

REPORTS AND FINANCIAL STATEMENTS

KILLORAN LISHEEN FINANCE LIMITED

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

KILLORAN LISHEEN FINANCE LIMITED  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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KILLORAN LISHEEN FINANCE LIMITED

DIRECTORS AND OTHER INFORMATION

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DIRECTORS

A. Kumar (India) (Appointed 22/07/16)  
K. Kumar (India)  
S. Wheston (Ireland) (Appointed 30/06/16)  
D. Naidoo (South Africa)  
A. Buckley (Ireland) (Resigned 03/06/16)  
L. Nolan (Ireland) (Resigned 30/06/16)  
SL. Bajaj (India) (Resigned 19/07/16)

SECRETARY

N. Butler (Appointed 18/04/2016)

REGISTERED OFFICE

Killoran  
Moyne  
Thurles  
Co. Tipperary

COMPANY NUMBER

258371

AUDITOR

Ernst & Young  
Chartered Accountants and Statutory Audit Firm  
The Atrium  
Maritana Gate  
Canada Street  
Waterford

BANKER

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

SOLICITOR

Mason Hayes & Curran  
South Bank House  
Barrow Street  
Dublin 4

# KILLORAN LISHEEN FINANCE LIMITED

## DIRECTORS' REPORT

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The directors present their report and the audited financial statements for the financial year ended 31 March 2017.

### 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.

The Company has transferred to LTD status as of the 30<sup>th</sup> November 2016.

### FAIR REVIEW OF PERFORMANCE

The result for the financial 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 financial year ended 31 March 2017 amounted to US\$Nil (2016: US\$Nil).

There was no dividend neither proposed nor paid during the financial year (2016: 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.

### SUBSEQUENT EVENTS

Details of subsequent events are given in note 11 to the financial statements.

### FUTURE DEVELOPMENT

There is no development to be disclosed.

### DIRECTORS

The directors who served throughout the year are listed on page 2. SL Bajaj (19/07/16), Mr Alan Buckley (03/06/2016) and Mr Liam Nolan (30/06/2016) stepped down as Directors during the financial year. Stephen Wheston (30/06/16) and Arun Kumar (22/07/16) were appointed as Directors during the financial year.

The directors are not required to retire by rotation.

# KILLORAN LISHEEN FINANCE LIMITED

## DIRECTORS' REPORT (CONTINUED)

### DIRECTORS' AND SECRETARY'S INTERESTS

The directors and secretary had no interests in the shares of the company at either 1 April 2015 or 31 March 2016.

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

### COMPOSITION OF THE GROUP

The Company's immediate parent company is Vedanta Lisheen Holdings Limited. Vedanta Lisheen Holdings Limited is 100% owned by THL Zinc Holdings B.V., a company incorporated in the Netherlands. THL Zinc Holding BV is a subsidiary of Vedanta Limited (formerly known as Sesa Sterlite Limited). The ultimate parent company is Vedanta Resources Plc., a company incorporated in the United Kingdom.

### POLITICAL DONATIONS

The company did not make any political donations during the year (2016: US\$nil).

### ACCOUNTING RECORDS

To ensure that proper accounting records are kept in accordance with Section 281 to 285 of the Companies Act 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at the company's office at Killoran, Moyne, Thurles, Co. Tipperary.

### GOING CONCERN

The directors, having made appropriate enquiries, consider it reasonable to assume that the company has adequate resources to continue for the foreseeable future and for this reason, have continued to adopt the going concern basis in preparing the accounts.

### DISCLOSURE OF INFORMATION TO AUDITOR

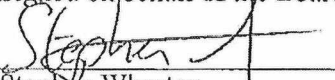
The directors in office at the date of this report have each confirmed that:

- as far as they are aware, there is no relevant audit information of which the company's statutory auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.


### AUDITOR

The auditor, Ernst & Young, Chartered Accounts and Statutory Audit Firm, continues in office in accordance with Section 383 (2) of the Companies Act 2014.

Signed on behalf of the Board

  
Stephen Wheston  
Director

Date: 13-07-2017

  
Deshnee Naidoo  
Director

Date: 13-07-2017

KILLORAN LISHEEN FINANCE LIMITED  
DIRECTORS' RESPONSIBILITY STATEMENT

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The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Irish Company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

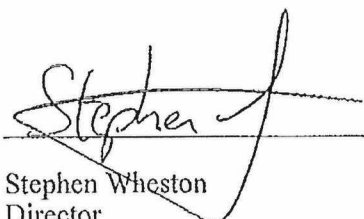
Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company and of the profit or loss for that year and otherwise comply with the Companies Act 2014.

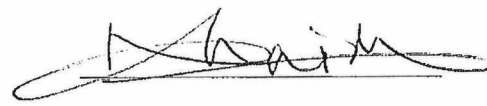
In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identifying those standards and note the effect and the reasons for any material departure from those standards; 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 ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

Signed on behalf of the Board

  
Stephen Wheston  
Director  
Date: 13-07-2017

  
Deshnee Naidoo  
Director  
Date: 13-07-2017



Building a better  
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## **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 financial year ended 31 March 2017 which comprise the Income Statement and the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and Accounting Standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountant in Ireland (Generally Accepted Accounting Practice in Ireland), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act, 2014. 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 auditor's 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 of Directors' Responsibility Statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and other wise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable 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 Directors' Report 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.

*Continued /...*

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KILLORAN LISHEEN  
FINANCE LIMITED (Continued)**

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 March 2017 and of its result for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 101 'Reduced Disclosure Framework'; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014

**Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of sections 305 to 312 of the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Seamus Hayes

For and on behalf of Ernst & Young

Chartered Accountants and Statutory Audit Firm

Waterford

Date: 14/07/17



**KILLORAN LISHEEN FINANCE LIMITED**

**INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

	Notes	2017 US\$	2016 US\$
Interest receivable and similar income	3(a)	-	266,295
Interest payable and similar charges	3(b)	(17,520)	-
Amounts reallocated to group companies	3	17,520	(266,295)
<b>RESULT BEFORE TAXATION</b>	4	<u>-</u>	<u>-</u>
Taxation	5	-	-
<b>RESULT FOR THE FINANCIAL YEAR</b>		-	-
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>-</u>	<u>-</u>

The above results arise from continuing activities.

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

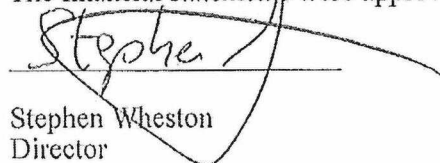
KILLORAN LISHEEN FINANCE LIMITED

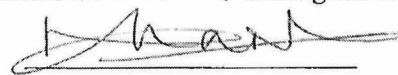
STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2017

	Notes	2017 US\$	2016 US\$
<b>CURRENT ASSETS</b>			
Debtors: (Amounts due within one year)	7	14,194,313	15,592,840
		<u>14,194,313</u>	<u>15,592,840</u>
CREDITORS: (Amounts falling due within one year)	8	(13,920,734)	(15,319,261)
<b>NET CURRENT ASSETS</b>		<u>273,579</u>	<u>273,579</u>
<b>NET ASSETS</b>		<u>273,579</u>	<u>273,579</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital – presented as equity	9	3	3
Profit and loss account		<u>273,576</u>	<u>273,576</u>
<b>TOTAL EQUITY</b>		<u>273,579</u>	<u>273,579</u>

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

The financial statements were approved by the Board of Directors on ~~18-09-2017~~ and signed on its behalf by:

  
Stephen Wheston  
Director

  
Deshnee Naidoo  
Director

KILLORAN LISHEEN FINANCE LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Share Capital Presented as Called-up Equity US\$	Profit and loss account US\$	Total US\$
At 1 April 2015	3	273,576	273,579
Result for the financial year	-	-	-
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income	-	-	-
Dividends paid on equity shares	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2016	3	273,576	273,579
Result for the financial year	-	-	-
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income	-	-	-
Dividends paid on equity shares	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2017	3	273,576	273,579

# KILLORAN LISHEEN FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

### 1. STATEMENT OF ACCOUNTING POLICIES

Killoran Lisheen Finance Limited is a limited liability company incorporated in the Republic of Ireland. The registered office of the Company is in Killoran, Moyne, Thurles, Co. Tipperary.

These financial statements were prepared in accordance with applicable accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants of Ireland, including FRS 101 'Reduced Disclosure Framework' (Generally Accepted Accounting Practice in Ireland) and Companies Act 2014.

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 company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with Financial Reporting Standard 101 (FRS 101) Reduced Disclosure Framework, as defined above. The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2014.

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in FRS 101 which addresses the financial reporting requirements and disclosure exemptions in the financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows),
  - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B D (additional comparative information),
  - 40A D (requirements for a third statement of financial position),
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)

## KILLORAN LISHEEN FINANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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#### 1. STATEMENT OF ACCOUNTING POLICIES - Continued

- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)

Where relevant, equivalent disclosures have been given in the group accounts of Vedanta Resources Plc.. The group accounts of Vedanta Resources Plc. are available to the public and can be obtained as set out in note 10.

#### BASIS OF ACCOUNTING

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

The directors, having made appropriate enquiries, consider it reasonable to assume that the company has adequate resources to continue for the foreseeable future and for this reason, have continued to adopt the going concern basis in preparing the accounts.

#### 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 spot rate of exchange prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to US dollars at the rate of exchange ruling at the Statement of Financial Position date. The resulting profits or losses are dealt with in the statement of comprehensive income.

#### 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**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

As at 31 March 2017, the Company has no sources of accounting estimates and judgements significant to the financial statements.

**3. INTEREST**

**(a) Interest receivable and similar income**

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

Interest receivable and similar income is analysed as follows:

	2017 US\$	2016 US\$
Gain on foreign currency translation	-	266,295
	<u>-</u>	<u>266,295</u>

**(b) Interest payable and similar charges**

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

Interest payable and similar charges is analysed as follows:

	2017 US\$	2016 US\$
Loss on foreign currency translation	(17,520)	-
	<u>(17,520)</u>	<u>-</u>

The net amount is reallocated to Lisheen Milling Limited.

**KILLORAN LISHEEN FINANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

<b>4.</b>	<b>RESULT BEFORE TAXATION</b>	<b>2017</b>	<b>2016</b>
		US\$	US\$

The result before taxation is stated after charging:

Directors' remuneration		
- fees	-	-
- other emoluments including pension contributions	-	-
Auditor's remuneration	-	-
Depreciation	-	-
Loss on sale of fixed assets	-	-
	-	-

Directors' remuneration and auditor's remuneration are borne by Lisheen Mine Partnership, a connected entity. Any further disclosures required under Section 305 and Section 306 of the Companies Act 2014 are nil for both years.

**5. TAXATION**

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

**6. EMPLOYEES AND REMUNERATION**

The company had no employees during the financial year (2016: nil).

<b>7.</b>	<b>DEBTORS (Amounts due within one year)</b>	<b>2017</b>	<b>2016</b>
		US\$	US\$
	Amounts due from group companies	14,194,313	15,592,840
		14,194,313	15,592,840

Intercompany balances are unsecured, non-interest bearing, and repayable on demand.

<b>8.</b>	<b>CREDITORS (Amounts falling due within one year)</b>	<b>2017</b>	<b>2016</b>
		US\$	US\$
	Amounts due to group companies	13,920,734	15,319,261
		13,920,734	15,319,261

Intercompany balances are unsecured, non-interest bearing, and repayable on demand.

**KILLORAN LISHEEN FINANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

**9. CALLED-UP SHARE CAPITAL PRESENTED AS EQUITY**

	2017 US\$	2016 US\$
<b>Authorised:</b>		
15,000,000 ordinary shares of US\$1 each	15,000,000	15,000,000
	<u>                    </u>	<u>                    </u>
<b>Allotted, issued and fully paid</b>		
3 ordinary shares of US\$1 each	3	3
	<u>                    </u>	<u>                    </u>
Called up share capital presented as equity	3	3
Called up share capital presented as liability	-	-
	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>
	3	3
	<u>                    </u>	<u>                    </u>

**10. 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.

**11. SUBSEQUENT EVENTS**

There are no material events affecting the company since the financial year end.

**12. STATEMENT OF CASH FLOWS**

The company has availed of the exemption set out in Financial Reporting Standard 101 Section 8(h) which provides an exemption from preparing a statement of cash flows and related notes in accordance with International Accounting Standard 7 "Statement of Cash Flows".

**13. RELATED PARTY TRANSACTIONS**

The company has availed of the exemption set out in Financial Reporting Standard 101 Section 8(k) from disclosing inter group transactions in accordance with International Accounting Standard 24 "Related Party Disclosures".



KILLORAN LISHEEN FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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14. FINANCIAL INSTRUMENTS

The company has availed of the exemption set out in Financial Reporting Standard 101 Section 8(d) from all disclosure requirements of International Financial Reporting Standard 7 "Financial Instruments Disclosures" as equivalent disclosures are included in the consolidated financial statements of Vedanta Limited (formerly known as Sesa Sterlite Limited) and Vedanta Resources Plc. into which the company is consolidated.

15. APPROVAL OF FINANCIAL STATEMENTS

The directors approved the financial statements on 13-07-2017