

REPORTS AND FINANCIAL STATEMENTS
KILLORAN LISHEEN FINANCE LIMITED
FOR THE YEAR ENDED 31 MARCH 2015

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FOR THE YEAR ENDED 31 MARCH 2015

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KILLORAN LISHEEN FINANCE LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

A. Buckley
K. Kumar
S. Lal Bajaj
L. Nolan (appointed 22 July 2014)
D. Naidoo (appointed 26 January 2015)

SECRETARY

A. Buckley

REGISTERED OFFICE

Killoran
Moyné
Thurles
Co. Tipperary

COMPANY NUMBER

258371

AUDITOR

Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Charlotte Quay
Limerick

SOLICITOR

Mason Hayes & Curran
South Bank House
Barrow Street
Dublin 4

BANKER

Barclays Bank Plc
47/48 St. Stephen's Green
Dublin 2

KILLORAN LISHEEN FINANCE LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company is an investment company. There has been no significant change in the principal activity of the company.

FAIR REVIEW OF PERFORMANCE

The result for the year is satisfactory. All activity in the company is reallocated to group companies, and management does not anticipate any change in the status of the company in the foreseeable future.

RESULTS AND DIVIDENDS

Result after taxation for the year ended 31 March 2015 amounted to US\$Nil (2014: US\$Nil).

RISKS AND UNCERTAINTIES

All activity in the company is reallocated to group companies. Management has addressed the presence of risks and uncertainties and found none.

DIRECTORS

The present membership of the board is set out on page 2. Mr L. Nolan was appointed as director on 22 July 2014 and Ms D. Naidoo was appointed as director on 26 January 2015. Mr A. Lubbe resigned from the board of directors on 2 March 2015. All other directors served throughout the year.

The directors are not required to retire by rotation.

DIRECTORS' AND SECRETARY'S INTERESTS

The directors and secretary at 31 March 2015 had no interests in the shares of the company at either 1 April 2014 (or the date of appointment, if later) or 31 March 2015.

None of the directors has notified the company secretary of any interests in the shares of the ultimate parent company and its related companies.

KILLORAN LISHEEN FINANCE LIMITED

DIRECTORS' REPORT (CONTINUED)

BOOKS OF ACCOUNT

To ensure that proper books and accounting records are kept in accordance with Section 202 of the Companies Act, 1990, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The books of account are located at the company's office at Killoran, Moyne, Thurles, Co. Tipperary.

AUDITOR

The auditor, Deloitte & Touche, Chartered Accountants and Statutory Audit Firm, continues in office in accordance with Section 160(2) of the Companies Act 1963.

Signed on behalf of the Board:

Liam Nolan
[Signature]

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DIRECTORS

Date: 22/4/15

KILLORAN LISHEEN FINANCE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 2013. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KILLORAN LISHEEN FINANCE LIMITED

We have audited the financial statements of Killoran Lisheen Finance Limited for the year ended 31 March 2015, which comprise the Statement of Accounting Policies, the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Financial Statements for the year ended 31 March 2015 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the affairs of the company as at 31 March 2015 and of the result for the year then ended; and
- have been properly prepared in accordance with the Companies Acts, 1963 to 2013.

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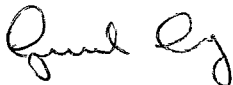
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KILLORAN LISHEEN FINANCE LIMITED

Matters on which we are required to report by the Companies Acts 1963 to 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the company, as stated in the balance sheet are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 March 2015 a financial situation which under Section 40(1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Gerard Casey
For and on behalf of Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
Limerick

Date: 22 April 2015

KILLORAN LISHEEN FINANCE LIMITED
STATEMENT OF ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

BASIS OF PREPARATION

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2013.

BASIS OF ACCOUNTING

The company prepares its financial statements denominated in US dollars on the historical cost basis of accounting.

FOREIGN CURRENCY TRANSLATION

The US dollar is both the functional currency and presentation currency of the company.

Transactions denominated in foreign currencies relating to revenues, costs and non monetary assets are translated to US dollars at the average rate of exchange prevailing during the year. Monetary assets and liabilities denominated in foreign currencies are translated to US dollars at the rate of exchange ruling at the balance sheet date. The resulting profits or losses are dealt with in the profit and loss account.

TAXATION

Corporation tax is provided on taxable profits at current attributable rates. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax is not recognised on permanent differences. Deferred tax assets are recognised to the extent that they are regarded as recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

KILLORAN LISHEEN FINANCE LIMITED

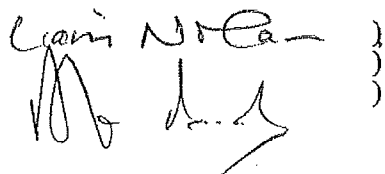
**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Notes	2015 US\$	2014 US\$
Interest receivable and similar income	1(a)	-	465,395
Interest payable and similar charges	1(b)	(1,470,349)	-
Amounts reallocated to group companies	1	1,470,349	(465,395)
RESULT BEFORE TAXATION	2	<u>-</u>	<u>-</u>
Taxation	3	<u>-</u>	<u>-</u>
RESULT AFTER TAXATION		<u><u>-</u></u>	<u><u>-</u></u>

All recognised gains and losses for both the current year and the previous year are included in the profit and loss account. The above results arise from continuing activities.

The accompanying notes form an integral part of the financial statements.

The financial statements were approved by the Board of Directors on 22/4/15 and signed on its behalf by:


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DIRECTORS

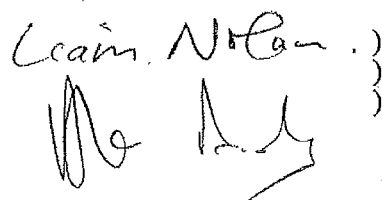
KILLORAN LISHEEN FINANCE LIMITED

BALANCE SHEET AS AT 31 MARCH 2015

	Notes	2015 US\$	2014 US\$
CURRENT ASSETS			
Debtors	4	16,326,314	18,924,619
Cash at bank		-	-
		<u>16,326,314</u>	<u>18,924,619</u>
CREDITORS: (Amounts falling due within one year)	5	(16,052,735)	(18,651,040)
		<u>273,579</u>	<u>273,579</u>
NET CURRENT ASSETS			
		<u>273,579</u>	<u>273,579</u>
NET ASSETS			
		<u><u>273,579</u></u>	<u><u>273,579</u></u>
CAPITAL AND RESERVES			
Called-up share capital	6	3	3
Profit and loss account	7	273,576	273,576
		<u>273,579</u>	<u>273,579</u>
SHAREHOLDERS' FUNDS	8	273,579	273,579
		<u><u>273,579</u></u>	<u><u>273,579</u></u>

The accompanying notes form an integral part of the financial statements.

The financial statements were approved by the Board of Directors on 22/4/15 and signed on its behalf by:



DIRECTORS

KILLORAN LISHEEN FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. INTEREST

(a) Interest receivable and similar income

Interest receivable and similar income comprises bank interest receivable and gains on foreign currency translation.

Interest receivable and similar income is analysed as follows:

	2015 US\$	2014 US\$
Gain on foreign currency translation	-	465,395
	<u>-</u>	<u>465,395</u>

(b) Interest payable and similar charges

Interest payable and similar charges comprises bank interest payable, losses on foreign currency translation and bank charges.

Interest payable and similar charges is analysed as follows:

	2015 US\$	2014 US\$
Loss on foreign currency translation	1,470,349	-
	<u>1,470,349</u>	<u>-</u>

The net amount is reallocated to Killoran Lisheen Mining Limited and Lisheen Milling Limited.

2. RESULT BEFORE TAXATION

2015 US\$	2014 US\$
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The result before taxation is stated after charging:

Directors' remuneration

- fees
- other emoluments including pension contributions

-	-
-	-
<u>-</u>	<u>-</u>

Certain incidental costs are borne by other group companies.

KILLORAN LISHEEN FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015**

3. TAXATION

No charge to taxation arises in the current year or the preceding year as all taxable income and expenditure is reallocated to group companies.

4. DEBTORS

	2015 US\$	2014 US\$
Amounts due from group companies	16,326,314	18,924,619
	16,326,314	18,924,619
	16,326,314	18,924,619

5. CREDITORS: (Amounts falling due within one year)

	2015 US\$	2014 US\$
Amounts due to group companies	16,052,735	18,651,040
	16,052,735	18,651,040
	16,052,735	18,651,040

6. CALLED-UP SHARE CAPITAL

	2015 US\$	2014 US\$
Authorised: 15,000,000 ordinary shares of US\$1 each	15,000,000	15,000,000
Allotted, issued and fully paid 3 ordinary shares of US\$1 each	3	3
	3	3
	3	3

7. PROFIT AND LOSS ACCOUNT

	2015 US\$	2014 US\$
Profit and loss account brought forward	273,576	273,576
Result for the financial year	-	-
	273,576	273,576
Profit and loss account carried forward	273,576	273,576

KILLORAN LISHEEN FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2015**

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

There were no movements in shareholders' funds in either the current year or prior year other than the movements as disclosed in the profit and loss account (Note 7).

9. PARENT COMPANY

The company is a wholly owned subsidiary of Vedanta Lisheen Holdings Limited incorporated in Ireland. Vedanta Limited (formerly known as Sesa Sterlite Limited) is the smallest group company which prepares consolidated financial statements that are available to the public. The ultimate parent company is Vedanta Resources Plc., a company incorporated in the United Kingdom. The consolidated financial statements of Vedanta Resources Plc. may be obtained from the Companies House, Cardiff, Wales.

10. SUBSEQUENT EVENTS

There were no material events affecting the company since the year end.

11. CASH FLOW STATEMENT

A cash flow statement has not been prepared for the company as Vedanta Limited (formerly known as Sesa Sterlite Limited) and Vedanta Resources Plc., have both prepared consolidated financial statements which include a consolidated cash flow statement incorporating the cash flows of the company.

12. RELATED PARTY TRANSACTIONS

The company has availed of the exemption set out in Financial Reporting Standard 8 "Related Party Disclosures" from disclosing inter group transactions on the basis that copies of the financial statements of Vedanta Limited (formerly known as Sesa Sterlite Limited), the company's intermediate parent and Vedanta Resources Plc., the company's ultimate parent, are available to the public.