

CONFIDENTIAL

May 18, 2015

The Board of Directors,
Sterlite Technologies Limited
Survey No. 68/1,
Rakholi village,
Madhuban Dam Road, Silvassa,
Union Territory of Dadra & Nagar Haveli - 396 230

Dear Members of the Board:

I. Engagement Background

We understand that the Board of Directors of Sterlite Technologies Limited is considering the demerger of "Power Products and Transmission Grid Business" of Sterlite Technologies Limited (the "Demerged Company" or "STL") into Sterlite Power Transmission Limited (the "Resulting Company") through a Scheme of Arrangement under sections 391-394 of the Companies Act, 1956 and other applicable provisions of the Act.

The scheme envisages demerger of the "Power Products and Transmission Grid Business" (the "Demerged Undertaking") of STL into Resulting Company as per terms and conditions more fully set forth in the Scheme of Arrangement to be placed before the Board for their approval.

In consideration of the demerger pursuant to the Scheme of Arrangement, every Shareholder of the Demerged Company shall on a proportionate basis be entitled to receive 1 (one) Share of Rs.2/- each ("New Equity Share") in the capital of the Resulting Company for every 5 (five) equity shares of Rs.2/- each fully paid up and held by members of the Demerged Company on the Record Date. The capital of the Resulting Company comprises of Equity Shares and Redeemable Preference Shares ("RPS") and the Scheme provides an option to the Equity Shareholders of STL to opt for either one fully paid up New Equity Share of face value of Rs.2/- each or one Redeemable Preference Share of face value of Rs.2/- and premium of Rs.110.30 each in the Resulting Company (hereinafter referred to as the "Share Entitlement Ratio").

In connection with the aforesaid, you requested our Fairness Opinion (the "Opinion") as of the date hereof, as to the fairness of the Share Entitlement Ratio to the Equity Shareholders of the Demerged Company.

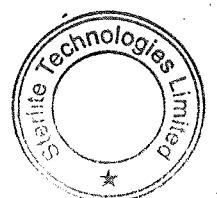
For Sterlite Technologies Limited


A.V. Deshpande
Amit Deshpande
Company Secretary

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Axis Capital Limited (Erstwhile "Axis Securities and Sales Limited")

SEBI Merchant Banker Regn No.: MB/INM000012029 Member Of: BSE Ltd. & National Stock Exchange of India Ltd., Mumbai.
CIN No. U51900MH2005PLC157853
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II. Basis of Opinion

In the Rationale of the scheme, it has been provided that, as part of an overall re-organization plan and in order to achieve greater efficiencies in operations and with the intent of providing focus and greater attention to both the Power Products and Transmission Grid Business and the Telecom Business of the Demerged Company, it is considered necessary, desirable and expedient to transfer the Demerged Undertaking to the Resulting Company.

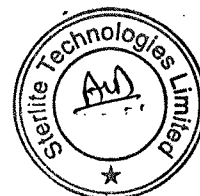
The Scheme mentions that the nature of risk and competition inherent in each of the telecom and Power Products and Transmission Grid Business is distinct, since both are subject to distinct business cycle and operate inter alia, under different regulations and market structure, necessitating different management approaches and focus. Moreover, the capital intensity and return profiles of these business are very different and do not enjoy material synergistic benefits from being housed together. Further, both business have now reached a meaningful scale and will be able to benefit by becoming independently focused businesses.

The Scheme mentions that the transfer therefore will lead to significant benefits for both businesses including:

- a) allowing each business to create a strong and distinct platform which enables greater flexibility to pursue long-term objectives;
- b) enabling accelerated growth of the telecom business and allowing the power business to explore suitable strategies to fund its growth plans;
- c) offering shareholders a clear focused investment opportunity in the telecom sector and thereby unlocking value of their holding; and
- d) allowing shareholders an option to align with their investment philosophy by continuing to participate in the long term capital intensive power sector if they choose or select available options to fairly and appropriately exit.

A brief history of each of the aforesaid companies is as under -

- (a) Sterlite Technologies Limited, a listed public limited company incorporated under the provisions of the Indian Companies Act, 1956 under CIN L31300DN2000PLC000340 and having its registered office at Survey No. 68/1,

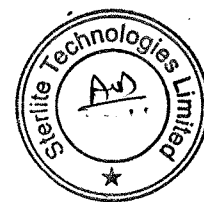


Rakholi Village, Madhuban Dam Road, Silvassa, Union Territory of Dadra & Nagar Haveli -396 230. STL is engaged in the business, inter alia, of manufacturing optical fiber and optical fiber cables, power conductors and high voltage and extra high voltage power cables and providing turnkey transmission solutions for the telecom and power industries in addition to participating in the creation of power transmission infrastructure across the country.

- (b) Sterlite Power Transmission Limited is a public limited company incorporated under the provisions of the Companies Act 2013 under CIN U74120DN2015PLC000475 and having its registered office at Survey No. 68/1, Rakholi Village, Madhuban Dam Road, Silvassa, Union Territory of Dadra & Nagar Haveli - 396 230. The Resulting Company is engaged in the business inter alia, of manufacturing of power transmission products such as power conductors and high voltage and extra high voltage cables, providing turnkey solutions for power industries and participating in the creation of power transmission infrastructure across the country.

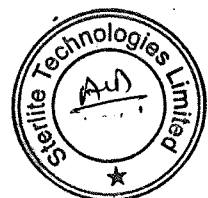
The key features of the Scheme of Arrangement provided to and relied upon by us for framing a fairness opinion on transfer of Demerged Undertaking of STL into Resulting Company are as under:

- (i) Resulting Company is currently a 100% subsidiary of STL
- (ii) Upon the coming into effect of the Scheme and with effect from the Appointed Date, the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) of the Demerged Company shall stand transferred to and be vested in or deemed to have been transferred to or vested in, as a going concern, into the Resulting Company
- (iii) On the record date, all shareholders of the Demerged Company will be entitled to receive shares in the Resulting Company.
- (iv) The Scheme provides an option to the resident Equity Shareholders of STL to opt for either one fully paid up New Equity Share of face value of Rs.2/- each or one RPS of face value of Rs.2/- and a premium of Rs.110.30 each in the Resulting Company for every five equity shares of Rs.2/- each fully paid up and held by them of the Demerged Company on the Record Date.
- (v) The Promoters of STL and non-resident shareholders (including Depository in respect of the equity shares of the Demerged Company underlying the Demerged Company GDRs but other than FII's) of STL shall for every 5 equity shares held by them in the Demerged Company be issued and allotted 1 New Equity Share of face value Rs.2/- each credited as fully paid up of the Resulting Company. All such Resulting Company



Equity Shares issued to Depository in respect of the equity shares of the Demerged Company underlying the Demerged Company GDRs shall be compulsorily purchased by the promoters of the Resulting Company and / or their affiliates or any other person and/or entity nominated by them in the manner as stated in the Scheme.

- (vi) The FII's who are shareholders of STL shall, subject to receipt of the approval of the Appropriate Authority including RBI and SEBI, and fulfilment of such other conditions including declarations and undertakings as may be required and/or prescribed by the Appropriate Authority under Applicable Laws, have an option to opt for either one fully paid up New Equity Share of face value of Rs.2/- each or one RPS of face value of Rs.2/- and a premium of Rs.110.30 each in the Resulting Company for every five equity shares of Rs.2/- each fully paid up and held by them of the Demerged Company on the Record Date.
- (vii) In the event approvals from the Appropriate Authority as stated in clause (vi) above is not received by the Resulting Company on or before the Effective Date, the Resulting Company shall compulsorily issue and allot 1 (one) Resulting Company Equity Share for every 5 (five) equity shares of the Demerged Company held by such FII's on the Record Date. All such Resulting Company Equity Shares issued to FII's shall be compulsorily purchased by the promoters of the Resulting Company and / or their affiliates or any other person and/or entity nominated by them in the manner as stated in the Scheme.
- (viii) In the event any shareholder's holding in the Demerged Company is such that the shareholder becomes entitled to a fraction of a Security of the Resulting Company, the Resulting Company will not issue any fractional shares to such shareholder but shall consolidate such fractions and issue consolidated Securities to a trustee nominated by the Resulting Company in that behalf, who will sell such Securities to the promoters of the Resulting Company and/ or their affiliates or any other person and/or entity identified by them, at a value per Security provided in the Scheme and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the shareholders entitled to the same in proportion to their fractional entitlements.
- (ix) Share Entitlement Ratio is based on a Share Entitlement Ratio Report submitted by M/s. Price Waterhouse & Co. LLP dated 18 May 2015
- (x) On and from the Effective Date, the existing equity capital of Rs.500,000 of the Resulting Company held by STL shall be cancelled.



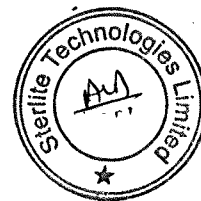
- (xi) STL will retain all the undertakings, businesses and activities which are not exclusively related to or utilized by the Power Products and Transmission Grid Business.
- (xii) The New Equity Shares of the Resulting Company issued in consideration of the demerger will not be listed with any stock exchange. The Scheme provides for an exit opportunity to the public shareholders of the Resulting Company.
- (xiii) The Redeemable Preference Shares of Resulting Company shall be listed and admitted to trading on a recognized stock exchange.

We have taken the foregoing facts (together with the other facts and assumptions set forth in section III of this Opinion) into account when determining the meaning of "fairness" for purposes of this Opinion.

III. Limitation of Scope and Review

Our Opinion and analysis is limited to the extent of review of documents as provided to us by the Resulting Company and the Demerged Company including the Share Entitlement Ratio Report prepared by M/s. Price Waterhouse & Co. LLP dated 18 May 2015 and a Draft of the Scheme of Arrangement. The Company has been provided with the opportunity to review the draft Opinion as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our final Opinion.

We have relied upon the accuracy and completeness of all information, documents, data and explanations provided to us, without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We did not review any financial forecasts relating to the Demerged Company and / or its subsidiaries and the Resulting Company. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Demerged Company and / or its subsidiaries or the Resulting Company and / or its subsidiaries. In particular, we do not express any opinion as to the value of any asset of the Demerged Company and / or its subsidiaries or the Resulting Company and / or its subsidiaries, whether at current prices or in the future. We also believe that the same bears very limited relevance, given that the shareholders of the Demerged Company shall have a right to opt for either One fully paid up New Equity Share of face value of Rs.2/- each or One RPS of face value of Rs.2/- and a premium of Rs.110.30 per RPS in the Resulting Company for every five equity shares of Rs.2/- each held in the Demerged Company. Accordingly, if all the shareholders of the Demerged Company opt for New Equity Shares in the Resulting Company, in that case, the shareholding pattern of Resulting Company will mirror that of the Demerged Company.

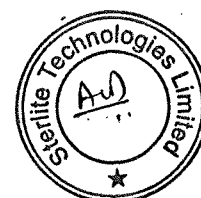


We do not express any opinion as to the price at which shares of the Demerged Company and/or the redeemable preference shares of the Resulting Company may trade at any time, including subsequent to the date of this Opinion. In rendering our Opinion, we have assumed, that the Scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary Regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Demerged Company and / or its subsidiaries, Resulting Company and / or its subsidiaries and their respective Shareholders.

We do not express any Opinion as to any tax or other consequences that might arise from the Scheme on the Demerged Company and / or its subsidiaries, Resulting Company and / or its subsidiaries and their respective shareholders, nor does our Opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Companies have obtained such advice as it deemed necessary from qualified professionals. In addition, we express no view or opinion as to the fairness of the amount or nature of, or any other aspects relating to, the compensation to any officers, directors or employees of any parties to the Scheme, or class of such persons, relative to the Share Entitlement Ratio or otherwise.

We assume no responsibility for updating or revising our Opinion based on circumstances or events occurring after the date hereof. Our Opinion is specific to the transfer and vesting of the Demerged Undertaking of the Demerged Company into the Resulting Company as contemplated in the Scheme provided to us and is not valid for any other purpose. It is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

We have in the past provided, and may currently or in the future provide, investment banking services to the Demerged and the Resulting Company and/or its subsidiaries or their respective affiliates that are unrelated to the proposed Scheme, for which services we have received or may receive customary fees. In addition, in the ordinary course of their respective businesses, affiliates of Axis Capital Ltd. may actively trade securities of the Demerged and/or the Resulting Company and / or its subsidiaries or group companies or for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a position in such securities. Our engagement and the Opinion expressed herein are for the benefit of the Board of Directors of the Demerged Company and/or Resulting Company in connection with its consideration of the Scheme and for none other. Neither Axis Capital Ltd., nor its affiliates, partners, directors, shareholders, managers,



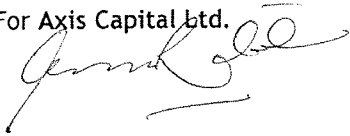
employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the Opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.

Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter related thereto.

IV. Conclusion

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, Share Entitlement Ratio is fair to the Equity shareholders.

Very truly yours,
For Axis Capital Ltd.



Authorized Signatory



