

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF STERLITE INFRAVENTURES LIMITED
Report on the Financial Statements**

We have audited the accompanying financial statements of **STERLITE INFRAVENTURES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the 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, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions 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 and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements 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. 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.



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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 March 31, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position
 - ii. The Company did not have any long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)



A handwritten signature in black ink, appearing to read "C R Rajagopal", written over a horizontal line.

C R Rajagopal
Partner
(Membership No. 23418)

Place: Coimbatore
Date: 22 April 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **STERLITE INFRAVENTURES LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 0080725)

A handwritten signature in black ink, appearing to read "C. R. Rajagopal".

C. R. Rajagopal
Partner
(Membership No. 23418)

Place: Coimbatore
Date: 22 April 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) The Company does not have any fixed assets and hence reporting under clause (i) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Income-tax, Service Tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Service Tax as on March 31, 2016 on account of disputes.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.



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- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) The provisions of section 177 are not applicable to company. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)



A handwritten signature in black ink, appearing to read "C R Rajagopal".

C R Rajagopal
Partner
(Membership No. 23418)

Place: Coimbatore
Date: 22 April 2016

Sterlite Infraventures Limited
Balance Sheet as at March 31, 2016

(Amount in Rs)

Particulars	Notes	As at	
		March 31, 2016	March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2.1	1,300,000	1,300,000
(b) Reserves and surplus	2.2	(28,018,269)	(23,192,226)
Current liabilities			
(a) Short-term borrowings	2.3	23,695,000	22,195,000
(b) Other current liabilities	2.4	3,081,896	3,531,030
TOTAL		58,627	3,833,804
ASSETS			
Current assets			
(a) Cash and cash equivalents	2.5	58,627	118,122
(b) Short-term loans and advances	2.6	-	3,715,682
TOTAL		58,627	3,833,804


See accompanying notes forming part of the financial statements

1-3


In terms of our report attached.


For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration number :0080725

For and on behalf of Board of Directors


C.R. Rajagopal
Partner
Membership No. 23418




D.D. Jalan
Director


Pratik Agarwal
Director

Place: Mumbai
Date: April 22, 2016

Place: Mumbai
Date: April 22, 2016



Sterlite Infraventures Limited
Statement of Profit and loss for the period ended March 31,2016

(Amount in Rs)

Particulars	Notes	For the Year ended March 31, 2016	For the Year ended March 31, 2015
I. Revenue from operations		-	-
II. Other income		-	-
III. Total Revenue (I +II)		-	-
IV. Expenses:			
Finance costs	2.7	787,435	453,303
Other expenses	2.8	4,038,608	18,734,437
Total expenses		4,826,043	19,187,740
V. Loss before tax (III - IV)		(4,826,043)	(19,187,740)
VI. Current tax - for the year		-	-
VII. Loss for the year (V-VI)		(4,826,043)	(19,187,740)
Earnings per equity share: [Face value of the share @2/- each]	3(a)		
(1) Basic		(0.04)	(0.17)
(2) Diluted		(0.04)	(0.17)

See accompanying notes forming part of the financial statements

1-3

In terms of our report attached.

For Deloitte Haskins & Sells

Chartered Accountants

Firm Registration number :008072S



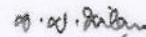
C.R. Rajagopal

Partner

Membership No. 23418



For and on behalf of Board of Directors



D.D. Jalan

Director



Pratik Agarwal

Director



Place: Mumbai

Date: April 22, 2016

Place: Mumbai

Date: April 22, 2016

Sterlite Infraventures Limited


Cash Flow Statement for the year ended March 31, 2016

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
	Amount (in Rs.)	Amount (in Rs.)
A. Cash Flow from operating Activities		
Loss before tax	(4,826,043)	(19,187,740)
Operating profit before working capital changes	(4,826,043)	(19,187,740)
<u>Changes in working capital:</u>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
- Loans and Advances	3,715,682	10,836,703
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
- Current Liabilities	(449,134)	1,659,947
Cash generated from / (used in) operations	(1,559,495)	(6,691,090)
Direct taxes paid	-	-
Net Cash inflow / (outflow) from operating Activities (A)	(1,559,495)	(6,691,090)
B. Cash Flow from Investing Activities		
Net Cash (outflow) / inflow Investing Activities (B)	-	-
C. Cash Flow from Financing Activities		
Proceeds from Short Term Borrowings	1,500,000	6,800,000
Net Cash inflow from Financing Activities (C)	1,500,000	6,800,000
Net (Decrease) / Increase in cash and cash equivalent (A+B+C)	(59,495)	108,910
D. Cash and Cash Equivalents		
Cash and cash equivalents at the end of the year	58,627	118,122
Cash and cash equivalents at the beginning of the year	118,122	9,212
	(59,495)	108,910

See accompanying notes forming part of the financial statements - 1 - 3

In terms of our report attached.

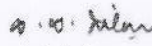
For Deloitte Haskins & Sells
Chartered Accountants
Firm Registration number: 068072S



C.R. Rajagopal
Partner
Membership No. 23418



Place : Mumbai
Date : April 22, 2016

For and on behalf of the Board of Directors


D.D. Jalan
Director


Pratik Agarwal
Director



Place : Mumbai
Date : April 22, 2016

(Amount in Rs)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of Shares	Rs.	Number of Shares	Rs.
2.1 Share Capital				
(a) Authorised				
11,25,00,000 Equity Shares of Re. 2 each with voting rights	112,500,000	225,000,000	112,500,000	225,000,000
(b) Issued				
11,25,00,000 Equity Shares of Re.2 each with voting rights	112,500,000	225,000,000	112,500,000	225,000,000
(c) Subscribed & Paid up **				
Equity Share capital	112,500,000	1,300,000	112,500,000	1,300,000
11,25,00,000 Equity Shares of Re.2 each(Called and paidup of Rs- 0.01 each)				
Total	112,500,000	1,300,000	112,500,000	1,300,000

** 11,25,00,000 equity shares of -Rs. 0.01 each called & paid up (Of the above, 100% of the equity shares are held by the Holding Company, Vedanta Limited (Formerly known as Sesa Sterlite Limited))

Reconciliation of the number of Equity shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	112,500,000	1,300,000	112,500,000	1,300,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	112,500,000	1,300,000	112,500,000	1,300,000

Disclosure of More than 5% Shareholding

Name of Shareholder	As at March 31, 2016		As at March 31, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Vedanta Limited (Formerly known as Sesa Sterlite Limited)	112,500,000	100%	112,500,000	100%



Sterlite Infraventures Limited
Notes to Financial statements for the period ended March 31,2016

2.2 Reserve & Surplus

(Amount in Rs)

Particulars	As at March 31 , 2016	As at March 31, 2015
Surplus / (Deficit) in Statement of Profit and Loss		
Balance at the beginning of the year	(23,192,226)	(4,004,486)
Loss for the period	(4,826,043)	(19,187,740)
Balance at the End of the year	(28,018,269)	(23,192,226)

2.3 (a) Short-term borrowings

(Amount in Rs)

Particulars	As at March 31 , 2016	As at March 31, 2015
Unsecured: (Repayable on demand)		
Loans and advances from related parties (Refer Note 3 (b)) Vedanta Limited (Formerly known as Sesa Sterlite Limited)	23,695,000	22,195,000
Total	23,695,000	22,195,000

2.4 Other Current Liabilities

(Amount in Rs)

Particulars	As at March 31 , 2016	As at March 31, 2015
Statutory Remittances	6,767	5,545
Due to related parties (Refer Note 3 (b))	2,575,129	1,867,053
Provision for Audit Fees	450,000	400,000
Creditors for goods and services	50,000	1,258,432
Total	3,081,896	3,531,030

2.5 Cash and Bank Balances

(Amount in Rs)

Particulars	As at March 31 , 2016	As at March 31, 2015
Cash and Cash Equivalents		
Balances with Bank (In Current account)	58,627	118,122
Total	58,627	118,122

2.6 Short Term Loans and advances

(Amount in Rs)

Particulars	As at March 31 , 2016	As at March 31, 2015
(i) Balance with central excise and government authorities	-	14,832
(ii) Payments made for various projects under bidding stage	-	3,700,850
Total	-	3,715,682



Sterlite Infraventures Limited

Notes to Financial statements for the period ended March 31,2016

2.7 Finance Cost

(Amount in Rs)

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
Interest expense	786,750	453,303
Other borrowing costs	685	-
Total	787,435	453,303

2.8 Other Expenses

(Amount in Rs)

Particulars	For the Year ended March 31, 2016	For the Year ended March 31, 2015
(i) Administration		
Conveyance & Travelling Expenses	175,850	143,365
Audit Fees	450,000	400,000
Filing and Registration fees	2,553,964	12,373,121
Professional Fees	858,794	5,796,591
Statutory Audit Out of pocket Expenses	-	16,500
Miscellaneous Expenses	-	4,860
Total	4,038,608	18,734,437



Sterlite Infraventures Limited
3. Notes to Financial statements

(a) EARNING PER SHARE (EPS):

Particulars	31-Mar-16	31-Mar-15
Loss for the year (in Rs.)	(4,826,043)	(19,187,740)
Weighted average Number of equity Shares (In Nos)	112,500,000	112,500,000
Nominal Value per Share (in Rs.)	2	2
Earning Per Share - Basic and diluted (in Rs.)	(0.04)	(0.17)

(b) Related party Disclosures:

(As identified by the company and relied upon by the auditors)

(i) List of related parties and relationships:

Sr.No	Name of the related party	Relationship
1	Vedanta Limited (Formerly known as Sesa Sterlite Limited)	Holding Company
2	Sterlite Ports Limited	Entities in which KMP / Relatives of KMP can exercise significant influence.
3	Paradip Multi Cargo Berth Private Limited	Entities in which KMP / Relatives of KMP can exercise significant influence.
4	Maritime Ventures Private Limited	Entities in which KMP / Relatives of KMP can exercise significant influence.
5	Mr. DD Jalan	Key Management personnel
6	Mr. Pratik Agarwal	Key Management personnel
7	Mr. P Rannath	Key Management personnel

(ii) Transactions during the period with related parties:

Sr.No	Nature of transaction (Excluding reimbursements)	Holding company	KMP	Associate
1	Short Term Borrowings from Holding company.	1,500,000	-	-
		(6,800,000)	-	-
2	Interest expense on Borrowings from Holding Company	786,750	-	-
		(453,303)	-	-

(iii) Balances outstanding at the end of the year:

Sr.No	Particulars	Holding company	KMP	Associate
1	Short Term Borrowings from Holding company.	23,695,000	-	-
		(22,195,000)	-	-
2	Current Liabilities	2,575,129	-	-
		(1,867,053)	-	-

Note: Figures in bracket relate to the previous year

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

For and on behalf of the Board of Directors

D.D. Jalan
D.D. Jalan
Director

Pratik Agarwal
Pratik Agarwal
Director

Place : Mumbai
Date : April 22, 2016

