

**REPORTS AND FINANCIAL STATEMENTS**

**VEDANTA LISHEEN MINING LIMITED**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

**VEDANTA LISHEEN MINING LIMITED**  
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**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

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**VEDANTA LISHEEN MINING LIMITED**

**DIRECTORS AND OTHER INFORMATION**

<b>DIRECTORS</b>	A. Kumar (India) K. Kumar (India) D. Naidoo (South Africa)
<b>SECRETARY</b>	J. Grundlingh
<b>REGISTERED OFFICE</b>	Deloitte & Touche House Charlotte Quay Limerick Ireland
<b>COMPANY NUMBER</b>	203494
<b>AUDITOR</b>	Ernst & Young Chartered Accountants and Statutory Audit Firm Riverview House Harvey's Quay
<b>BANKER</b>	Barclays Bank Plc 47/48 St. Stephen's Green Dublin 2
<b>SOLICITOR</b>	James J Kelly & Son, Solicitors, Patrick Street, Templemore, Co. Tipperary

## **VEDANTA LISHEEN MINING 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 principal activity of the company is the development of a zinc/lead mine at Lisheen, Co Tipperary.

The company holds a 50% partnership share of the mine development at Lisheen and includes as income/(expenditure) its share of attributable partnership profits or losses. Any taxation attributable to the company's share of the partnership profits is reflected in these financial statements. The company's share of its attributable partnership net assets is reflected, in the statement of financial position, through amounts owed by group companies. Manufacturing operations ceased on 18th December 2015 due to the exhaustion of ore reserves at the mine. Management of Lisheen Mine Partnership is committed to actively pursuing the post closure sustainable development potential of the site.

#### **RESULTS AND DIVIDENDS**

The result after tax for the financial year ended 31 March 2018 was a profit of US\$3,300,247 (2017: Loss after tax US\$1,620,256).

There was no dividend neither proposed nor paid during the financial year (2017: Dividend paid US\$Nil).

#### **RISKS AND UNCERTAINTIES**

All activity is carried on by Lisheen Mine Partnership, on behalf of the company. Management of Lisheen Mine Partnership has addressed the presence of risks and uncertainties and has adequately responded to same.

#### **SUBSEQUENT EVENTS**

Details of subsequent events are given in note 13 to the financial statements.

#### **FUTURE DEVELOPMENT**

There is no future development to be disclosed.

#### **COMPOSITION OF THE GROUP**

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

#### **DIRECTORS**

The directors who served throughout the year are listed on page 2. Stephen Wheston (18/01/18) stepped down as Directors during the financial year.

The directors are not required to retire by rotation.

**VEDANTA LISHEEN MINING 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.

**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**

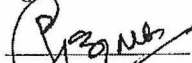
The directors in office at the date of this report have each confirmed that:

- 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**

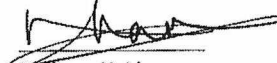
The auditor, Ernst & Young, Chartered Accounts and Statutory Audit Firm, continues in office in accordance with Section 383 (2) of the Companies Act 2014.

Signed on behalf of the Board



Pushpender Singla  
Chief Financial Officer

Date: 20 June 2018



Deshnee Naidoo  
Director

Date: 20 June 2018

## VEDANTA LISHEEN MINING 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'.

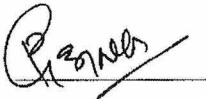
Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company and of the profit or loss for that year and otherwise comply with the Companies Act 2014.

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

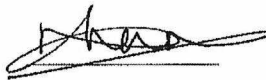
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identifying those standards and note the effect and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



Pushpender Singla  
Chief Financial Officer  
Date: 20 June 2018



Deshnee Naidoo  
Director  
Date: 20 June 2018

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VEDANTA LISHEEN MINING LIMITED**

### **Opinion**

We have audited the financial statements of Vedanta Lisheen Mining 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 profit 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 VEDANTA LISHEEN MINING 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 VEDANTA LISHEEN MINING 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](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: 25/06/18

**VEDANTA LISHEEN MINING LIMITED**

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

	Notes	2018 US\$	2017 US\$
Share of attributable partnership profit/(loss)		3 052 744	(12 861 657)
Interest receivable and similar income	4	398 687	14 682 243
Exploration expenditure		(289 272)	(18 914)
<b>PROFIT BEFORE TAXATION</b>	5	<b>3 162 159</b>	<b>1 801 672</b>
Taxation	6	138 088	(181 416)
<b>PROFIT FOR THE YEAR</b>		<b>3 300 247</b>	<b>1 620 256</b>
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>3 300 247</b>	<b>1 620 256</b>

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

**VEDANTA LISHEEN MINING LIMITED**

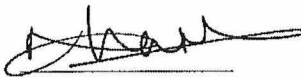
**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2018**

	Note	2018 US\$	2017 US\$
<b>FIXED ASSETS</b>			
Tangible assets	7	1 875 604	1 875 604
		<u>1 875 604</u>	<u>1 875 604</u>
<b>CURRENT ASSETS</b>			
Debtors: (Amounts falling due within one year)	8	16 866 700	5 981 802
Cash at bank	9	10 789 787	17 569 766
<b>TOTAL CURRENT ASSETS</b>		<u>27 656 487</u>	<u>23 551 568</u>
<b>CREDITORS</b> (Amounts falling due within one year)	10	(21 963 116)	(21 158 444)
<b>NET CURRENT ASSETS</b>		5 693 371	2 393 124
<b>NET ASSETS</b>		<u>7 568 975</u>	<u>4 268 728</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital – presented as equity	11	2	2
Profit and loss account		7 568 973	4 268 726
<b>TOTAL EQUITY</b>		<u>7 568 975</u>	<u>4 268 728</u>

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

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

  
 Pushpender Singla  
 Chief Financial Officer  
 Date: 20 June 2018

  
 Deshnee Naidoo  
 Director  
 Date: 20 June 2018

**VEDANTA LISHEEN MINING LIMITED**

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

	Share Capital Presented as Called-up Equity US\$	Profit and loss account US\$	Total US\$
<b>At 1 April 2016</b>	2	2 648 470	2 648 472
Result for the financial year	-	1 620 256	1 620 256
<b>Total comprehensive Income</b>	-	1 620 256	1 620 256
<b>At 31 March 2017</b>	<b>2</b>	<b>4 268 726</b>	<b>4 268 728</b>
Result for the financial year	-	3 300 247	3 300 247
<b>Total comprehensive income</b>	-	3 300 247	3 300 247
<b>At 31 March 2018</b>	<b>2</b>	<b>7 568 973</b>	<b>7 568 975</b>

## VEDANTA LISHEEN MINING LIMITED

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

#### 1. ACCOUNTING POLICIES

Vedanta Lisheen Mining 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.

#### 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

**VEDANTA LISHEEN HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

**1. STATEMENT OF ACCOUNTING POLICIES - continued**

- 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 12.

**BASIS OF ACCOUNTING**

The company prepares its financial statements denominated in US dollars.

The company includes as income/(expenditure) its share of attributable partnership profits or losses in its statement of comprehensive income. The company's share of its attributable partnership net assets is reflected, in the statement of financial position, through amounts owed by group companies.

**TANGIBLE ASSETS**

**Freehold Land**

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

**VEDANTA LISHEEN MINING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

**1. STATEMENT OF ACCOUNTING POLICIES - continued**

**TANGIBLE ASSETS (continued)**

**Mining Assets**

Mining assets are stated at cost less accumulated amortisation. 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 and Equipment**

Plant and equipment are stated at cost less accumulated depreciation.

**Impairment**

At each statement of financial position date, the net book value of 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 financial year 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.

**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.

**VEDANTA LISHEEN MINING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

**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.

**DIVIDENDS**

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

**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. The Company considers the following areas as the key sources of estimation uncertainty:

**Impairment**

Management reviews its property, plant and equipment, including mining properties, 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.



VEDANTA LISHEEN MINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

3. EMPLOYEES AND REMUNERATION

The company had no employees during the financial year (2017: nil).

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 US\$	2017 US\$
Interest receivable	26 656	42 486
Gain on foreign currency translation	372 031	14 639 757
	<u>398 687</u>	<u>14 682 243</u>

5 (LOSS)/PROFIT BEFORE TAXATION

	2018 US\$	2017 US\$
The (loss)/profit on ordinary activities 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.

VEDANTA LISHEEN MINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

6 TAXATION

Based on the company's share of attributable profits from Lisheen Mine Partnership:

	2018 US\$	2017 US\$
Corporation tax charge for the financial year	-	-
Under/(over) provision in prior financial year	<u>(138 088)</u>	181 416
Current tax charge for the financial year	(138 088)	181 416
Deferred tax credit	<u>-</u>	<u>-</u>
	<u>(138 088)</u>	<u>181 416</u>

The tax on profit differs from the charge at the standard rate of tax for the following reasons:

	2018 US\$	2017 US\$
Profit/(loss) on ordinary activities before tax	3 162 159	1 801 672
Profit/(loss) on ordinary activities before tax multiplied by the standard rate of corporation tax of 12.5%	395 270	225 209

Factors affecting tax charge:

Balancing allowances available on cessation of trade	(219 915)	(225 209)
Non-taxable income	(395 270)	-
Higher rate of tax on passive income	3,332	-
Under/(over) provision in prior financial year	78,495	181 416
Current tax charge for the financial year	<u>(138 088)</u>	<u>181 416</u>

VEDANTA LISHEEN MINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

7 TANGIBLE ASSETS

2018	Freehold Land	Plant & Equipment	Total
	US\$	US\$	US\$
<b>Cost:</b>			
At 1 April 2017	3 883 884	145 231	4 029 115
Transfer	-	-	-
Disposals	-	-	-
At 31 March 2018	<u>3 883 884</u>	<u>145 231</u>	<u>4 029 115</u>
<b>Depreciation and Impairment:</b>			
At 1 April 2017	2 008 280	145 231	2 153 511
Charge in the financial year	-	-	-
Disposals	-	-	-
At 31 March 2018	<u>2 008 280</u>	<u>145 231</u>	<u>2 153 511</u>
<b>Net Book Value:</b>			
At 31 March 2018	<u>1 875 604</u>	<u>-</u>	<u>1 875 604</u>

7 TANGIBLE ASSETS

2017	Freehold Land	Plant & Equipment	Total
	US\$	US\$	US\$
<b>Cost:</b>			
At 1 April 2016	3 883 884	145 231	4 029 115
Transfer	-	-	-
Disposals	-	-	-
At 31 March 2017	<u>3 883 884</u>	<u>145 231</u>	<u>4 029 115</u>
<b>Depreciation and Impairment:</b>			
At 1 April 2016	2 008 280	145 231	2 153 511
Charge in the financial year	-	-	-
Disposals	-	-	-
At 31 March 2017	<u>2 008 280</u>	<u>145 231</u>	<u>2 153 511</u>
<b>Net Book Value:</b>			
At 31 March 2017	<u>1 875 604</u>	<u>-</u>	<u>1 875 604</u>

8 DEBTORS (Amounts falling due within one year)

	2018	2017
	US\$	US\$
Interest receivable	-	22 920
Amounts due from group companies	16 720 306	5 958 882
Other debtors	146 394	-
	<u>16 866 700</u>	<u>5 981 802</u>

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

VEDANTA LISHEEN MINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

9 CASH AT BANK

At 31 March 2018, the company's cash balance included restricted funds of US\$10,789,787 (2017: US\$17,569,766) held as collateral in respect of mine closure costs. The underlying costs associated with fulfilling the closure obligations are appropriately provided for in fellow group companies.

10 CREDITORS: (Amounts falling due within one year)

	2018	2017
	US\$	US\$
Amounts due to group companies	21 963 116	20 127 319
Taxation	-	1 031 125
	<u>21 963 116</u>	<u>21 158 444</u>

Intercompany balances are unsecured and non-interest bearing.

11 CALLED-UP SHARE CAPITAL

	2018	2017
	US\$	US\$
<b>Authorised:</b>		
1,000,000 ordinary shares of US\$1 each	1 000 000	1 000 000
<b>Allotted, issued and fully paid:</b>		
2 ordinary shares of US\$1 each	2	2

12 PARENT COMPANY

The Company's immediate parent is 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 APPROVAL OF FINANCIAL STATEMENTS

The directors approved the financial statements on 20 June 2018