

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

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### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Lisheen Milling Limited ('the Company') for the year ended 31 March 2022, which comprise the Income statement, statement of financial position, statement of changes in equity and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council.

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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Other information**

The directors are responsible for the other information. The other information comprises the information included in the director's report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Matters on which we are required to report by exception**

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2014**

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year ended for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

## **Respective Responsibilities**

### **Responsibilities of the Directors for the Financial Statements**

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

### **The purpose of our audit work and to whom we owe our responsibilities**

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



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Aidan Kearney  
For and on behalf of  
Baker Tilly  
Statutory Audit Firm  
Joyce House  
21-23 Holles Street  
Dublin 2

Date: 08 July 2022

# LISHEEN MILLING LIMITED

(Registration Number 261670)

Annual Financial Statements for the year ended 31 March 2022

## DIRECTORS' REPORT

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### Auditor

Ernst & Young, resigned as auditors during the financial year and the directors appointed Baker Tilly to fill the vacancy.

The auditors, Baker Tilly have indicated their willingness to continue in office in accordance with the provisions of the section 383 (2) of the Companies Act.



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P. Singla  
Director  
Date: 08/07/2022



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P. Van Greunen  
Director  
Date: 08/07/2022

# LISHEEN MILLING LIMITED

(Registration Number 261670)

Annual Financial Statements for the year ended 31 March 2022

## DIRECTORS' RESPONSIBILITY STATEMENT

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The directors are responsible for preparing 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 Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identifying those standards and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the directorship 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.

The annual financial statements as set out on pages 9 to 20 were approved by the board on 8 July 2022 and were signed on their behalf by:



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P. Singla

Director

Date: 08/07/2022



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P. Van Greunen

Director

Date: 08/07/2022

# LISHEEN MILLING LIMITED

(Registration Number 261670)

Financial Statements for the year ended 31 March 2022

## STATEMENT OF FINANCIAL POSITION

Figures in US\$	Notes	2022	2021
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	7	1,287,031	1,287,031
		<b>1,287,031</b>	<b>1,287,031</b>
<b>Current Assets</b>			
Trade and other receivables	8	11,284,319	11,105,230
Cash and cash equivalents	9	48,018	88,906
		<b>11,332,337</b>	<b>11,194,136</b>
Trade and other payables	10	(14,790)	(10,453)
<b>Net Current Assets</b>		<b>11,317,547</b>	<b>11,183,683</b>
<b>Total Assets less Current Liabilities</b>		<b>12,604,578</b>	<b>12,470,714</b>
Provisions	11	(1,594,830)	(1,908,553)
<b>Net Assets</b>		<b>11,009,748</b>	<b>10,562,161</b>
<b>Equity and Liabilities</b>			
<b>Capital and Reserves</b>			
Called-up share capital - presented as equity	12	2,000	2,000
Profit and loss		11,007,748	10,560,161
		<b>11,009,748</b>	<b>10,562,161</b>
<b>Total Equity and Liabilities</b>		<b>11,009,748</b>	<b>10,562,161</b>

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

Signed by: Pushpender Pushpender  
Signed at: 2022-07-08 11:52:19 +02:00  
Reason: I approve this document



P. Singla  
Director  
Date: 08/07/2022



P. Van Greunen  
Director  
Date: 08/07/2022

# **LISHEEN MILLING LIMITED**

**(Registration Number 261670)**

**Annual Financial Statements**

**for the year ended 31 March 2022**

# LISHEEN MILLING LIMITED

(Registration Number 261670)

Annual Financial Statements for the year ended 31 March 2022

## INDEX

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The reports and statements set out below comprise the annual financial statements presented to the shareholder:

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# LISHEEN MILLING LIMITED

(Registration Number 261670)

Annual Financial Statements for the year ended 31 March 2022

## GENERAL INFORMATION

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### DIRECTORS

P. Singla  
P. Van Greunen

### REGISTERED OFFICE

Deloitte & Touche House  
Charlotte's Quay  
Limerick  
V94X63C

### BANKERS

Barclays Bank Plc  
47/48 St. Stephen's Green  
Dublin 2

### SOLICITOR

James J Kelly & Son,  
Solicitors,  
Patrick Street,  
Templemore,  
Co. Tipperary

### INDEPENDENT AUDITORS

Baker Tilly  
Joyce House  
21-23 Holles Street  
Dublin  
Ireland  
D02 YP92

### COMPANY SECRETARY

K. Quinn

# LISHEEN MILLING LIMITED

(Registration Number 261670)

Annual Financial Statements for the year ended 31 March 2022

## DIRECTORS' REPORT

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The directors present their report and the audited financial statements for the financial year ended 31 March 2022.

### Review of activities

#### Main business and operations

The activity of the company ceased in February 2016 due to the unavailability of ore following the exhaustion of ore reserves at the Lisheen Mine Partnership in December 2015. The final shipment of concentrate occurred in February 2016. Hence the company ceased to trade on 29th February 2016.

#### 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.

The directors of Lisheen Milling Limited have received confirmation that Vedanta Limited, an ultimate holding company of the company is fully prepared and able to support the company as necessary.

#### Events after reporting date

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

#### Directors' and secretary's interests

The directors and secretary had no interests in the shares of the company at either 1 April 2021 or 31 March 2022.

None of the directors have notified the company secretary of any interests in the shares of the ultimate parent company and its related companies.

#### Fair review of performance

The result of the financial year is satisfactory.

Management have a comprehensive closure plan for the operation and are committed to implementing an effective and best practice closure that fully addresses regulatory authority permit requirements. Employees have been engaged throughout the closure planning process. Management is committed to actively pursuing the post closure sustainable development potential of the site.

#### Results

The result for the financial year ended 31 March 2022 is a profit of US\$447,587 (2021: loss of US\$9,281,603).

The directors did not declare a dividend.

# LISHEEN MILLING LIMITED

(Registration Number 261670)

Annual Financial Statements for the year ended 31 March 2022

## DIRECTORS' REPORT

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### Risks and uncertainties

Risk management is embedded in our critical business activities, functions and processes. Our management systems, organisational structures, processes, standards, and code of conduct together form our internal control systems, which govern how we conduct the business and manage all associated risks. Materiality and tolerance for risk are key considerations in our decision-making.

### RISK

Health, safety

### IMPACT

The resources sector is subject to extensive health, safety and environmental laws, regulations and standards. Evolving regulations, standards and stakeholder expectations could result in increased cost and litigation.

### MITIGATION

Health, Safety and Environment (HSE) is a high priority. Compliance with international and local regulations and standards, and protecting our people, communities and the environment from harm, are our key focus areas.

### Future developments

There is no future development to be disclosed.

### Directors

The directors who served throughout the year are listed on page 1. The directors are not required to retire by rotation.

### Accounting records

To ensure that proper accounting records are kept in accordance with Section 281 to 285 of the Companies Act 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems.

The accounting records are located at the company's office at The Forum Sandton, Johannesburg, Gauteng.

### Composition of the group

The Company's immediate parent company is Vedanta Lisheen Holdings Limited. Vedanta Lisheen Holdings Limited is 100% owned by THL Zinc Holdings B.V., a company incorporated in the Netherlands. THL Zinc Holdings BV is a subsidiary of Vedanta 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 (2021: US\$nil).

### 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
- 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.

# LISHEEN MILLING LIMITED

(Registration Number 261670)

Annual Financial Statements for the year ended 31 March 2022

## DIRECTORS' REPORT

---

### Auditor

Ernst & Young, resigned as auditors during the financial year and the directors appointed Baker Tilly to fill the vacancy.

The auditors, Baker Tilly have indicated their willingness to continue in office in accordance with the provisions of the section 383 (2) of the Companies Act.

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P. Singla  
Director  
Date: 08/07/2022

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P. Van Greunen  
Director  
Date: 08/07/2022

# LISHEEN MILLING LIMITED

(Registration Number 261670)

Annual Financial Statements for the year ended 31 March 2022

## DIRECTORS' RESPONSIBILITY STATEMENT

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The directors are responsible for preparing 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 Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identifying those standards and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the directorship 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.

The annual financial statements as set out on pages 9 to 20 were approved by the board on 8 July 2022 and were signed on their behalf by:

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P. Singla

Director

Date: 08/07/2022

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P. Van Greunen

Director

Date: 08/07/2022

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

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### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Lisheen Milling Limited ('the Company') for the year ended 31 March 2022, which comprise the Income statement, statement of financial position, statement of changes in equity and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council.

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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Qualifying Directors' ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Qualifying Directors' ability to continue as a going concern.

We have nothing to report in this regard.

## **Other information**

The directors are responsible for the other information. The other information comprises the information included in the director's report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

## **Matters on which we are required to report by exception**

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2014**

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year ended for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

## **Respective Responsibilities**

### **Responsibilities of the Directors for the Financial Statements**

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our auditor's report.

**The purpose of our audit work and to whom we owe our responsibilities**

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

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Aidan Kearney  
For and on behalf of  
Baker Tilly  
Statutory Audit Firm  
Joyce House  
21-23 Holles Street  
Dublin 2

Date: 08/07/2022



# LISHEEN MILLING LIMITED

(Registration Number 261670)

Financial Statements for the year ended 31 March 2022

## STATEMENT OF COMPREHENSIVE INCOME

Figures in US\$	Notes	2022	2021
Profit from sale of fixed assets		-	1,702,454
Operating expenses	4	110,220	(11,291,995)
<b>Operating profit / (loss)</b>		<b>110,220</b>	<b>(9,589,541)</b>
Interest receivable and similar income	5	454,723	412,834
<b>Profit / (loss) before tax</b>		<b>564,943</b>	<b>(9,176,707)</b>
Taxation	6	(117,356)	(104,896)
<b>Profit / (loss) for the year</b>		<b>447,587</b>	<b>(9,281,603)</b>

# LISHEEN MILLING LIMITED

(Registration Number 261670)

Financial Statements for the year ended 31 March 2022

## STATEMENT OF FINANCIAL POSITION

Figures in US\$	Notes	2022	2021
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	7	1,287,031	1,287,031
		<b>1,287,031</b>	<b>1,287,031</b>
<b>Current Assets</b>			
Trade and other receivables	8	11,284,319	11,105,230
Cash and cash equivalents	9	48,018	88,906
		<b>11,332,337</b>	<b>11,194,136</b>
Trade and other payables	10	(14,790)	(10,453)
<b>Net Current Assets</b>		<b>11,317,547</b>	<b>11,183,683</b>
<b>Total Assets less Current Liabilities</b>		<b>12,604,578</b>	<b>12,470,714</b>
Provisions	11	(1,594,830)	(1,908,553)
<b>Net Assets</b>		<b>11,009,748</b>	<b>10,562,161</b>
<b>Equity and Liabilities</b>			
<b>Capital and Reserves</b>			
Called-up share capital - presented as equity	12	2,000	2,000
Profit and loss		11,007,748	10,560,161
		<b>11,009,748</b>	<b>10,562,161</b>
<b>Total Equity and Liabilities</b>		<b>11,009,748</b>	<b>10,562,161</b>

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

\_\_\_\_\_  
P. Singla  
Director  
Date: 08/07/2022

\_\_\_\_\_  
P. Van Greunen  
Director  
Date: 08/07/2022

# LISHEEN MILLING LIMITED

(Registration Number 261670)

Financial Statements for the year ended 31 March 2022

## STATEMENT OF CHANGES IN EQUITY

Figures in US\$	Share capital	Retained earnings	Total
<b>Balance at 1 April 2020</b>	2,000	19,841,764	19,843,764
<b>Total comprehensive loss for the year</b>			
Loss for the year		(9,281,603)	(9,281,603)
<b>Total comprehensive loss for the year</b>	-	(9,281,603)	(9,281,603)
<b>Balance at 31 March 2021</b>	<b>2,000</b>	<b>10,560,161</b>	<b>10,562,161</b>
<b>Balance at 1 April 2021</b>	2,000	10,560,161	10,562,161
<b>Total comprehensive profit for the year</b>			
Profit for the year		447,587	447,587
<b>Total comprehensive profit for the year</b>	-	447,587	447,587
<b>Balance at 31 March 2022</b>	<b>2,000</b>	<b>11,007,748</b>	<b>11,009,748</b>

# LISHEEN MILLING LIMITED

(Registration Number 261670)

Financial Statements for the year ended 31 March 2022

## ACCOUNTING POLICIES

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### 1. General information

Lisheen Milling Limited is a limited liability company incorporated in the Republic of Ireland. The registered office of the Company is in Deloitte & Touche House, Charlotte's Quay, Limerick, Ireland.

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

### Statement of compliance and basis of accounting

The company prepares its financial statements denominated in US dollars. The principal accounting policies adopted by the company are set out below.

### 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.

# LISHEEN MILLING LIMITED

(Registration Number 261670)

Financial Statements for the year ended 31 March 2022

## ACCOUNTING POLICIES

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### **General information continued...**

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
  - 134-136 (capital management disclosures).
- AS 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.

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)

Disclosure requirements of IFRS 9: Financial Instruments

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 13.

### **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.

The directors of Lisheen Milling Limited have received confirmation that Vedanta Limited, an ultimate holding company of the company is fully prepared and able to support the company as necessary.

### **Revenue recognition**

Revenue is derived from the sale of zinc and lead concentrates. Sales of concentrate ate stated net of smelter treatment charges and deductions. A sale is recognised when the significant risks and rewards of ownership have passed.

Typically, sales are made on either a spot or a provisionally priced basis. Where sales are provisionally priced, revenue is initially recorded at the London Metal Exchange (LME) cash settlement price at the bill of lading date and future price movements are included as mark to market adjustments within revenue until the price is fixed in the Quotational Period (the market period selected to establish the pricing of metals), using the LME average market price for that period. "Provisionally priced" sales are marked to market at each reporting date using LME official forward prices for the applicable Quotational Period.

# LISHEEN MILLING LIMITED

(Registration Number 261670)

Financial Statements for the year ended 31 March 2022

## ACCOUNTING POLICIES

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### *General information continued...*

#### **Dividends**

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

#### **Income tax**

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.

#### **Foreign currency translation**

#### **Functional and presentation currency**

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 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 statement of financial position date. The resulting profits or losses are dealt with in the statement of comprehensive income.

#### **Property, plant and equipment**

##### **Freehold Land**

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

##### **Plant, equipment and buildings**

Plant, equipment and buildings are stated at cost less accumulated depreciation.

##### **Mobile equipment**

Mobile equipment is stated at cost less accumulated depreciation. Mobile equipment is depreciated over its expected useful lives on the straight line method over three years.

##### **Impairment**

At each statement of financial position date, the net book value of tangible assets is reviewed and compared to its recoverable value. Expected future cash flows from the assets are discounted to their present values in determining the recoverable amount. If the recoverable amount is less than the 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 period 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.

# LISHEEN MILLING LIMITED

(Registration Number 261670)

Financial Statements for the year ended 31 March 2022

## ACCOUNTING POLICIES

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### *General information continued...*

#### **Retirement benefit obligations**

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

#### **Provisions for liabilities**

Provisions are recognised when the company has a legal or constructive obligation as a result of a past event, a reliable estimate of that obligation can be made and it is probable that an outflow of economic benefits will be required to settle the obligation.

When the effect of the time value of money is material, provisions are recognised at a discounted rate. The discount rate is based on an inflation rate of 2% and the rate of return on the deposit and the finance charge is included in the statement of comprehensive income and added to the provision each financial year.

#### **Closure costs**

Provision is made for the estimated closure and related costs arising at the end of the economic useful life of the mill. This provision represents the present value, at the statement of financial position date, of the estimated costs of restoring the environment disturbance. Changes in these estimates and changes to the discount rate are dealt with prospectively in the financial statements.

## **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.

#### **Impairment**

Management reviews its property, plant and equipment, 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.

# LISHEEN MILLING LIMITED

(Registration Number 261670)

Financial Statements for the year ended 31 March 2022

## ACCOUNTING POLICIES

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### *General information continued...*

#### **Provision for closure costs**

Provision is made for costs associated with restoration and rehabilitation of the mineral processing site as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of mineral processing industries and they are normally incurred at the end of production life. Management estimates are based on local legislation and/or other agreements. The actual costs and cash outflows may differ from estimated because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. Details of the closure provision are disclosed in note 11.



# LISHEEN MILLING LIMITED

(Registration Number 261670)

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in US\$

### 3. Employees and remuneration

The company had no employees during the financial year (2021: nil).

### 4. Operating expenses

	2022	2021
Loss on foreign currency exchange	110,220	30,745
Provision for doubtful debt	-	11,261,250
	<u>110,220</u>	<u>11,291,995</u>

### 5. Interest receivable and similar income

	2022	2021
Interest receivable on inter-company loans	<u>454,723</u>	<u>412,834</u>

### 6. Taxation

	2022	2021
Current tax	<u>117,356</u>	<u>104,896</u>

The tax on profit is greater than the charge at the standard rate of tax for the following reasons:

Profit before taxation	(564,943)	(9,176,707)
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax of 12.5%	(70,618)	(1,147,088)

#### Factors affecting tax charge:

Non taxable income and non deductible expenses	70,618	1,147,088
Income taxable at higher rate	<u>(117,356)</u>	<u>(104,896)</u>
	<u>(117,356)</u>	<u>(104,896)</u>

# LISHEEN MILLING LIMITED

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in US\$

### 7. Property, plant and equipment

	Freehold Land US\$	Total US\$
Cost:		
At 1 April 2021	1,287,031	1,287,031
Reclassification	-	-
Disposals	-	-
At 31 March 2022	<u>1,287,031</u>	<u>1,287,031</u>
Depreciation and Impairment:		
At 1 April 2021	-	-
Charge for the year	-	-
Disposals	-	-
At 31 March 2022	<u>-</u>	<u>-</u>
Net Book Value:		
At 31 March 2022	<u>1,287,031</u>	<u>1,287,031</u>
At 31 March 2021	<u>1,287,031</u>	<u>1,287,031</u>

### 8. Trade and other receivables

	2022	2021
Trade debtors	860,892	182,902
Amounts due by group companies	10,423,427	10,918,479
Corporate tax	-	3,849
10. Trade and other payables	<u>11,284,319</u>	<u>11,105,230</u>

Amounts due by Group Companies include a \$10m unsecured loan with an interest rate of 2.3% to Twinstar Holdings Ltd and a \$10m unsecured loan with an interest rate of 2% to Namzinc (Proprietary) Limited. Other intercompany amounts are unsecured non - interest bearing.

The Twinstar Holdings Limited loan is subordinated to bonds issued by Vedanta Resources and is therefore non current in nature. Further to this, on the 31st March 2022 the amount owing by Twinstar Holdings Limited of USD 11,404,417 was fully provided for.

### 9. Cash and cash equivalents

	2022	2021
Cash at bank and in hand		
Bank balances	<u>48,018</u>	<u>88,906</u>

At 31 March 2022, the company's cash balance included funds of US\$36,424 (2021: US\$78,992) held in a current account for the purpose of Mine Closure activities. These funds were drawn down from the Restricted Cash account held in related companies.

# LISHEEN MILLING LIMITED

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Financial Statements for the year ended 31 March 2022

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in US\$

<b>10. Trade and other payables</b>	<b>2022</b>	<b>2021</b>
Trade creditors	9,693	-
Value Added Tax	-	10,453
Corporate tax	5,097	-
	<u>14,790</u>	<u>10,453</u>

  

<b>11. Provision for liabilities and charges</b>	<b>2022</b>	<b>2021</b>
<b>Provision for closure costs</b>		
Carrying amount at the beginning of the year	1,908,553	2,078,860
Charge/(Release) for the financial year	(182,744)	58,208
Unwinding of discount rate	12,384	19,006
Paid during the financial year	(46,566)	(247,521)
Foreign exchange gain/(loss)	(96,798)	-
	<u>1,594,829</u>	<u>1,908,553</u>

The provision represents the present value at the statement of financial position date of the estimated costs of restoring the environmental disturbance at the end of the economic useful life of the mineral processing site. These costs are expected to be incurred up to and including September 2020. The provision has been estimated using existing technology, at current prices inflated at 2% (2021: 2%) and discounted using a discount rate of 1.49% (2021: 0.77%). The estimate of future costs to restore the environmental disturbance and reviewed and approved on a quarterly basis by the Environmental Protection Agency (Ireland), the Department of Communications, Climate Action and Environment and the Tipperary County Council through the mechanism of the Mine Closure and Rehabilitation Agreement.

<b>12. Called-up share capital presented as equity</b>	<b>2022</b>	<b>2021</b>
<b>Authorised</b>		
500,000 'A' ordinary shares @ US\$1 each	500,000	500,000
500,000 'B' ordinary shares @ US\$1 each	500,000	500,000
	<u>1,000,000</u>	<u>1,000,000</u>
<b>Issued</b>		
1,000 'A' ordinary shares @ US\$1 each	1,000	1,000
1,000 'B' ordinary shares @ US\$1 each	1,000	1,000
	<u>2,000</u>	<u>2,000</u>

The rights attached to the above classes of ordinary shares are as below:

The holders of a majority of the issued 'A' ordinary shares may from time to time appoint additional persons to be directors but not more than two persons. 'B' ordinary shareholders do not have the aforementioned rights.

### 13. Dividend

A dividend of \$nil was declared and paid during the year (2021:\$0)

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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Figures in US\$

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### 14. Parent company

The company is a wholly owned subsidiary of Vedanta Lisheen Holdings Limited, incorporated in Ireland. Vedanta 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.

### 15. Events after the reporting date

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

### 16. Approval of annual financial statements

These financial statements were approved by the board of directors and authorised for issue on 8 July 2022.