

**REPORTS AND FINANCIAL STATEMENTS**

**LISHEEN MILLING LIMITED**

**FOR THE YEAR ENDED 31 MARCH 2021**

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FOR THE YEAR ENDED 31 MARCH 2021**

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**LISHEEN MILLING LIMITED  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**DIRECTORS AND OTHER INFORMATION**

<b>DIRECTORS</b>	P. Singla (India) P. Van Greunen (South Africa) (Appointed 4 May 2020) D. Naidoo (South Africa) (Resigned 4 May 2020) A. Kumar (India) (Resigned 30 June 2020)
<b>SECRETARY</b>	K. Quinn
<b>REGISTERED OFFICE</b>	Deloitte & Touche House Charlotte's Quay Limerick V94X63C
<b>COMPANY NUMBER</b>	261670
<b>AUDITOR</b>	RAKESH M AGRAWAL & ASSOCIATES Chartered Accountants and Statutory Audit Firm H. No. 307, Agrawal Society, Nazrana Compound, Bhiwandi,Thane – 421302, India.
<b>BANKER</b>	Barclays Bank Plc 47/48 St. Stephen's Green Dublin 2
<b>SOLICITOR</b>	James J Kelly & Son, Solicitors, Patrick Street, Templemore, Co. Tipperary

**LISHEEN MILLING LIMITED  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**DIRECTORS' REPORT**

The directors present their report and the audited special purpose financial statements for the financial year ended 31 March 2021.

**PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

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.

**FAIR REVIEW OF PERFORMANCE**

The result for the financial year is satisfactory.

Management has 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 AND DIVIDENDS**

The loss after tax for the year for the financial year was US\$8,733,352 (2020: loss of US\$746,176).

A dividend of nil was paid during the financial year (2020: \$2,107,565).

**RISKS AND UNCERTAINTIES**

Risk management is embedded in our critical business activities, functions and processes. Our management systems, organizational 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.

<b>RISK</b>	<b>IMPACT</b>	<b>MITIGATION</b>
Health and safety	Reputational risk associated with serious injury on construction site.	We have appropriate policies and standards in place to mitigate and minimize any health and safety related occurrences. Structured monitoring, a review mechanism and system of positive compliance reporting are in place. There is a strong focus on safety during project planning/execution with adequate thrust on contract workmen safety.

**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.

**FUTURE DEVELOPMENT**

There is no future development to be disclosed.

**DIRECTORS' REPORT (CONTINUED)**

**COMPOSITION OF THE GROUP**

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

**DIRECTORS**

The directors who served throughout the year are listed on page 3. The directors are not required to retire by rotation.

**DIRECTORS' AND SECRETARY'S INTERESTS**

The directors and secretary had no interests in the shares of the company at either 1 April 2020 or 31 March 2021. None of the directors have notified the company secretary of any interests in the shares of the ultimate parent company and its related companies.

**POLITICAL DONATIONS**

The company did not make any political donations during the year (2020: US \$ nil).

**ACCOUNTING RECORDS**

To ensure that proper accounting records are kept, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerized accounting systems. The accounting records are located at the company's office at The Forum Sandton, Johannesburg, Gauteng.

**GOING CONCERN**

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

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

**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 auditors are aware of that information.

Signed on behalf of the Board



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P.Singla

Director

Date: 20<sup>th</sup> July 2021

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

The directors have prepared the financial statements in accordance with Indian Accounting Standards ("Ind AS"). The financial statements under Ind AS are prepared for the purpose of preparing consolidated financial statement of holding company, Vedanta Limited. These financial statements are non-statutory accounts.

The directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company and of the profit or loss for that year.

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

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

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, balance sheet and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report are in compliance of applicable laws 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



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P. Singla  
Director  
Date: 20<sup>th</sup> July 2021

## INDEPENDENT AUDITOR'S REPORT

To  
The Board of Directors  
Lisheen Milling Limited

### Opinion

We have audited the financial statements of "Lisheen Milling Limited" ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes In Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (Statements). In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit including other comprehensive income and changes in equity for the year ended on that date.

### Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters relating 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. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility

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 SAs 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.

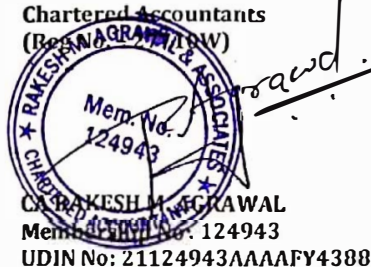
As part of an audit in accordance with SAs specified under Section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- We communicate with those charged governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Other Matter

The financial statements are prepared to assist Vedanta Limited, holding Company to prepare its consolidated financial statements as per generally accepted accounting principles in India. As a result, the financial statement may not be suitable for another purpose. Our report is intended solely for the Company and its holding Company and should not be distributed or used by parties other than for the preparation of consolidated financial statement of holding Company. We hereby provide consent that a copy may be provided to auditors of holding Company.

For RAKESH M AGRAWAL & ASSOCIATES  
Chartered Accountants  
(Rakesh M Agrawal & Associates)



Place: Bhiwandi  
Date: 20/07/2021



**LISHEEN MILLING LIMITED****STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	31 March 2021 US\$	31 March 2020 US\$
Profit from sale of fixed assets		1,702,454	-
Operating expenses	4	(10,743,744)	(1,036,048)
<b>OPERATING LOSS</b>		<b>(9,041,290)</b>	<b>(1,036,048)</b>
Interest receivable and similar income	5	412,834	405,000
<b>LOSS BEFORE TAXATION</b>		<b>(8,628,456)</b>	<b>(631,048)</b>
Taxation	6	(104,896)	(115,128)
<b>LOSS FOR THE YEAR</b>		<b>(8,733,352)</b>	<b>(746,176)</b>

**LISHEEN MILLING LIMITED****STATEMENT OF BALANCE SHEET  
AS AT 31 MARCH 2021**

	Notes	31 March 2021 US\$	31 March 2020 US\$
<b>FIXED ASSETS</b>			
Property, plant and equipment	7	1,287,031	1,118,542
		<b>1,287,031</b>	1,118,542
<b>CURRENT ASSETS</b>			
Trade and other receivables	8	11,653,481	20,473,779
Cash at bank and in hand	9	88,906	424,060
		<b>11,742,387</b>	20,897,839
<b>TOTAL CURRENT ASSETS</b>			
Trade and other payables	10	(10,453)	(93,757)
		<b>11,731,934</b>	20,804,082
<b>NET CURRENT ASSETS</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
Provision for liabilities and charges	11	(1,908,553)	(2,078,860)
		<b>11,110,412</b>	19,843,764
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Called-up share capital – presented as equity	12	2,000	2,000
Profit and loss account	12	11,108,412	19,841,764
		<b>11,110,412</b>	19,843,764
<b>TOTAL EQUITY</b>			

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



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P. Singla

Director

Date: 20<sup>th</sup> July 2021

## LISHEEN MILLING LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2021

	Share Capital Presented as Called- up Equity US\$	Profit and loss account US\$	Total US\$
<b>At 31 March 2019</b>	<b>2,000</b>	<b>22,695,506</b>	<b>22,697,506</b>
Loss for the financial year	-	(746,176)	(746,176)
Other Comprehensive Income	-	-	-
<b>Total comprehensive loss</b>	-	(746,176)	(746,176)
Dividends paid	-	(2,107,566)	(2,107,566)
<b>At 31 March 2020</b>	<b>2,000</b>	<b>19,841,764</b>	<b>19,843,764</b>
Loss for the financial year	-	(8,733,352)	(8,733,352)
Other Comprehensive Income	-	-	-
<b>Total comprehensive loss</b>	-	(8,733,352)	(8,733,352)
Dividends paid	-	-	-
<b>At 31 March 2021</b>	<b>2,000</b>	<b>11,108,412</b>	<b>11,110,412</b>

## **1 ACCOUNTING POLICIES**

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.

### **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 financial statements have been prepared under the historical cost convention and in accordance with the applicable Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) ruled 2015, and other relevant provision of Indian Companies Act 2013 (the Act), (as amended from time to time). The financial statements under Ind AS are prepared for the purpose of preparing consolidated financial statement of holding company, Vedanta Limited. These financial statements are non-statutory accounts.

The preparation of financial statements 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.

Since the financial statements have been prepared for special purpose for its parent Vedanta Limited, the following exemptions have been applied in the preparation of these financial statements:

- statement of cash flows,
- a statement of balance sheet 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,
- requirement for minimum of two primary statements, including cash flow,
- additional comparative information,
- requirements for a third statement of balance sheet,
- cash flow statement information,
- capital management disclosures,
- requirement for the disclosure of information when an entity has not applied a new Ind AS that has been issued but is not yet effective,
- to disclose related party transactions entered into between two or more members of a group,
- disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities,
- disclosure requirements for Financial Instruments

**1. ACCOUNTING POLICIES (continued)**

Where relevant, equivalent disclosures have been given in the group accounts of Vedanta Resources Limited. 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 Mine Partnership have received confirmation that Vedanta Limited, an ultimate holding company of the company is fully prepared and able to support the company as necessary.

**TANGIBLE ASSETS**

**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 balance sheet 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 unamortized 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 profit and loss in the period in which it arises as additional depreciation.

Impairment losses which have been previously recognized 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 profit and loss to the extent of the original recognition of the impairment.

**1. ACCOUNTING POLICIES (Continued)**

**TAXATION**

Corporation tax is provided on taxable profits at current attributable rates. Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date.

Deferred tax is not recognized on permanent differences. Deferred tax assets are recognized 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**

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 balance sheet date. The resulting profits or losses are dealt with in the statement of profit and loss.

**REVENUE**

Revenue is derived from the sale of zinc and lead concentrates. Sales of concentrate are stated net of smelter treatment charges and deductions. A sale is recognized 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.

**DIVIDENDS**

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

**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.

**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 financial statement.

### **PROVISION FOR LIABILITIES**

Provisions are recognized 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 recognized at a discounted rate. The discount rate is based on an inflation rate of 1.88% and the rate of return on the deposit and the finance charge is included in the statement of profit and loss and added to the provision each financial year.

## **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 recognized 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.

### **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 (i).

## **3. EMPLOYEES AND REMUNERATION**

The company had no employees as at 31 March 2021 and 2020.

4. OPERATING EXPENSES

	31 March 2021 US\$	31 March 2020 US\$
Loss on foreign currency exchange	30,745	44,123
Provision for doubtful debt	10,631,167	-

Directors' remuneration and auditor's remuneration are borne by Lisheen Mine Partnership, a related entity.

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	31 March 2021 US\$	31 March 2020 US\$
Interest receivable on intercompany loans	412,834	405,000

6. TAXATION

	31 March 2021 US\$	31 March 2020 US\$
Corporation tax charge for the financial year	104,896	115,128
	<u>104,896</u>	<u>115,128</u>

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

	31 March 2021 US\$	31 March 2020 US\$
Profit before taxation	(8,628,456)	(631,048)
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax of 12.5%	(1,078,557)	(78,881)
<b>Factors affecting tax charge:</b>		
Non-taxable income and non-deductible expenses	1,078,557	78,881
Income taxable at higher rate	104,896	115,128
Current tax charge for the financial year	<u>104,896</u>	<u>115,128</u>

7 TANGIBLE ASSETS

	Plant, Equipment and Buildings US\$	Freehold Land US\$	Total US\$
<b>Cost:</b>			
At 1 April 2020	27,093,124	1,118,542	28,211,666
Transfers from Lisheen Mine Partnership	-	366,411	366,411
Disposals	(27,093,124)	(197,922)	(27,291,046)
At 31 March 2021	<u>-</u>	<u>1,287,031</u>	<u>1,287,031</u>



**7 TANGIBLE ASSETS (continued)**

**Depreciation and Impairment:**

At 1 April 2020	27,093,124	-	27,093,124
Disposals	(27,093,124)	-	(27,093,124)
At 31 March 2021	-	-	-
<b>Net Book Value At 31 March 2021</b>	<b>-</b>	<b>1,287,031</b>	<b>1,287,031</b>

	<b>Plant, Equipment and Buildings US\$</b>	<b>Freehold Land US\$</b>	<b>Total US\$</b>
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**Cost:**

At 1 April 2019	27,093,124	1,118,542	28,211,666
Disposals	-	-	-
At 31 March 2020	27,093,124	1,118,542	28,211,666

**Depreciation and Impairment:**

At 1 April 2019	27,093,124	-	27,093,124
Disposals	-	-	-
At 31 March 2020	27,093,124	-	27,093,124

<b>Net Book Value At 31 March 2020</b>	<b>-</b>	<b>1,118,542</b>	<b>1,118,542</b>
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**8 TRADE AND OTHER RECEIVABLES**

	<b>31 March 2021 US\$</b>	31 March 2020 US\$
Other debtors	<b>1,993,486</b>	76,028
Amounts due by group companies	<b>9,656,146</b>	20,397,750
Corporation tax	<b>3,849</b>	-
	<b>11,653,481</b>	20,473,779

Amounts due by Group Companies include a \$10m unsecured loan with an interest rate of 2.3% to Twinstar Holdings Ltd and a \$9m unsecured loan with an interest rate of 2% to Namzinc (Proprietary) Limited. Other intercompany amounts are unsecured non - interest bearing.

On the 31<sup>st</sup> March 2021 the amount owing by Twinstar, USD 10 631 167, was fully provided for.

**9 CASH AT BANK AND IN HAND**

	<b>31 March 2021 US\$</b>	31 March 2020 US\$
Cash at bank and in hand	<b>88,906</b>	424,060

At 31 March 2021, the company's cash balance included funds of US\$78,992 (2020: US\$424,061) 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.

**10 TRADE AND OTHER PAYABLES**

	<b>31 March 2021</b>	31 March 2020
	<b>US\$</b>	US\$
VAT	<b>10,453</b>	93,757

**11 PROVISION FOR LIABILITIES AND CHARGES**

	<b>31 March 2021</b>	31 March 2020
	<b>US\$</b>	US\$
<b>Provision for closure costs</b>		
Balance at beginning of financial year	<b>2,078,860</b>	2,187,449
Charge/(Release) for the financial year	<b>58,208</b>	(100,315)
Unwinding of discount rate	<b>19,005</b>	43,584
Paid during the financial year	<b>(247,520)</b>	-
Foreign exchange loss/(gain)	<b>-</b>	(51,859)
Balance at end of financial year	<b>1,908,553</b>	2,078,860

The provision represents the present value at the balance sheet 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% (2020: 1.88%) and discounted using a discount rate of 0.77% (2020: 0.76%). 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.

**12 CALLED-UP SHARE CAPITAL PRESENTED AS EQUITY**

	<b>31 March 2021</b>	31 March 2020
	<b>US\$</b>	US\$
<b>Authorised</b>		
500,000 'A' ordinary shares @ US\$1 each	<b>500,000</b>	500,000
500,000 'B' ordinary shares @ US\$1 each	<b>500,000</b>	500,000
	<b>1,000,000</b>	1,000,000
<b>Allotted, issued and fully paid</b>		
1,000 'A' ordinary shares @ US\$1 each	<b>1,000</b>	1,000
1,000 'B' ordinary shares @ US\$1 each	<b>1,000</b>	1,000
	<b>2,000</b>	2,000
Dividend paid	-	2,107,566
Dividend per share	-	1,054

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 afore mentioned rights.

**13 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 Limited, a company incorporated in the United Kingdom. The consolidated financial statements of Vedanta Resources Limited may be obtained from the Companies House, Cardiff, Wales.

**14 CONTINGENT LIABILITIES**

An amended corporation tax assessment for Lisheen Milling Limited has been issued by the Irish Revenue authorities in respect of the financial years 2006 - 2011. No provision in relation to the claim has been recognized in the financial statements, as the directors do not consider it probable that a significant liability will arise. In December 2011, Lisheen lodged a formal appeal in respect of this revised Revenue assessment. This appeal was held in May & June 2016. No decision has been received to date. Contingent liability is for an amount of €68.21m.

**15 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.

**16 DIVIDEND**

A dividend of \$nil was declared and paid during the year (2020: \$ 2,107,565)

**17 APPROVAL OF FINANCIAL STATEMENTS**

The directors approved the financial statements on 20<sup>th</sup> July 2021.