

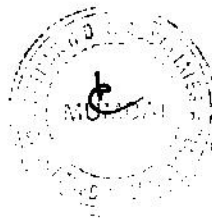
To The Board of directors of  
Monte Cello BV

**Report on Financial Statements**

We have audited the accompanying financial statements of "Monte Cello BV." ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2015 , the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles Generally Accepted in India (Indian GAAPs), including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 . This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its Profit and its Cash Flows for the year ended on that date.




# Pathak H.D. & Associates

Chartered Accountants

## Other Matter:-

The financial statement are prepared to assist Vedanta Limited, holding company (Earlier Known as Sesa Sterlite Limited) to prepare its consolidated financial statements as per generally accepted accounting principal in India. As a result, the financial statement may not be suitable for another purpose. Our report is intended solely for the company and its holding company and should not be distributed or used by parties other than for the preparation of consolidated financial statement of holding company. We hereby provide consent that a copy may be provided to auditors of holding company.

For **Pathak H.D. & Associates,**  
Chartered Accountants  
(Registration No. 107783W)

  
**Anuj Bhatia**  
Partner  
Membership No.: 122179



Place: Mumbai  
Date: April 23, 2015

Monte Cello BV  
Balance Sheet as at March 31, 2015

Particulars	Notes	As at March 31,	
		2015 USD	As at March 31, 2014 USD
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	21,970	21,970
(b) Reserves and surplus	3	322,124,988	318,028,906
		<b>322,146,958</b>	<b>318,050,876</b>
<b>2 Current liabilities</b>			
(a) Other current liabilities	4	17,842	16,118
(b) Short-term provisions	5	1,078,334	1,923,892
		<b>1,096,176</b>	<b>1,940,010</b>
<b>TOTAL</b>		<b>323,243,134</b>	<b>319,990,886</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Non-current investments	6	21,215,520	21,215,520
<b>2 Current assets</b>			
(a) Cash and Cash Equivalents	7	53,578	165,757
(b) Short-term loans and advances	8	301,974,036	298,609,609
<b>TOTAL</b>		<b>323,243,134</b>	<b>319,990,886</b>

The accompanying notes are forming part of the financial statements.

As per our report of even date

For Pathak H D & Associates  
Chartered Accountants

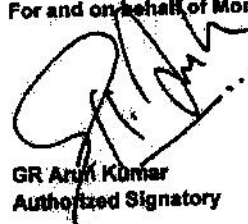


Anuj Bhatia  
Partner



Date : April 23, 2015

For and on behalf of Monte Cello BV



GR Anil Kumar  
Authorized Signatory

**Monte Cello BV**  
**Statement of Profit and Loss for the year ended 31 March, 2015**

Particulars	Notes	For the year ended 31	For the year ended 31
		March, 2015	March, 2014
		USD	USD
I Other income	9		
Total Revenue		5,284,133	11,238,778
II Expenses:			
(a) Finance costs	10	38,058	22,269
(b) Other expenses	11	60,680	180,828
Total Expenses		98,738	183,096
III Profit before tax (I - II)		5,185,395	11,055,683
IV Tax expense:			
(1) Current tax	12	1,089,313	954,081
V Profit for the year (III- IV)		4,096,082	10,101,622
VI Earnings per equity share of EUR 453.78 each	13		
(a) Basic		102,402.05	252,540.56
(b) Diluted		102,402.05	252,540.56

The accompanying notes are forming part of the financial statements.

As per our report of even date

For Pathak H D & Associates  
Chartered Accountants



Anuj Bhatia  
Partner



For and on behalf of Monte Cello BV



GR Anil Kumar  
Authorized Signatory

Date : April 23, 2015

Monte Carlo BV  
Cash Flow Statement for the year ended March 31, 2015

Particulars	For the year ended 31 March 15		For the year ended 31 March 14	
	USD	USD	USD	USD
<b>A. Cash flow from Operating Activities</b>				
Net (Loss)/ Profit for the year before tax as per statement of Profit & Loss		8,185,385		11,055,093
Adjustments for:				
- Dividend income			7,000,000	
- Interest income	(4,175,909)		(4,258,778)	
- Interest on Income tax	36,784		21,202	
- Foreign exchange fluctuation	(103,340)		64,706	
Operating loss before working capital changes		(8,241,865)		(11,182,870)
Changes in working capital:				
Adjustments for increase / (decrease) in operating liabilities:				
Other current liabilities and provisions	1,724	1,724	(19,597)	(19,597)
Cash used in operations		(64,746)		(118,784)
Net income tax paid		(1,587,888)		(849,978)
Net cash used in operating activities (A)		(1,922,704)		(988,762)
<b>B. Cash Flow from Investing Activities</b>				
Interest received		6,110,382		2,369,420
Dividend received				7,000,000
Loans to related parties (Net)		(4,308,000)		(10,036,000)
Net cash flow (used)/from investing activities (B)		1,810,682		(675,580)
<b>C. Cash Flow from Financing Activities</b>				
Net cash flow from financing activities (C)		-		-
Net (Decrease) / Increase in cash and cash equivalent (A+B+C)		(111,822)		(1,642,342)
Cash and cash equivalents at the beginning of the year (refer Note 7)		166,787		1,808,089
Effect of exchange rate on cash and cash equivalent	(387)			
Balance of cash and cash equivalent	63,934		166,787	
Cash and cash equivalents at the end of the year (refer Note 7)		53,678		166,787

The accompanying notes are forming part of the financial statements.  
As per our report of even date

For Pathak H D & Associates  
Chartered Accountants

Anuj Bharti  
Partner

Date : April 23, 2015



For and on behalf of Monte Carlo BV

GR Anshu Singh  
Authorized Signatory

Monte Carlo BV  
Notes forming part of the financial statements

1 (a) Company Overview

Monte Carlo B.V. (the company) is a private company with limited liability ("Besloten Vennootschap"), existing under the laws of The Netherlands, September 24, 1997. The company has its statutory seat and principle place of business in Amsterdam, The Netherlands. The principle activity of the company is Holding of Investments and Financing Activities.

1 (b) Significant accounting policies :

(i) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/ 2013 dated 13 September 2013 of the Ministry of Corporate Affairs). The financial statements have been prepared on accrual basis under the historical cost convention.

(ii) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the periods in which the results are known / materialise.

(iii) Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investments are recorded as Long Term Investments unless they are expected to be sold within one year. Investments in subsidiaries are valued at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

(iv) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(v) Foreign Currency Transactions

(i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.

(ii) Monetary assets and liabilities in foreign currency outstanding at the year end are restated at the year-end exchange rates and resultant exchange differences are taken to the Statement of Profit and Loss.

(iii) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

(iv) In order to hedge its exposure to foreign exchange risks, the Company enters into forward exchange contracts and other derivative financial instruments. The Company neither holds nor issues any derivative financial instruments for speculative purpose. In case of forward contracts with underlying assets or liabilities, the difference between the forward rate and the exchange rate on the date of inception of forward contract is recognised as income or expense and is amortised over the life of the contract. Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss. The company provides for losses in respect of all outstanding foreign currency derivatives exposure at the balance sheet date by marking them to market.

(vi) Revenue Recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Dividend income is recognised when right to receive the payment is established by the Balance Sheet date. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

(vii) Taxation

Income tax is calculated on the profit/loss before tax in the income statement, taking into account any losses carried forward from previous financial years and tax exempt items, and plus non deductible expenses. Account is also taken of changes in deferred income tax assets and liabilities owing to changes in the applicable tax rates.

(viii) Provision, Contingent Liabilities and Contingent assets

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the financial statements. Contingent Assets are not disclosed in the financial statements.

1(c) The financial statements are prepared for the purpose of preparing consolidated financial statement of holding company, Vedanta Limited (formerly known as Sesa Sterlite Limited).



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Monte Carlo BV  
Notes forming part of Financial Statements for the year ended March 31, 2016

Particulars	As at March 31, 2016		As at March 31, 2014	
	Number	USD	Number	USD
<b>Note 2 - Share Capital</b>				
<b>Authorized</b>				
Equity Shares of EUR 453.78 each fully paid	200	109,850	200	109,850
<b>Issued</b>				
Equity Shares of EUR 453.78 each fully paid	40	21,970	40	21,970
<b>Subscribed &amp; fully Paid up</b>				
Equity Shares of EUR 453.78 each fully paid	40	21,970	40	21,970
<b>Total</b>	<b>40</b>	<b>21,970</b>	<b>40</b>	<b>21,970</b>

i) Reconciliation of the number and amount of equity shares outstanding at the beginning and at the end of the year:

	As at March 31, 2015		As at March 31, 2014	
	Number	USD	Number	USD
Shares outstanding at the beginning of the year	40	21,970	40	21,970
Shares outstanding at the end of the year	40	21,970	40	21,970

ii) Details of shares held by Holding Company

	As at March 31, 2015	As at March 31, 2014
Equity shares are held by Vedanta Limited (formerly known as Sesa Sterile Limited)	40	40
Percentage of holding	100%	100%

iii) Other disclosures

The Company has one class of equity shares having a par value of EUR 453.78 per share. Each equity shareholder is eligible for one vote per share held. Each equity shareholder is entitled to dividends as and when the Company declares and pays dividend after obtaining shareholders approval. In the event of liquidation of Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

Particulars	As at March 31, 2015	As at March 31, 2014
	USD	USD
<b>Note 3 - Reserves &amp; Surplus</b>		
<b>a. General Reserve</b>		
Opening Balance	8,058,866	8,058,866
Closing Balance	8,058,866	8,058,866
<b>b. Surplus in Statement of Profit and Loss</b>		
Balance at the beginning of the year	309,970,041	299,868,419
Add: Profit for the year	4,096,882	10,101,622
Balance at the end of the year	314,066,923	309,970,041
<b>Total</b>	<b>322,124,989</b>	<b>318,028,908</b>



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**Monte Celio BV**  
**Notes forming part of Financial Statements for the year ended March 31, 2015**

Particulars	For the year ended	For the year ended
	31 March, 2015	31 March, 2014
	USD	USD
<b>Note 4 - Other Current Liabilities</b>		
Other payables (For Expenses)	17,842	16,118
<b>Total</b>	<b>17,842</b>	<b>16,118</b>
<b>Note 5 - Short Term provisions</b>		
Provisions for taxes (Net)	1,078,334	1,923,882
<b>Total</b>	<b>1,078,334</b>	<b>1,923,882</b>
<b>Note 6 - Non Current investments (Refer Note 1 (b)(iii))</b>		
<b>Investments (at Cost):</b>		
<b>(a) Investment in Equity Instruments of subsidiaries</b>		
(i) 2 (Previous Year 2) Equity shares of AUD 1 each in Copper Mines of Tasmania Pty Limited	1	1
(ii) 578,240 (Previous Year 578,240) Equity shares of AUD 1 each in Thalanga Copper Mines Pty Limited	21,215,519	21,215,519
<b>Total</b>	<b>21,215,520</b>	<b>21,215,520</b>
Aggregate amount of unquoted investments	21,215,520	21,215,520
<b>Note 7 - Cash and Cash Equivalents</b>		
<b>Cash and Cash Equivalents</b>		
(a) Balances with banks in current accounts	83,578	16,757
(b) Bank deposits (having maturity of 3 months or Less)	-	150,000
<b>Total</b>	<b>83,578</b>	<b>165,757</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	83,578	165,757
<b>Note 8- Short term loans and advances</b>		
<b>Unsecured, considered good unless stated</b>		
a. Loans and advances to related parties (Refer Note 16)	301,874,038	298,609,609
<b>Total</b>	<b>301,874,038</b>	<b>298,609,609</b>



Monte Cello BV  
Notes forming part of Financial Statements for the year ended March 31, 2015

Particulars	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	USD	USD
<b>Note 9 - Other Income</b>		
Interest Income from		
(a) Deposits	282	2,758
(b) Loans	5,178,027	4,238,020
Dividend from Long Term Investments - Subsidiary	-	7,000,000
Net gain on foreign currency transactions and translation (other than considered as finance cost)	108,824	-
<b>Total</b>	<b>5,284,133</b>	<b>11,238,778</b>
<b>Note 10 - Finance Cost</b>		
(a) Interest expense on Income Tax	38,784	21,202
(b) Bank charges	1,274	1,087
<b>Total</b>	<b>38,058</b>	<b>22,289</b>
<b>Note 11 - Other Expenses</b>		
(a) Payments to Auditors - Audit Fees	7,128	7,500
(b) Professional fees	53,556	87,177
(c) Net loss on foreign currency transaction and translation	-	86,149
<b>Total</b>	<b>60,684</b>	<b>180,826</b>
<b>Note 12 - Current Tax</b>		
(a) For the Year	1,088,936	1,016,310
(b) For the earlier years	378	-62,249
<b>Net Current tax</b>	<b>1,089,313</b>	<b>954,061</b>



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Monte Cello BV  
Notes forming part of the financial statements

Particulars	For the year ended	For the year ended
	31 March, 2016	31 March, 2014
	USD	USD
<b>13 Earnings Per Share (EPS)</b>		
Net Profit after tax attributable to equity shareholders for Basic and Diluted EPS	4,096,082	10,161,622
Weighted average Number of equity Shares	40	40
Par Value per Share (EUR)	483.76	483.76
Earning Per Share - Basic and diluted	<u>102,402.06</u>	<u>252,840.66</u>
Particulars	USD	USD
<b>14 Contingent liabilities</b>		
Contingent liabilities and commitments (to the extent not provided for)		
Claims against the company not acknowledged as debt	NIL	NIL
<b>15</b> There is no separate reportable segment hence information as defined in the Accounting Standard 17 "Segment Reporting" is not given.		



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Monte Carlo BV  
Notes forming part of the financial statements  
16 Related party transactions

Names of related parties and description of relation:

Ultimate Holding Company	Vedanta Resources Plc.
Intermediate Holding companies	Welter Trading Ltd Richter Holdings Ltd Twinstar Holdings Limited Westglobe Limited
Immediate Holding Company	Vedanta Limited (formerly known as Sesa Starite Limited)
Subsidiaries	Copper Mines of Tasmania Pty Limited Thalanga Mines of Tasmania Pty Limited
Fellow Subsidiaries	THL Zinc Holding B.V. Lakomasko B.V. Vedanta Jersey Investment Limited Twinstar Mauritius Holdings Limited

Note: Related parties have been identified by the management

	For the year ended	For the year ended
	31 March, 2016	31 March, 2014
	USD	USD
<b>1. Welter Trading Limited</b>		
Loan given / (adjusted)		(117,823,825)
Interest income		787,817
<b>2. Vedanta Jersey Investment Limited</b>		
Loan given / (adjusted)		(66,000,000)
Interest income		731,899
<b>3. Vedanta Resources Plc</b>		
Loan given / (adjusted)		(84,068,788)
Interest income		683,436
Interest Receivable	1,048,833	1,048,533
<b>4. Richter Holdings Limited</b>		
Loan given / (adjusted)		(15,000,000)
Interest income		103,870
<b>4. Twinstar Mauritius Holdings Limited</b>		
Loan given / (adjusted)	(8,205,080)	295,525,081
Interest income	5,098,531	2,098,985
Loan Receivable	287,328,081	285,525,081
Interest Receivable	1,908,839	2,098,985
<b>5. Lakomasko BV</b>		
Reimbursement of Expense		23,621
<b>6. Copper Mines of Tasmania Pty Limited</b>		
Dividend income		7,000,000
Investment		1
Loan given	12,508,000	-
Interest income	108,967	-
Loan Receivable	12,508,000	-
Interest Receivable	98,299	-
<b>7. THL Zinc BV</b>		
Loan received	530,880	-
Loan repaid	520,495	-
<b>8. Thalanga Mines of Tasmania Pty Limited</b>		
Investment	21,216,819	21,216,819

17 Previous year figures have been regrouped / reclassified / wherever necessary to correspond with the current year's classification / disclosure.




April 23, 2016

For and on behalf of the company

Monte Celio BV  
 Trial Balance as at March 31, 2015

Particulars	Amount in USD	
	Debit	Credit
EQUITY SHARE CAPITAL	-	(21,970)
PROFIT & LOSS A/C	-	(309,970,041)
GENERAL RESERVE	-	(8,068,865)
EURO A/C FORTIS BANK	2,119	-
OUTSTANDING LIAB.	-	(17,842)
PROV FOR TAX (CY)	-	(1,078,334)
INV SHS:NON LIST CO	1	-
Inv In TCM - Unilate	21,215,519	-
ABN AMRO BANK	4,998	-
BOB 9421020000811	45,904	-
BANK BOB EURO A/C	557	-
INT ACCRUD-VRPL LOAN	1,045,533	-
ACCRUED INTEREST	1,008,026	-
ACCRUED INTEREST-CMT	95,398	-
LOAN TO CMT	12,500,000	-
LOAN TO TSMHL	287,325,081	-
INT INCOME-FIXED DEP	-	(282)
INTEREST-INCOME TAX	38,784	-
INTEREST FROM TSMHL	-	(5,088,031)
INTEREST FROM CMT	-	(105,996)
AUDIT FEES-STAT	7,125	-
PROFESSIONAL FEES	53,555	-
FOREIGN.EXH.DIFF	-	(108,824)
CHG-BANK	1,274	-
PROV FOR TAX:APP(CY)	1,089,313	-
<b>PROFIT AND LOSS ACCOUNT</b>	<b>324,431,188</b>	<b>(324,431,188)</b>

For and on behalf of Monte Celio BV

  
 GR Arun Kumar  
 Authorized Signatory