

**REPORTS AND FINANCIAL STATEMENTS**

**VEDANTA LISHEEN MINING LIMITED**

**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

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**VEDANTA LISHEEN MINING LIMITED**  
**DIRECTORS AND OTHER INFORMATION**

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<b>DIRECTORS</b>	A. Buckley K. Kumar S. Lal Bajaj L. Nolan D. Naidoo
<b>SECRETARY</b>	A. Buckley
<b>REGISTERED OFFICE</b>	Killoran Moyne Thurles Co. Tipperary
<b>COMPANY NUMBER</b>	203494
<b>AUDITOR</b>	Deloitte Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Charlotte Quay Limerick
<b>BANKER</b>	Barclays Bank plc 47/48 St. Stephen's Green Dublin 2
<b>SOLICITOR</b>	Mason Hayes & Curran South Bank House Barrow Street Dublin 4

## **VEDANTA LISHEEN MINING LIMITED**

### **DIRECTORS' REPORT**

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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 principal activity of the company is its involvement in 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 balance sheet, 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.

An impairment review was undertaken by the company prior to the financial year end to compare the carrying value of assets against their recoverable amount. No impairment was required as the recoverable amount of assets exceeded the carrying value.

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.

#### **RESULTS AND DIVIDENDS**

The loss after tax for the financial year ended 31 March 2016 was US\$4,884,620 (2015: Profit after tax US\$8,550,040).

There was no dividend neither proposed nor paid during the financial year (2015: Dividend paid US\$29,000,000).

#### **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 19 to the financial statements.

**VEDANTA LISHEEN MINING LIMITED**

**DIRECTORS' REPORT - CONTINUED**

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**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.

**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.

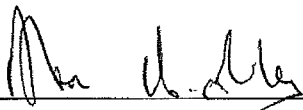
**ACCOUNTING RECORDS**

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 LISHEEN MINING LIMITED

### DIRECTORS' RESPONSIBILITY STATEMENT

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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 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 LISHEEN MINING LIMITED

We have audited the financial statements of Vedanta Lisheen Mining 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 23. 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 loss 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.

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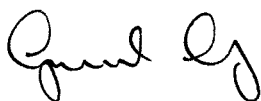
## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VEDANTA LISHEEN MINING LIMITED**

### **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 LISHEEN MINING LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016**

	Notes	Continuing operations 2016 US\$	Discontinued operations 2016 US\$	Total 2016 US\$	2015 US\$
Share of attributable partnership (loss)/profit		(2,684,307)	4,147,762	1,463,455	12,621,498
Interest receivable and similar income	4	244,673	-	244,673	3,555,117
Bank charges and similar costs	5	(265,694)	(71,574)	(337,268)	(13,118)
Loss on sale of fixed assets		-	(632)	(632)	(35,641)
Exploration expenditure		(1,513,663)	-	(1,513,663)	-
Depreciation	9	-	(3,762,962)	(3,762,962)	(4,912,063)
<b>(LOSS)/PROFIT BEFORE TAXATION</b>	6	(4,218,991)	312,594	(3,906,397)	11,215,793
Taxation	7	(282,535)	(695,688)	(978,223)	(2,665,753)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY</b>		(4,501,526)	(383,094)	(4,884,620)	8,550,040

The 2015 results arise from discontinued activities.

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

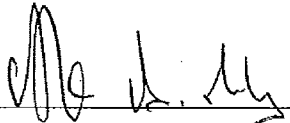
**VEDANTA LISHEEN MINING LIMITED**

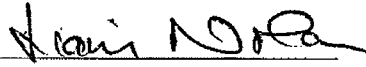
**BALANCE SHEET  
AS AT 31 MARCH 2016**

	Note	2016 US\$	2015 US\$
<b>FIXED ASSETS</b>			
Tangible assets	9	1,875,604	5,692,928
		<u>1,875,604</u>	<u>5,692,928</u>
<b>CURRENT ASSETS</b>			
Debtors: (Amounts due within one year)	10	16,754	131,177
Debtors: (Amounts due after more than one year)	11	2,122,164	2,122,164
Cash at bank	12	25,980,816	28,653,620
		<u>28,119,734</u>	<u>30,906,961</u>
<b>CREDITORS: (Amounts falling due within one year)</b>	13	<u>(27,346,866)</u>	<u>(29,066,797)</u>
<b>NET CURRENT ASSETS</b>		772,868	1,840,164
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,648,472</u>	<u>7,533,092</u>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	14	-	-
<b>NET ASSETS</b>		<u>2,648,472</u>	<u>7,533,092</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital – presented as equity	15	2	2
Profit and loss account	16	2,648,470	7,533,090
<b>SHAREHOLDERS' FUNDS</b>	17	<u>2,648,472</u>	<u>7,533,092</u>

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

The financial statements were approved by the Board of Directors on 22/03/16 and signed on its behalf by:

  
 Alan Buckley  
 Director

  
 Liam Nolan  
 Director

**VEDANTA LISHEEN MINING 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\$
<b>At 31 March 2014 as previously stated</b>	<b>2</b>	<b>27,983,050</b>	<b>27,983,052</b>
Changes on transition to FRS101	-	-	-
<b>At 1 April 2014</b>	<b>2</b>	<b>27,983,050</b>	<b>27,983,052</b>
Profit for the financial year	-	8,550,040	8,550,040
<b>Total comprehensive income</b>	<b>-</b>	<b>8,550,040</b>	<b>8,550,040</b>
Dividends paid on equity shares	-	(29,000,000)	(29,000,000)
<b>At 31 March 2015</b>	<b>2</b>	<b>7,533,090</b>	<b>7,533,092</b>
Loss for the financial year	-	(4,884,620)	(4,884,620)
<b>Total comprehensive loss</b>	<b>-</b>	<b>(4,884,620)</b>	<b>(4,884,620)</b>
Dividends paid on equity shares	-	-	-
<b>At 31 March 2016</b>	<b>2</b>	<b>2,648,470</b>	<b>2,648,472</b>

**VEDANTA LISHEEN MINING LIMITED**

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

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**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 18.

**BASIS OF ACCOUNTING**

The company prepares its financial statements denominated in US dollars on the historical cost basis of accounting, modified to include certain items at fair value.

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 balance sheet, 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 2016**

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**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. Plant and equipment is depreciated over its expected useful lives on the unit of production method.

**Impairment**

At each balance sheet 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. Otherwise, the reversal is recognised in other comprehensive income.

**FINANCIAL ASSETS**

Financial assets are stated at cost less a provision for diminution in value.

**FOREIGN CURRENCY TRANSLATION**

The functional currency of the company is US dollars.

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.

**VEDANTA LISHEEN MINING LIMITED**

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

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**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 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. Vedanta Lisheen Mining 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. Details of the impairment review undertaken are disclosed in note 9.

**VEDANTA LISHEEN MINING LIMITED**

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

**3. EMPLOYEES AND REMUNERATION**

The company had no employees during the financial year (2015: nil).

<b>4. INTEREST RECEIVABLE AND SIMILAR INCOME</b>	<b>2016 US\$</b>	<b>2015 US\$</b>
Interest receivable	244,673	583,906
Gain on foreign currency translation	-	2,971,211
	<u>244,673</u>	<u>3,555,117</u>

<b>5. BANK CHARGES AND SIMILAR COSTS</b>	<b>2016 US\$</b>	<b>2015 US\$</b>
Loss on foreign currency translation	330,597	-
Bank charges	6,671	13,118
	<u>337,268</u>	<u>13,118</u>

<b>6. (LOSS)/PROFIT BEFORE TAXATION</b>	<b>2016 US\$</b>	<b>2015 US\$</b>
The (loss)/profit on ordinary activities is stated after charging:		
Directors' remuneration		
- fees	-	-
- other emoluments including pension contributions	-	-
Auditor's remuneration	-	-
Depreciation	3,762,962	4,912,063
Loss on sale of fixed assets	632	35,641
	<u>3,763,594</u>	<u>4,947,704</u>

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 2016**

**7. TAXATION**

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

	<b>2016</b>	<b>2015</b>
	<b>US\$</b>	<b>US\$</b>
Corporation tax charge for the financial year	920,902	5,094,041
Under/(over) provision in prior financial year	57,321	(207,844)
	<hr/>	<hr/>
Current tax charge for the financial year	978,223	4,886,197
Deferred tax credit	-	(2,220,444)
	<hr/>	<hr/>
	<b>978,223</b>	<b>2,665,753</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2016</b>	<b>2015</b>
	<b>US\$</b>	<b>US\$</b>
(Loss)/profit on ordinary activities before tax	(3,906,397)	11,215,793
	<hr/>	<hr/>
(Loss)/profit on ordinary activities before tax multiplied by the standard rate of corporation tax of 12½%	(488,300)	1,401,974
<b>Factors affecting tax charge:</b>		
Depreciation in excess of capital allowances	1,002,016	1,208,393
Higher rate of tax on passive income	51,245	98,028
Higher rate of tax on mining profits	630,471	2,420,566
Expenses disallowed for tax purposes	279,106	(34,920)
Balancing allowances available on cessation of trade	(553,636)	-
Under/(over) provision in prior financial year	57,321	(207,844)
	<hr/>	<hr/>
Current tax charge for the financial year	978,223	4,886,197
	<hr/> <hr/>	<hr/> <hr/>



**VEDANTA LISHEEN MINING LIMITED**

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

8. DIVIDENDS			2016 US\$	2015 US\$
<b>Equity dividends paid on ordinary shares</b>				
Dividends paid of US\$Nil (2015: US\$14,500,000) per ordinary share			-	29,000,000
			-	29,000,000
<b>9. TANGIBLE ASSETS</b>				
	<b>Mining Assets US\$</b>	<b>Freehold Land US\$</b>	<b>Plant &amp; Equipment US\$</b>	<b>Total US\$</b>
<b>Cost:</b>				
At 1 April 2015	125,121,730	6,020,908	145,231	131,287,869
Transfer	2,082,662	(2,082,662)	-	-
Disposals	(127,204,392)	(54,362)	-	(127,258,754)
At 31 March 2016	-	3,883,884	145,231	4,029,115
<b>Depreciation and Impairment:</b>				
At 1 April 2015	123,441,430	2,008,280	145,231	125,594,941
Charge in the financial year	3,762,962	-	-	3,762,962
Disposals	(127,204,392)	-	-	(127,204,392)
At 31 March 2016	-	2,008,280	145,231	2,153,511
<b>Net Book Value:</b>				
At 31 March 2016	-	1,875,604	-	1,875,604
At 31 March 2015	1,680,300	4,012,628	-	5,692,928

Following a review by the directors in accordance with the provisions of International Accounting Standard 36 "Impairment of Assets", and based on the current market value of land, the directors consider that the recoverable amount of tangible assets exceeds the carrying value.

**VEDANTA LISHEEN MINING LIMITED**

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

9. TANGIBLE ASSETS - continued	Mining Assets US\$	Freehold Land US\$	Plant & Equipment US\$	Total US\$
<b>Cost:</b>				
At 1 April 2014	125,121,730	6,068,200	145,231	131,335,161
Disposals	-	(47,292)	-	(47,292)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	125,121,730	6,020,908	145,231	131,287,869
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Depreciation and Impairment:</b>				
At 1 April 2014	118,529,367	2,008,280	145,231	120,682,878
Charge in the financial year	4,912,063	-	-	4,912,063
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2015	123,441,430	2,008,280	145,231	125,594,941
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Net Book Value:</b>				
At 31 March 2015	1,680,300	4,012,628	-	5,692,928
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2014	6,592,363	4,059,920	-	10,652,283
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Following a review by the directors in accordance with the provisions of International Accounting Standard 36 "Impairment of Assets", and based on the current market value of land, the directors consider that the recoverable amount of tangible assets exceeds the carrying value.

10. DEBTORS: (Amounts falling due within one year)	2016 US\$	2015 US\$
Interest receivable	16,754	131,177
	<hr/>	<hr/>
	16,754	131,177
	<hr/> <hr/>	<hr/> <hr/>

**VEDANTA LISHEEN MINING LIMITED**

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

<b>11. DEBTORS: (Amounts falling due after more than one year)</b>	<b>2016 US\$</b>	<b>2015 US\$</b>
Amounts owed by group companies	2,122,164	2,122,164

**12. CASH AT BANK**

At 31 March 2016, the company's cash balance included restricted funds of US\$25,977,438 (2015: US\$28,650,242) 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.

<b>13. CREDITORS: (Amounts falling due within one year)</b>	<b>2016 US\$</b>	<b>2015 US\$</b>
Amounts due to group companies	26,447,168	28,779,756
Taxation	899,698	287,041
	27,346,866	29,066,797

<b>14. PROVISION FOR LIABILITIES AND CHARGES</b>	<b>2016 US\$</b>	<b>2015 US\$</b>
<b>Deferred tax provision</b>		
Balance at beginning of financial year	-	2,220,444
Charge for financial year	-	(2,220,444)
Balance at end of financial year	-	-

The deferred tax provision comprised timing differences between capital allowances and depreciation.

**VEDANTA LISHEEN MINING LIMITED**

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

15. CALLED-UP SHARE CAPITAL	2016 US\$	2015 US\$
<b>Authorised:</b>		
1,000,000 ordinary shares of US\$1 each	1,000,000	1,000,000
	2	2
<b>Allotted, issued and fully paid:</b>		
2 ordinary shares of US\$1 each	2	2
	2	2
Called up share capital presented as equity	2	2
Called up share capital presented as liability	-	-
	2	2
	2	2
16. PROFIT AND LOSS ACCOUNT	2016 US\$	2015 US\$
Profit and loss account brought forward	7,533,090	27,983,050
(Loss)/profit for the financial year	(4,884,620)	8,550,040
Dividends paid (Note 8)	-	(29,000,000)
	2,648,470	7,533,090
	2,648,470	7,533,090

**17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

There were no movements in shareholders' funds in either the current financial year or prior financial year other than as disclosed in the profit and loss account (Note 16).

**18. PARENT COMPANY**

The immediate parent company 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.

**VEDANTA LISHEEN MINING LIMITED**

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

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**19. SUBSEQUENT EVENTS**

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

**20. 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".

**21. 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".

**22. 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.

**23. 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.