applicable rules before the Gram Sabha, the council representing the local community. The Gram Sabha was directed to consider these claims and communicate its decision to the MoEF through the Government of Odisha within three months of the order. The Government of Odisha completed the process of conducting Gram Sabha meetings and submitted its report on the proceedings to the MoEF.

Based on the report, on 8 January 2014 the Government of Odisha rejected the Orissa Mining Corporation's application for stage II forest clearance for the Niyamgiri project. In accordance with the memorandum of understanding concluded with the Government of Odisha (through Orissa Mining Corporation), the Orissa Mining Corporation was required to supply to Vedanta 150 million tons of bauxite from the Niyamgiri project. The Niyamgiri project is considering sourcing bauxite from alternate sources to support the existing and expanded refinery operations. Currently an impairment charge of INR 668 million (US\$10 million) relates to the impairment of mining assets of Vedanta Limited at Lanjigarh. On 20 February 2015 the Orissa Mining Corporation issued a show cause on Vedanta Limited arguing that the joint venture agreement for the supply of 150 million tons of bauxite should be cancelled in view of the failure to achieve certain milestones set out in the joint venture agreement. Vedanta Limited replied that the joint venture agreement should not be terminated as it had achieved all its milestones. During the financial year ending 31 March 2016, the Orissa Mining Corporation terminated the joint venture agreement.

Separately, on 20 October 2010, the MoEF directed Vedanta Limited to halt the expansion of its refinery at Lanjigarh. In opposition to this order, Vedanta Limited filed a writ petition in the High Court of Orissa. This writ was dismissed. Vedanta Limited made an application to the MoEF to reconsider the grant of the environmental clearance for the alumina refinery. The MoEF issued fresh terms of reference for the preparation of an environment impact assessment report. This was submitted to the Orissa State Pollution Control Board and various representations were made to the MoEF, as well as the Project Monitoring Group established under the Cabinet Committee on Investments. The Expert Appraisal Committee of the MoEF reconsidered the project and revalidated the terms of reference for 22 months with effect from January 2014. Accordingly, the ban imposed on the expansion of the alumina refinery was lifted. A public hearing was held on 30 July 2014 in relation to obtaining environmental clearance. The expansion of the Lanjigarh refinery was recommended by the Expert Appraisal Committee in its meeting on 9 January 2015, subject to the following specific conditions:

1. that the environmental clearance be granted in phases (1 to 2 million tons per annum for Phase I, 2 to 4 million tons per annum for Phase II and 4 to 6 million tons per annum for Phase III);
2. that stage I forest diversion approval be obtained for Phase I and Phase II in respect of 26.244 hectare of GJJ (Revenue Forest) land lying inside the plant;
3. in respect of the Phase II expansion, 53.4 hectares of land be acquired from three villages; and
4. in respect of the Phase III expansion, an amendment be granted to the projects after ascertaining the details of the acquisition of 666.03 hectares of land and without the requirement to repeat the environmental impact assessment process.

On 31 December 2015, the Orissa State Pollution Control Board revalidated the consent for the expansion of the Lanjigarh refinery and, in particular, granted the consent to operate in

respect of the 2 million tons per annum and consent to establish in respect of the 6 million tons per annum. On 18 February 2016, Prafulla Samantray challenged the environmental clearance grant for the Lanjigarh refinery expansion before the National Green Tribunal ("NGT"), wherein the MoEF, Orissa State Pollution Control Board and Vedanta Limited were made parties. The MoEF has filed its response, which is currently being considered by Vedanta Limited before it files any reply.

An individual named R. Sreedhar filed a similar application before the NGT, Delhi, challenging the environmental clearance granted to Vedanta Limited. The matter was initially listed on 30 June 2016 and Vedanta Limited notified the Tribunal that a similar matter was pending before the NGT, Kolkata. Subsequently, on 22 July 2016, the NGT, Delhi dismissed the matter, granting Mr Sreedhar the liberty to file the application before the NGT, Kolkata. The claim amount relating to the litigation regarding Vedanta Limited's aluminium refinery in Lanjigarh and related mining operations in Niyamgiri Hills is not currently quantifiable.

Vedanta Limited is involved in proceedings challenging environmental consents received for its expansion project of pig iron, metallurgical coke, sinter plants and power plant

The High Court of Bombay, by an order dated 6 March 2012, dismissed a public interest litigation filed by Mr Ramachandra Vaman Naik and others to quash an approval issued by the MoEF/GSPCB for the expansion project of a pig iron plant, sinter plant, met coke plant and power plant at Bicholim. Mr Naik challenged this order by filing a special leave petition before the Supreme Court of India on 26 July 2012 for an interim stay of the operations of the High Court of Bombay order and for the stay of the construction and operation of the plant. No stay has been granted in these matters and all respondents have filed their counter-affidavits. The matter will be heard in due course.

Separately, an application was filed by the village council of Navelim before the NGT against GSPCB, MoEF, State of Goa, Vedanta Limited and others alleging that (i) GSPCB had issued its approval for a 'consent to operate' under the Water Act and Air Act to Vedanta Limited by its order dated 4 March 2010 for each of the four distinct units of the project (sinter, blast furnace, coke oven and power plant) even though the environment clearance order issued by the MoEF and the approval for 'consent to establish' are for the four units of the project (sinter, blast furnace, coke oven and power plant) combined together, and therefore that the granting of the GSPCB approval for a 'consent to operate' violated the conditions prescribed in the MoEF order, (ii) the no-objection certificate issued by for the project in 2007 was forged and fabricated, and (iii) the CN5 bridge at Maina-Navelim junction falls outside the notified industrial area. The application sought cancellation of the approval for a 'consent to establish', approval for a 'consent to operate' and the MoEF order in relation to this project. On 1 March 2013, the NGT gave directions to issue notices to parties. Vedanta Limited replied on 11 April 2013, denying all contentions and submissions made by the applicant and requesting that the application be dismissed. On 31 July 2014, the NGT held that owing to an identical issue pending before the Supreme Court of India, the proceedings before the NGT be kept in abeyance until the determination of the matter before the Supreme Court of India. It directed Vedanta Limited to inform the NGT of the determination of the Supreme Court of India once given.

The claim amount in these cases is not currently quantifiable.

Vedanta Limited has challenged the imposition of forest development tax by Government of Karnataka

In October 2008, Vedanta Limited filed a writ petition in the High Court of Karnataka against the Government of Karnataka and others, challenging the imposition of a forest development tax at a rate of 8.0 per cent. (a subsequent demand was made for the payment of tax at the rate of 12.0 per cent.) on the value of iron ore sold by Vedanta Limited from the mining leases in the forest area, pursuant to a notification by the Government of Karnataka and a memorandum/common order issued by the Deputy Conservator of Forests. In August 2009, the High Court of Karnataka permitted the Government of Karnataka to levy the forest development tax and directed that the demand be restricted to 50.0 per cent. of the forest development tax as an interim arrangement pending disposal of the writ petition.

An application was filed by Vedanta Limited before the High Court of Karnataka, seeking modification of the order in August 2009. However, the application was not taken up for hearing. Subsequently, Vedanta Limited filed a special leave petition before the Supreme Court of India, against the order of the High Court of Karnataka. In November 2009, the Supreme Court of India directed the High Court of Karnataka to dispose of the application for modification of the order given in August 2009 and directed Vedanta Limited to furnish a bank guarantee towards payment of the forest development tax. In April 2010, Vedanta Limited was directed by the High Court of Karnataka to pay 25.0 per cent. of the demand in cash and furnish a bank guarantee for the remaining 25.0 per cent. Subsequently, the Government of Karnataka appealed to the High Court of Karnataka. Vedanta Limited filed written submissions on 25 July 2012 requesting the writ petition be allowed and the notification issued by the Government of Karnataka to be set aside.

On 3 December 2015, the High Court of Karnataka set aside the notification issued by the Government of Karnataka, which notified that "lessees of quarries and mines in forest areas" qualified as a "Body" for the purposes of section 98A of the Karnataka Forest Act, 1963 and has consequently directed the refund of money collected from qualifying lessees and purchasers as forest development tax on iron ore. On 3 January 2016 the High Court of Karnataka passed its final order quashing the forest development tax notification, holding that the rate of forest development tax levied should be at 8 per cent. and directing a refund of the amounts collected from mining lessees other than state government owned companies. The state government of Karnataka appealed against the order before the Supreme Court of India and another mining lessee also filed a counter appeal in the matter. In the interim, the Supreme Court stayed the refund of the forest development tax amount ordered by the High Court of Karnataka. The state government of Karnataka has since passed the Karnataka Forest (Amendment) bill, 2016 with retrospective effect to validate the collection of forest development tax from 2008 irrespective of any High Court judgment. The matter has been adjourned and there are no further orders for listing. The claim amount is not currently quantifiable.

Demand against BALCO for electricity duty

In February 2010, Vedanta Limited received a notice from the Chief Electrical Inspector, Government of Chhattisgarh demanding that BALCO pay INR 2,404 million (US\$36 million) for the period from June 2005 to March 2009, towards electricity duty for the generation of power by BALCO's 540 MW power plant. The notice alleged that BALCO did not submit the eligibility certificate required for exemption from payment of electricity duty. The said exemption was claimed pursuant to a memorandum of understanding entered into with the state government and according to the industrial policy of 2001 to 2006. The state level committee recommended that an eligibility certificate be issued to Vedanta Limited to exempt it from paying duty on electricity. The application for the exemption was filed before the Directorate of Industries and is currently under review. The amount of duty on electricity payable for the period from 31 March 2009 to 31 March 2016 is INR 7,547 million (US\$113 million).

Shenzhen Shandong Nuclear Power Construction Co. Limited has commenced arbitration proceedings against Vedanta Limited

On 19 February 2012, Shenzhen Shandong Nuclear Power Construction Co. Limited ("SSNP") filed a petition under section 9 of the Arbitration and Conciliation Act, 1996 before the High Court of Bombay alleging non-payment of their dues towards construction of a 210 MW co-generation power plant for a refinery expansion project at Lanjigarh, and filed a claim for INR 16,686 million (US \$250 million) in damages. This was subsequent to SSNP's notice for termination of the contract dated 25 February 2011 and a legal notice dated 23 February 2012 had been issued for the recovery of its alleged dues.

SSNP also requested interim relief. Under the petition, SSNP sought a restraining order on encashment of the advance bank guarantee, an injunction against disposing or creating third party rights over plant and machinery at the project site and security for the amount due under the contract.

On 25 April 2012, the High Court of Bombay dismissed SSNP's petition. SSNP appealed and, by an order dated 12 December 2012, the High Court of Bombay directed Vedanta Limited to deposit a bank guarantee for an amount of INR 1,870 million (US\$28 million) until the arbitration proceedings are completed.

Vedanta Limited filed a counter claim on 9 April 2013 for approximately INR 24,583 million (US\$368 million) in respect of the failure by SSNP to deliver on agreed timelines. On 26 September 2013, SSNP made an application for an interim award of INR 2,020 million (US\$30 million) which was heard between December 2013 and August 2014 and as per an order dated 18 October 2013, has been currently disallowed.

The proceedings are ongoing and the next hearing is scheduled for November 2016.

Proceedings against Talwandi Sabo Power Limited ("TSPL") relating to its delay in commissioning various units of the power plant

On 1 September 2008, TSPL entered into a long term power purchase agreement ("PPA") with Punjab State Power Corporation Limited for the supply of power. TSPL has a contractual obligation to complete the commissioning of various units of its power plant that will produce the power to be supplied according to agreed scheduled timelines. The PPA also includes obligations and performance deadlines to be met by both Punjab State Power Corporation Limited and TSPL. Punjab State Power Corporation Limited is obliged to, inter alia, procure the construction of the interconnection and transmission facilities and arrange for the supply of adequate quantities of fuel for the project. However, due to, amongst other issues, an alleged delay in the fulfilment of certain obligations by Punjab State Power Corporation Limited there has been a delay in implementing the project as agreed in accordance with the scheduled timelines.

TSPL received letters from Punjab State Power Corporation Limited on 21 August 2013, 20 January 2014 and 30 April 2014 respectively, seeking payment of liquidated damages of INR 3,176.4 million (US\$48 million) for each delay in commissioning Units I, II and III at the plant totalling INR 9,529.2 million (US\$143 million).

On 16 June 2014, Punjab State Power Corporation Limited invoked a bank guarantee of INR 1,500.0 million (US\$22 million) in relation to the delay in completion of Unit I. On 18 June 2014, TSPL filed a civil writ petition in the High Court of Punjab and Haryana. TSPL also filed a petition with the Punjab State Electricity Regulatory Commission (the "**Commission**") in which it requested that the Commission quash the claim for damages and grant an extension of time for TSPL to complete the commissioning of the units of the power plant to which the letter relates. At a hearing held on 7 August 2014, the High Court of Punjab and Haryana disposed of TSPL's writ petition, referring the matter to the Commission for adjudication. The writ petition before the Commission was admitted on 18 June 2014 and pursuant to a vide order dated 22 October 2014, the Commission directed the matter to be settled through arbitration. It also granted a stay until further orders were given. Punjab State Power Corporation Limited submitted an appeal in the Appellate Tribunal for Electricity against the Punjab State Electricity Regulatory Commission order and, on 12 May 2015, Appellate Tribunal for Electricity disposed of the appeal by directing that the matter will be adjudicated by an Arbitral Tribunal. The arbitration proceedings are in the early stages and the examination of witnesses is scheduled for September 2016. INR 9,529.2 million (US\$143 million) in liquidated damages has been claimed by Punjab State Power Corporation Limited, which represents the maximum liability under the PPA.

The Amalgamation and Re-organisation Scheme has been challenged by the Tax Authorities and others

The High Court of Bombay at Goa sanctioned the Amalgamation and Re-organisation Scheme by its order of 3 April 2013. By an order dated 12 August 2013, the Division Bench of the High Court of Bombay at Goa dismissed an appeal filed by a shareholder challenging the 3 April 2013 order. Subsequently the shareholder's special leave petition before the Supreme Court of India was also dismissed vide order dated 27 August 2013, and the Amalgamation and Re-organisation Scheme attained finality.

The Commissioner of Income Tax, Goa had separately filed an intervention application before the High Court of Bombay at Goa and, following the dismissal of this order on 6 November 2012, filed an appeal before the Division Bench of High Court of Bombay at Goa which, on 14 February 2013, upheld the order of the single Judge again on the basis of a lack of locus standi. The Company was granted of a special leave petition filed before the Supreme Court of India by the Commissioner of Income Tax, Goa dated July 2013 challenging the February 2013 order of the High Court of Bombay at Goa dismissing its intervention application on the basis that the Commissioner of Income Tax, Goa lacked locus standi to bring a claim and that a claim could only be brought by the MCA.

A special leave petition has also been filed by the MCA dated 22 April 2014 challenging the main order of the High Court of Bombay at Goa dated 12 August 2013 sanctioning the Amalgamation and Re-organisation Scheme on the basis that the Amalgamation and Re-organisation Scheme is against public policy and is for the sole purpose of tax evasion. This is despite the MCA initially filing an affidavit which was considered by the High Court of Bombay at Goa when sanctioning the Amalgamation and Re-organisation Scheme by its order dated 3 April 2013. This initial affidavit did not include the objections the MCA later raised in its special leave petition dated 22 April 2014. As a result of these developments (most specifically, the fact that a claim is now being brought by an entity which has locus standi), the Company now considers this litigation to be material. The date of the next hearing is yet to be fixed. The claim amount is not currently quantifiable

Separately, a creditor and a shareholder challenged the Amalgamation and Re-organization Scheme in the High Court of Madras in September 2013. These petitions are pending for hearing and admission. The claim amount is not currently quantifiable.

Vedanta is involved in a tax dispute with the Indian tax department

In 2007, Vedanta acquired Sesa Goa (now part of Vedanta Limited) through the acquisition by its wholly-owned subsidiaries, Richter Holdings Limited ("**Richter**") and Westglobe Limited ("**Westglobe**"), of all of the outstanding shares of Finsider International Company Limited ("**Finsider**"). Finsider held Mitsui & Company Limited's ("**Mitsui**") 51.0 per cent. interest in Sesa Goa (now part of Vedanta Limited). In October 2009, the Tax Authorities issued a "show cause" notice to Richter challenging why Richter did not withhold taxes in respect of its acquisition of Finsider from Mitsui. The Tax Authorities contended that the acquisition of Finsider amounted to an indirect acquisition of Sesa Goa (now part of Vedanta Limited), giving rise to taxable capital gains under Indian law.

Richter filed a writ petition in the Honourable High Court of Karnataka to quash the "show cause" notice and, in March 2011, the court directed Richter to submit its arguments to the Tax Authorities. In October 2013, the Tax Authorities served orders on Richter and Westglobe for alleged failure to deduct withholding tax on capital gains in connection with the same matter. The Tax Authorities determined Richter's liability for such non-deduction of tax to be US\$140.0 million, and Westglobe's to be US\$93.2 million. On 14 November 2013, Richter and Westglobe filed appeals before the first appellate authority of the Tax Authorities. On 3 April 2014, the Group also filed writ petitions in the Honourable High Court of Karnataka challenging the retrospective payment of capital gains tax in connection with the acquisition. On 10 June 2016 the Honourable High Court of Karnataka passed interim orders and directed that the decision against Richter and Westglobe, in respect of tax deducted at source, quantum and interest, is not enforceable. The Honourable High Court of Karnataka will hear the matter on 24 August 2016.

Konkola copper mines VAT dispute with the Zambian Revenue Authority for up to US\$600 million.

On 19 June 2013, an assessment of output tax amounting to US\$600 million was raised by the Zambia Revenue Authority ("**ZRA**") for the years 2011, 2012 and the first quarter of 2013. The basis of assessment was that KCM had not provided all the documentary evidence that was required under Rule 18 of the Zambian Value Added Tax Rules to prove an export and as a consequence, all sales of product that were zero rated in the returns have been standard rated by the assessment. KCM filed for judicial review of the ZRA's decision on 31 October 2013.

The ZRA contested the judicial review and made an application to the Lusaka High Court to discharge the judicial review that had been granted. The Court ruled against the ZRA's application in April 2014. In order to try and resolve the issue, KCM engaged with the ZRA and has withdrawn the matter from the High Court, and the matter is currently before the ZRA for objection. The ZRA, in its letter dated 15 July 2015, relaxed the condition requiring provision of the documentation in respect of any 9 month period (out of the 27 month assessment period) in order to set aside the demand. KCM has since submitted the required documentation and has been found compliant with the amount reversed by the ZRA.

Proceedings against TSPL relating to mega power project benefits

TSPL submitted its bid for setting up a 1980MW thermal power plant in the state of Punjab under a tariff based international competitive bidding process in June 2008, which was ultimately awarded to erstwhile Sterlite Energy Limited. A power purchase agreement was entered into between TSPL and Punjab State Electricity Board, now known as PSPCL, in September 2008.

According to this agreement, any increase or decrease in the capital cost of the project on the occurrence of any "Change in Law" (as defined therein) after the cut-off date of 16 June 2008 had to be passed on to PSPCL. Because TSPL intended to sell all of the generated electricity to the state of Punjab, it did not meet one of the requirements for the mega power project at the time of bidding, namely that the project had to sell electricity to more than one state. However, the said requirement was amended towards the end of 2009, making TSPL eligible for the mega power project status. Accordingly, TSPL was given the mega power project status in 2010 and thereafter has been receiving the customs and excise exemption.

As TSPL had become entitled to the mega power project status after the cut-off date, according to PSPCL the mega power project benefits received by TSPL had to be passed on to PSPCL pursuant to the agreement's "Change in Law" clause.

TSPL's position was that, as of the cut-off date, similar benefits were available to it under India's foreign trade policy as a non-mega power project and, accordingly, that its economic position had not altered pursuant to the grant of mega power project status to warrant the passing on of such benefits to PSPCL. TSPL has also produced a number of approval letters issued by various Director General of Foreign Trade offices across India, which extended such benefits to non-mega power projects including government power projects or other public sector undertakings.

The Punjab State Electricity Regulatory Commission passed an order dated 2 December 2014, holding against TSPL. TSPL thereafter filed an appeal on 15 January 2015 along with a stay application before the APTEL, challenging the order of the Punjab State Electricity Regulatory Commission. The stay application was rejected by APTEL. TSPL then filed a stay application before the Supreme Court, appealing against APTEL's order on the stay application and, subsequently, on 28 July 2015, the Supreme Court granted and ordered the stay to continue until given any further orders. The next hearing is scheduled on 14 September 2016.

The claim amount is not currently quantifiable

Class actions against KCM on behalf of Zambian nationals

Two separate proceedings were issued in England and Wales by two English law firms, Hausfeld and Leigh Day, on behalf of Zambian nationals who allege that they have suffered loss and damages as a result of KCM's operation of the Konkola copper mine.

On 31 July 2015, Leigh Day issued proceedings on behalf of 1813 individual claimants from the Shimulala, Kakosa, Hellen and Hippo Pool communities in the Chingola district in Zambia. On 14 August 2015, Leigh Day provided the company's legal adviser in relation to this matter with a copy of a draft Group Litigation Order application, in which it identified itself as "Lead Solicitors".

The allegations made against the Company and KCM pertain to alleged incidents occurring over an 11 year time period and include claims of personal injury, significant pollution, environmental damage and claims for aggravated and exemplary damages and for injunctive relief. These allegations are currently being investigated by KCM.

There has been no hearing or proceeding in any court on the merits of any of these claims to date, none has been scheduled, and the amount of the claims has not been specified.

The Company and KCM have challenged the jurisdiction of the High Court of Justice of England and Wales, *inter alia*, on the basis that (a) there are already existing proceedings in Zambia which have been brought by multiple claimants against KCM in respect of the operation of the Konkola copper mine, (b) some of the claimants have already brought claims in Zambia, (c) the Konkola copper mine is situated, operated and regulated by Zambian regulators pursuant to Zambian law, (d) it is where KCM, the operator of the mine, is domiciled, (e) it is where the minority shareholder of KCM (controlled by the Government of the Republic of Zambia) is domiciled, (f) it is where the claimants are situated; (g) it is where the damage is alleged to have occurred, (h) it is the where the relevant witnesses are based, the relevant evidence is based, and (i) it is Zambian law which applies to these claims and Zambia has a fully functional legal system which can also accommodate group actions (or class actions) claims.

On 28 May 2016, the English High Court of Justice, Queen's Bench Division, Technology and Construction Court released a judgment disallowing the applications from the Company and KCM, respectively, ruling that the English courts have jurisdiction to hear and adjudicate the claims. The Company and KCM were granted permission to appeal the order before the Court of Appeal which has been allowed. The hearing for the appeal has been fixed for the first week of July 2017.

Hausfeld issued a claim form on 16 July 2015 in the Queen's Bench Division on behalf of 347 claimants in relation to alleged pollution from the Konkola copper mine which was alleged to have led to, amongst other things, personal injury. Whilst no particulars of claim were produced, the claims by Hausfeld appeared to cover materially the same facts and matters as those which form the substance of the claim being brought against the Company and KCM by Leigh Day (referred to above). It subsequently became clear that Leigh Day and Hausfeld were claiming to act for some of the same claimants and, following a case management conference in the English High Court on 24 November 2015, it appears to have been established between Leigh Day and Hausfeld that those "overlapping" claimants wished to instruct Leigh Day rather than Hausfeld, increasing the number of claimants represented by Leigh Day to 1826. The Hausfeld claim form was therefore allowed to lapse without service. That claim on behalf of 347 claimants is therefore at an end.

On 25 January 2016, Hausfeld informed the High Court that they are assessing the viability of potential new claims relating to alleged environmental pollution against KCM and Vedanta, involving 1,099 individuals in the Copperbelt region in Zambia. Hausfeld told the Court that the alleged pollution appeared to emanate from a different source than that which is the subject of the Leigh Day claim, though Hausfeld have indicated that they are awaiting the outcome of Vedanta and KCM's jurisdiction challenges in the Leigh Day claim (referred to below) before deciding whether to pursue those claims. Hausfeld have not yet commenced pre-action correspondence, or taken any other steps, in respect of those potential new claims.

The claim amount is not currently quantifiable.

Demands against HZL by the State of Rajasthan

The State of Rajasthan issued a notification in June 2008 notifying the implementation of the Rajasthan Environment and Health Cess Rules, 2008, which imposed environment and health cess on major minerals including lead and zinc. HZL and other mine operators resisted the notification and the imposition thereunder before the High Court of Rajasthan on the ground that the imposition of such cess and all matters relating to the environment fall under the competence of the Central Government as opposed to a State Legislature. In October 2011, the High Court of Rajasthan disposed of the writ petitions. HZL has challenged this order by a

special leave petition in December 2011, before the Supreme Court of India. The Supreme Court of India passed an interim order in March 2012, restraining the State of Rajasthan from taking any coercive steps for recovery of the demand. The matter is still pending and is not yet listed for hearing.

The claim amount is not currently quantifiable.

Proceedings by BALCO relating to the direction by GoI not to declare Vedanta Limited as the successful bidder in the e-auction of Gare Palma IV/1 coal mine

BALCO participated in the e-auction for the Gare Palma IV/1 coal mine and attained preferred bidder status. Under the Coal Mines (Special Provisions) Act, 2015, following the determination of preferred bidder status, the Coal Ministry was to confirm the status based on the Nominated Authority's recommendation. The Nominated Authority, based on the Coal Ministry's recommendation, issued an order dated 20 March 2015 stating that BALCO should not be declared the successful bidder in respect of the Gare Palma IV/1 Coal Mine since the final price did not reflect a fair value. The Gare Palma IV/1 coal mine was allotted to Coal India Limited instead on 23 March 2015.

BALCO filed a writ petition before the Delhi High Court challenging the orders dated 20 March 2015 and 23 March 2015, arguing that the price bid by BALCO was ten times the floor price. The matter was heard on 27 March 2015 and an interim order was passed, stating that any action in respect of this coal mine will be subject to the outcome of the Court's orders and that no equity or vested interest may be claimed by any third party in the mine. In the meantime, Coal India Limited was designated as the custodian of the mine. On 25 May 2015, the Delhi High Court disposed the petition with a direction to the GoI, and, with the GoI's agreement, to reassess the declaration of BALCO as an unsuccessful bidder despite it being the preferred bidder. By way of a letter dated 29 July 2015, the GoI rejected the representation of BALCO to accept its bid for the Gare Palma IV/1 coal mine. Subsequently, BALCO filed another writ before the Delhi High Court challenging the GoI's rejection of the bid and BALCO's representation. This was heard on 3 May 2016 and orders have been reserved.

Separately, BALCO also filed an impleadment application in another batch of writ petitions filed by Jindal Steels Private Limited ("**JSPL**") before the Delhi High Court whereby JSPL requested to continue dumping fly ash in its operations in the coal mine area of Gare Palma IV/1 block. JSPL has a power plant, coal handling plant and washery in the coal block, but its statutory approvals to continue dumping fly ash expired and were not renewed by the GoI. JSPL had procured interim orders from the Delhi High Court to continue dumping fly ash in the coal mine area. In its application BALCO requested to prohibit JSPL from using Gare Palma IV/1 coal block for dumping fly ash as it would interfere in its rights to use the coal mine block in the event that it successfully challenges the rejection of its original bid. This matter is pending before the Delhi High Court and next hearing date is scheduled for 24 August 2016.

The claim amount is not currently quantifiable.

- 7.2 Save for the litigation summarised below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have or have had during the 12 months prior to the date of this document a significant effect on the Cairn India Group, and/or the financial position of the Cairn India Group or on the profitability derived from the Cairn India Group.

Cairn India has filed a writ petition in the Delhi High Court relating to the extension of its tenure of the Rajasthan Block

Cairn India has a 70 per cent. participating interest in the Rajasthan Block. The related Rajasthan Block PSC is due to expire in May 2020. Cairn India has filed a writ petition before the High Court of Delhi against the MoPNG, the DGH and ONGC regarding the extension of the tenure for the Rajasthan Block PSC.

Consistent with the terms of the PSC, Cairn India has been requesting an extension of the tenure of the Rajasthan Block PSC for a period of up to ten years, i.e., until May 2030. ONGC, Cairn India's joint venture partner in the Rajasthan Block, is technically aligned on the recoverable resources potential of the Rajasthan Block beyond the PSC period, until the proposed extension period up to 2030. Cairn India has been making regular requests to the MoPNG for the extension of the tenure of the Rajasthan Block PSC for the past few years. However, apart from seeking further technical and financial details, the MoPNG has not yet made a final decision in the matter.

Cairn India filed a writ petition on 11 December 2015 seeking relief from the High Court of Delhi with regards to the MoPNG's delay. The hearing was held on 14 December 2015, during which the MoPNG and DGH contended that no decision had been made as the requisite data had not been provided by Cairn India and ONGC. ONGC further contended that it had sought certain commercial particulars from Cairn India which had not been provided. On 14 December 2015, the High Court of Delhi ordered all the parties to exchange the requisite information and documents within specific timelines to enable the GoI to make a decision in the matter.

Following the 14 December 2015 court order, information was exchanged between Cairn India and ONGC for the purpose of obtaining ONGC's commercial alignment. However the MoPNG and ONGC maintained that due to insufficient data provided by Cairn India, ONGC was not able to conclude its commercial assessment. In view of this, on 5 April 2016 the High Court of Delhi ordered ONGC to give Cairn India a final opportunity to provide the requisite documents, pursuant to which Cairn India and ONGC continued to exchange information for the purposes of ONGC's review. On 28 July 2016, the Delhi High Court received ONGC's consent for extension and directed the GoI to file its response within five weeks. The next hearing in this matter is scheduled to take place on 9 September 2016.

The claim amount is not currently quantifiable.

Cairn India has filed a writ petition in the Delhi High Court relating to the export of crude oil from the Rajasthan Block

Cairn India has filed a writ petition before the High Court of Delhi against the Directorate General of Foreign Trade ("DGFT"), the MoPNG, and Indian Oil Corporation Limited ("IOCL") for the export of crude oil from the Rajasthan Block.

Due to its nature and composition, Rajasthan Block crude has the potential to be valued higher by refineries in other markets, beyond the prices being received from the GoI nominated buyers, namely IOCL and private refiners (Reliance Industries Limited and Essar Oil Limited). Since 2009, Cairn India has been receiving bids from international buyers and refiners offering prices that are US\$3-4 per bbl more than the domestic sale prices for Rajasthan Block crude.

In accordance with the provisions of the Rajasthan Block PSC and the applicable GoI policies for crude oil exports, Cairn India has repeatedly requested that IOCL and the MoPNG allow it to export Rajasthan Block crude oil. There has been no firm response to the requests from either the IOCL or the MoPNG. Cairn India made written requests to the DGFT to intervene in the matter, which again proved unsuccessful.

In view of the aforesaid, Cairn India filed a writ petition in the High Court of Delhi on 11 December 2015 to obtain relief in the form of orders to the DGFT, the MoPNG and IOCL for approvals and authorisations to permit and facilitate the export of Rajasthan Block crude oil, to the extent GoI nominated buyers are unable to cover the entire production. Through its order dated 14 December 2015, the High Court ordered the MoPNG, DGFT and IOCL to obtain necessary instructions on whether the GoI was willing to pick up the entire crude oil production from the Rajasthan Block or, alternatively, was ready to grant permission for Cairn India to directly export the crude oil not covered by the GoI nominees.

The GoI's stance thus far has been to deny Cairn India's request for export although it has yet to present its complete arguments to the High Court of Delhi justifying such denial. Relying

on the lack of consent from the GoI, the DGFT also rejected Cairn India's request for export permission on 16 February 2016. During the course of arguments, the High Court of Delhi disagreed with the GoI's observations on the construct of Article 18 and observed that there was no embargo on export in the PSC nor in the policy. The matter has been scheduled for conclusion of arguments. The date of the next hearing is yet to be fixed.

A suit has been filed against Cairn India and Vedanta Limited before the High Court of Bombay by a minority shareholder

On 1 December 2015 Mr Rajotavo Dasgupta, a minority shareholder of Cairn India, filed a suit in the High Court of Bombay against Cairn India, its directors, Vedanta Limited, its various subsidiaries, along with their respective directors and other senior officers. Mr Dasgupta has questioned the legality and validity of an inter-corporate loan provided by CIHL to THL Zinc Limited ("**TZL**"), a Mauritius- based subsidiary company of Vedanta Limited.

Mr Dasgupta has alleged that Cairn India, its directors and promoters diverted Cairn India's assets, amounting to US\$1.3 billion, to repay a loan taken by TSMHL to purchase the shares of Cairn India in 2011. It is therefore alleged that Cairn India has, by providing the inter-group loan, effectively extended financial assistance for the purpose of purchasing its own shares, in violation of Section 67 of the Indian Companies Act 2013.

Pursuant to the filing of the suit and the notice of motion to restrain Cairn India and Vedanta Limited from (as part of the interim relief sought): (i) pursuing the scheme of the proposed merger between Cairn India Limited and Vedanta Limited; (ii) change of the terms of the inter-corporate loan given by CIHL to TZL; (iii) recovery of the inter-corporate loan along with interest from Vedanta Limited (and its subsidiaries); and (iv) repayment of the Cairn India Limited acquisition debt by Vedanta Limited (and its subsidiaries) to the creditors. Cairn India Limited and the other defendants in the matter filed their replies through affidavits. No final order has been passed by the High Court of Bombay on the matter. On 20 July 2016, Mr Dasgupta sought leave to withdraw the suit and the notice of motion which was allowed by the High Court of Bombay on 21 July 2016. The matter stands withdrawn.

Arbitration proceedings on issues related to the cost recovery of the Ravva block

Cairn India, along with other joint operation partners (together, the "**Contractor Parties**"), are involved in a dispute against the GoI relating to the recovery of contractual costs relating to the terms of calculation of payments in connection with the Ravva field.

The Ravva PSC obliges the Contractor Parties to pay a proportionate share of ONGC's exploration, development, production and contract costs in consideration for ONGC's payment of costs related to construction and other activities conducted in the Ravva field prior to the effective date of the Ravva PSC (the "**ONGC Carry**"). The question as to how the ONGC Carry is to be recovered and calculated was submitted to an international arbitration tribunal in August 2002 which decided in favour of the Contractor Parties. Four other issues were decided in favour of the GoI in October 2004 (the "**Partial Award**").

As Kuala Lumpur was the seat of the arbitration, the GoI then proceeded to challenge the ONGC Carry decision before the Malaysian courts. The Federal Court of Malaysia adjudicated the matter on 11 October 2011 and upheld the Partial Award. In accordance with the decision of the arbitral tribunal with regards to the Partial Award, the Contractor Parties and the GoI were required to quantify the sums relating to each of the issues under the Partial Award. The arbitral tribunal retained the jurisdiction for the determination of any remaining issues in connection with the matter.

Pursuant to the decision of the Federal Court, the Contractor Parties approached the MoPNG to implement the Partial Award while reconciling the statement of accounts as outlined in the Partial Award. Since the Federal Court of Malaysia adjudicated in the Contractor Parties' favour, the GoI has failed to implement the Partial Award.

On 10 July 2014, the MoPNG issued a notice alleging that, since the Partial Award has not been enforced, the profit petroleum share of the GoI has been under paid. The MoPNG

threatened to recover that amount from the sale proceeds payable by the oil marketing companies to the Contractor Parties. The Contractor Parties responded with various legal contentions. On 9 March 2015, a hearing took place between the MoPNG and the Contractor Parties and the Contractor Parties expressed their concerns and subsequently filed further written submissions on 12 March 2015.

Since the Partial Award did not quantify the sums, the Contractor Parties approached the arbitral tribunal to pass a final award. The arbitral tribunal has been reconstituted and the determination of the final award is sub judice before it. The reconstituted tribunal commenced hearings at the Hague on 23 February 2015 and the Contractor Parties approached the tribunal for interim relief to maintain the status quo against the MoPNG's show cause notice and alleged unilateral recoveries directly through Ravva crude oil and gas buyers and the tribunal granted the interim relief on 26 June 2015. The final hearing took place on 26 June 2016 and the parties were ordered to make their submissions, if any, with respect to the cost of the arbitration proceedings, following which the tribunal will publish the final award. While Vedanta Limited does not believe the GoI will be successful in its challenge, if the arbitral award is reversed and such reversal is binding, it could be liable for approximately INR 4,233.4 million (US\$63 million) plus interest.

Proceedings, notices and enquires initiated by the Central Excise

In July 2010, the Central Excise department of the GoI issued an ex-parte notice for the reversal of Cenvat credit of INR 3,150 million (US\$47 million) along with interest of INR 88 million (US\$1.3 million) for non-compliance with Rules 4(5a) and 4(6) of the Cenvat Credit Rules, in respect of not returning job work challans for the period from 1 March 2009 to 30 September 2009 within a stipulated time. In addition, it also alleged that Vedanta Limited violated the advance license conditions from 2005 to 2009. In 2010, Vedanta Limited filed four writ petitions, WP no. 8123, 8135, 9744 and 9755, in the High Court of Madras against the Central Excise department alongside an associated contempt petition. All these petitions were heard on 29 July 2010 and the High Court of Madras remanded the matter in respect of WP No. 8123 to be heard and determined afresh by a new set of officers of the Central Excise department. The High Court of Madras granted a stay in relation to WP no. 8135 in so far as it related to job work challans and until a fresh enquiry was made. Further, the High Court of Madras dismissed WP no. 9744 and 9755 and the contempt petition.

The Central Excise department deputed the Assistant Commissioner of Central Excise to conduct an enquiry for the alleged non-compliance of Rules 4(5a) and 4(6) of the Cenvat Credit Rules in respect of not returning job work challans. The Assistant Commissioner of Central Excise served a show cause notice on 9 September 2011 to which Vedanta Limited filed a response. After conducting a personal hearing, the Assistant Commissioner passed a favourable order on 1 January 2012 and dropped the entire demand for duty and interest. The department went into appeal before the Commissioner (Appeals) against this order, but the appeal was restricted only to the demand of interest. The Commissioner (Appeals) allowed the appeal on 25 February 2013 on the condition that interest would become applicable only in those cases where goods had not been sent back or cleared from the premises within 180 days from the date of dispatch from the Tuticorin unit. The verification of whether any interest is payable or not has been completed and the department raised the interest liability to INR 2.4 million (US\$0.04 million) which Vedanta Limited challenged before the Tribunal on 7 April 2015 and the case has yet to be listed for hearing.

Vedanta Limited filed two writ appeals, no. 704 and 705 of 2011, in the High Court of Madras challenging the orders passed with respect to the writ petitions no. 8135 and 9744 of 2010. The writ petitions were admitted on 1 August 2011 and the Court ordered the other party to maintain the status quo. In January 2015, the Commissioner of Customs Tuticorin issued a show cause notice based on the alleged violation of advance license conditions from 2005 to 2009 expressly mentioning that this show cause notice will be kept pending and not be adjudicated unless and until directions are obtained from the High Court enabling such adjudication. Vedanta Limited filed writ petition no. 626 of 2015 against this show cause notice, which was heard with writ appeals no. 704 and 705 of 2011. Thereafter, regular hearings took place in the High Court, and on 12 March 2015 the High Court gave an interim order, allowing one of the writ petitions in the form of an injunction against the actions of the

Directorate General of Foreign Trade in pursuit of the show cause notice received from the customs department. During the course of the hearings, writ appeal no. 704 was withdrawn as it related to the job work challan matter which had already been resolved. Writ appeal no. 705 of 2011 and writ petition no. 626 of 2015 were heard on 11 March 2016 and Vedanta Limited is awaiting the final judgment.

Petitions have been filed in the Rajasthan High Court relating to sales tax

On 14 September 2009 and 23 September 2009, Cairn India filed two writ petitions before the Rajasthan High Court seeking to set aside the letters and notice issued by the Rajasthan Sales Tax Department demanding Rajasthan VAT on sales of crude oil alleging that the sales constitute an intra-state sale (as opposed to an inter-state sale). The matter was last heard on 17 May 2016. The judgment dated 13 July 2016 allowed Vedanta Limited's petition and held that the sale of crude oil should be regarded as an inter-state sale subject to central states tax and that Rajasthan VAT should not be applicable.

Arbitration proceedings on issues related to the BDC of the Ravva block

The Ravva joint operation received a notice from the MoPNG for the period from 2000 to 2005 for US\$129.0 million for an alleged underpayment of petroleum profit to the GoI, of which the Group's share would be US\$29.0 million plus potential interest at the applicable rate (being LIBOR plus 2 per cent. as per the Ravva PSC).

This claim relates to the GoI's allegation that the Ravva joint operation had recovered costs in excess of the base development costs ("BDC") cap imposed in the Ravva PSC and that the Ravva joint operation had also allowed these excess costs in the calculation of the post tax rate return.

The joint venture partners initiated arbitration proceedings and the Arbitration Tribunal (the "**Tribunal**") published the award on 18 January 2011 at Kuala Lumpur, allowing claimants to recover BDC of US\$278 million but disallowing the excess of US\$22.3 million along with 50 per cent. of legal costs reimbursable to the joint venture partners.

The High Court of Kuala Lumpur dismissed the GoI's application to set aside part of the award on 30 August 2012 with costs. The GoI appealed against the High Court's order but the appeal was dismissed before the Court of Appeal on 27 June 2014. GoI further pursued the appeal before the Federal Court, Kuala Lumpur, and their leave to appeal was heard and dismissed on 17 May 2016. Currently no proceedings are taking place in Malaysia.

The GoI has also issued a show cause notice on this matter which Cairn India has replied to, in addition to filing an application for Enforcement of Award before the Delhi High Court which was heard on 29 April 2016. The GoI objected on the grounds of delay and Cairn India has filed an application to allow the delay. The next hearing is scheduled on 8 September 2016. Furthermore, the GoI is yet to agree on quantum in respect of reimbursing the joint venture partners for their arbitration costs and legal fees as per the Award and the joint venture partners have approached the Tribunal to quantify the costs. The GoI obtained a stay order from the Delhi High Court on 14 August 2015 against the Tribunal proceedings on quantum of costs on grounds that the Tribunal is *functus officio*. Cairn India filed an appeal before the Delhi High Court against the stay order and on 3 May 2016, the Delhi High Court gave its judgment in favour of Cairn's appeal and vacated the ex-parte stay. The next hearing in the civil proceedings is scheduled on 3 October 2016.

Indian tax holiday on gas production

Section 80-IB (9) of the Income Tax Act, 1961 allows the deduction of 100 per cent. of profits generated 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 MoPNG have confirmed that the tax holiday would be available on production of crude oil but they have continued to exclude gas.

Cairn India 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 the Supreme Court against the decision of Gujarat High court. However, in another similar case, the Gujarat High Court has held that tax holiday benefit would extend to production of gas.

In the event that this challenge is unsuccessful, the potential liability for tax and related interest on tax holiday claimed on gas is approximately INR 3,200.7 million (US\$48 million) as at 31 March 2016.

Cairn India received an tax demand from the Indian tax authorities for not withholding tax on payments made while acquiring a subsidiary

In March 2014, Cairn India received a notice from the Tax Authorities alleging failure by Cairn India to withhold tax on the consideration paid to CUKHL, its then holding company, in the financial year ended 31 March 2007 in connection with a purchase of shares. The relevant purchase of shares relates to the acquisition of the shares of CIHL, a 100 per cent. subsidiary of Cairn India, from CUKHL during the financial year ended 31 March 2007, which was part of a group reorganisation by the then ultimate parent company, Cairn Energy Plc.

Based upon the retrospective amendment(s) made in the year 2012 by inserting explanation 5 of section 9(1)(i) of the Income Tax Act, 1961, the Tax Authorities, by an order dated 11 March 2015, have raised a demand of approximately INR 204,947 million (US\$3,068 million) (comprising tax of approximately INR 102,474 million (US\$1,534 million) and interest of an equivalent amount) for not withholding tax on the consideration paid to CUKHL in connection with the acquisition of shares of CIHL. The Tax Authorities have stated in the order that a short term capital gain of INR 245,035 million (US\$3,668 million) accrued to CUKHL on the transfer of the shares of CIHL to Cairn India in the financial year ended 31 March 2007, on which tax should have been withheld by Cairn India. The Company understands that a tax demand has also been raised by the Tax Authorities on CUKHL with respect to taxability of alleged capital gain earned by CUKHL.

On 27 March 2015, Vedanta filed a notice of claim against the GoI under the BIT in order to protect its legal position and Shareholder interests. The Company is of the opinion that it has a good case to defend as per provisions of BIT, the benefit of which would ultimately accrue to Cairn India.

The directors of Cairn India are of the opinion that there should be no liability on Cairn India on account of not withholding the taxes in the financial year ended 31 March 2007 based on provisions of law prevailing at the time of transaction as the aforesaid retrospective amendment has cast an obligation on Cairn India to deduct tax by having to predict and anticipate that the retrospective amendment will be made by legislature on a future date. Cairn India has approached the Honourable Delhi High Court against the order referred to above and has also filed an appeal before the Commissioner of Income Tax (Appeals) to defend its position. The next hearing date is scheduled on 23 January 2017.

In the event that these liabilities materialise as a result of legal proceedings being determined against Cairn India, Cairn India's financial condition may be adversely affected. If the Cairn India Merger is implemented, the Group's economic exposure to the impact of this risk occurring will increase proportionately.

8. Significant change

- 8.1 There has been no significant change in the financial or trading position of the Group since 31 March 2016, being the date of the last audited financial statements of the Company.
- 8.2 There has been no significant change in the financial or trading position of the Cairn India Group since 31 March 2016, being the date to which the financial information in Part IV (Section A – Financial Information on Cairn India) of this document is presented.

9. Related Party Transactions

In respect of the periods for which historical financial information appears or is incorporated by reference in this document and in respect of the periods from the end of such financial periods to 18 August 2016 being the latest practicable date prior to the publication of this document neither the Company nor any other member of the Group, has entered into any transactions with related parties other than as set out below:

(a) *Sterlite Technologies Limited*

	1 April 2015 to 18 August 2016
	(US\$ million)
Sales to Sterlite Technologies Limited	12.5
Recovery of expenses	0.0
Purchases	1.2
Net interest received	0.1
Net amounts receivable at period/year end.....	3.9
Net amounts payable at period/year end.....	0.1
Dividend income.....	0.0

Sterlite Technologies Limited is a related party by virtue of having the same controlling party as the Company, namely Volcan. Pursuant to the terms of the Shared Services Agreement dated 5 December 2003 entered into by the Company, Vedanta Limited and Sterlite Technologies Limited, Sterlite provide various commercial services in relation to Sterlite Technologies Limited's businesses on an arm's length basis and at normal commercial terms.

(b) *Vedanta Foundation (formerly Sterlite Foundation)*

The Company paid US\$0.5 million to the Vedanta Foundation in the period from 1 April 2015 to 18 August 2016. The Vedanta Foundation is a registered not-for-profit entity engaged in computer education and other related social and charitable activities. The major activity of the Vedanta Foundation is providing computer education for disadvantaged students. The Vedanta Foundation is a related party as it is controlled by members of the Agarwal family who control Volcan, being the majority shareholder of the Company.

(c) *Sesa Community Foundation Limited*

The Company paid US\$0.4 million to the Sesa Community Foundation Limited in the period from 1 April 2015 to 18 August 2016. The Sesa Community Foundation Limited is controlled by the directors of a member of the Vedanta Group.

(d) *Sterlite Iron and Steel Limited*

The Company made the following payments to Sterlite Iron and Steel Limited in the period from 1 April 2015 to 18 August 2016:

	1 April 2015 to 18 August 2016
	(US\$ million)
Loan balances receivable.....	0.7
Net receivables at 18 August 2016 (including interest)	1.7
Net interest	0.0

Sterlite Iron and Steel Limited is a related party by virtue of having the same controlling party as the Company, namely Volcan.

(e) ***Vedanta Medical Research Foundation***

The Company made the following donation to Vedanta Medical Research Foundation in the period from 1 April 2015 to 18 August 2016:

	<u>1 April 2015 to 18 August 2016</u> (US\$ million)
Donation	1.8

The Vedanta Medical Research Foundation (formerly Vedanta Medical Research Association) is a related party of the Vedanta Group on the basis that key management personnel of the Vedanta Group exercise significant influence.

(f) ***Volcan***

The Company made the following payments to Volcan in the period from 1 April 2015 to 18 August 2016:

	<u>1 April 2015 to 18 August 2016</u> (US\$ million)
Net amount receivable	0.2
Recovery of expenses	0.1
Dividend paid by the Company to Volcan	56.2

The Group has also provided a bank guarantee on behalf of Volcan in favour of the Income Tax Department, India, as collateral in respect of certain tax disputes of Volcan. The guarantee amount is US\$17.2 million.

(g) ***Ashurst LLP***

The Company made the following payments to Ashurst LLP in the period from 1 April 2015 to 18 August 2016:

	<u>1 April 2015 to 18 August 2016</u> (US\$ million)
Payments made	0.2

Ashurst LLP is a related party of the Vedanta Group on the basis that Geoffrey Green, an independent director of the Company, was a partner in the legal firm Ashurst LLP during the period from 1 April 2015 to 1 May 2015.

10. **Consents**

- 10.1 Ernst & Young LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales and has given and has not withdrawn its written consent to the inclusion in this document of its report which is set out in Part V (*Unaudited Pro Forma Statement of Net Assets of the Group*) of this document in the form and context in which it is included.
- 10.2 J.P. Morgan Cazenove has given and not withdrawn its written consent to the inclusion of its name and the references made to its name in this document in the form and context in which it appears.
- 10.3 Morgan Stanley has given and not withdrawn its written consent to the inclusion of its name and the references made to its name in this document in the form and context in which it appears.

11. **Documents available for inspection and available information**

Copies of the following documents can be found on the Company's website (www.vedantaresources.com) and will be available for inspection at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA and at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the conclusion of the General Meeting:

- (a) the articles of association of the Company;
- (b) the published audited consolidated accounts of the Group for the three financial years ended 31 March 2014, 2015 and 2016;
- (c) the Vedanta Limited Circular;
- (d) the Prospectus;
- (e) 2016 Annual Report and Accounts;
- (f) the consent of each of Ernst & Young, J.P. Morgan Cazenove and Morgan Stanley referred to in paragraph 10 above;
- (g) a copy of the Cairn India Scheme Document; and
- (h) this document.

Date: 19 August 2016

PART IX – DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

The following definitions apply throughout this document and the accompanying Form of Proxy, unless the context otherwise requires:

"2016 Annual Report and Accounts"	the annual report and accounts of the Company for the financial year ended 31 March 2016;
"ADR"	American Depositary Receipts;
"Air Act"	The Air (Prevention and Control of Pollution) Act, 1981;
"Asarco"	Asarco LLC (formerly known as American Smelting and Refining Company), a company incorporated in the United States;
"BALCO"	Bharat Aluminium Company Ltd;
"BDC"	base development costs;
"BIT"	has the meaning given in Part II (<i>Risk Factors</i>) of this document;
"BSE"	Bombay Stock Exchange Limited;
"Cairn India"	Cairn India Limited, a company incorporated in India;
"Cairn India Group"	Cairn India and its subsidiary undertakings as at the date of this document;
"Cairn India Merger"	the proposed all share merger between Vedanta Limited and Cairn India by way of a scheme of arrangement under Indian law;
"Cairn India Scheme Document"	the scheme document that has been posted to the shareholders of Vedanta Limited and Cairn India setting out the terms of the Cairn India Merger;
"Cambay basin joint operation"	has the meaning given in paragraph 5.1(f)(iii) of Part VIII (<i>Additional Information</i>) of this document;
"CIHL"	Cairn India Holdings Limited;
"Command Petroleum"	has the meaning given in paragraph 5.1(f)(ii) of Part VIII (<i>Additional Information</i>) of this document;
"Contractor Parties"	has the meaning given in paragraph 7.2 of Part VIII (<i>Additional Information</i>) of this document;
"CREST"	the electronic transfer and settlement system for the paperless settlement of trades in listed securities operated by Euroclear UK & Ireland Limited;
"CUKHL"	Cairn UK Holdings Limited;
"Directors" or "Board"	the directors of the Company as at the date of this document whose names are set out on page 30 of this document;
"EBITDA"	earnings before interest, taxation, depreciation, goodwill amortisation/impairment and special items;
"Enlarged Group"	the enlarged Vedanta Group, following completion of the Cairn India Merger;
"EPC"	engineering, procurement and construction;
"Executive Directors"	Mr Anil Agarwal, Mr Navin Agarwal and Mr Tom Albanese;
"FDP"	field development plan;

"Financial Conduct Authority" or "FCA"	the Financial Conduct Authority of the UK in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List of the FCA otherwise than in accordance with Part VI of FSMA;
"Form of Proxy"	the form of proxy relating to the General Meeting being sent to Shareholders with this document;
"FSMA"	the Financial Services and Markets Act 2000 of England and Wales, as amended;
"General Meeting"	the general meeting of the Company convened for 10.00 a.m. on 6 September 2016 (or any adjournment of it), notice of which is set out at the end of this document;
"GoI"	the Government of India;
"Group" or "Vedanta Group"	the Company and its subsidiary undertakings from time to time;
"GSPCB"	Goa State Pollution Control Board;
"Hindustan Zinc" or "HZL"	Hindustan Zinc Limited;
"IFRS"	International Financial Reporting Standards;
"Independent Directors"	Anil Agarwal, Tom Albanese, Geoffrey Green, Deepak Parekh, Ravi Rajagopal and Katya Zotova;
"INR"	the lawful currency of India;
"J.P. Morgan Cazenove"	J.P. Morgan Limited (which conducts its UK investment banking business as J.P. Morgan Cazenove);
"JSPL"	Jindal Steels Private Limited;
"KCM"	Konkola Copper Mines plc, a company incorporated in Zambia;
"KG"	Krishna Godavari
"LIBOR"	London Interbank Offered Rate;
"Listing Rules"	the listing rules made by the FCA under Part VI of FSMA (as amended from time to time);
"London Stock Exchange" or "LSE"	London Stock Exchange plc;
"MALCO"	Madras Aluminium Company Ltd, a company incorporated in India;
"MAR"	the Market Abuse Regulation (2014/596/EU);
"MCA"	Ministry of Corporate Affairs of the GoI;
"MoEF"	Ministry of Environment and Forests of the GoI;
"MoPNG"	has the meaning given in paragraph 7.2 of Part VIII (<i>Additional Information</i>) of this document;
"Morgan Stanley"	Morgan Stanley & Co. International plc;
"NSE"	National Stock Exchange of India Limited;
"NGT"	National Green Tribunal;
"Non-Executive Directors"	Mr Aman Mehta, Mr Geoffrey Green, Mr Deepak Parekh, Mr Ravi Rajagopal and Ms Katya Zotova;
"Notice of General Meeting" or "Notice"	the notice of the General Meeting set out at the end of this document;
"NYSE"	New York Stock Exchange;
"ONGC"	Oil and Natural Gas Corporation Limited, an Indian state-owned company incorporated in India;

"ONGC Carry"	has the meaning given in paragraph 7.2 of Part VIII (<i>Additional Information</i>) of this document;
"Partial Award"	has the meaning given in paragraph 7.2 of Part VIII (<i>Additional Information</i>) of this document;
"PD Regulation"	the Prospectus Directive Regulation (2004/809/EC);
"PEL"	Petroleum Exploration License;
"PRMS"	the Petroleum Resources Management System;
"Prospectus"	the prospectus dated 6 December 2011 with respect to the Company's application to the FCA and the LSE for the Shares to be readmitted to the premium segment of the Official List of the FCA and trading on the London Stock Exchange's main market for listed securities, respectively, required as a result of the acquisition of an interest in Cairn India constituting a reverse takeover of the Company under the Listing Rules;
"Prospectus Rules"	the rules for the purpose of Part VI of FSMA in relation to offers of transferable securities to the public and the admission of transferable securities to trading on a regulated market (as amended from time to time);
"PSPCL"	Punjab State Power Corporation Limited;
"PSP"	the Vedanta Resources Performance Share Plan 2014;
"RBI"	Reserve Bank of India;
"Rajasthan Block PSC"	has the meaning given in paragraph 5.1(f)(i) of Part VIII (<i>Additional Information</i>) of this document;
"Ravva joint operation"	has the meaning given in paragraph 5.1(f)(ii) of Part VIII (<i>Additional Information</i>) of this document;
"Ravva PSC"	has the meaning given in paragraph 5.1(f)(ii) of Part VIII (<i>Additional Information</i>) of this document;
"Regulation S"	Regulation S under the Securities Act;
"Resolution"	the resolution, relating to the approval of the Cairn India Merger, set out in the Notice of General Meeting;
"Rule 144A"	Rule 144A under the Securities Act;
"SAT"	Securities Appellate Tribunal of India;
"Scheme of Arrangement"	the scheme of arrangement amongst and between Cairn India, Vedanta Limited and their respective shareholders and creditors under Indian law which, if approved and sanctioned, will affect the Cairn India Merger;
"SEBI"	the Securities and Exchange Board of India;
"Securities Act"	the US Securities Act of 1933, as amended;
"Sesa Goa"	Sesa Goa Limited, now merged into Sterlite to form Vedanta Limited;
"SFIO"	the Serious Fraud Investigations Office;
"Shared Services Agreement"	the shared services agreement as described in paragraph 14.1(b) of Part X "Additional Information" of the Prospectus;
"Shareholder(s)"	holder(s) of Shares;
"Shares"	ordinary shares of US\$0.10 each in the capital of the Company;
"SMCL"	Sesa Mining Corporation Limited;

"SOVL"	Sterlite Opportunities and Ventures Limited, now merged with and into Sterlite;
"Special Economic Zone"	has the meaning given to such term in the Special Economic Zones Act, 2005 of India;
"SRL"	Sesa Resources Limited (previously known as V.S. Dempo & Co. Private Limited);
"Sterlite"	Sterlite Industries (India) Limited, a company incorporated in India;
"Tata"	Tata Petrodyne Limited;
"Tax Authorities"	Indian Tax Authorities;
"TSMHL"	Twin Star Mauritius Holdings Limited, a company incorporated in Mauritius;
"TSPL"	Talwandi Saboo Private Limited;
"TZL"	THL Zinc Limited;
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland;
"US dollar" or "US\$"	the lawful currency of the United States of America;
"Vedanta Aluminium"	Vedanta Aluminium Limited, a company incorporated in India;
"Vedanta" or the "Company"	Vedanta Resources plc;
"Vedanta Limited Circular"	the circular dated 30 May 2012 prepared in relation to the all share merger of Sesa Goa Limited and Sterlite Industries (India) Limited and the Vedanta Group consolidation;
"Volcan"	Volcan Investments Limited; and
"Water Act"	The Water (Prevention and Control of Pollution) Act 1981.

GLOSSARY OF TECHNICAL TERMS

The following definitions apply to the technical terms throughout this document, unless the context requires otherwise:

"2C"	best estimate of continent resources;
"boe"	barrels of oil equivalent;
"boepd"	barrels of oil equivalent per day;
"km"	kilometre;
"mmscfd"	million standard cubic feet per day;
"MTPA"	million tons per annum; and
"MW"	megawatt, a unit of electrical energy equal to one million watts.

PART X - DOCUMENTATION INCORPORATED BY REFERENCE

1. Relevant documentation

The following documentation, which was sent to Shareholders at the relevant time and/or is available for inspection in accordance with paragraph 11 of Part VIII (*Additional Information*) of this document, contains information which is relevant to this document.

2. Documentation incorporated by reference

The table below sets out the documentation incorporated by reference into this document to ensure that Shareholders and others are aware of all information which, according to the particular nature of the Company, is necessary to enable Shareholders and others to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company. For the avoidance of any doubt, no information incorporated by reference in such documentation shall be incorporated by reference into this document.

This document should be read and construed in conjunction with these documents, each of which has been previously published and available for viewing on the Company's website at www.vedantaresources.com or are published simultaneously with this document and that have been filed with the National Storage Mechanism. Those parts of these documents that are not incorporated by reference are either not relevant for investors or covered elsewhere in this document.

Any information not listed below, but included in the documents incorporated by reference, is given for information purposes only.

<u>Reference Document</u>	<u>Information incorporated by reference</u>	<u>Reference Document Page Reference</u>	<u>Page Reference in this Document</u>
Company's 2016 Annual Report and Accounts	Sections entitled "Directors' Remuneration Policy Report" and "Borrowings"	121, 175-182	32, 33
Vedanta Limited Circular	Paragraph headed "The Cairn Consolidation" of Part VI: "Description of the Transactions"	29	33
Prospectus	Paragraph 3 of Part II: "Relationship with Major Shareholder"	167 - 169	33
Prospectus	Paragraphs 9.1 and 9.2 of Part I: "Information on the Vedanta Group, the Cairn India Group and the Combined Group"	116 - 118	33, 36
Prospectus	Paragraphs 14.1, 14.2, 14.4, 14.5 and 14.6(c)(i) of Part X: "Additional Information" of the Prospectus	375 - 378; 379 - 383; and 389	33, 36

NOTICE OF GENERAL MEETING

VEDANTA RESOURCES PLC

(Incorporated and registered in England and Wales, Registration No. 04740415)

NOTICE is hereby given that a General Meeting of Vedanta Resources plc (the "**Company**") will be held at 10.00 a.m. on 6 September 2016 at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London, EC2A 2HA, for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution.

The results of the voting at the General Meeting will be announced through a Regulatory Information Service and will appear on the Company's website (www.vedantaresources.com).

ORDINARY RESOLUTION

THAT the merger of Vedanta Limited and Cairn India Limited (the "**Cairn India Merger**") as described in the circular to shareholders of the Company dated 19 August 2016 of which this Notice forms part (the "**Circular**") be and is hereby approved and the directors of the Company (the "**Directors**") (or any duly constituted committee thereof) be authorised to take all such steps as may be necessary or desirable in connection with, and to implement and complete, the Cairn India Merger and associated matters with such modifications, variations, revisions, waivers or amendments (not being modifications, variations, revisions, waivers or amendments which are material in nature) as the Directors (or any duly authorised committee thereof) may deem necessary, expedient or appropriate.

By order of the Board

Deepak Kumar
Company Secretary

19 August 2016

Registered Office: 5th Floor, 6 St Andrew Street, London, EC4A 3AE

Notes:

Voting at the General Meeting

1. It is intended that voting on the resolution at the General Meeting will be conducted on a poll, rather than a show of hands. The Directors believe that this produces more democratic results, as all shares represented at the General Meeting and those lodged before the General Meeting are included in the results of the voting on a one share one vote basis.

Proxies

2. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY ("**Computershare**") (helpline number +44(0)370 707 1388). To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. To be valid, any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 10.00 a.m. on 4 September 2016. If they are a CREST member, shareholders may use the electronic proxy voting service provided by Euroclear.
4. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 11 below) will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.
5. For online voting, members may go to the following website: www.investorcentre.co.uk/eproxy. Shareholders will be asked to enter the Control Number, the Shareholder Reference Number (SRN) and PIN as provided on their proxy form and agree to certain terms and conditions. Shareholders may not use any electronic address provided in this notice of General Meeting or the form of proxy to communicate with the Company for any purposes other than those expressly stated.

Nominated persons

6. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 to 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

Right to attend and vote

8. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that in order to have the right to attend and vote at the meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at 6.00 p.m. on 4 September 2016 or, in the event of any adjournment, at 6.00 p.m. on the date which is two days before the day of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

Total number of shares and voting rights

9. As at 18 August 2016 (being the latest practicable date before publication of this Notice), the Company's issued share capital comprised 301,082,702 ordinary shares of US\$0.10 each, of which 269,970,891 carry voting rights in relation to all circumstances at general meetings of the Company. Of the remaining 31,111,811 ordinary shares of US\$0.10, 24,206,816 were held as treasury shares including 1,704,333 shares purchased by Gorey Investments Limited, an independent company and 6,904,995 were issued on the conversion of certain convertible bonds issued by one of the Company's subsidiaries. These 6,904,995 ordinary shares are held through a global depository receipt and, as a result, carry no voting rights. Therefore, the total voting rights in the Company as at 18 August 2016 were 269,970,891.

Instructions for electronic proxy appointment through CREST

10. CREST members who wish to appoint a proxy or proxies through the Euroclear electronic proxy appointment service may do so by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
11. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear's specifications, and must contain the information required for such instruction, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare (ID number 3RA50) no later than 10.00 a.m. on 4 September 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
12. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
13. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Corporate shareholders

14. A shareholder of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the General Meeting. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.

Right to ask questions

15. Any member attending the General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such

answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered. The Company will not answer any questions which does not relate directly to the business of the General Meeting.

Communication

16. You may not use any electronic address (within the meaning of Sections 333(4) of the Companies Act 2006) provided in this notice (or in any related documents, including the Chairman's letter and Proxy Form) to communicate with the Company for any purpose other than those expressly stated.

Inspection of documents

17. A copy of this notice and other information required by Section 311A of the Companies Act can be found on the Company's website (www.vedantaresources.com).

Company's registrars

18. The Company's register of members is maintained by Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE. The shareholder helpline number is +44(0)370 707 1388.

Registration

19. Shareholders should note that doors to the General Meeting will open at 9.00 a.m. and registration will start at 9.30 a.m.

Security

20. Please note that for security reasons, all hand luggage may be subject to examination prior to entry to the General Meeting. Certain items will not be permitted in the meeting room. These include cameras, recording equipment, items of any nature with potential to cause disorder and such other items as the Chairman of the meeting may specify.
21. Persons who are not shareholders of the Company will not be admitted to the General Meeting unless prior arrangements have been made with the Company in writing. Investors holding shares through nominees are welcome to attend provided that they bring an original letter of representation from the nominee in order to gain entrance as a shareholder (unless the nominee has validly appointed the investor as its proxy).
22. We ask all those present at the General Meeting to facilitate the orderly conduct of the meeting and reserve the right, if orderly conduct is threatened by a person's behaviour, to require that person to leave.