

REPORTS AND FINANCIAL STATEMENTS
VEDANTA EXPLORATION IRELAND LIMITED
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

VEDANTA EXPLORATION IRELAND LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

CONTENTS

	PAGE
DIRECTORS AND OTHER INFORMATION	2
DIRECTORS' REPORT	3 - 4
DIRECTORS' RESPONSIBILITY STATEMENT	5
INDEPENDENT AUDITOR'S REPORT	6 - 7
STATEMENT OF COMPREHENSIVE INCOME	8
BALANCE SHEET	9
STATEMENT OF CHANGES IN EQUITY	10
NOTES TO THE FINANCIAL STATEMENTS	11 - 16

VEDANTA EXPLORATION IRELAND LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

A. Buckley
L. Nolan
K. Kumar
S. Lal Bajaj
D. Naidoo

SECRETARY

A. Buckley

REGISTERED OFFICE

Killoran
Moyne
Thurles
Co. Tipperary

COMPANY NUMBER

527645

AUDITOR

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

SOLICITOR

Mason Hayes & Curran
South Bank House
Barrow Street
Dublin 4

BANKER

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

VEDANTA EXPLORATION IRELAND LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the financial year ended 31 March 2016.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company is engaged in exploration activities.

Management have undertaken a review of the legal status of the company following the commencement of the Companies Act 2014. All companies currently registered as a "Private Limited by Shares" company type must choose to convert to one of two new company types, Private Company limited by shares (LTD) or Designated Activity Company limited by shares (DAC). Based on advice and guidance received, conversion to a DAC is the most appropriate option for the company and is recommended to the board for approval.

FAIR REVIEW OF PERFORMANCE

The result for the financial year is satisfactory. All activity in the company is funded through group companies.

RESULTS AND DIVIDENDS

Result after taxation for the financial year ended 31 March 2016 amounted to US\$Nil (31 March 2015: US\$Nil). There was no dividend neither proposed nor paid during the financial year (2015: 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 13 to the financial statements.

DIRECTORS

The present membership of the board is set out on page 2. All directors served throughout the financial year.

The directors are not required to retire by rotation.

VEDANTA EXPLORATION IRELAND 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 has notified the company secretary of any interests in the shares of the ultimate parent company and its related companies.

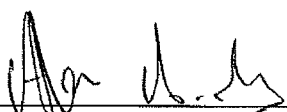
ACCOUNTING RECORDS

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.

AUDITOR

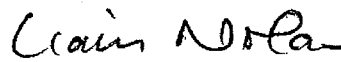
The auditor, Deloitte, Chartered Accountants and Statutory Audit Firm, continues in office in accordance with Section 383 (2) of the Companies Act 2014.

Signed on behalf of the Board



Alan Buckley
Director

Date: 22-4-16



Liam Nolan
Director

Date: 22/04/16

VEDANTA EXPLORATION IRELAND LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

The directors' are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the directors to prepare statutory financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with FRS 101 Reduced Disclosure Framework ("relevant financial reporting 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 as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the statutory financial statements have been prepared in accordance with the relevant financial reporting framework, 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 statutory financial statements and directors report comply with the Companies Act 2014 and enable the statutory 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VEDANTA EXPLORATION IRELAND LIMITED

We have audited the financial statements of Vedanta Exploration Ireland Limited for the financial year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 101 Reduced Disclosure Framework ("relevant financial reporting 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the of Directors' Responsibility Statement, 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 the Companies Act 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Reports and Financial Statements for the financial year ended 31 March 2016 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 March 2016 and of the result for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of Companies Act, 2014.

Continued on next page/

/Continued from previous page

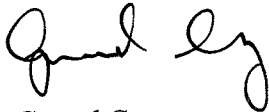
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VEDANTA EXPLORATION IRELAND LIMITED

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 the provisions in 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.



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

Date: 22/04/16

VEDANTA EXPLORATION IRELAND LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Notes	2016 US\$	2015 US\$
Exploration expenditure	3	(1,513,663)	(1,652,436)
Amounts reallocated to group companies	3	1,513,663	1,652,436
RESULT BEFORE TAXATION	4	<u>-</u>	<u>-</u>
Taxation	5	-	-
RESULT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY		<u><u>-</u></u>	<u><u>-</u></u>

The above results arise from continuing activities.

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

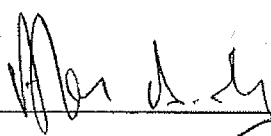
VEDANTA EXPLORATION IRELAND LIMITED

BALANCE SHEET AS AT 31 MARCH 2016


	Notes	2016 US\$	2015 US\$
FIXED ASSETS			
Tangible assets	6	9,499	14,681
CURRENT ASSETS			
Debtors	7	3,187,656	1,671,275
Cash at bank		57,830	19,920
		3,245,486	1,691,195
CREDITORS: (Amounts falling due within one year)	8	(3,254,885)	(1,705,776)
NET CURRENT LIABILITIES		(9,399)	(14,581)
NET ASSETS		100	100
CAPITAL AND RESERVES			
Called-up share capital – presented as equity	9	100	100
Profit and loss account	10	-	-
SHAREHOLDERS' FUNDS	11	100	100

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

The financial statements were approved by the Board of Directors on 20/04/16 and signed on its behalf by:



 Alan Buckley
 Director



 Liam Nolan
 Director

VEDANTA EXPLORATION IRELAND LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Called-up share capital US\$	Profit and loss account US\$	Total US\$
At 31 March 2014 as previously stated	100	-	100
Changes on transition to FRS101	-	-	-
At 1 April 2014	100	-	100
Profit for the financial year	-	-	-
Total comprehensive income	-	-	-
Dividends paid on equity shares	-	-	-
At 31 March 2015	100	-	100
Profit for the financial year	-	-	-
Total comprehensive income	-	-	-
Dividends paid on equity shares	-	-	-
At 31 March 2016	100	-	100

VEDANTA EXPLORATION IRELAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

1. STATEMENT OF ACCOUNTING POLICIES

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

BASIS OF PREPARATION

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 March 2016 the company has undergone transition from reporting under Generally Accepted Accounting Practice in Ireland ("Irish GAAP") to FRS 101 as 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. This transition is not considered to have had a material effect on the financial statements.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, fair value measurements, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

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 12.

BASIS OF ACCOUNTING

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

FOREIGN CURRENCY TRANSLATION

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

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

VEDANTA EXPLORATION IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

1. STATEMENT OF ACCOUNTING POLICIES - continued

EXPLORATION EXPENDITURE

Exploration expenditure is written off in the financial year it is incurred.

TANGIBLE ASSETS

Motor Vehicles

Motor vehicles are stated at cost less accumulated depreciation. Motor vehicles are depreciated over their expected useful lives on the straight line method over three years.

**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. Vedanta Exploration Ireland considers the following areas as the key sources of estimation uncertainty:

Liabilities

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 reasonably estimated. The timing of recognition requires the application of judgement to existing facts and circumstances which may be subject to change. The actual cash outflows may take place over a number of months and hence the carrying amounts are regularly reviewed and adjusted to take into account changes in legislation or other factors that may influence the liabilities.

3. EXPLORATION EXPENDITURE

Exploration activities are conducted on behalf of the group and are fully funded by group companies.

	2016 US\$	2015 US\$
Exploration expenditure	1,513,663	1,652,436

VEDANTA EXPLORATION IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

4.	RESULT BEFORE TAXATION	2016	2015
		US\$	US\$

The result before taxation is stated after charging:

Directors' remuneration

- fees	-	-
- other emoluments including pension contributions	-	-
Depreciation	5,182	863
	5,182	863

Certain incidental costs are borne by other group companies. Any further disclosures required under Section 305 and Section 306 of the Companies Act 2014 are nil for both years.

5. TAXATION

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

6. TANGIBLE ASSETS

	Motor Vehicles US\$	Total US\$
Cost		
At 1 April 2015	15,544	15,544
Additions	-	-
At 31 March 2016	15,544	15,544
Depreciation		
At 1 April 2015	863	863
Charge in the financial year	5,182	5,182
At 31 March 2016	6,045	6,045
Net Book Value		
At 31 March 2016	9,499	9,499
At 31 March 2015	14,681	14,681

VEDANTA EXPLORATION IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

6. TANGIBLE ASSETS – continued

	Motor Vehicles US\$	Total US\$
Cost		
At 1 April 2014	-	-
Additions	15,544	15,544
At 31 March 2015	<u>15,544</u>	<u>15,544</u>
Depreciation		
At 1 April 2014	-	-
Charge in the year	863	863
At 31 March 2015	<u>863</u>	<u>863</u>
Net Book Value		
At 31 March 2015	<u>14,681</u>	<u>14,681</u>
At 31 March 2014	<u>-</u>	<u>-</u>

7. DEBTORS

	2016 US\$	2015 US\$
Prepayments	3,524	807
Amounts due from group companies	3,184,132	1,670,468
	<u>3,187,656</u>	<u>1,671,275</u>

VEDANTA EXPLORATION IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

8.	CREDITORS: (Amounts falling due within one year)	2016 US\$	2015 US\$
	Trade creditors and accruals	67,344	510,271
	Amounts due to group companies	3,187,541	1,195,505
		3,254,885	1,705,776
		3,254,885	1,705,776
9.	CALLED-UP SHARE CAPITAL	2016 US\$	2015 US\$
	Authorised:		
	1,000,000 ordinary shares of €1 each	1,000,000	1,000,000
		1,000,000	1,000,000
	Allotted, issued and fully paid		
	100 ordinary shares of €1 each	100	100
		100	100
		100	100
	Called up share capital presented as equity	100	100
	Called up share capital presented as liability	-	-
		100	100
		100	100
10.	PROFIT AND LOSS ACCOUNT	2016 US\$	2015 US\$
	Profit and loss account brought forward	-	-
	Result for the financial year	-	-
		-	-
	Profit and loss account carried forward	-	-
		-	-
		-	-

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

There were no movements in shareholders' funds in the current financial year other than the movements as disclosed in the profit and loss account (Note 10).

VEDANTA EXPLORATION IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

12. 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.

13. SUBSEQUENT EVENTS

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

14. 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".

15. 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".

16. 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.

17. EXPLANATION OF TRANSITION TO FRS 101

This is the first financial year that the company has presented its statutory financial statements under Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council. The following disclosures are required in the financial year of transition. The last statutory financial statements prepared under previous Irish GAAP were for the financial year ended 31 March 2015 and the date of transition to FRS 101 was therefore 1 April 2014. As a consequence of adopting FRS 101, there have been no material changes to the accounting policies adopted by the company. Consequently, there have been no material adjustments to equity and profit or loss reported under previous Irish GAAP to equity and profit or loss reported under FRS 101.