



RAKESH M. AGRAWAL & ASSOCIATES

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To The Board of Director Of
THL Zinc Holding BV

Opinion

We have audited the financial statements of "THL Zinc Holding BV" ("the Company") which comprise the Balance Sheet as at March 31, 2024, Statement of Profit And Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial 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 ("the Act") 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, 2024 and its profits including other comprehensive income, changes in equity and its cash flows 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 statement 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.

Responsibility 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 Companies Act, 2013 ("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, cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.



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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 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.

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. Misstatement 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 take 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;

(a) identify and assess the risk 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 omission, misrepresentations, or the override of internal control.

(b) 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.

(c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.



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(d) 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 with 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, the holding company, to prepare its consolidated financial statements as per generally accepted accounting principles in India. As a result, the financial statements 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 the holding company. We hereby provide consent that a copy may be provided to auditors of the holding company.

For Rakesh M. Agrawal & Associates

Chartered Accountants

(Firm Registration No. : 127710W)

Rakesh M Agrawal

Proprietor

Membership No. 124943

Place : Bhiwandi

Date : 22 April 2024

Udin No : 24124943BKDFIM8981



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THL Zinc Holding BV
Balance sheet as at 31 March 2024

(Amount in USD)

	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Financial Assets			
(a) Investments	5	38,150,000	226,000,000
(b) Loan	6	-	632,400
		<u>38,150,000</u>	<u>226,632,400</u>
Current assets			
Financial Assets			
(a) Cash and cash equivalents	7	143,389	1,505,750
(b) Loan	8	1,632,400	1,000,000
(b) Others	9	651,492	703,507
Other Current Assets	10	45,514	55,926
		<u>2,472,795</u>	<u>3,265,183</u>
Total		<u>40,622,795</u>	<u>229,897,583</u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	5,110,047	5,110,047
(b) Other equity		(324,959,519)	(325,268,366)
		<u>(319,849,472)</u>	<u>(320,158,319)</u>
Non current liabilities			
Financial Liabilities			
(a) Borrowings	12	1,918,921	3,366,368
		<u>1,918,921</u>	<u>3,366,368</u>
Current liabilities			
Financial Liabilities			
(a) Borrowings	13	358,137,187	546,519,617
(b) Others	14	323,629	59,729
Current tax liabilities	15	92,530	110,188
		<u>358,553,346</u>	<u>546,689,534</u>
Total		<u>40,622,795</u>	<u>229,897,583</u>

The accompanying notes form an integral part of the financial statements

As per our report of even date

For Rakesh M Agrawal & Associates
Chartered Accountants
(Registration No. : 127710W)

Rakesh M Agrawal
Proprietor
Membership No. 124943
Place : Bhiwandi
Date: 22 April 2024



For and on behalf of THL Zinc Holding BV

Anupam Kumar Agarwal

Place : New Delhi
Date: 22 April 2024

THL Zinc Holding BV
Statement of Profit or Loss For the year ended 31 March 2024

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	Notes	(Amount in USD)	
		As at 31 March 2024	As at 31 March 2023
INCOME			
Other income	16	654,625	12,373,949
EXPENDITURE			
Finance cost	17	223,843	5,430,314
Other expenses	18	114,266	154,734
		338,109	5,585,048
Profit before tax		316,516	6,788,901
Tax expense	19	(7,669)	(10,085)
Profit for the year		308,847	6,778,816
Total comprehensive income for the year		308,847	6,778,816
Earning per equity share of EUR 1 each		308,847	6,778,816
Basic EPS and Diluted EPS (USD per share)	21	0.08	1.81

The accompanying notes form an integral part of the financial statements

As per our report of even date

For Rakesh M Agrawal & Associates
Chartered Accountants
(Registration No. : 127710W)

For and on behalf of THL Zinc Holding BV

Rakesh M Agrawal
Proprietor
Membership No. 124943
Place : Bhiwandi
Date: 22 April 2024



Anupam Kumar Agarwal
Anupam Kumar Agarwal

Place : New Delhi
Date: 22 April 2024

THL Zinc Holding BV
Statement of Changes in Equity for the year ended 31 March 2024

	(Amount in USD)			
	Issued Capital	Other Equity reserve [#]	Retained earnings [*]	Total Equity
At 01 April 2022	5,110,047	(429,548,296)	97,501,114	(326,937,135)
Total comprehensive income for the year	-	-	6,778,816	6,778,816
At 31 March 2023	5,110,047	(429,548,296)	104,279,930	(320,158,319)
At 01 April 2023	5,110,047	(429,548,296)	104,279,930	(320,158,319)
Total comprehensive income for the year	-	-	308,847	308,847
At 31 March 2024	5,110,047	(429,548,296)	104,588,777	(319,849,472)

* Retained earnings are created out of profits each year and are available for distribution of dividends or issuance of bonus shares, subject to applicable rules.

Other equity reserve represents adjustments on sale of loan in earlier years.

As per our report of even date

For Rakesh M Agrawal & Associates
Chartered Accountants
(Registration No. : 127710W)

Rakesh M Agrawal
Proprietor
Membership No. 124943
Place : Bhiwandi
Date: 22 April 2024



For and on behalf of THL Zinc Holding BV

Anupam Kumar Agarwal

Place : New Delhi
Date: 22 April 2024

THL Zinc Holding BV
Statement Of Cash Flows
For the year ended 31 March 2024

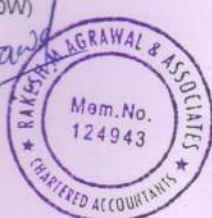
	(Amount in USD)	
	Year ended 31 March 2024	Year ended 31 March 2023
Cash flows from operating activity		
Profit before taxation	316,516	6,788,901
<i>Adjusted for:</i>		
- Interest income	(121,055)	(5,178,827)
- Interest income on OCRPS	(1,130)	(4,900)
- Interest expense	223,373	5,429,609
- Income on fair valuation of inter company loan	-	(7,190,222)
- Gain on redemption of shares	(532,440)	-
	(114,736)	(155,439)
Working capital changes:		
- Change in other receivables	173,358	43,587
- Change in other payables	93,080	(20,326)
	266,438	23,261
Cash used in operations	151,702	(132,178)
Tax paid	(14,073)	(649,194)
Net cash generated/(used) in operating activities	137,629	(781,372)
Cash flow from Investing activities		
Proceeds from repayment of loans given	-	182,500,000
Loan given to related parties	-	(400,000)
Interest received	-	14,498,366
Proceeds from redemption of Optionally Convertible Redeemable Preference Shares ("OCRPS")	187,850,000	-
Net cash generated from investing activities	187,850,000	196,598,366
Cash flow from financing activities		
Repayment of borrowings	(1,447,447)	(179,833,632)
Interest paid	(52,553)	(17,403,724)
Redemption of OCRPS	(187,849,990)	-
Net cash used in financing activities	(189,349,990)	(197,237,356)
Net decrease in cash and cash equivalents	(1,362,361)	(1,420,362)
Cash and cash equivalents at beginning of the year	1,505,750	2,926,112
Cash and cash equivalents at end of the year	143,389	1,505,750

The above cash flow has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows

As per our report of even date

For Rakesh M Agrawal & Associates
Chartered Accountants
(Registration No. : 127710W)

Rakesh M Agrawal
Proprietor
Membership No. 124943
Place : Bhiwandi
Date: 22 April 2024



For and on behalf of THL Zinc Holding BV

Arunam Kumar Agarwal

Place : New Delhi
Date: 22 April 2024

1 Company Overview

THL Zinc Holding B.V. (the "Company") is a private company with limited liability ("Besloten Vennootschap"), existing under the laws of the Netherlands, incorporated on 20 April 2007. The Company has its statutory seat and principal place of business in Amsterdam, the Netherlands. The principal activity of the Company is holding of investments and financing activities.

The financial statements under Ind AS are solely prepared for the purpose of preparing consolidated financial statement of holding company, Vedanta Limited. These financial statements are non-statutory accounts.

Vedanta Limited, has provided the Company with a letter of financial support where it confirms that it will provide the necessary financial support and financing arrangements to enable the Company to meet all its external and group company liabilities, as and when they fall due, over the next eighteen months.

2 Basis of preparation and basis of measurement of financial statements

(a) Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and other applicable recognition and measurement provisions of the Companies Act, 2013 ("the Act") (as amended from time to time).

These financial statements have been prepared in accordance with the accounting policies, set out below and were consistently applied to all periods presented unless otherwise stated.

These financial statements are approved for issue by the Board of Directors on 22 April 2024.

(b) Basis of Measurement

The financial statements have been prepared on a historical-cost basis and are denominated in United States Dollars ("USD").

3(a) Material accounting Policies

(i) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets – Recognition & subsequent measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

For purpose of subsequent measurement, these instruments are classified as debt instruments at amortised cost.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the

(b) Financial Asset - Derecognition

The Company derecognises a financial asset when the contractual rights to cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

(c) Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on the financial assets. At each reporting date, for recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.



3(a) **Material accounting Policies (continued)**
(i) Financial Instruments (continued)

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR.

ECL impairment loss allowance (or reversal) during the year is recognized as income/ expense in profit or loss.

(d) Financial liabilities – Recognition & Subsequent measurement

All financial liabilities are recognised initially at fair value, and in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method.

(e) Financial liabilities – Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(ii) Investment in subsidiary

A subsidiary is an entity (including special purpose entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries represent equity holdings in subsidiaries except preference shares, valued at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Company has taken advantage of paragraph 4(a) of Ind AS 110 - Consolidated Financial Statements", which dispenses it from the need to present consolidated financial statements. The Company is wholly owned by Vedanta Resources Limited which prepares company accounts that comply with International Financial Reporting Standards and these are available for public use from the company secretary, Vedanta Resources Plc, 8th Floor, 20 Farringdon Street, London, EC4A 4AB and at www.vedantaresources.com.

(iii) Accounting for Foreign currency transactions and translations

Functional and presentation currency

The directors consider United States Dollar ("USD") to be the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The USD is the currency in which the Company measures its performance and reports its results, as well as the currency in which it receives capital contribution from its investors. This determination also considers the competitive environment in which the Company operates. The Company's financial statements are presented in USD.

Foreign currency translations

Transactions during the year including income and expenses are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(iii) Accounting for Foreign currency transactions and translations (continued)

Foreign currency transaction gains and losses on financial instruments classified as fair value through profit or loss are included in profit or loss as part of the 'Net gain or loss on financial assets and liabilities at fair value through profit or loss'. Exchange differences on other financial instruments are included in profit or loss as 'Net foreign exchange gains/(losses).



THL Zinc Holding BV
Notes to the Financial Statements (Cont'd)
For the year ended 31 March 2024

3(a) Material accounting Policies (continued)

(iv) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle.
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits which have a maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(vi) Revenue recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Dividend income is recognised in the consolidated income statement only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(vii) Borrowing costs

Borrowing cost includes interest expense as per effective interest rate (EIR).

EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options).

(viii) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the financial position date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax is recognised in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.



3(a) Material accounting Policies (continued)

(viii) Taxation

Deferred income tax assets on accumulated tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3(b) Application of new and revised standards

The Company has adopted, with effect from 01 April 2023, the following new and revised standards and interpretations. Their adoption has not had any material impact on the amounts reported in the financial statements.

1. Ind AS 1 Presentation of financial statements: The amendment requires disclosure of material accounting policies rather than significant accounting policies;
2. Ind AS 12 Income Taxes: The amendment clarifies application of initial recognition exemption to transactions such as leases and decommissioning obligations;
3. Ind AS 8 Accounting Policies, Change in Accounting Estimates and Errors: The amendment replaces definition of 'change in accounting estimates' with the definition of 'accounting estimates'

Standards notified but not yet effective

No new standards have been notified during the year ended 31 March 2024.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Functional currency

The directors consider the USD to be the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The USD is the currency in which the Company measures its performance and reports its results to the members. This determination also considers the competitive environment in which the Company operates.

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has access to resources to continue in business for the foreseeable future.

Estimates and assumptions

At the reporting date, there were no key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



THL Zinc Holding BV
Notes to the Financial Statements (Cont'd)
For the year ended 31 March 2024

Note No. 5	(Amount in USD)	
	As at 31 March 2024	As at 31 March 2023
Financial Assets - Investment		
Investments in subsidiaries (refer note 5(a) and (b))		
<i>In equity shares; at cost</i>	546,160,000	546,160,000
<i>Provision for impairment</i>	(516,160,000)	(516,160,000)
	<u>30,000,000</u>	<u>30,000,000</u>
Other investment		
<i>In preference shares; at cost</i>	8,150,000	196,000,000
	<u>38,150,000</u>	<u>226,000,000</u>

- (a) During the year, there was no trigger for Impairment for the Company's investment held in Vedanta Lisheen Holdings Limited. Aggregate amount of provision for impairment in value of above investment is USD 516,160,000 (31 March 2023 :USD 516,160,000).
- (b) Details of the investments held during the year are provided below:

Company	Principal Activity	Place of operation	Value of Investments at cost less impairment					
			No of Ordinary Shares Held		Proportion of ownership interest			
			2024	2023	2024	2023		
						As at 31 March 2024	As at 31 March 2023	
Equity instruments								
Vedanta Lisheen Holdings Limited	Mining	Ireland	12	12	100%	100%	30,000,000	30,000,000
Total							<u>30,000,000</u>	<u>30,000,000</u>
Preference shares - 0.25% Optionally Convertible Redeemable Preference shares								
THL Zinc Limited ⁽ⁱ⁾	Investing	Mauritius	81,500	1,960,000			8,150,000	196,000,000
							Total	196,000,000
							<u>8,150,000</u>	<u>196,000,000</u>

(i) The Company had invested in 2.4 million, 0.25% Optionally Convertible Redeemable Preference Shares ("OCRPS") of USD 1 each with a premium of USD 99 each of THL Zinc Ltd ("THLZ"). In 2011-12, 440,000 0.25% OCRPS of USD 1 each with a premium of USD 99 each were redeemed by the issuer for the value of USD 44,000,000. During the current year, 1,878,500 0.25% OCRPS of USD 1 each with a premium of USD 99 each were redeemed by the issuer for the value of USD 187,850,000.

Each OCRPS can be converted at the option of the Company into a variable number of equity shares or can be redeemed anytime at the option of the issuer.

Note No. 6

Financial Assets - Non-current - Loan	As at	
	31 March 2024	31 March 2023
Loan to Western Cluster Limited (refer note 8.1)	-	1,000,000
Loan to THL Zinc Limited (refer note 6.1)	178,000	178,000
Loan to THL Zinc Ventures Limited (refer note 6.2)	177,000	177,000
Loan to Monte Cello BV (refer note 6.3)	277,400	277,400
Less: Reclassified to current loan receivable (refer note 8)	(632,400)	(1,000,000)
	<u>-</u>	<u>632,400</u>

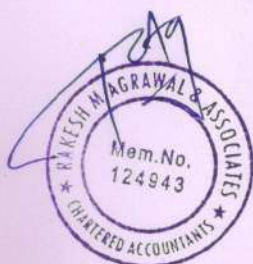
6.1 During financial year 2021-22, the Company has executed an unsecured loan agreement for a facility of USD 1,000,000 with THL Zinc Limited at an interest rate of 7.74% per annum repayable in December 2024. The total drawn amount under this facility is USD 178,000. During the current year, the loan has been reclassified to current liability. As at 31 March 2024, the amount outstanding under this facility was USD 178,000 (31 March 2023: USD 178,000) and accrued interest thereon amounting to USD 26,757 (31 March 2023: USD 12,981).

6.2 During financial year 2021-22, the Company has executed an unsecured loan agreement for a facility of USD 1,000,000 with THL Zinc Ventures Limited at an interest rate of 7.74% per annum repayable on December 2024. The total drawn amount under this facility is USD 177,000. During the current year, the loan has been reclassified to current liability. As at 31 March 2024, the amount outstanding under this facility was USD 177,000 (31 March 2023: USD 177,000) and accrued interest thereon amounting to USD 26,302 (31 March 2023: USD 12,596).

6.3 During financial year 2021-22, the Company has executed an unsecured loan agreement for a facility of USD 200,000 with Monte Cello BV at an interest rate of 7.49% per annum repayable in October 2024. During the previous year, the amount under the said facility has been extended upto USD 1,000,000 with revised interest rate of 5.83% per annum. During the current year, the loan has been reclassified to current liability. As at 31 March 2024, the amount outstanding under this facility was USD 277,400 (31 March 2023: USD 277,400) and accrued interest thereon amounting to USD 26,285 (31 March 2023: USD 10,110).

Note No. 7

Financial Assets - Cash and cash equivalents	As at	
	31 March 2024	31 March 2023
Balances with banks		
- in current accounts	143,389	1,505,750
	<u>143,389</u>	<u>1,505,750</u>



THL Zinc Holding BV
Notes to the Financial Statements (Cont'd)
For the year ended 31 March 2024

Note No. 8	(Amount in USD)	
	As at 31 March 2024	As at 31 March 2023
Financial Assets - Current - Loan		
Loan to Westen Cluster Limited (refer note 8.1)	1,000,000	1,000,000
Loan reclassified from non-current loan receivable (refer note 6)	632,400	-
	<u>1,632,400</u>	<u>1,000,000</u>

8.1 During financial year ended 31 March 2022, the Company had executed an unsecured loan agreement for a facility of USD 50,000,000 with Western Cluster Limited at an interest rate of 7.74% per annum repayable in October 2023. During the current year, the maturity of the loan has been extended for a period of one year. As at 31 March 2024, the amount outstanding under this facility was USD 1,000,000 (2023: USD 1,000,000) and accrued interest thereon amounting to USD 172,860 (2023: USD 95,460).

Note No. 9	(Amount in USD)	
	As at 31 March 2024	As at 31 March 2023
Financial Assets - Current - Others		
Interest receivable on loan to related parties (refer note 24)	252,204	131,149
Interest receivable on OCRPS (refer note 24)	60,457	59,327
Other receivable from related parties (refer note 24)	338,831	513,031
	<u>651,492</u>	<u>703,507</u>

Note No. 10	(Amount in USD)	
	As at 31 March 2024	As at 31 March 2023
Other Current assets		
Income tax receivable	36,828	36,828
Prepaid expenses	8,686	7,843
	<u>45,514</u>	<u>44,671</u>

Note No. 11	As at 31 March 2024		As at 31 March 2023	
	Number	USD	Number	USD
Equity Share Capital				
<u>Authorised</u>				
Equity Shares of EUR 1 each fully paid	20,000,000	27,341,073	20,000,000	27,341,073
0.25% Preference Shares of EUR 1 each fully paid up	25,000,000	34,180,077	25,000,000	34,180,077
<u>Issued, Subscribed and fully Paid up</u>				
Equity Shares of EUR 1 each fully paid	3,738,000	5,110,047	3,738,000	5,110,047
	<u>3,738,000</u>	<u>5,110,047</u>	<u>3,738,000</u>	<u>5,110,047</u>

11.1	As at 31 March 2024		As at 31 March 2023	
	Number	USD	Number	USD
Reconciliation of the number and amount of equity shares outstanding at the beginning and at the end of the year:				
Shares outstanding at the beginning of the year	3,738,000	5,110,047	3,738,000	5,110,047
Shares outstanding at the end of the year	<u>3,738,000</u>	<u>5,110,047</u>	<u>3,738,000</u>	<u>5,110,047</u>

11.2	As at 31 March 2024		As at 31 March 2023	
	Details of shares held by Holding Company			
Equity shares are held by Vedanta Limited	3,738,000		3,738,000	
Percentage of holding	100%		100%	

11.3 Other disclosures relating to Equity Shares

The Company has one class of equity shares having a par value of EUR 1 per share. Each equity shareholder is eligible for one vote per share held. Each equity shareholder is entitled to dividends as and when the Company declares and pays dividend after obtaining shareholders approval. In the event of liquidation of Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.



Note No. 12	(Amount in USD)	
	As at 31 March 2024	As at 31 March 2023
Financial Liabilities - Non-current - Borrowings		
Loan from Cairn India Holdings Limited (refer note 12.1)	1,918,921	3,366,368
	1,918,921	3,366,368

12.1 During the financial year 2018-19, the Company had executed a loan agreement for a facility of USD 200,000,000 with Cairn India Holdings Limited ("CIHL") repayable in July 2022. Post various amendments till financial year 2021-22, the Company has drawn down USD 75,200,000 and repaid USD 6,000,000 under Tranche 1 at an interest rate of 3M LIBOR + 2.50% per annum and USD 122,000,000 at an interest rate of 9.85% per annum under Tranche 2.

During the year 2021-22, the Company has repaid the sum of USD 8,000,000 from the Tranche 1. During the previous year, the Company has further extended the loan under Tranche 1 by 2 years at a revised interest rate of 3M LIBOR + 3.33% per annum and repaid fully loan under Tranche 2 amounting to USD 122,000,000 and a sum amounting to USD 57,833,632 under Tranche 1 of the loan. During the current year, the Company has repaid loan of USD 1,447,447. The maturity of remaining value of loan has been extended till June 2026 with fixed interest rate of 13% per annum. The principal amount of loan outstanding as on 31 March 2024 is USD 1,918,921 (31 March 2023: USD 3,366,368) and accrued interest thereon amounting to USD 182,912 (31 March 2023: USD 12,092).



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Note No. 13	(Amount in USD)	
	As at 31 March 2024	As at 31 March 2023
Financial liabilities - Current - Borrowings		
0.25% Optionally Convertible Preference Shares ("OCRPS") of EUR 1 each fully paid up - Vedanta Limited	358,137,187	546,519,617
Loan from Cairn India Holdings Limited	-	3,366,368
Less: Reclassified to non-current borrowings (refer note 12.1)	-	(3,366,368)
	<u>358,137,187</u>	<u>546,519,617</u>

Optionally Convertible Redeemable Preference Shares ("OCRPS")

The Company had issued 5,500,000, 0.25% OCRPS of Euro 1 each to Vedanta Limited. During the current year, 1,895,821 0.25% OCRPS of Euro 1 each, were redeemed for the value of USD 188,382,430 (including foreign exchange gain of USD 532,440). Each OCRPS can be converted at the option of the investor in to variable number of equity shares or can be redeemed at the option of the Company at any time.

In accordance with IND AS 32 Financial Instruments: Presentation, the Optionally Convertible Redeemable Preference Shares (OCRPS) have been classified as a liability.

Note No. 14	(Amount in USD)	
	As at 31 March 2024	As at 31 March 2023
Financial liabilities - Other		
Interest payable on loan to related party (Refer note 24)	182,912	12,092
Other payables	140,717	47,637
	<u>323,629</u>	<u>59,729</u>

*Other payables are unsecured, interest free and repayable on demand.

Note No. 15	(Amount in USD)	
	As at 31 March 2024	As at 31 March 2023
Current tax liabilities		
Provision for income tax (net of advance tax/TDS)	92,530	98,934
	<u>92,530</u>	<u>98,934</u>

Note No. 16	(Amount in USD)	
	As at 31 March 2024	As at 31 March 2023
Other income		
Interest income on loan to related parties (refer note 24)	121,055	5,178,827
Income on fair valuation of Inter Company Loan	-	7,190,222
Interest income on OCRPS	1,130	4,900
Foreign exchange gain on redemption of shares	532,440	-
	<u>654,625</u>	<u>12,373,949</u>

Note No. 17	(Amount in USD)	
	As at 31 March 2024	As at 31 March 2023
Finance cost		
Interest on loan to related parties (refer note 24)	223,373	5,429,609
Bank charges	470	705
	<u>223,843</u>	<u>5,430,314</u>

Note No. 18	(Amount in USD)	
	As at 31 March 2024	As at 31 March 2023
Other expenses		
Legal and professional fees	91,305	23,683
Audit fees	3,550	4,458
Net loss on foreign currency transactions and translations	1,849	1,965
VAT expenditure	17,561	13,292
Asset written off	-	111,336
	<u>114,266</u>	<u>154,734</u>

Note No. 19	(Amount in USD)	
	As at 31 March 2024	As at 31 March 2023
Taxation		
(i) Current tax	7,669	10,085
	<u>7,669</u>	<u>10,085</u>
(ii) Tax reconciliation		
Profit before taxation	316,516	6,788,901
Income tax as per slabs	66,958	1,705,178
Non-taxable income	-	(1,765,376)
Non-deductible expenses	-	295
Utilisation of tax losses	(59,289)	59,903
Others	-	10,085
Income tax expense recognised in profit and loss	<u>7,669</u>	<u>10,085</u>



THL Zinc Holding BV
Notes to the Financial Statements (Cont'd)
For the year ended 31 March 2024

Note No. 20
Financial Instruments

Fair values

The carrying amounts of other receivables, cash at bank, borrowings and other payables approximate their fair values.

Categories of financial instruments

	(Amount in USD)	
	Year ended 31 March 2024	Year ended 31 March 2023
Financial assets		
Loan and other receivables (including cash and short-term deposits)	2,427,280	3,841,657
Financial liabilities		
Borrowings	360,056,108	549,885,985
Other payables	323,629	59,729
	360,379,737	549,945,714

Strategy in using financial instruments

The Company's activities expose it to a variety of financial risks: Market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(a) Market Risk Management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(b) Interest Rate Risk Management

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. Any excess cash and cash equivalents of the Company are invested in short-term time deposits and liquid funds. The following table details the Company's exposure to interest rate risk. The total interest sensitivity gap represents the net notional amounts of all interest sensitive financial instruments.



THL Zinc Holding BV
Notes to the Financial Statements (Cont'd)
For the year ended 31 March 2024

Note No. 20 (Cont'd)
Financial instruments

(c) Currency Risk Management

The Company is not exposed to the risk that may change in a manner which has material effect on the reported values of the Company's assets which are denominated in other foreign currencies at reporting period.

Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows: (Amount in USD)

	Financial assets*	Financial liabilities	Financial assets	Financial liabilities
	As at	As at	As at	As at
	31 March 2024	31 March 2024	31 March 2023	31 March 2023
United States Dollar	2,427,280	360,379,737	3,841,657	549,945,714

* Does not include investments in subsidiaries and preference shares.

For the year ended 31 March 2024 and 31 March 2023, the Company does not have any material exposure to foreign currencies. Therefore, sensitivity relative to foreign currencies has not been disclosed.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities. The table below illustrates the aged analysis of the Company's financial liabilities.

31 March 2024

	Up to 1 year	More than 1 year	(Amount in USD) Total
Liabilities			
Other payables	323,629	-	323,629
Optionally Convertible Redeemable Preference Shares	358,137,187	-	358,137,187
Long term borrowings	-	1,918,921	1,918,921
Total	358,460,816	1,918,921	360,379,737

31 March 2023

	Up to 1 year	More than 1 year	(Amount in USD) Total
Liabilities			
Other payables	59,729	-	59,729
Optionally Convertible Redeemable Preference Shares	546,519,617	-	546,519,617
Short term borrowings	3,366,368	-	3,366,368
Total	549,945,714	-	549,945,714

(e) Capital risk management

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits, excluding discontinued operations.

The capital structure of the Company consists of stated capital, retained earnings and net debt.



THL Zinc Holding BV
Notes to the Financial Statements (Cont'd)
For the year ended 31 March 2024

Note No. 20 (Cont'd)
Financial Instruments

Strategy in using financial instruments (cont'd)

(Amount in USD)

31 March 2024	Up to 1 year	More than 1 year	Total
Financial Assets			
Non-interest bearing	794,880	-	794,880
Fixed interest bearing	1,632,400	-	1,632,400
Total assets	2,427,280	-	2,427,280
Financial Liabilities			
Non-interest bearing	323,629	-	323,629
Fixed interest bearing	358,137,187	1,918,921	360,056,108
Total liabilities	358,460,816	1,918,921	360,379,737
31 March 2023	Up to 1 year	More than 1 year	Total
Financial Assets			
Non-interest bearing	2,209,257	-	2,209,257
Fixed interest bearing	1,000,000	632,400	1,632,400
Total assets	3,209,257	632,400	3,841,657
Financial Liabilities			
Non-interest bearing	59,729	-	59,729
Fixed interest bearing	546,519,617	-	546,519,617
Variable interest bearing	3,366,368	3,366,368	6,732,736
Total liabilities	549,945,714	3,366,368	553,312,082

Sensitivity analysis

The Company does not have any exposure to the interest bearing financial assets and liabilities for the year ended 31 March 2024, accordingly, sensitivity analysis for the current year is not applicable.

An increase of 100 basis points in interest rates at 31 March 2023 would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit or loss and other equity.

	Profit/(Loss)	
	Year ended 31 March 2024	Year ended 31 March 2023
Variable rate instruments	-	(33,664)
	-	(33,664)

Gearing ratio

The gearing ratio at the year end was as follows:

	31 March 2024	31 March 2023
Debt (i)	360,056,108	549,885,985
Cash and short-term deposits	143,389	1,505,750
Net debt	359,912,719	548,380,235
Equity (ii)	(319,849,472)	(320,158,319)
Net debt to equity ratio (times)	NA	NA

- (i) Debt includes OCRPS, Short term borrowings and long term borrowings
(ii) Equity includes capital, share premium and all reserves of the Company.



THL Zinc Holding BV
Notes to the Financial Statements (Cont'd)
For the year ended 31 March 2024

Earnings Per Share (EPS)	(Amount in USD)	
	Year ended 31 March 2024	Year ended 31 March 2023
Net profit after tax attributable to equity shareholders for basic and diluted EPS	308,847	6,778,816
Weighted average Number of equity shares	3,738,000	3,738,000
Par value per share (EUR)	1	1
	0.08	1.81

Earning Per Share - Basic and diluted

- (i) Optionally Convertible Redeemable Preference Shares ("OCRPS") will be converted at the option of the shareholder into variable number of shares based on the fair value as on the date of conversion. Hence, there would not be dilution of earnings per share.

Contingent liabilities	(Amount in USD)	
	Year ended 31 March 2024	Year ended 31 March 2023

Contingent liabilities and commitments (to the extent not provided for)

(a) Claims against the Company not acknowledged as debt	NIL	NIL
(b) Guarantees	NIL	NIL
(c) Other money for which the Company is contingently liable	NIL	NIL

Note No. 23

There is no separate reportable segment hence information as defined in the IND AS 108 "Segment Reporting" is not applicable.

Note No. 24

Related party transactions

(a) Names of related parties and description of relation:

Entities controlling the Company	Vedanta Incorporated (formerly "Volcan Investments Limited") - Ultimate Holding Company
	Volcan Investments Cyprus Limited - Ultimate Holding Company
Intermediate	Vedanta Resources Limited, UK (along with its wholly owned subsidiaries)
Holding Company	Vedanta Limited
Subsidiaries	Vedanta Lisheen Holdings Limited Lakomasko BV (Deregistered with effect from 03 March 2023)
Fellow subsidiaries with whom transactions have taken place	THL Zinc Limited THL Zinc Ventures Limited Monte Cello BV Bloom Fountain Limited Cairn India Holdings Limited Black Mountain Mining Pty Ltd. Western Cluster Limited



Note No. 24 (Continued)

(b) Related party transactions and outstanding balances

Related party transactions/balances	For the year ended 31 March 2024	For the year ended 31 March 2023
1. Black Mountain Mining Pty Ltd.		
Interest income	-	2,774,319
Interest received	-	2,782,023
Loan repayment	-	60,500,000
2. Bloom Fountain Limited		
Other receivable	1	1
3. Monte Cello BV		
Loan given	-	250,000
Loan receivable	277,400	277,400
Interest income	16,175	9,720
Interest receivable	26,285	10,110
Other receivable	278,702	452,902
4. Lakomasko BV (refer note 5(b))		
Payment of expenses	-	48,651
Other receivable written off	-	111,336
5. THL Zinc Ltd		
Investment in OCRPS	8,150,000	196,000,000
Redemption of investment in OCRPS	187,850,000	-
Loan receivable	178,000	178,000
Loan given	-	75,000
Interest income	13,776	12,098
Interest receivable	26,757	12,981
Interest income on OCRPS	1,130	4,900
Dividend receivable	60,457	59,327
6. Cairn India Holdings Limited (refer note 12.1)		
Interest expense	223,373	5,429,609
Interest payable	182,912	12,092
Interest paid	52,553	17,403,724
Loan payable	1,918,921	3,366,368
Loan repaid	1,447,447	179,833,632
7. Vedanta Holdings Jersey Limited (refer note 24.1)		
Interest income	-	2,293,264
Interest received	-	11,186,031
Income on fair valuation of Inter Company Loan	-	7,190,222
Loan repayment	-	122,000,000
8. Western Cluster Limited		
Interest Income	77,400	77,400
Loan receivable	1,000,000	1,000,000
Interest receivable	172,860	95,460
9. THL Zinc Ventures Ltd		
Interest Income	13,704	12,026
Loan given	-	75,000
Loan receivable	177,000	177,000
Interest receivable	26,302	12,598
Other receivable	60,128	60,128
10. Vedanta Limited		
Redemption of OCRPS	188,382,430	-

