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Brief Note on Business and Financial Aspect of Scheme of Amalgamation and Arrangement under Sections 391 to 394 read with Sections 78, 100 to 103 of the Companies Act, 1956 amongst Sterlite Industries (India) Limited, (SIIL), The Madras Aluminium Company Limited (MALCO), Sterlite Energy Limited (SEL), Vedanta Aluminium Limited (VEL) and Sesa Goa Limited (SGL) and their respective Shareholders and Creditors. ('Composite Scheme')

1. This Scheme presented under Sections 391 to 394 read with sections 78, 100 to 103 and other applicable provisions of the Companies Act, 1956, provides for the following transactions:
 - a) Merger of SIIL into SGL with Appointed Date as April 01, 2011
 - b) Vesting of the Power Business Undertaking of MALCO into VAL with Appointed date as April 01, 2012
 - c) Merger of MALCO into SGL with effective date as the Appointed Date
 - d) Merger of SEL into SGL with Appointed Date as January 01, 2011 and
 - e) Demerger of the Aluminium Business Undertaking of VAL into SGL with Appointed Date as April 01, 2011
2. Rationale of the Scheme of Amalgamation and Arrangement are interalia summarised as under:
 - a) The Scheme of Amalgamation and Arrangement is expected to simplify the group structure and make it more transparent by eliminating cross holdings. The re-organization exercise would achieve the following synergies for the group
 - o Consolidate and simplification the group structures;
 - o Elimination of cross holdings within the group;
 - o Enhancement in earnings and cash flow visibility;
 - o Improved alignment of debt and cash flows;
 - o Synergies arising out of consolidation of business such as, enhancement of net worth of the combined business to capitalise on future growth potential, optimal utilisation of resources and better administration and cost reduction.

The Board of Directors of all the companies are of the opinion that the re-organization would benefit the shareholders, employees and other stakeholders of the companies

Upon the Scheme becoming effective, the consideration would be discharge as under:



I. Amalgamation of SIIL into SGL:

- a) Upon the amalgamation of SIIL into SGL becoming effective and upon vesting of undertaking of SIIL into SGL, shareholders of SIIL,(except MALCO as MALCO is also amalgamating into SGL), as of the Record Date shall receive equity shares of SGL aggregating to 194,48,74,125 shares in the following share exchange ratio

‘Every equity shareholder of SIIL holding 5 (five) equity shares in SIIL of Re. 1 each fully paid up as of the Record Date shall be entitled to be issued 3 (three) shares of face value Re. 1 each, at par, credited as fully paid up, of SGL’.

- b) FCCBs issued by SIIL shall be treated as FCCBs issued by SGL with the same rights and obligations. Upon amalgamation of SIIL into SGL becoming effective, SGL shall take over all contractual obligations of the FCCBs, issued by SIIL as if these FCCBs were issued by SGL, subject to the modification that in the event of any FCCB holder exercising its option to convert the FCCBs into ADSs of SIIL, prior to the maturity date of such FCCBs (in terms of issuance thereof), they shall be entitled to such number of ADSs of SGL, as any ADS holder of SIIL would have been entitled to in accordance with the share exchange ratio (as mentioned above).

II. Vesting of the Power Business Undertaking of MALCO into VAL:

Upon vesting of all assets and liabilities of the Power Business Undertaking of MALCO into VAL, VAL shall pay to MALCO a lump-sum cash consideration of Rs. 150 Crores.

III. Amalgamation of MALCO into SGL:

Upon the amalgamation of MALCO with SGL becoming effective and upon vesting of undertaking of MALCO into SGL, shareholders of MALCO shall receive equity shares of SGL aggregating to 78,724,989 shares in the following share exchange ratio:

‘Every equity shareholder of MALCO holding 10 (ten) equity shares in MALCO of Rs. 2 each fully paid up as of the Record Date shall be entitled to be issued 7 (seven) equity shares of face value Re. 1 each, at par, credited as fully paid up, of SGL’

IV. Amalgamation of SEL into SGL:

Further, upon the amalgamation of SIIL with the Company becoming effective, SEL would become a wholly owned subsidiary of the Company and accordingly no shares shall be issued and allotted by the Company either to itself or to any of its nominee shareholders holding shares in SEL.



V. Demerger of Aluminum Business Undertaking of VAL into SGL:

Furthermore, upon the amalgamation of SIIL with the Company becoming effective and upon the Ekaterina Scheme becoming effective, VAL shall become a wholly owned subsidiary of the Company and accordingly no shares shall be issued and allotted by the Company either to itself or to any of its nominee shareholders holding shares in VAL.

- VI. In the event that the aggregate number of equity shares to be issued by SGL to all the shareholders results in a fraction of share, the Board of Directors of SGL shall round-off such fraction to the nearest whole number, and thereupon shall issue and allot equity shares. Provided, however, fractional entitlements of individual shareholders, based on the share exchange ratios mentioned above shall not be entitled to be rounded off and the Board of Directors of SGL shall be entitled to devise a mechanism to deal with the fractional entitlements, including but not limited to, by way of allotting all such fractional entitlements (cumulatively) to one of its Directors, who shall hold the same as a trustee for and on behalf of such shareholders of SIIL and MALCO and shall dispose off the same and distribute the proceeds thereof to such shareholders in proportion to and in lieu of their respective fractional entitlements.

For Sesa Goa Limited



C.D. Chitnis

Company Secretary & AVP-Legal

Financial Aspects

The Financials details of Sesa Goa Limited, Sterlite Industries (India) Ltd, The Madras Aluminium Company Ltd, Sterlite Energy Ltd and Vedanta Aluminium Ltd as on March 2013 are as under:

Particulars	Revenue (Rs in cr)	Results (Rs in cr) (PAT)	Capital Employed (Rs in Cr)
Sesa Goa Limited	2,529	121	
Sterlite Industries (India) Limited	45,162	9,249	
The Madras Aluminium Company Limited			
Sterlite Energy Limited			
Vedanta Aluminium Limited			
-Demerged undertaking			
-Remaining undertaking			

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Brief Note on Business and Financial Aspect of Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956 of Ekaterina Limited and Sesa Goa Limited and their respective Shareholders and Creditors ('Ekaterina Scheme' or 'Scheme')

1. This Scheme presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, provides for amalgamation of Ekaterina and SGL, the salient features of the Scheme are as follows:
 - a) The Appointed Date of the amalgamation of Ekaterina and SGL is April 1, 2012
 - b) With effect from the Appointed Date and upon the Scheme becoming effective, upon vesting of undertaking of Ekaterina into SGL, shareholders of Ekaterina shall receive equity shares of SGL aggregating to 72,304,335 shares in the following share exchange ratio :

'Every equity shareholder of the Ekaterina holding Twenty Five (25) equity shares in Ekaterina of USD 0.1 each fully paid up as of the Record Date shall be entitled to be issued One (1) equity shares of the face value of Re. 1 each, at par, credited as fully paid-up, of SGL.'

2. Rationale of the Scheme is *inter alia* summarised as under:

The Scheme is expected to simplify the group structure and make it more transparent by eliminating cross holdings. The re-organization exercise would achieve the following synergies for the group:

- Consolidate and simplification the group structures;
- Elimination of cross holdings within the group;
- Enhancement in earnings and cash flow visibility;
- Improved alignment of debt and cash flows;
- Synergies arising out of consolidation of business such as, enhancement of net worth of the combined business to capitalise on future growth potential, optimal utilisation of resources and better administration and cost reduction.

Ekaterina Limited (indirect 100% subsidiary of Vedanta Resources Plc) holds 70.5% stake in VAL and balance held by SIIL. The Concurrent Scheme shall result into consolidation of 100% equity shareholding of VAL in SGL.

For Sesa Goa Limited



C.D. Chitnis

Company Secretary & AVP-Legal

Financial Aspects

The Financials details of Sesa Goa Limited and Ekaterina Limited as on March 2013 are as under:

Particulars	Revenue	Results (PAT)	Capital Employed (Rs in Cr)
Sesa Goa Limited (Rs in crs)	2,529	121	14,217
Ekaterina Limited (USD)	-	- 6105	180,750,652