

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VEDANTA RESOURCES PLC

We present our audit report on the Group and Company financial statements (as defined below) of Vedanta Resources plc, which comprise the Group primary statements and related notes set out on pages 166 to 242 and the Company primary statements and related notes set out on pages 243 to 250.

OUR OPINION ON THE FINANCIAL STATEMENTS

In our opinion:

- › Vedanta Resources plc's Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2017 and of the Group's profit for the year then ended;

- › the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- › the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 101 "Reduced Disclosure Framework"; and
- › the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

WHAT WE HAVE AUDITED


The Group and Parent Company financial statements of Vedanta Resources plc for the year ended 31 March 2017 comprise:

Group	Parent company
the Consolidated Income Statement;	the Company Balance Sheet; and
the Consolidated Statement of Comprehensive Income;	the related notes 46 to 59 to the financial statements.
the Consolidated Statement of Financial Position;	
the Consolidated Cash Flow Statement;	
the Consolidated Statement of Changes in Equity; and	
the related notes 1 to 45 to the financial statements.	

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework"

OVERVIEW OF OUR AUDIT APPROACH

The following areas were highlighted as audit focus areas for the year ended 31 March 2017 audit:

	Materiality	<ul style="list-style-type: none"> › Overall Group materiality of \$64m which represents approximately 2% of EBITDA. › EBITDA represents a less volatile metric than profit before tax for determining materiality and we consider this to be the most relevant performance measure to the stakeholders of the entity.
	Audit scope	<ul style="list-style-type: none"> › We performed an audit of the complete financial information of 14 components and audit procedures on specific balances for a further 4 components. › The components where we performed full or specific audit procedures accounted for 100% of EBITDA, 99% of revenue and 90% of total assets. › For the remaining 40 components in the Group we have performed limited procedures appropriate to respond to the risk of material misstatement. › We have obtained an understanding of the entity-level controls of the Group which assists us in identifying and assessing risks of material misstatement due to fraud or error, as well as assisting us in determining the most appropriate audit strategy.
	What has changed	<ul style="list-style-type: none"> › This is our first year of auditing Vedanta Resources plc. Our scope is broadly consistent with that adopted by the previous auditor. The main change was the removal of the Lisheen mine following its operational closure in November 2015. › Accounting for assets under construction was considered a new focus area for our audit. This was due to the ageing of certain assets under construction as at 31 March 2017 and a number of projects entering commercial production in the year.

OUR ASSESSMENT OF FOCUS AREAS

We identified the risk areas to be included with our audit opinion based on issues that had the greatest impact on the financial statements and which involved the most of senior team member involvement. Further details of why we identified issues as areas of focus and our audit response are set out in the table below. This is not a complete list of all the procedures we performed in respect of these areas nor is it a complete list of all the risks identified in our audit.

We identified the risk and focus areas described below as those that had the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team. In addressing these risks, we have performed the procedures below which were designed in the context of the financial statements as a whole and, consequently, we do not express any opinion on these individual areas.

CHANGES FROM THE PRIOR YEAR

As this is our first year as external auditors of the Group, the starting point for our audit focus areas were the same as those identified by Deloitte for the year ended 31 March 2016. The audit focus areas have since been amended following our experience gained from the understanding of developments in the business, and time spent during the year end audit.

Audit focus area	Our audit approach	What we reported to the Audit Committee
Revenue recognition and receivable recoverability		
Refer to the Audit Committee Report on pages 123 to 128 and the disclosures in notes 2b and 4 of the Group financial statements on pages 185 to 189 and 192.		
<i>Group revenue: \$11,520m (2016: \$10,738m)</i>	We performed our audit procedures across the Group's revenue streams considering the revenue recognition policies and receivable recoverability. Our procedures were performed mainly by the component teams under the direction and supervision of the UK Group engagement team.	Based on the procedures performed we consider revenue recognition and the recoverability of receivables to be fairly stated in the financial statements.
Revenue recognition and receivable recoverability has been identified as an audit focus area due to the diverse and complex revenue streams across the Group.	To address this focus area we have:	
We have identified the following key areas for consideration:	<ul style="list-style-type: none"> › performed walkthroughs of the revenue recognition processes at each full scope component and assessed the design effectiveness of key controls. › assessed the recoverability of the GRIDCO and PSPCL trade receivables by: <ul style="list-style-type: none"> - inspecting the state regulatory commission and appellate tribunal rulings. - examining the underlying power purchase agreements. - Inspecting external legal opinions in respect of the merits of the cases. › reviewed the terms of Cairn's profit sharing agreements and tested the underlying cost recovery and profit petroleum calculations. This included challenging the aging profile of current unapproved cost receivables to test recoverability. › selected a sample of sales across the Group made pre and post year end, agreeing the date of revenue recognition to third party support, such as bills of lading, to confirm sales are recognised in the correct period. › examined invoice samples with complex shipping terms to ensure that revenue has been recognised appropriately. › re-calculated the value of provisional pricing adjustments and validated the prices used to third party data. 	
<ul style="list-style-type: none"> › complex calculation of power tariff agreements and associated disputed receivables outstanding with Grid Corporation of Odisha Limited ("GRIDCO") and Punjab State Power Corporation Limited ("PSPCL"). › calculation of revenue due to complexity associated with the calculation of profit petroleum at the Cairn India oil and gas joint ventures. › determination of when risks and rewards have transferred, especially in relation to determining to which accounting period sales relate. › correct accounting treatment of differing shipping terms across the Group. › measurement of revenue due to provisional pricing agreements where prices are only finalised after the balance sheet date. 		
The risk has increased in the current year due to increased disputed receivable balances across the Group, particularly in the power division.		



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TO THE MEMBERS OF VEDANTA RESOURCES PLC CONTINUED

Audit focus area

Our audit approach

What we reported to the Audit Committee

Accounting for assets under construction

Refer to the Audit Committee Report on pages 123 to 128 and the disclosures in note 17 of the Group financial statements on page 201

Group Assets under construction:
\$2,366m (2016: \$3,363m)

Accounting for assets under construction has been identified as an audit focus area due to:

- › the significant judgment involved in assessing when an asset is available for use as intended by management. At this point, revenue and operating costs associated to the asset cease to be capitalised to the statement of financial position and depreciation should commence.
- › Multiple construction projects across the Group that have been placed on hold. There is therefore a risk relating to the viability of these projects and thus the recoverability of the balance.

Additionally we considered recent impairment charges recognised in respect of assets under construction where licences have expired or projects have ceased.

The risk has increased in the current year due to some significant projects being commissioned in the current year as well as the increased ageing of projects on hold and awaiting approval.

We performed our audit procedures across the asset under construction balances across the Group. Due to the local considerations impacting our assessments our procedures were performed predominantly by the component teams under the direction and supervision of the UK Group engagement team.

To address this focus area we have:

- › considered the stage of completion of ongoing projects specifically in relation to ascertaining when the assets will be available for use as intended by management.
- › assessed project timelines by tracking project progress against forecast spend and management budgets.
- › assessed the accounting treatment of testing revenue and associated costs during the testing phase where applicable.
- › ensured costs associated to assets which came into production in the year cease to be capitalised and depreciation charges commenced.
- › assessed the viability and recoverability of long outstanding projects and performed inspections to confirm that the machinery and material related to these projects is not obsolete.

Based on our evaluation of the asset under construction projects and other procedures performed, we are comfortable that projects completed in the current year have been treated in accordance with IAS 16 and that long outstanding balances are recoverable.

Audit focus area

Our audit approach

What we reported to the Audit Committee

Litigation, environmental and regulatory risk

Refer to the Audit Committee Report on pages 123 to 128 and the disclosures in note 38 of the Group financial statements on pages 231 to 234

The Group has disclosed in note 38 contingent liabilities of \$1,361m for litigation, environmental and regulatory matters excluding income tax figures.

Litigation, environmental and regulatory risk has been identified as an area of audit focus due to the large number of complex legal claims across the Group and impact to the Group's operations of potential non-compliance with environmental and regulatory requirements.

There is significant judgment required by management in classifying each case as probable, possible or remote as per IAS 37 and thus a risk that such cases may not be adequately provided for or disclosed.

It is not unusual in the jurisdictions in which the company operates for claims to remain outstanding for a number of years, with the complex regulatory environment and regulators focusing on the environmental and social impacts of the operations.

Any adverse litigation may have a material impact on both the solvency and liquidity as well as the reputation of the Group.

The risk has not increased or decreased in the current year.

At both a component team and group level, we have understood and tested management's process for identifying and assessing litigation, environmental and regulatory risk.

To address this focus area we have:

- › obtained the Group legal summary and critically assessed management's position through discussions with the head of legal and operational management, on both the probability of success in significant cases, and the magnitude of any potential loss.
- › inspected external legal opinions (where considered necessary) and other evidence to corroborate management's assessment of the risk profile in respect of legal claims.
- › considered the terms and conditions of applicable licences, environmental exposures and regulatory requirements and performed procedures to gain assurance over compliance with these terms.
- › assessed the appropriateness of legal provisions and disclosures included in the Group financial statements and thus ensured adequate disclosure in accordance with IAS 37.

We are satisfied the accounting treatment in respect of legal cases is appropriate based on our procedures performed.



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TO THE MEMBERS OF VEDANTA RESOURCES PLC CONTINUED

Audit focus area

Our audit approach

What we reported to the Audit Committee

Taxation claims and exposures

Refer to the Audit Committee Report on pages 123 to 128 and the disclosures in note 38 of the Group financial statements on pages 231 to 234

The Group has disclosed contingent liabilities of \$4,352m for income tax claims and exposures.

Taxation claims and exposures have been identified as an audit focus area due to the large number of tax claims across the Group, particularly in relation to the operations located in India.

There is significant judgment required by management in assessing the exposure of each tax case and thus a risk that such cases may not be adequately provided for or disclosed.

Recent material tax cases have included:

- › In the current year, the Supreme Court in India upheld the constitutional validity for each state to levy an entry tax. The Groups potential exposure in respect of this matter is \$165 million.
- › In 2015 a demand was received by Cairn India Limited (CIL) ordering payment to the Tax Authority of withholding taxes not paid on the acquisition of Cairn India.

Management judgment is also required in assessing the recoverability of the Minimum Alternative Tax (MAT) asset, which is based on forecasted future profits.

We focused on this area because of the potential financial impact on the Consolidated financial statements and the judgements involved. We consider the risk to have remained high in the current year.

Our procedures were performed centrally where tax cases impacted a number of components. For location specific issues component teams undertook the majority of the procedures under the direction and supervision of the Group audit team.

To address this focus area we have:

- › obtained the Group tax summary and challenged management through discussions with the head of tax and operational management, on both the probability of success in significant cases, and the magnitude of any potential loss.
- › inspected external legal opinions and correspondence with tax authorities (where applicable) to corroborate management's risk classification.
- › engaged internal tax specialists to technically appraise the tax positions taken by management with respect to local tax issues.
- › reviewed and challenged the assumptions used in the model by management in justifying the recoverability of deferred tax and MAT assets. In challenging these assumptions we took account of actual results, external data and market conditions.
- › ensured that the management assessment of similar cases is aligned across the Group or that differences in positions are adequately justified.
- › assessed the appropriateness of tax provisions and disclosures made in the Group financial statements in respect of tax claims and exposures.

We are satisfied the accounting treatment in respect of potential tax exposures is appropriate based on our procedures performed.

Audit focus area

Our audit approach

What we reported to the Audit Committee

Recoverability of property, plant and equipment and E&E assets

Refer to the Audit Committee Report on pages 123 to 128 and the disclosures in notes 2b and 17 of the Group financial statements on pages 185 to 189 and 201

Group property, plant and equipment: \$16,806m (2016: \$16,648m) including, Group E&E assets: \$1,400m (2016: \$1,471m)

Recoverability of fixed and Exploration and evaluation (E&E) assets has been identified

as an audit focus area due to the significance of the carrying value of the assets being assessed, the number and size of recent impairments, the current economic environment in the Group's operating jurisdictions and because the assessment of the recoverable amount of the Group's Cash Generating Units ("CGUs") involves significant judgements about the future results of the business and the discount rates applied to future cash flow forecasts.

In particular we focused our effort on those CGU's with impairment indicators. The key judgment centred on forecast volumes. No impairment charges were recorded in the year.

We also focused our effort on the Rajasthan and Ravva blocks at Cairn India for which an impairment reversal, net of the impact of an adjustment in the decommissioning liability relating to a prior year and associated impact on the asset (note 30), has been recognised in the year. The key judgments relate to the forecast long term Brent crude price and the weighted average cost of capital. A net \$13m impairment reversal was recorded in relation to the Rajasthan block.

The overall Group impairment risk has decreased in the current year due to improved zinc, oil and aluminium prices.

In addressing this area of focus audit procedures were performed by both our Group and Component teams. Macroeconomic assumptions and consistency of approach was ensured by the Group team with location specific inputs addressed by component teams.

To address this focus area we have:

- › critically assessed, whether there were any indicators of impairment (or reversal of impairment) in line with IAS 36 for fixed assets and IFRS 6 for E&E assets across the Group.
- › specifically in relation to the CGUs where impairment and impairment reversal indicators were assessed, we have obtained and evaluated the valuation models used to determine the recoverable amount by challenging the key assumptions used by management including:
 - considering forecasted volumes in relation to asset development plans.
 - critically assessing management's forecasting accuracy by comparing prior year forecasts to actual results.
 - corroborating the price assumptions used in the models against the analyst consensus.
 - testing the appropriateness of the weighted average cost of capital used to discount the impairment models through engaging our internal valuations experts.
 - testing the integrity of the models together with their clerical accuracy.

Overall we are comfortable that the key assumptions used in the Cairn India impairment reversal models fall within a reasonable range and that there are no impairments at other CGUs in the Group. Management have also reflected known changes in the circumstances of the CGUs in their forecast for forthcoming periods.

OUR APPLICATION OF MATERIALITY

The scope of our work is influenced by materiality. We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

As we develop our audit strategy, we determine materiality at the overall level and at the individual account level (referred to as our 'performance materiality').

MATERIALITY \$64 MILLION

**PERFORMANCE MATERIALITY
\$32 MILLION**

**REPORTING THRESHOLD
\$0.8 MILLION**



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MATERIALITY

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be \$64 million (Deloitte 2016: \$40 million), which is 2% of EBITDA. The higher materiality threshold was due to an increase in Group EBITDA to \$3,191m (2016: \$2,336m) driven by higher commodity prices and increased volumes in certain components compared to the prior year. Our materiality amount provides a basis for determining the nature and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature and extent of further audit procedures. Materiality is assessed on both quantitative and qualitative grounds. With respect to disclosure and presentational matters, amounts in excess of the quantitative thresholds above may not be adjusted if their effect is not considered to be material on a qualitative basis.

RATIONALE FOR BASIS

We have used an earnings based measure as our basis of materiality. It was considered inappropriate to calculate materiality using Group profit or loss before tax due to the historic volatility of this metric. EBITDA is a key performance indicator for the Group and is also a key metric used by the Group in the assessment of the performance of management. We also noted that market and analyst commentary on the performance of the Group uses EBITDA as a key metric. We therefore, considered EBITDA, to be the most appropriate performance metric on which to base our materiality calculation as we considered that to be the most relevant performance measure to the stakeholders of the entity.

PERFORMANCE MATERIALITY

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

We set our performance materiality at 50% of planning materiality calculated as \$32 million. This was based upon our overall risk analysis, our assessment of the Group's control environment, the short reporting cycle, potential for misstatements and the fact this is a first year audit engagement.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was \$5 million to \$19 million.

REPORTING THRESHOLD

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of \$0.8 million

(Deloitte 2016 \$0.8 million) in line with the prior year threshold as requested by the Audit Committee. In addition, we have reported any difference below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

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 Group's and the parent 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 Vedanta Resources plc Annual 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.

TAILORING THE SCOPE

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each entity.

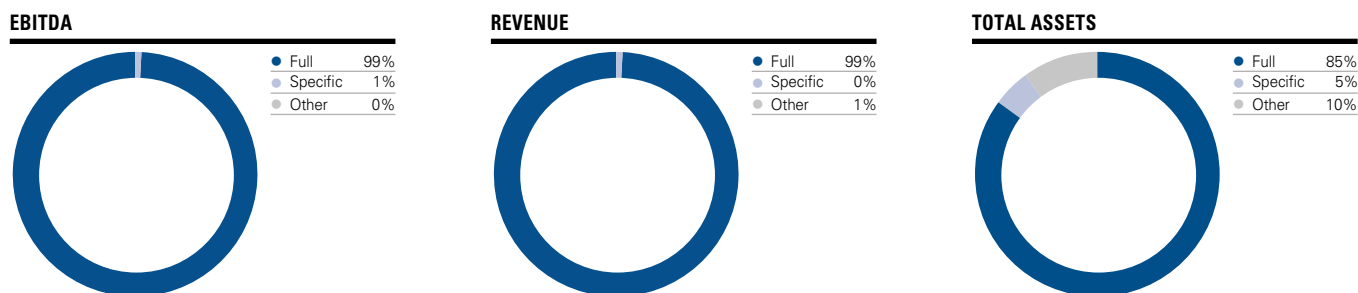
In assessing the risk of material misstatement to the Group financial statements and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we focused our Group audit scope on 18 out of the 58 Group components. Of these selected components 14 were subject to a full audit, in India, Namibia, Zambia, South Africa and the UAE. The remaining 4 components were subject to an audit of specified account balances that we considered had the potential for the greatest impact on the Group financial statements. We have also considered requirements for certain local statutory audits to be finalised before our audit report date in determining our audit scope which increased the total coverage.

For the current year, the full scope components contributed 99% of the Group's EBITDA, 99% of the Group's Revenue and 85% of the Group's Total assets. The specific scope components contributed 1% of the Group's EBITDA, 0% of the Group's Revenue and 5% of the Group's Total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

For the remaining 40 components that together represent 0% of the Group's EBITDA we performed other procedures, including analytical reviews, reviews of internal audit reports, consolidation adjustment audit procedures and statutory financial statement audits. This ensured we responded appropriately to any potential risks of material misstatement to the Group financial statements.

We have obtained an understanding of the entity-level controls of the Group as a whole which assisted us in identifying and assessing risks of material misstatement due to fraud or error, as well as assisting us in determining the most appropriate audit strategy.

The charts below illustrate the coverage obtained from the work performed by our audit teams.



CHANGES FROM THE PRIOR YEAR

This is our first year of auditing Vedanta Resources plc. Our scope is broadly consistent with that adopted by the previous auditor. The main change was the removal of the Lisheen mine following its operational closure in November 2015.

INTEGRATED TEAM STRUCTURE

The overall audit strategy is determined by the senior statutory auditor, Mirco Bardella. The senior statutory auditor is based in the UK however, since Group management and many operations reside in India, the Group audit team includes members from both the UK and India. The senior statutory auditor visited India four times during the current year's audit and members of the Group audit team in both jurisdictions work together as an integrated team throughout the audit process. Whilst in India, he focused his time on the audit focus areas, interactions with management and Group and component teams. During the current year's audit he reviewed key working papers and met with key representatives of the integrated and Indian component audit teams for all full scope components to discuss the audit approach and issues arising from their work.

INVOLVEMENT WITH COMPONENT TEAMS

In establishing our overall approach to the Group audit, we determined the split of work that needed to be undertaken at each of the components by the Group audit engagement team, or by component auditors from other EY global network firms operating under the Group team instruction.

It was concluded that audit procedures on all of the 14 full scope components would be performed directly by the component audit team. The Group team reviewed this work and ensured sufficient audit evidence had been obtained as a basis to form part of our opinion on the Group as a whole. In addition the integrated Group team also included key members of certain full scope components ensuring knowledge was transferred effectively through the team. The work on all of the specific scope components was performed by the Group audit team directly.

The Group audit team established a programme of planned visits. During the current year's audit cycle, visits were undertaken by senior members of the Group audit team to

certain component teams in India together with teams in Zambia, Namibia and South Africa. These visits involved key members of the Group audit team meeting with local management and discussing the audit approach with the Component teams together with any issues arising from their work. In addition members from all of the Indian based component teams physically attended a global planning event with the Group team. Additionally the Group audit team participated in key discussions, via conference calls with all full scope entities.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 155, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- › the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- › based on the work undertaken in the course of the audit:
 - the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
 - the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VEDANTA RESOURCES PLC CONTINUED

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MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

ISAs (UK and Ireland) reporting	<p>We are required to report to you if, in our opinion, financial and non-financial information in the annual report is:</p> <ul style="list-style-type: none">› materially inconsistent with the information in the audited financial statements; or› apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or› otherwise misleading. <p>In particular, we are required to report whether we have identified any inconsistencies between our knowledge acquired in the course of performing the audit and the directors' statement (included on page 155 of the Annual Report) that they consider the annual report and accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the entity's performance, business model and strategy; and whether the annual report appropriately addresses those matters that we communicated to the audit committee that we consider should have been disclosed.</p>	We have no exceptions to report.
Companies Act 2006 reporting	<p>In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or the Directors' Report set out on pages 02–155 of the Annual Report.</p> <p>We are required to report to you if, in our opinion:</p> <ul style="list-style-type: none">› adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or› the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or› certain disclosures of directors' remuneration specified by law are not made; or› we have not received all the information and explanations we require for our audit.	We have no exceptions to report.
Listing Rules review requirements	<p>We are required to review:</p> <ul style="list-style-type: none">› the directors' statement in relation to going concern, set out on page 154, and longer-term viability, set out on page 68;› the part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review.	We have no exceptions to report.

STATEMENT ON THE DIRECTORS' ASSESSMENT OF THE PRINCIPAL RISKS THAT WOULD THREATEN THE SOLVENCY OR LIQUIDITY OF THE ENTITY

ISAs (UK and Ireland) reporting

We are required to give a statement as to whether we have anything material to add or to draw attention to in relation to:

- › the directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- › the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated;
- › the directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and
- › the directors' explanation in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing material to add or to draw attention to.

Mirco Bardella
(senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
London
23 May 2017

Notes:

- The maintenance and integrity of the Vedanta Resources plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

