REPORTS AND FINANCIAL STATEMENTS

LISHEEN MILLING LIMITED

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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CONTENTS

DIRECTORS AND OTHER INFORMATION

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	261670
AUDITOR	Ernst & Young Chartered Accountant 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

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

BUSINESS REVIEW

The activity of the company ceased in February 2016 due to the unavailability of ore following the exhaustion of ore reserves at the Lisheen Mine Partnership in December 2015. The final shipment of concentrate occurred in February 2016. Hence the company ceased to trade on 29th February 2016.

The Company has transferred to LTD status as of the 30th November 2016.

FAIR REVIEW OF PERFORMANCE

The result for the financial year is satisfactory.

Management have initiated a comprehensive closure plan for the operation and are committed to implementing an effective and best practice closure that fully addresses regulatory authority permit requirements. Employees have been engaged throughout the closure planning process and a redundancy programme has been successfully executed to address all employee obligations and concerns. Management is committed to actively pursuing the post closure sustainable development potential of the site.

RESULTS AND DIVIDENDS

The profit after taxation for the financial year was US$2,015,337 (2016: US$3,445,355).

There was no dividend neither proposed nor paid during the financial year (2016: Dividend paid US$Nil).

RISKS AND UNCERTAINTIES

Risk management is embedded in our critical business activities, functions and processes. Our management systems, organisational structures, processes, standards, and code of conduct together form our internal control systems, which govern how we conduct the business and manage all associated risks. Materiality and tolerance for risk are key considerations in our decision-making.

We identify risk at the parent company (Vedanta Lisheen Holdings Limited) level for existing operations as well as for ongoing projects through a consistently applied methodology, using the Turnbull risk matrix. At least once a quarter, formal discussions on risk management take place in business level review meetings of the Lisheen Group. At these meetings, each business reviews its risks, and any change in the nature and extent of the major risks since the last assessment, also control measures established for the risk and further action plans. Control measures in the Turnbull risk matrix are also periodically reviewed by business management teams to verify their effectiveness.

The risk matrix of Top 10 risks is presented to the group Mine Closure Committee on a quarterly basis. The Mine Closure Committee evaluates the design and operating effectiveness of the risk mitigation programme and control systems, and reports its findings to the Lisheen Board of Directors on a quarterly basis. The Board of Directors has the ultimate responsibility for management of risks and for ensuring the effectiveness of internal control systems. The Mine Closure Committee aids the Board in this process by identifying and assessing any changes in risk exposure, reviewing all risk control measures and approving remedial actions, where appropriate.

Our principal risks have been assessed according to impact and likelihood, and are described below. The order in which these risks appear does not necessarily reflect the likelihood of their occurrence or the relative magnitude of their impact on our business. While our risk management framework is designed to help the company meet its objectives, there can be no guarantee that our risk management activities will mitigate or prevent these or other risks from occurring.

RISK	IMPACT	MITIGATION
Corporation tax rate	Change in tax rate may impact our profitability.	We engage, consult and take opinion from reputed tax consulting firms. Reliance is placed on appropriate legal opinion and precedence.
Health and safety	Reputational risk associated with serious injury on construction site.	We have appropriate policies and standards in place to mitigate and minimise any health and safety related occurrences. Structured monitoring, a review mechanism and system of positive compliance reporting are in place. There is a strong focus on safety during project planning/execution with adequate thrust on contract workmen safety.

SUBSEQUENT EVENTS

Details of subsequent events are given in note 18 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.

COMPOSITION OF THE GROUP

The Company is a wholly owned subsidiary of Vedanta Lisheen Holdings Limied. 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).

DIRECTORS' AND SECRETARY'S INTERESTS

The directors and secretary have no interests in the shares of the company at either 1 April 2016 or 31 March 2017. None of the directors has notified the company secretary of any interests in the shares of the ultimate parent company or any related companies.

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 Accountants 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: 13/7/2017

Deshnee Naidoo
Director
Date: 13-07-2017.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish 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, identify 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	Deshnee Naidoo
Director	Director
Date: 13/7/17	Date: 13-07-2017

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LISHEEN MILLING LIMITED

We have audited the financial statements of Lisheen Milling 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 22. 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 7, 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 /...

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LISHEEN MILLING 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 profit 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.

S Hayes
Seamus Hayes
For and on behalf of Ernst & Young
Chartered Accountants and Statutory Audit Firm

Waterford

Date: 14/07/17

LISHEEN MILLING LIMITED

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

	Notes	2017 US$	Continuing operations 2016 US$	Discontinued operations 2016 US$	Total 2016 US$
TURNOVER	3	-	-	95,177,027	95,177,027
Purchase of ore		-	-	(63,778,738)	(63,778,738)
Operating income/(expenses)		(388,699)	5,669,457	(37,339,822)	(31,670,365)
Cost of sales		(388,699)	5,669,457	(101,118,560)	(95,449,103)
OPERATING (LOSS)/PROFIT		(388,699)	5,669,457	(5,941,533)	(272,076)
Redundancy provision		(217)	(262)	(84,169)	(84,431)
(LOSS)/PROFIT BEFORE INTEREST		(388,916)	5,669,195	(6,025,702)	(356,507)
Interest receivable and similar income	4	840,561	381,259	31,558	412,817
PROFIT/(LOSS) BEFORE TAXATION		451,645	6,050,454	(5,994,144)	56,310
Taxation	7	1,563,692	(170,494)	3,559,539	3,389,045
PROFIT FOR THE YEAR		2,015,337	5,879,960	(2,434,605)	3,445,355
Other Comprehensive income					
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,015,337	5,879,960	(2,434,605)	3,445,355

The 2016 results arise from discontinued and continuing activities.
The current year results arise from continuing activities.
The accompanying notes form an integral part of the financial statements.

LISHEEN MILLING LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Note	2017 US$	2016 US$
FIXED ASSETS			
Tangible assets	8	1,118,542	1,118,542
CURRENT ASSETS			
Debtors: (Amounts due within one year)	9	61,118,099	57,914,838
Cash at bank and in hand	10	961,059	5,665,340
		62,079,158	63,580,178
CREDITORS: (Amounts falling due within one year)	11	(4,969,820)	(164,498)
NET CURRENT ASSETS		57,109,338	63,415,680
TOTAL ASSETS LESS CURRENT LIABILITIES		58,227,880	64,534,222
CREDITORS: (Amounts falling due after more than one year)	12	-	(4,686,901)
PROVISION FOR LIABILITIES AND CHARGES	13	(7,894,120)	(11,528,898)
NET ASSETS		50,333,760	48,318,423
CAPITAL AND RESERVES			
Called-up share capital – presented as equity	14	2,000	2,000
Profit and loss account		50,331,760	48,316,423
TOTAL EQUITY		50,333,760	48,318,423

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

The financial statements were approved by the Board of Directors on 13-07-2017 and signed on its behalf by:

Stephen Wheston
Director

Deshnee Naidoo
Director

LISHEEN MILLING 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	2,000	44,871,068	44,873,068
Result for the financial year	-	3,445,355	3,445,355
Other Comprehensive income	-	-	-
Total comprehensive income	-	3,445,355	3,445,355
Dividends paid on equity shares	-	-	-
At 31 March 2016	2,000	48,316,423	48,318,423
Result for the financial year	-	2,015,337	2,015,337
Other Comprehensive income	-	-	-
Total comprehensive income	-	2,015,337	2,015,337
Dividends paid on equity shares	-	-	-
At 31 March 2017	2,000	50,331,760	50,333,760

1. ACCOUNTING POLICIES

Lisheen Milling 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.

STATEMENT OF COMPLIANCE AND BASIS OF ACCOUNTING

The company prepares its financial statements denominated in US dollars.

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.

The principal accounting policies adopted by the company are set out below.

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),

1. STATEMENT OF ACCOUTING POLICIES - continued

- 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)
- 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 17.

TANGIBLE ASSETS

Freehold land
Freehold land is stated at cost. Depreciation is not provided on freehold land.

Plant, equipment and buildings
Plant, equipment and buildings are stated at cost less accumulated depreciation.

Plant, equipment and buildings are depreciated over their expected useful lives on the unit of production basis.

Mobile Equipment
Mobile equipment is stated at cost less accumulated depreciation. Mobile equipment is depreciated over its expected useful lives on the straight line method over three years.

Impairment
At each statement of financial position date, the net book value of tangible assets is reviewed and compared to its recoverable value. Expected future cash flows from the assets are discounted to their present values in determining the recoverable amount. If the recoverable amount is less than the unamortised cost of the asset then the deficiency arising is provided for to the extent that, in the opinion of the directors, it represents a permanent diminution in the value of the asset. Where provision is made it is dealt with in the statement of comprehensive income in the period in which it arises as additional depreciation.

Impairment losses which have been previously recognised are reversed only if the asset has increased in value and that increase in value arises due to a change in economic conditions or a change in the expected useful life of the asset. The recognition of a reversal of impairment is credited to the statement of comprehensive income to the extent of the original recognition of the impairment.

1. STATEMENT OF ACCOUTING POLICIES - continued

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 statement of financial position 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.

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 during the financial year. 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.

REVENUE

Revenue is derived from the sale of zinc and lead concentrates. Sales of concentrate are stated net of smelter treatment charges and deductions. A sale is recognised when the significant risks and rewards of ownership have passed.

Typically, sales are made on either a spot or a provisionally priced basis. Where sales are provisionally priced, revenue is initially recorded at the London Metal Exchange (LME) cash settlement price at the bill of lading date and future price movements are included as mark to market adjustments within revenue until the price is fixed in the Quotational Period (the market period selected to establish the pricing of metals), using the LME average market price for that period. "Provisionally priced" sales are marked to market at each reporting date using LME official forward prices for the applicable Quotational Period.

DIVIDENDS

Dividends to ordinary shareholders are recognised as a liability of the company when approved by the company's shareholders.

RETIREMENT BENEFIT OBLIGATIONS

Retirement benefits to employees are funded by contributions from the company and employees. Payments are made to pension schemes which are financially separate from the company. The company operates a defined contribution plan for its employees.

1. STATEMENT OF ACCOUTING POLICIES - continued

CLOSURE COSTS

Provision is made for the estimated closure and related costs arising at the end of the economic useful life of the mill. This provision represents the present value, at the statement of financial position date, of the estimated costs of restoring the environment disturbance. Changes in these estimates and changes to the discount rate are dealt with prospectively in the financial statements.

PROVISION FOR LIABILITIES

Provisions are recognised when the company has a legal or constructive obligation as a result of a past event, a reliable estimate of that obligation can be made and it is probable that an outflow of economic benefits will be required to settle the obligation.

When the effect of the time value of money is material, provisions are recognised at a discounted rate. The discount rate is based on an inflation rate of 2% and the rate of return on the deposit and the finance charge is included in the statement of comprehensive income and added to the provision each financial year.

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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Lisheen Milling considers the following areas as the key sources of estimation uncertainty:

Impairment
Management reviews its property, plant and equipment, for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable. In assessing the property, plant and equipment for impairment, factors leading to significant reduction in profits such as changes in commodity prices, business plans and changes in regulatory environment are taken into consideration. The carrying value of the assets of a cash generating unit (CGU) is compared with the recoverable amount of those assets, that is, the higher of fair value less costs of disposal and value in use. Recoverable value is based on the management estimates of commodity prices, market demand and supply, economic and regulatory climates, long-term plan, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above-mentioned factors could impact the carrying value of the assets.

Provision for closure costs
Provision is made for costs associated with restoration and rehabilitation of the mineral processing site as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of mineral processing industries and they are normally incurred at the end of production life. Management estimates are based on local legislation and/or other agreements. The actual costs and cash outflows may differ from estimated because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. Details of the closure provision are disclosed in note 13 (i).

Provision for redundancy costs
Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can be reasonable estimated. Under an orderly closure programme, the company agreed the terms of redundancy with employees and a provision for such costs has been recognised to reflect the estimated cost of redundancies up to the statement of financial position date. The actual cash outflows may take place over a number of years and hence the carrying amounts are regularly reviewed and adjusted to take into account changes in legislation or other factors that may influence the provision. Details of the closure provision are disclosed in note 13 (ii).

3. TURNOVER

Turnover is derived from sales of zinc and lead concentrates recorded net of smelter charges, deductions and value added tax. The following is the geographical split of turnover by destination:

	2017 US$	2016 US$
Europe	-	95,177,027
Other	-	-
	-	95,177,027

All turnover arises from discontinued activities.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2017 US$	2016 US$
Bank interest receivable	1,229	31,558
Interest receivable on intercompany loans	839,332	381,259
	840,561	412,817

5. PROFIT/(LOSS) BEFORE TAXATION

The profit/(loss) before taxation is stated after charging/(crediting):	2017 US$	2016 US$
Directors' remuneration		
- fees	-	-
- other emoluments including pension contributions	-	-
Depreciation	-	11,865,806
Loss on foreign currency exchange	137,177	1,932,622
Pension costs	25,644	120,115

Directors' remuneration and auditor's remuneration are borne by Lisheen Mine Partnership, a related entity.

6. EMPLOYEES AND REMUNERATION

The average number of persons employed during the financial year was nil (2016: 44). Remaining employees are held in related companies. Prior year staff costs are analysed into the following categories:

	2017 Number	2016 Number
Development and production	-	44

The staff costs comprise:	2017 US$	2016 US$
Wages and salaries	-	4,440,890
Social welfare costs	-	454,395
Retirement benefit obligations	-	120,115
	-	5,015,400

The company has availed of the exemption set out in Financial Reporting Standard 101 Section 8(j) from disclosing key management personnel compensation in accordance with International Accounting Standard 24 "Related Party Disclosures". Other than as shown in the table above any further disclosures required under Section 305 and Section 306 of the Companies Act 2014 are nil for both years.

7. TAXATION

	2017 US$	2016 US$
Corporation tax (credit)/charge for the financial year	-	(3,246,635)
(Over)/under provision in prior financial periods	(1,563,692)	(142,410)
Current tax (credit)/charge for the financial year	(1,563,692)	(3,389,045)
Deferred tax charge	-	-
	(1,563,692)	(3,389,045)

7. TAXATION - continued

The tax on profit is greater than the charge at the standard rate of tax for the following reasons:

	2017 US$	2016 US$
Profit before taxation	451,645	56,310
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax of 12.5%	56,456	7,039
Factors affecting tax charge:		
Depreciation in excess of capital allowances	-	1,483,226
Higher rate of tax on passive income	-	3,967
Expenses disallowed for tax purposes	-	(461,772)
Higher rate of tax on mining related profits	-	861,653
Balancing allowances available on cessation of trade	(56,456)	(5,140,748)
Under provision in prior periods	(1,563,692)	(142,410)
Current tax (credit)/charge for the financial year	(1,563,692)	(3,389,045)

8. TANGIBLE ASSETS

	Plant, Equipment and Buildings US$	Freehold Land US$	Total US$
Cost:			
At 1 April 2016	27,129,676	1,118,542	28,248,218
Disposals	(36,552)	-	-
At 31 March 2017	27,093,124	1,118,542	28,211,666
Depreciation and Impairment:			
At 1 April 2016	27,129,676	-	27,129,676
Disposals	(36,552)	-	-
At 31 March 2017	27,093,124	-	27,093,124
Net Book Value:			
At 31 March 2017	-	1,118,542	1,118,542

Plant and equipment expenditure represents costs incurred in connection with the development of the Lisheen processing facility.

8. TANGIBLE ASSETS – continued

	Plant, Equipment and Buildings US$	Freehold Land US$	Total US$
Cost:			
At 1 April 2015	157,864,883	2,325,450	160,190,333
Transfer from group company	137,287	-	137,287
Reclassification	1,206,908	(1,206,908)	-
Disposals	(132,079,402)	-	(132,079,402)
At 31 March 2016	27,129,676	1,118,542	28,248,218
Depreciation and Impairment:			
At 1 April 2015	143,143,530	-	143,143,530
Charged in financial year	11,865,806	-	11,865,806
Transfer from group company	134,182	-	134,182
Disposals	(128,013,842)	-	(128,013,842)
At 31 March 2016	27,129,676	-	27,129,676
Net Book Value:			
At 31 March 2016	-	1,118,542	1,118,542

9. DEBTORS (Amounts due within one year)

	2017 US$	2016 US$
Prepayments	93,454	480,146
Amounts due by group companies	56,380,884	54,178,498
Corporation tax	4,643,761	3,256,194
	61,118,099	57,914,838

Amounts due by Group Companies include a $30m unsecured loan with an interest rate of 2% to THL Zinc Holding BV, a $10m unsecured loan with an interest rate of 2.1% to Twinstar Holdings Ltd and a $4m unsecured loan with an interest rate of 2% to Namzinc (Proprietary) Limited. Other intercompany amounts are unsecured non-interest bearing.

10. CASH AT BANK AND IN HAND

At 31 March 2017, the company's cash balance included funds of US$961,059 (2016: US$5,665,340) held in a current account for the purpose of Mine Closure activities. These funds were drawn down from the Restricted Cash account held in related companies.

11. CREDITORS (Amounts falling due within one year)

	2017 US$	2016 US$
Trade creditors and accruals	583,069	164,498
Amounts due to group companies	4,386,751	-
	4,969,820	164,498

	2017 US$	2016 US$
Creditors include taxation creditors:		
PAYE and PRSI	-	83,336

12. CREDITORS (Amounts falling due after more than one year)

	2017 US$	2016 US$
Amounts due to group companies	-	4,686,901
	-	4,686,901

Intercompany balances are unsecured and non-interest bearing.

13. PROVISION FOR LIABILITIES AND CHARGES

	2017 US$	2016 US$
(i) Provision for closure costs		
Balance at beginning of financial year	11,235,596	19,567,225
Charge/(Release) for the financial year	(369,827)	828,889
Transfer to group company	-	(7,028,847)
Unwinding of discount rate	194,427	490,993
Paid during the financial year	(2,580,216)	(3,352,026)
Foreign exchange loss/(gain)	(585,860)	729,362
Balance at end of financial year	7,894,120	11,235,596

The provision represents the present value at the statement of financial position date of the estimated costs of restoring the environmental disturbance at the end of the economic useful life of the mineral processing site. These costs are expected to be incurred up to and including March 2020. The provision has been estimated using existing technology, at current prices inflated at 2% and discounted using a discount rate of 2.18%. The estimate of future costs to restore the environmental disturbance and reviewed and approved on a quarterly basis by the Environmental Protection Agency (Ireland), the Department of Communications, Climate Action and Environment and the Tipperary County Council through the mechanism of the Mine Closure and Rehabilitation Agreement.

(ii) Provision for redundancy costs	2017 US$	2016 US$
Balance at beginning of financial year	293,302	7,122,042
Charge/(Release) for the financial year	(119,686)	84,431
Paid during the financial year	(172,516)	(6,901,646)
Foreign exchange gain	(1,100)	(11,525)
Balance at end of financial year	-	293,302

In 2010 under an orderly closure programme, the company agreed the terms of redundancy with employees and a provision for such costs was recognised to reflect the estimated cost of redundancies. All employees have received redundancy as at the statement of financial position date.

Total provision for liabilities and charges	7,894,120	11,528,898

14. CALLED-UP SHARE CAPITAL PRESENTED AS EQUITY

	2017 US$	2016 US$
Authorised		
500,000 'A' ordinary shares @ US$1 each	500,000	500,000
500,000 'B' ordinary shares @ US$1 each	500,000	500,000
	1,000,000	1,000,000
Allotted, issued and fully paid		
1,000 'A' ordinary shares @ US$1 each	1,000	1,000
1,000 'B' ordinary shares @ US$1 each	1,000	1,000
	2,000	2,000
Called up share capital presented as equity	2,000	2,000
Called up share capital presented as liability	-	-
	2,000	2,000

15. RETIREMENT BENEFIT OBLIGATIONS

The company operates a defined contribution scheme for all of its employees. Total retirement benefit obligations for the financial year were US$25,644 (2016: US$120,115). The assets of the scheme are held separately from those of the company in an independently administered fund. The retirement benefit obligations charge represents contributions paid by the company to the scheme.

16. 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.

17. CONTINGENT LIABILITIES

An amended corporation tax assessment for Lisheen Milling Limited has been issued by the Irish Revenue authorities in respect of the financial years 2006 - 2011. No provision in relation to the claim has been recognised in the financial statements, as the directors do not consider it probable that a significant liability will arise. In December 2011, Lisheen lodged a formal appeal in respect of this revised Revenue assessment. This appeal was held in May & June 2016. No decision has been received to date. Contingent liability is for an amount of US$63.62m.

18. SUBSEQUENT EVENTS

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

19. 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".

20. 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".

21. 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.

22. APPROVAL OF FINANCIAL STATEMENTS

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