

REPORTS AND FINANCIAL STATEMENTS

KILLORAN LISHEEN FINANCE LIMITED

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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KILLORAN LISHEEN FINANCE LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS	P.Singla (South Africa) D. Naidoo (South Africa)
SECRETARY	J.Grundlingh
REGISTERED OFFICE	Deloitte & Touche House Charlotte Quay Limerick V94X63C
COMPANY NUMBER	258371
AUDITOR	Ernst & Young Chartered Accountants and Statutory Audit Firm Riverview House Harvey's Quay
BANKER	Barclays Bank Plc 47/48 St. Stephen's Green Dublin 2
SOLICITOR	James J Kelly & Son, Solicitors, Patrick Street, Templemore, Co. Tipperary

KILLORAN LISHEEN FINANCE LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the financial year ended 31 March 2018.

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 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 2018 amounted to US\$Nil (2017: US\$Nil).

There was no dividend neither proposed nor paid during the financial year (2017: 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 future development to be disclosed.

DIRECTORS

The directors who served throughout the year are listed on page 2. Mr Kishore Kumar (24/01/18), Mr Stephen Wheston (28/02/2018) and Mr Arun Kumar (24/01/2018) stepped down as Directors during the financial year. Mr Pushpender Singla (24/01/18) was appointed a Director 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 2017 or 31 March 2018.

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. 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 (2017: 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 The Forum Sandton, Johannesburg, Gauteng.

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.

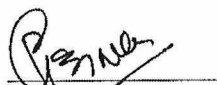
Signed on behalf of the Board



Deshnee Naidoo

Director

Date: 20 June 2018



Pushpender Singla
Chief Financial Officer

Date: 20 June 2018

KILLORAN LISHEEN FINANCE LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

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'.

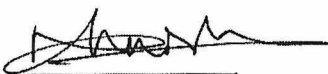
Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company and of the profit or loss for that year and otherwise comply with the Companies Act 2014.

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

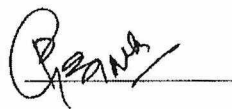
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identifying those standards and note the effect and 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



Deshnee Naidoo
Director
Date: 20 June 2018



Pushpender Singla
Chief Financial Officer
Date: 20 June 2018

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

Opinion

We have audited the financial statements of Killoran Lisheen Finance Limited ('the Company') for the year ended 31 March 2018, which comprise the Income Statement and Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and Accounting Standards including FRS 101 Reduced Disclosure Framework (Irish Generally Accepted Accounting Practice).

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 2018 and of its result for the year then ended;
- have been properly prepared in accordance with Irish Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters, in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Director's Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with 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 and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report. The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

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

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out 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 for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our 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.



Michael Keane
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Limerick

Date: 25/06/2018

KILLORAN LISHEEN FINANCE LIMITED

**INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	Notes	2018 US\$	2017 US\$
Interest receivable and similar income	3(a)	-	-
Interest payable and similar charges	3(b)	-	(17 520)
Amounts reallocated to group companies	3	-	17,520
RESULT BEFORE TAXATION	4	-	-
Taxation	5	-	-
RESULT FOR THE FINANCIAL YEAR		-	-
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-

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

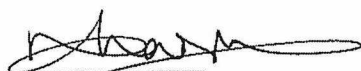
KILLORAN LISHEEN FINANCE LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

	Notes	2018 US\$	2017 US\$
CURRENT ASSETS			
Debtors:(Amounts due within one year)	7	<u>14 194 313</u>	<u>14 194 313</u>
		<u>14 194 313</u>	<u>14 194 313</u>
CREDITORS: (Amounts falling due within one year)	8	<u>(13 920 734)</u>	<u>(13 920 734)</u>
NET CURRENT ASSETS		<u>273 579</u>	<u>273 579</u>
NET ASSETS		<u>273 579</u>	<u>273 579</u>
CAPITAL AND RESERVES			
Called-up share capital – presented as equity	9	3	3
Profit and loss account		273 576	273 576
TOTAL EQUITY		<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 and signed on its behalf by:



Deshnee Naidoo
Director
Date: 20 June 2018



Pushpender Singla
Chief Financial Officer
Date: 20 June 2018

KILLORAN LISHEEN FINANCE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	Share Capital Presented as Called- up Equity	Profit and loss account	Total
	US\$	US\$	US\$
At 1 April 2016	3	273 576	273 579
Result for the financial year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
At 31 March 2017	<u>3</u>	<u>273 576</u>	<u>273 579</u>
Result for the financial year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
At 31 March 2018	<u>3</u>	<u>273 576</u>	<u>273 579</u>

KILLORAN LISHEEN FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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 Deloitte & Touche House, Charlotte Quay, Limerick, Ireland.

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 2018**

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.

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 2018**

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 2018, 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:

	2018 US\$	2017 US\$
Gain on foreign currency translation	-	-
Total	<u>-</u>	<u>-</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:

	2018 US\$	2017 US\$
Loss on foreign currency translation	<u>-</u>	<u>17 520</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 2018**

4. RESULT BEFORE TAXATION

	2018	2017
	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 (2017: nil).

7. DEBTORS (Amounts due within one year)

	2018	2017
	US\$	US\$
Amounts due from group companies	<u>14 194 313</u>	<u>14 194 313</u>
	<u>14 194 313</u>	<u>14 194 313</u>

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

8. CREDITORS (Amounts falling due within one year)

	2018	2017
	US\$	US\$
Amounts due to group companies	<u>13 920 734</u>	<u>13 920 734</u>
	<u>13 920 734</u>	<u>13 920 734</u>

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 2018**

9. CALLED-UP SHARE CAPITAL PRESENTED AS EQUITY

	2018	2017
	US\$	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

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 APPROVAL OF FINANCIAL STATEMENTS

The directors approved the financial statements on 20 June 2018