

## Independent auditor's report

To: the Board of Directors of Monte Cello B.V.

We have audited the accompanying special purpose financial information as at and for the year ended March 31, 2012 of Monte Cello B.V., Amsterdam, which comprise the statement of financial position as at March 31, 2012, the statements of comprehensive income and cash flows for the year then ended, and notes.

### Management's responsibility

Management is responsible for the preparation and fair presentation of this special purpose financial information in accordance with the recognition and measurement criteria of International Financial Reporting Standards as published by the International Accounting Standards Board and the presentation and disclosure requirements as contained in the special purpose financial information. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the special purpose financial information that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on this special purpose financial information based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial information, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special purpose financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial information.

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

## **Opinion**

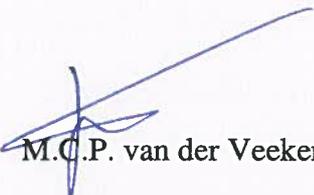
In our opinion, the special purpose financial information gives a true and fair view of the financial position of Monte Cello B.V. as at March 31, 2012 and of its result and its cash flows for the year then ended in accordance with the recognition and measurement criteria of International Financial Reporting Standards as published by the International Accounting Standards Board and the presentation and disclosure requirements as contained in the special purpose financial information.

## **Restriction on use and distribution**

The special purpose financial information has been prepared to assist Monte Cello B.V. in meeting its internal financial reporting requirements and the reporting requirements of its intermediate holding company, Sterlite Industries (India) Limited. As a result, the special purpose financial information may not be suitable for another purpose. Our report is intended solely for Monte Cello B.V. and Sterlite Industries (India) Limited and their auditors and should not be distributed to or used by parties other than Monte Cello B.V. and Sterlite Industries (India) Limited.

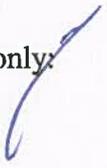
Utrecht, April 24, 2012

Deloitte Accountants B.V.



M.C.P. van der Veeken

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MONTE CELLO BV  
 STATEMENT OF FINANCIAL POSITION as at March 31, 2012

|  | 03.31.2012<br>in USD |
|--|----------------------|
| <b>ASSETS</b>  |                      |
| <b>NON-CURRENT ASSETS</b>                                  |                      |
| Investment in subsidiaries                                 | 21.215.520           |
|  | <b>21.215.520</b>    |
| <b>CURRENT ASSETS</b>                                      |                      |
| Trade and other receivables                                | 254.722.105          |
| Liquid Investments   | -                    |
| Cash and cash equivalent                                   | 414.951              |
|  | <b>255.137.056</b>   |
| <b>TOTAL ASSETS</b>  | <b>276.352.576</b>   |
| <b>LIABILITIES</b>   |                      |
| <b>CURRENT LIABILITIES</b>                                 |                      |
| Short Term Liabilities                                     | -                    |
| Trade and other payables                                   | 30.169               |
| Current tax liabilities                                    | 891.024              |
|  | <b>921.193</b>       |
| <b>NET CURRENT ASSETS</b>                                  | <b>254.215.863</b>   |
| <b>NON CURRENT LIABILITIES</b>                             |                      |
|  | -                    |
| <b>TOTAL LIABILITIES</b>                                   | <b>921.193</b>       |
| <b>NET ASSETS</b>  | <b>275.431.383</b>   |
| <b>EQUITY</b>  |                      |
| Share capital  | 21.970               |
| Share premium account                                      | -                    |
| Other Reserves   | 8.058.865            |
| Retained earnings  | 267.350.548          |
| Non equity share capital                                   | -                    |
| <b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b> | <b>275.431.383</b>   |
| <b>TOTAL EQUITY</b>  | <b>275.431.383</b>   |

Directors  
 Montecello BV

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MONTE CELLO BV

STATEMENT OF COMPREHENSIVE INCOME for the year ended March 31, 2012

04.01.2011 - 03.31.2012

in USD

| <b>CONTINUING OPERATIONS</b>   |                   |
|--------------------------------|-------------------|
| Revenue                        | -                 |
| Cost of sales                  | -                 |
| <b>GROSS PROFIT</b>            | -                 |
| Othe operating income          | -                 |
| Administrative Expenses        | (129.163)         |
| Distribution Costs             | -                 |
| <b>EBITDA</b>                  | <b>(129.163)</b>  |
| Depreciation                   | -                 |
| Amortisation                   | -                 |
| <b>GROSS PROFIT</b>            | <b>(129.163)</b>  |
| Investment revenue             | 65.933.477        |
| Finance costs                  | 3.514             |
| Share of loss of associate     | -                 |
| Share of loss of joint venture | -                 |
| Special items                  | -                 |
| <b>PROFIT BEFORE TAXATION</b>  | <b>65.807.827</b> |
| Tax expenses                   | (813.149)         |
| <b>PROFIT FOR THE YEAR</b>     | <b>64.994.678</b> |
| Attributable to:               |                   |
| Minority interest              | -                 |
| Equity holders of the parent   | 64.994.678        |
|                                | <b>64.994.678</b> |

Directors  
Montecello BV

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MONTE CELLO BV  
STATEMENT OF CASH FLOWS for the year ended March 31, 2012

|  | 04.01.2011 - 03.31.2012 |
|--|-------------------------|
|  | in USD                  |
| <b>Operating activities</b>                            |                         |
| Profit before tax                                      | 65.807.827              |
| <b>Adjusted for -</b>                                  |                         |
| Dividend Income  | (12.599)                |
| Interest Income  | (3.664.878)             |
| <b>Operating profit before working capital changes</b> | <b>62.130.351</b>       |
| Adjusted for :   |                         |
| - Trade payables                                       | (170.282)               |
| -Loans & Advances                                      | (83.250.000)            |
| <b>Cash from operating activities</b>                  | <b>(21.289.931)</b>     |
| Income tax   | (1.216.801)             |
| <b>Net Cash used in operating activities</b>           | <b>(22.506.732)</b>     |
| <b>Cash Flow from investing activities</b>             |                         |
| Interest received                                      | 1.633.141               |
| Dividend received                                      | 12.599                  |
| <b>Net Cash generated from investing activities</b>    | <b>1.645.740</b>        |
| <b>Net Cash generated from financing activities</b>    | <b>-</b>                |
| <b>Net increase in cash and cash equivalents</b>       | <b>(20.860.993)</b>     |

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