# NON STATUTORY REPORTS AND FINANCIAL STATEMENTS

# VEDANTA LISHEEN HOLDINGS LIMITED

# FOR THE YEAR ENDED 31 MARCH 2014

VEDANTA LISHEEN HOLDINGS LIMITED

REPORTS AND FINANCIAL STATEMENTS

---

## CONTENTS

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors of Vedanta Lisheen Holdings Limited are responsible for the preparation of the non-statutory financial statements of Vedanta Lisheen Holdings Limited ("the group") that give a true and fair view of the state of affairs of the group and the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

* select suitable accounting policies and then apply them consistently;

* make judgements and estimates that are reasonable and prudent; and

* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland. 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.

Deloitte

Deloitte & Touche
Chartered Accountants &
Registered Auditors

# INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF VEDANTA LISHEEN HOLDINGS LIMITED ON NON-STATUTORY FINANCIAL STATEMENTS

We have audited the non-statutory financial statements of Vedanta Lisheen Holdings Limited for the year ended 31 March 2014 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's directors as a body. Our audit work has been undertaken so that we might state to the company's directors those matters we state to them in our 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 directors as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**
As explained more fully in the Statement of Directors' Responsibilities the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with 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 non-statutory reports and financial statements for the year ended 31 March 2014 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 non-statutory financial statements:

- give a true and fair view of the state of the affairs of the group as at 31 March 2014 and of the profit of the group for the year then ended; and
- have been prepared in accordance with Generally Accepted Accounting Practice in Ireland.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
Limerick

Date: 18-04-'14

Members of
Deloitte Touche Tohmatsu

VEDANTA LISHEEN HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014

| | Notes | Year ended 31 March 2014 US$ | Year ended 31 March 2013 US$ |
|---|---|---|---|
| **TURNOVER** | 2 | 231,338,797 | 284,402,773 |
| Cost of sales | | (205,699,263) | (218,936,407) |
| **OPERATING PROFIT** | | 25,639,534 | 65,466,366 |
| Other operating income | | 470,764 | 500,115 |
| Impairment provision | 6 | (4,016,559) | - |
| **PROFIT BEFORE INTEREST AND TAXATION** | | 22,093,739 | 65,966,481 |
| Interest receivable and similar income | 3 | 941,898 | 1,310,669 |
| **PROFIT BEFORE TAXATION** | | 23,035,637 | 67,277,150 |
| Taxation | 4 | (17,046,782) | (13,385,964) |
| **PROFIT FOR THE FINANCIAL YEAR** | | 5,988,855 | 53,891,186 |

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

VEDANTA LISHEEN HOLDINGS LIMITED

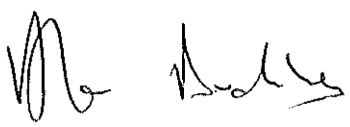
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2014

| | Notes | 31 March 2014 US$ | 31 March 2013 US$ |
|---|---|---|---|
| **FIXED ASSETS** | | | |
| Tangible assets | 6 | 69,671,777 | 98,762,234 |
| | | | |
| **CURRENT ASSETS** | | | |
| Stocks | 8 | 7,714,417 | 12,526,797 |
| Debtors | 9 | 4,561,237 | 16,121,957 |
| Cash at bank and in hand | 7 | 113,685,989 | 100,882,143 |
| | | 125,961,643 | 129,530,897 |
| **CREDITORS: (Amounts falling due within one year)** | 10 | (32,236,542) | (27,697,806) |
| **NET CURRENT ASSETS** | | 93,725,101 | 101,833,091 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 163,396,878 | 200,595,325 |
| **PROVISION FOR LIABILITIES AND CHARGES** | 11 | (81,729,786) | (79,917,088) |
| **NET ASSETS** | | 81,667,092 | 120,678,237 |
| | | | |
| **CAPITAL AND RESERVES** | | | |
| Called-up share capital | 12 | 12 | 12 |
| Profit and loss account | 13 | 81,667,080 | 120,678,225 |
| **SHAREHOLDERS' FUNDS** | 14 | 81,667,092 | 120,678,237 |

## VEDANTA LISHEEN HOLDINGS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT
## FOR THE YEAR ENDED 31 MARCH 2014

| | Notes | Year ended 31 March 2014 US$ | Year ended 31 March 2013 US$ |
|---|---|---|---|
| **NET CASH INFLOW FROM OPERATING ACTIVITIES** | 17 | **88,026,969** | **115,452,855** |
| **RETURN ON INVESTMENTS AND SERVICING OF FINANCE** | | | |
| Interest received | | **813,335** | **1,901,717** |
| **NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE** | | **813,335** | **1,901,717** |
| **TAXATION** | | | |
| Corporation tax paid | | **(19,486,269)** | **(16,767,117)** |
| **CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT** | | | |
| Purchase of tangible fixed assets | | **(11,574,697)** | **(10,056,737)** |
| Proceeds on sale of tangible fixed assets | | **24,508** | **769** |
| **NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT** | | **(11,550,189)** | **(10,055,968)** |
| **EQUITY DIVIDENDS PAID** | | **(45,000,000)** | **(125,000,000)** |
| **INCREASE/(DECREASE) IN CASH** | 18 | **12,803,846** | **(34,468,513)** |



## 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 group's financial statements:

**BASIS OF PREPARATION**

The financial statements have been prepared on the going concern basis and in accordance with accounting standards generally accepted in Ireland. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Financial Reporting Council.

Non statutory financial statements prepared in accordance with generally accepted accounting practice in Ireland are required to be prepared for inclusion in the consolidated financial statements of the group's intermedidate parent undertaking, Sesa Sterlite Limited, a company incorporated in India.

**CONSOLIDATION**

The group financial statements consolidate the financial statements of the company and all of its subsidiary undertakings made up to 31 March 2014.

**TANGIBLE ASSETS**

**Freehold land**

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

**Buildings**

Buildings are stated at cost less accumulated depreciation and are depreciated over their expected useful lives.

**Mine Development Expenditure**

Mine development expenditure is initially stated at cost. Cost includes development and exploration expenditure for the establishment of access to mineral reserves, evaluation and commissioning expenditure, capitalised costs of borrowings and pre-production costs relating to expenditure incurred prior to the commencement date of operations.

Mine development expenditure is amortised over the estimated economic life of the mine using the unit of production method.

**Plant, equipment and buildings**

Plant and equipment are stated at cost less accumulated depreciation.

Plant and equipment are depreciated over their expected useful lives on the straight line method or unit of production method as appropriate.

**Impairment**

At each balance sheet 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 un-amortised 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 profit and loss account in the period in which it arises.

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 Profit and Loss Account to the extent of the original recognition of the impairment. Otherwise, the reversal is recognised in the Statement of Total Recognised Gains and Losses.

**STOCKS**

Stocks of concentrates are valued at the lower of cost and net realisable value. Cost, which is determined on a weighted average basis, includes an appropriate portion of depreciation and overhead expenses. Net realisable value is based on estimated sales values, less further costs to completion and disposal.

Stocks of ores are valued at the lower of cost and net realisable value. Cost, which is determined on a weighted average basis, includes an appropriate portion of depreciation and overhead expenses. Net realisable value is based on estimated sales values, less further costs to completion and disposal.

Stocks of consumables and spare parts are stated at cost determined on a weighted average basis with due allowance for obsolete, slow moving or defective items, where appropriate.

**PROVISION FOR CLOSURE COSTS**

In accordance with Financial Reporting Standard 12 "Provisions, Contingent Liabilities and Contingent Assets" a provision for closure and related costs has been made in these financial statements. This provision represents the present value, at the balance sheet date, of the estimated costs of restoring the environmental disturbance.

**TURNOVER**

Turnover 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, turnover 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.

**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.

**DIVIDENDS**

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

**FOREIGN CURRENCY TRANSLATION**

The US dollar is both the functional currency and presentation currency of the group. 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 period/year. Monetary assets and liabilities denominated in foreign currencies are translated to US dollars at the rate of exchange ruling at the balance sheet date. The resulting profits or losses are dealt with in the profit and loss account.

**PENSION COSTS**

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

## 2 TURNOVER

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

| | Year ended 31 March 2014 US$ | Year ended 31 March 2013 US$ |
|---|---|---|
| Europe | 224,023,670 | 284,402,773 |
| Asia | 2,893,443 | - |
| Other | 4,421,684 | - |
| | 231,338,797 | 284,402,773 |

## 3 INTEREST RECEIVABLE AND SIMILAR INCOME

| | Year ended 31 March 2014 US$ | Year ended 31 March 2013 US$ |
|---|---|---|
| Bank interest receivable | 941,898 | 1,310,669 |
| | 941,898 | 1,310,669 |

## 4 TAXATION

| | Year ended 31 March 2014 US$ | Year ended 31 March 2013 US$ |
|---|---|---|
| Corporation tax charge | 12,977,542 | 18,018,949 |
| Under/(over) provision in prior years | 8,392,683 | (1,071,501) |
| Current tax charge for the year | 21,370,225 | 16,947,448 |
| Deferred tax credit | (4,323,443) | (3,561,484) |
| | 17,046,782 | 13,385,964 |

## 4 TAXATION - Continued

| | Year ended 31 March 2014 US$ | Year ended 31 March 2013 US$ |
|---|---|---|
| The tax on profit is greater than the charge at the standard rate of tax for the following reasons: | | |
| Profit on ordinary activities before tax | 23,035,637 | 67,277,150 |
| Profit on ordinary activities before tax multiplied by the standard rate of corporation tax of 12.5% | 2,879,455 | 8,409,644 |
| Factors affecting tax charge: | | |
| Depreciation in excess of capital allowances | 2,740,397 | 2,956,462 |
| Higher rate of tax on passive income | 104,168 | 207,853 |
| Expenses disallowed for tax purposes | 970,110 | 590,499 |
| Higher rate of tax on mining profits | 6,283,412 | 5,854,491 |
| Under/(over) provision in respect of prior years | 8,392,683 | (1,071,501) |
| Current tax charge for the year | 21,370,225 | 16,947,448 |

## 5 DIVIDENDS

| | Year ended 31 March 2014 US$ | Year ended 31 March 2013 US$ |
|---|---|---|
| **Equity dividends paid on ordinary shares** | | |
| Dividends paid of US$ 3,750,000 per ordinary share (31 March 2013: US$ 10,416,667 per ordinary share) | 45,000,000 | 125,000,000 |
| | 45,000,000 | 125,000,000 |

## 6 TANGIBLE ASSETS

| | Plant, Equipment and Buildings US$ | Land US$ | Mining Assets US$ | Mobile Equipment US$ | Construction in Progress US$ | Total US$ |
|---|---|---|---|---|---|---|
| **Cost:** | | | | | | |
| At 1 April 2013 | 151,428,141 | 16,694,552 | 370,625,979 | 45,364,400 | 1,674,279 | 585,787,351 |
| Additions | - | - | - | - | 11,574,697 | 11,574,697 |
| Transfers from construction in progress | 52,740 | - | 1,311,624 | 5,437,701 | (6,802,065) | - |
| Disposals | - | - | - | (2,168,871) | - | (2,168,871) |
| At 31 March 2014 | 151,480,881 | 16,694,552 | 371,937,603 | 48,633,230 | 6,446,911 | 595,193,177 |
| **Accumulated depreciation:** | | | | | | |
| At 1 April 2013 | 131,446,278 | - | 322,399,682 | 33,179,157 | - | 487,025,117 |
| Charge for the year | 3,962,283 | - | 23,992,296 | 8,150,459 | - | 36,105,038 |
| Impairment | - | 4,016,559 | - | - | - | 4,016,559 |
| Disposals | - | - | - | (1,625,314) | - | (1,625,314) |
| At 31 March 2014 | 135,408,561 | 4,016,559 | 346,391,978 | 39,704,302 | - | 525,521,400 |
| **Net book value:** | | | | | | |
| At 31 March 2014 | 16,072,320 | 12,677,993 | 25,545,625 | 8,928,928 | 6,446,911 | 69,671,777 |
| At 31 March 2013 | 19,981,863 | 16,694,552 | 48,226,297 | 12,185,243 | 1,674,279 | 98,762,234 |

Following a review by the directors in accordance with the provisions of Financial Reporting Standard 11 "Impairment of Fixed Assets and Goodwill" and based on the current market value of land, an impairment on land of US$4,016,559 was recorded on 30 September 2013.

## 7 CASH AT BANK AND IN HAND

At 31 March 2014, the group's cash balance included restricted funds of US$ 39,577,330 ( 31 March 2013 US$ 37,902,793) which were held as collateral in respect of closure obligations. The group's cash balance also included restricted funds of US$ 47,130,224 ( 31 March 2013: US$46,179,004 ) comprising of an escrow account in respect of future redundancy payments payable to employees.

## 8 STOCKS

| | 31 March 2014 US$ | 31 March 2013 US$ |
|---|---|---|
| Zinc and lead concentrates | 2,890,626 | 2,798,126 |
| Ore | 3,406,625 | 6,740,432 |
| Consumables and stores | 1,417,166 | 2,988,239 |
| | 7,714,417 | 12,526,797 |

The replacement cost of stocks did not differ significantly from the amounts shown.

## 9 DEBTORS

| | 31 March 2014 US$ | 31 March 2013 US$ |
|---|---|---|
| Trade debtors | 3,326,873 | 6,977,123 |
| Prepayments and accrued income | 1,234,364 | 8,109,228 |
| Corporation tax | - | 1,035,606 |
| | 4,561,237 | 16,121,957 |

## 10 CREDITORS: (Amounts falling due within one year)

| | 31 March 2014 US$ | 31 March 2013 US$ |
|---|---|---|
| Trade creditors and accruals | 29,215,693 | 26,319,396 |
| Amounts owed to group companies | 2,172,498 | 1,378,410 |
| Corporation tax | 848,351 | - |
| | 32,236,542 | 27,697,806 |

## 11 PROVISIONS FOR LIABILITIES AND CHARGES

| | 31 March 2014 US$ | 31 March 2013 US$ |
|---|---|---|
| **(a) Provision for closure costs** | | |
| Opening balance | 31,287,160 | 29,137,863 |
| Charge for the year | 538,868 | 3,574,985 |
| (Paid during the year)/Other movements | (1,288,364) | 100,972 |
| Foreign exchange loss/(gain) | 2,270,180 | (1,526,660) |
| Closing balance | 32,807,844 | 31,287,160 |

A provision for closure and related costs amounting to US$32,807,844 (31 March 2013: US$31,287,160) has been made in these financial statements. This provision represents the present value at the balance sheet date of the estimated costs of restoring the environmental disturbance. These costs are expected to be incurred over a period of time as set out in the Closure Plan. The provision has been estimated using existing technology, at current prices, discounted using a discount rate of 2%.

## 11 PROVISIONS FOR LIABILITIES AND CHARGES - Continued

| | 31 March 2014 US$ | 31 March 2013 US$ |
|---|---|---|
| **(b) Provision for redundancy costs** | | |
| Opening balance | 40,084,382 | 38,088,612 |
| Charge for the year | 3,971,461 | 4,274,903 |
| Paid during the year | (2,334,251) | (656,941) |
| Foreign exchange loss/(gain) | 2,943,946 | (1,622,192) |
| Closing balance | 44,665,538 | 40,084,382 |
| **(c) Other Provisions** | | |
| Opening balance | 469,760 | 489,974 |
| Charge for the year | - | - |
| Foreign exchange loss/(gain) | 34,301 | (20,214) |
| Closing balance | 504,061 | 469,760 |
| **(d) Deferred tax** | | |
| Opening balance | 8,075,786 | 11,637,270 |
| Credit for the year | (4,323,443) | (3,561,484) |
| Closing balance | 3,752,343 | 8,075,786 |
| **Total provisions** | 81,729,786 | 79,917,088 |

## 12 CALLED UP SHARE CAPITAL

| | 31 March 2014 US$ | 31 March 2013 US$ |
|---|---|---|
| **Authorised** | | |
| 15,000,000 ordinary shares of US$1 each | 15,000,000 | 15,000,000 |
| | 15,000,000 | 15,000,000 |
| **Alloted, issued and fully paid** | | |
| 12 ordinary shares of US$1 each | 12 | 12 |
| | 12 | 12 |

## 13 PROFIT AND LOSS ACCOUNT

| | 31 March 2014 US$ | 31 March 2013 US$ |
|---|---|---|
| Profit and loss account brought forward | 120,678,225 | 191,787,039 |
| Profit for the financial year | 5,988,855 | 53,891,186 |
| Dividends paid | (45,000,000) | (125,000,000) |
| Profit and loss account carried forward | 81,667,080 | 120,678,225 |

## 14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 31 March 2014 US$ | 31 March 2013 US$ |
|---|---|---|
| Opening shareholders' funds | 120,678,237 | 191,787,051 |
| Profit for the financial year | 5,988,855 | 53,891,186 |
| Dividends paid | (45,000,000) | (125,000,000) |
| Closing shareholders' funds | 81,667,092 | 120,678,237 |

## 15 PARENT COMPANY

The company is a wholely owned subsidiary of THL Zinc Holding BV, a company incorporated in the Netherlands. The ultimate parent company is Vedanta Resources Plc, a company incorporated in the United Kingdom.

## 16 CONTINGENT LIABILITIES

An amended corporation tax assessment has been issued by the revenue authorities in respect of the financial years 2006 to 2011. The company has disclaimed the liability and is defending the claim. No provision in relation to the claim has been recognised in the financial statements for financial years 2006-2011, as based on professional advice, the directors consider that it is unlikely that a significant liability will arise.

## 17 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | 31 March 2014<br>US$ | 31 March 2013<br>US$ |
|---|---|---|
| Operating profit | 25,639,534 | 65,466,366 |
| Depreciation | 36,105,038 | 40,678,724 |
| Loss/(gain) on disposal of fixed assets | 519,048 | (767) |
| Other operating income | 470,764 | 500,115 |
| Decrease in stocks | 4,812,380 | 4,642,169 |
| Decrease in debtors | 10,653,679 | 4,620,474 |
| Increase/(decrease) in creditors | 3,690,385 | (4,579,079) |
| Increase in provisions | 887,714 | 7,293,919 |
| Foreign exchange loss/(gain) on provisions | 5,248,427 | (3,169,066) |
| Net cash inflow from operating activities | 88,026,969 | 115,452,855 |

## 18 ANALYSIS OF CHANGES IN NET FUNDS

| | At 1 April 2013<br>US$ | Cashflow<br>US$ | At 1 April 2014<br>US$ |
|---|---|---|---|
| Cash at bank and in hand | 100,882,143 | 12,803,846 | 113,685,989 |
| | 100,882,143 | 12,803,846 | 113,685,989 |

## 19 RECONCILIATION OF NET CASH OUTFLOW TO MOVEMENTS IN NET FUNDS

| | 31 March 2014<br>US$ | 31 March 2013<br>US$ |
|---|---|---|
| Increase in cash in year | 12,803,846 | (34,468,513) |
| Movement in net funds resulting from cash flows | 12,803,846 | (34,468,513) |
| Net funds at the beginning of the year | 100,882,143 | 135,350,656 |
| Net funds at the end of the year | 113,685,989 | 100,882,143 |

## 20 SUBSIDIARY COMPANIES

Details of subsidiary companies, all of which are incorporated in the Republic of Ireland, are:

| Name | Registered Office | Nature of Business | % Ownership |
|---|---|---|---|
| Vedanta Lisheen Mining Limited | The Lisheen Mine<br>Killoran<br>Moyne<br>Thurles<br>Co. Tipperary | Mining and developing mining properties | 100% |
| Killoran Lisheen Mining Limited | The Lisheen Mine<br>Killoran<br>Moyne<br>Thurles<br>Co. Tipperary | Mining and developing mining properties | 100% |
| Lisheen Milling Limited | The Lisheen Mine<br>Killoran<br>Moyne<br>Thurles<br>Co. Tipperary | Milling of ore into concentrate and sale to smelters | 100% |
| Killoran Lisheen Finance Limited | The Lisheen Mine<br>Killoran<br>Moyne<br>Thurles<br>Co. Tipperary | Non-trading | 100% |
| Vedanta Exploration Ireland Limited | The Lisheen Mine<br>Killoran<br>Moyne<br>Thurles<br>Co. Tipperary | Exploration | 100% |

Vedanta Lisheen Mining Limited and Killoran Lisheen Mining Limited each hold a 50% interest in Lisheen Mine Partnership. The principal activity of Lisheen Mine Partnership is mining and developing mining properties.

## 21 PENSIONS

The group operates a defined contribution pension scheme for all of its employees. Total pension costs for the year were US$1,439,645 (31 March 2013: US$1,256,556). The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions paid by the group to the scheme.

## 22 RELATED PARTY TRANSACTIONS

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

## 23 EMPLOYEES AND REMUNERATION

The average number of persons employed during the year was 377 (Year ended 31 March 2013: 383) and is analysed into the following categories:

| | 31 March 2014<br>Number | 31 March 2013<br>Number |
|---|---|---|
| Development and production | 377 | 383 |

| | Year ended<br>31 March 2014<br>US$ | Year ended<br>31 March 2013<br>US$ |
|---|---|---|
| The staff costs comprise: | | |
| Wages and salaries | 46,100,589 | 45,961,797 |
| Social welfare costs | 4,445,667 | 4,636,427 |
| Pension costs | 1,439,645 | 1,256,556 |
| | 51,985,901 | 51,854,780 |