

REPORTS AND FINANCIAL STATEMENTS

VEDANTA LISHEEN MINING LIMITED

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

VEDANTA LISHEEN MINING LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

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VEDANTA LISHEEN MINING LIMITED
DIRECTORS AND OTHER INFORMATION

| | |
|--------------------------|---|
| DIRECTORS | A. Kumar (India) (Appointed 22/07/16) K. Kumar (India) S. Wheston (Ireland) (Appointed 30/06/16) D. Naidoo (South Africa) A. Buckley (Ireland) (Resigned 03/06/16) L. Nolan (Ireland) (Resigned 30/06/16) SL. Bajaj (India) (Resigned 19/07/16) |
| SECRETARY | N. Butler (Appointed 18/04/2016) |
| REGISTERED OFFICE | Killoran Moyne Thurles Co. Tipperary |
| COMPANY NUMBER | 203494 |
| AUDITOR | Ernst & Young Chartered Accountants and Statutory Audit Firm The Atrium Maritana Gate Canada Street Waterford |
| BANKER | Barclays Bank plc 47/48 St. Stephen's Green Dublin 2 |
| SOLICITOR | Mason Hayes & Curran South Bank House Barrow Street Dublin 4 |

VEDANTA LISHEEN MINING LIMITED

DIRECTORS' REPORT

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

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 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.

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.

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

RESULTS AND DIVIDENDS

The result after tax for the financial year ended 31 March 2017 was a profit of US\$1,620,256 (2016: Loss after tax US\$4,884,620).

There was no dividend neither proposed nor paid during the financial year (2016: 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 16 to the financial statements.

FUTURE DEVELOPMENT

There is no development to be disclosed.

VEDANTA LISHEEN MINING LIMITED

DIRECTORS' REPORT - CONTINUED

DIRECTORS

The directors who served throughout the year are listed on page 2. SL Bajaj (19/07/16), Mr Alan Buckley (03/06/2016) and Mr Liam Nolan (30/06/2016) stepped down as Directors during the financial year. Stephen Wheston (30/06/16) and Arun Kumar (22/07/16) were appointed as Directors during the financial year.

The directors are not required to retire by rotation.

COMPOSITION OF THE GROUP

The Company is a wholly owned subsidiary of 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 Sterlite Limited). The ultimate parent company is Vedanta Resources Plc., a company incorporated in the United Kingdom.

POLITICAL DONATIONS

The company did not make any political donations during the year (2016: US\$nil).

DIRECTORS' AND SECRETARY'S INTERESTS

The directors and secretary had no interests in the shares of the company at either 1 April 2016 or 31 March 2017.

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 Killoran, Moyne, Thurles, Co. Tipperary.

GOING CONCERN

The directors, having made appropriate enquiries, consider it reasonable to assume that the company has adequate resources to continue for the foreseeable future and for this reason, have continued to adopt the going concern basis in preparing the accounts.

VEDANTA LISHEEN MINING LIMITED
DIRECTORS' RESPONSIBILITY STATEMENT

DISCLOSURE OF INFORMATION TO AUDITOR

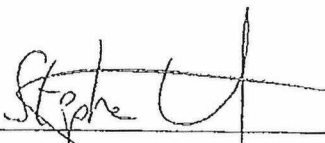
The directors in office at the date of this report have each confirmed that:

- 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, is in office in accordance with Section 383 (2) of the Companies Act 2014.

Signed on behalf of the Board



Stephen Wheston
Director
Date: 13-07-2017



Deshnee Naidoo
Director
Date: 13-07-2017

VEDANTA LISHEEN MINING LIMITED
DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish law and regulations.

Irish Company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

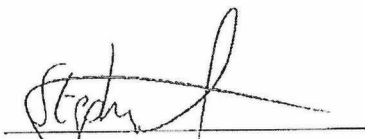
Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year and of the profit or loss for that year and otherwise comply with the Companies 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 the applicable accounting standards, identify those standards and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Board



Stephen Wheston
Director

Date: 13-07-2017



Deshnee Naidoo
Director

Date: 13-07-2017

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 2017 which comprise the Income Statement and the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountant in Ireland (Generally Accepted Accounting Practice in Ireland), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act, 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the of Directors' Responsibility Statement on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and other wise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Continued /...

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VEDANTA LISHEEN MINING LIMITED (Continued)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 March 2017 and of its profit for the year then ended; and
- have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland, including FRS 101 'Reduced Disclosure Framework'; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of sections 305 to 312 of the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Seamus Hayes

For and on behalf of Ernst & Young

Chartered Accountants and Statutory Audit Firm

Waterford

Date: 14/07/17

VEDANTA LISHEEN MINING LIMITED

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

| | Notes | 2017 US\$ | Continuing operations 2016 US\$ | Discontinued operations 2016 US\$ | Total 2016 US\$ |
|---|-------|--------------|--|--|-----------------------|
| Share of attributable partnership (loss)/profit | | (12,861,657) | (2,684,307) | 4,147,762 | 1,463,455 |
| Interest receivable and similar income | 4 | 14,682,243 | 244,673 | - | 244,673 |
| Bank charges and similar costs | 5 | - | (265,694) | (71,574) | (337,268) |
| Loss on sale of fixed assets | | - | - | (632) | (632) |
| Exploration expenditure | | (18,914) | (1,513,663) | - | (1,513,663) |
| Depreciation | 9 | - | - | (3,762,962) | (3,762,962) |
| PROFIT/(LOSS) BEFORE TAXATION | 6 | 1,801,672 | (4,218,991) | 312,594 | (3,906,397) |
| Taxation | 7 | (181,416) | (282,535) | (695,688) | (978,223) |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR | | 1,620,256 | (4,501,526) | (383,094) | (4,884,620) |
| Other Comprehensive Income | | - | - | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 1,620,256 | (4,501,526) | (383,094) | (4,884,620) |

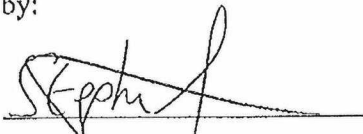
The 2016 results arise from discontinued and continuing activities.
The current year results arise from continuing operations.
The accompanying notes form an integral part of the financial statements.

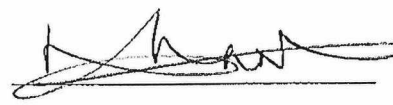
VEDANTA LISHEEN MINING LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

| | Note | 2017 US\$ | 2016 US\$ |
|--|------|---------------------|---------------------|
| FIXED ASSETS | | | |
| Tangible assets | 9 | 1,875,604 | 1,875,604 |
| | | <u>1,875,604</u> | <u>1,875,604</u> |
| CURRENT ASSETS | | | |
| Debtors (Amounts due within one year) | 10 | 5,981,802 | 16,754 |
| Debtors (Amounts due after more than one year) | 11 | - | 2,122,164 |
| Cash at bank | 12 | 17,569,766 | 25,980,816 |
| | | <u>23,551,568</u> | <u>28,119,734</u> |
| CREDITORS (Amounts falling due within one year) | 13 | (21,158,444) | (27,346,866) |
| | | <u>2,393,124</u> | <u>772,868</u> |
| NET CURRENT ASSETS | | 2,393,124 | 772,868 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 4,268,728 | 2,648,472 |
| | | <u>4,268,728</u> | <u>2,648,472</u> |
| NET ASSETS | | | |
| CAPITAL AND RESERVES | | | |
| Called-up share capital – presented as equity | 14 | 2 | 2 |
| Profit and loss account | | 4,268,726 | 2,648,470 |
| TOTAL EQUITY | | 4,268,728 | 2,648,472 |
| | | <u>4,268,728</u> | <u>2,648,472</u> |

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

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


 Stephen Wheston
 Director


 Deshnee Naidoo
 Director

VEDANTA LISHEEN MINING LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

| | Share Capital Presented As Called-up Equity US\$ | Profit and loss account US\$ | Total US\$ |
|-----------------------------------|--|------------------------------------|---------------|
| At 1 April 2015 | 2 | 7,533,090 | 7,533,092 |
| Result for the financial year | - | (4,884,620) | (4,884,620) |
| Other Comprehensive Income | - | - | - |
| Total comprehensive loss | - | (4,884,620) | (4,884,620) |
| Dividends paid on equity shares | - | - | - |
| At 31 March 2016 | 2 | 2,648,470 | 2,648,472 |
| Profit for the financial year | - | 1,620,256 | 1,620,256 |
| Other Comprehensive Income | - | - | - |
| Total comprehensive income | - | 1,620,256 | 1,620,256 |
| Dividends paid on equity shares | - | - | - |
| At 31 March 2017 | 2 | 4,268,726 | 4,268,728 |

VEDANTA LISHEEN MINING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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 Killoran, Moyne, Thurles, Co. Tipperary.

These financial statements were prepared in accordance with applicable accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants of Ireland, including FRS 101 'Reduced Disclosure Framework' (Generally Accepted Accounting Practice in Ireland) and Companies Act 2014.

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 2017

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 15.

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.

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.

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 2017**

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 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.

FINANCIAL ASSETS

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

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 2017**

1. STATEMENT OF ACCOUNTING POLICIES - continued

TAXATION

Corporation tax is provided on taxable profits at current attributable rates. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date. Deferred tax is not recognised on permanent differences. Deferred tax assets are recognised to the extent that they are regarded as recoverable. They are regarded as recoverable to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

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 2017**

3. EMPLOYEES AND REMUNERATION

The company had no employees during the financial year (2016: nil).

| 4. INTEREST RECEIVABLE AND SIMILAR INCOME | 2017 US\$ | 2016 US\$ |
|--|-------------------|----------------|
| Interest receivable | 42,486 | 244,673 |
| Gain on foreign currency translation | 14,639,757 | - |
| | <u>14,682,243</u> | <u>244,673</u> |

| 5. BANK CHARGES AND SIMILAR COSTS | 2017 US\$ | 2016 US\$ |
|--------------------------------------|--------------|----------------|
| Loss on foreign currency translation | - | 330,597 |
| Bank charges | - | 6,671 |
| | <u>-</u> | <u>337,268</u> |

| 6. (LOSS)/PROFIT BEFORE TAXATION | 2017 US\$ | 2016 US\$ |
|--|--------------|------------------|
| 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 |
| Loss on sale of fixed assets | - | 632 |
| | <u>-</u> | <u>3,762,962</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 2017

7. TAXATION

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

| | 2017 US\$ | 2016 US\$ |
|--|--------------|--------------|
| Corporation tax charge for the financial year | - | 920,902 |
| Under/(over) provision in prior financial year | 181,416 | 57,321 |
| | 181,416 | 978,223 |
| Current tax charge for the financial year | 181,416 | 978,223 |
| Deferred tax credit | - | - |
| | 181,416 | 978,223 |

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

| | 2017 US\$ | 2016 US\$ |
|---|--------------|--------------|
| Profit/ (loss) on ordinary activities before tax | 1,801,672 | (3,906,397) |
| Profit/ (loss) on ordinary activities before tax multiplied by the standard rate of corporation tax of 12.5% | 225,209 | (488,300) |
| Factors affecting tax charge: | | |
| Depreciation in excess of capital allowances | - | 1,002,016 |
| Higher rate of tax on passive income | - | 51,245 |
| Higher rate of tax on mining profits | - | 630,471 |
| Expenses disallowed for tax purposes | - | 279,106 |
| Balancing allowances available on cessation of trade | (225,209) | (553,636) |
| Under/(over) provision in prior financial year | 181,416 | 57,321 |
| | 181,416 | 978,223 |
| Current tax charge for the financial year | 181,416 | 978,223 |

VEDANTA LISHEEN MINING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

| | | | | |
|-----------|--|-------------------|-------------------|--------------------|
| 8. | DIVIDENDS | 2017 | | 2016 |
| | | US\$ | | US\$ |
| | Equity dividends paid on ordinary shares | | | |
| | Dividends paid per ordinary share | - | | - |
| | | <u> </u> | | <u> </u> |
| | | - | | - |
| | | <u> </u> | | <u> </u> |
| | | | | |
| 9. | TANGIBLE ASSETS | Mining | Freehold | Plant & |
| | | Assets | Land | Equipment |
| | | US\$ | US\$ | US\$ |
| | Cost: | | | Total |
| | | | | US\$ |
| | At 1 April 2016 | - | 3,883,884 | 145,231 |
| | Transfer | - | - | - |
| | Disposals | - | - | - |
| | | <u> </u> | <u> </u> | <u> </u> |
| | At 31 March 2017 | - | 3,883,884 | 145,231 |
| | | <u> </u> | <u> </u> | <u> </u> |
| | Depreciation and Impairment: | | | |
| | | | | |
| | At 1 April 2016 | - | 2,008,280 | 145,231 |
| | Charge in the financial year | - | - | - |
| | Disposals | - | - | - |
| | | <u> </u> | <u> </u> | <u> </u> |
| | At 31 March 2017 | - | 2,008,280 | 145,231 |
| | | <u> </u> | <u> </u> | <u> </u> |
| | Net Book Value: | | | |
| | | | | |
| | At 31 March 2017 | - | 1,875,604 | - |
| | | <u> </u> | <u> </u> | <u> </u> |

VEDANTA LISHEEN MINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

| | | | | | |
|----|------------------------------|-----------------------------|-----------------------------|------------------------------|-----------------------------|
| 9. | TANGIBLE ASSETS - continued | | | | |
| | | Mining Assets US\$ | Freehold Land US\$ | Plant & Equipment US\$ | Total US\$ |
| | Cost: | | | | |
| | 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) |
| | | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | At 31 March 2016 | - | 3,883,884 | 145,231 | 4,029,115 |
| | | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | Depreciation and Impairment: | | | | |
| | 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) |
| | | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | At 31 March 2016 | - | 2,008,280 | 145,231 | 2,153,511 |
| | | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | Net Book Value: | | | | |
| | At 31 March 2016 | - | 1,875,604 | - | 1,875,604 |
| | | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

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. As such, there was no impairment charge for the year ended 31 March 2017 and 2016.

| | | | |
|-----|---|-----------------------------|-----------------------------|
| 10. | DEBTORS (Amounts falling due within one year) | 2017 US\$ | 2016 US\$ |
| | Interest receivable | 22,920 | 16,754 |
| | Amounts due from group companies | 5,958,882 | - |
| | | <u> </u> | <u> </u> |
| | | 5,981,802 | 16,754 |
| | | <u> </u> | <u> </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 2017

| | | | |
|-----|---|--------------|--------------|
| 11. | DEBTORS: (Amounts falling due after more than one year) | 2017 US\$ | 2016 US\$ |
|-----|---|--------------|--------------|

| | | |
|---------------------------------|---|-----------|
| Amounts owed by group companies | - | 2,122,164 |
|---------------------------------|---|-----------|

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

12. CASH AT BANK

At 31 March 2017, the company's cash balance included restricted funds of US\$17,569,766 (2016: US\$25,980,816) 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.

| | | | |
|-----|--|--------------|--------------|
| 13. | CREDITORS: (Amounts falling due within one year) | 2017 US\$ | 2016 US\$ |
|-----|--|--------------|--------------|

| | | |
|--------------------------------|------------|------------|
| Amounts due to group companies | 20,127,319 | 26,447,168 |
| Taxation | 1,031,125 | 899,698 |

| | | |
|--|-------------------|-------------------|
| | <u>21,158,444</u> | <u>27,346,866</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 2017**

| 14. CALLED-UP SHARE CAPITAL | 2017 US\$ | 2016 US\$ |
|---|--------------|--------------|
| Authorised: 1,000,000 ordinary shares of US\$1 each | 1,000,000 | 1,000,000 |
| | | |
| Allotted, issued and fully paid: 2 ordinary shares of US\$1 each | 2 | 2 |
| | | |
| Called up share capital presented as equity | 2 | 2 |
| Called up share capital presented as liability | - | - |
| | 2 | 2 |
| | | |

15. 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.

16. SUBSEQUENT EVENTS

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

17. 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".

18. 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".

VEDANTA LISHEEN MINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

19. 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.

20. APPROVAL OF FINANCIAL STATEMENTS

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