THL Zinc Ventures Ltd

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

THL Zinc Ventures Ltd
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 March 2025

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THL Zinc Ventures Ltd
CORPORATE INFORMATION

		Date of appointment	Date of resignation
DIRECTORS:	Pushpender Singla	13-Mar-23	-
	Bhavana Banymandhub	28-Apr-20	-
	Sevin Chendriah	14-Jul-20	07-Jun-24
	Savinilorna Payandi- pillay Ramen	07-Jun-24	-
	Vandana Ramooah Jhupsee - Alternate Director to Savinilorna Payandi- pillay Ramen	07-Jun-24	-
	Vegambal Ramassami - Alternate Director to Bhavana Banymandhub	07-Jun-24	-

ADMINISTRATOR AND SECRETARY:
IQ EQ Corporate Services (Mauritius) Ltd
33, Edith Cavell Street
Port Louis, 11324
Mauritius

REGISTERED OFFICE:
C/o IQ EQ Corporate Services (Mauritius) Ltd
33, Edith Cavell Street
Port Louis, 11324
Mauritius

BANKER:
Standard Chartered Bank (Mauritius) Limited
6th Floor, Raffles Tower, Lot 9
Cybercity, Ebene 72201
Mauritius

AUDITOR:
Baker Tilly
Level 2, Tribeca Central
Trianon 72261
Mauritius

THL Zinc Ventures Ltd
COMMENTARY OF THE DIRECTORS

The directors present their commentary, together with the audited financial statements of THL Zinc Ventures Ltd (the "Company") for the year ended 31 March 2025.

PRINCIPAL ACTIVITY

The principal activity of the Company is to hold investments in Namibian companies, engaged in mining and smelting of Zinc.

RESULTS AND DIVIDEND

The Company's loss for the year ended 31 March 2025 is **USD 138,195,774** (2024: USD 110,792,864).

The directors did not recommend the payment of dividend for the year ended 31 March 2025 (2024: NIL).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether IFRS Accounting Standards as issued by International Accounting Standard Board have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business in the foreseeable future.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2001.

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.

AUDITOR

The auditor, Baker Tilly, has indicated its willingness to continue in office and its re-appointment will be decided in the next annual meeting.

By order of the Board

Director: 8PayRamen Ramasy

Date: 29 April 2025

CERTIFICATE FROM THE SECRETARY

TO THE MEMBER OF THL Zinc Ventures Ltd
(SECTION 166(D) OF THE MAURITIUS COMPANIES ACT 2001)

We certify, as secretary of THL Zinc Ventures Ltd. ("the Company"), that based on records and information made available to us by the directors and sole shareholder of the Company, the Company has filed with the Registrar of Companies, for the financial year ended 31 March 2025, all such returns as required under the Mauritius Companies Act 2001.

For IQ EQ Corporate Services (Mauritius) Ltd
Company Secretary
33, Edith Cavell Street
Port Louis ,11324
Republic of Mauritius

Date: 29 April 2025

Level 2, Tribeca Central,
Trianon 72261
Mauritius

T: +230 460 8800
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INDEPENDENT AUDITOR'S REPORT
To the Shareholder of THL Zinc Ventures Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of THL Zinc Ventures Ltd (the "Company"), which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of accounting policies.

In our opinion, the accompanying financial statements on pages 7 to 29 give a true and fair view of the financial position of the Company as at 31 March 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as modified by the exemption from consolidation in the Companies Act 2001 for companies holding a Global Business Licence and in compliance with the requirements of the Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants ("IESBA Code")* together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, as modified by the exemption from consolidation in the Companies Act 2001 for companies holding a Global Business Licence and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 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.

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 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 Company's internal control.

► Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

► Conclude on the appropriateness of directors' 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 Company'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 Company to cease to continue as a going concern.

► Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Information

The directors are responsible for the other information. The other information comprises the corporate information, commentary of the directors and certificate from the secretary.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Report on the Audit of the Financial Statements (Continued)

Other Information (Continued)

In connection with our audit of the financial statements, 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, 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.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditor.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Other Matter

This report has been prepared for and only for the Company's shareholder, in accordance with Section 205 of the Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed to our prior consent in writing.

Baker Tilly

Baker Tilly

Date: 30 April 2025

Sin C. LI, CPA, CGMA
Licensed by FRC

THL Zinc Ventures Ltd
Statement of Financial Position
As at 31 March 2025

	Notes	As at 31 March 2025	As at 31 March 2024
			(Amount in USD)
ASSETS			
Non-current asset			
Investment in subsidiary	5	**9,001,000**	9,001,000
Current assets			
Financial assets at fair value through profit or loss	6	**859,268,000**	859,268,000
Other receivables	7	**502,979**	481,501
Cash and cash equivalents		**22,574,503**	5,841,205
Total current assets		**882,345,482**	865,590,706
TOTAL ASSETS		**891,346,482**	874,591,706
EQUITY AND LIABILITIES			
Equity			
Issued capital	8	**608,900,001**	8,900,001
Accumulated losses		**(248,939,095)**	(110,743,321)
Total equity/(Shareholder's deficit)		**359,960,906**	(101,843,320)
Non-current liability			
Borrowings	9	**510,947,768**	958,856,515
		510,947,768	958,856,515
Current liabilities			
Borrowings	9	**-**	177,000
Other payables	10	**20,437,808**	17,401,511
Total current liabilities		**20,437,808**	17,578,511
TOTAL EQUITY AND LIABILITIES		**891,346,482**	874,591,706

These financial statements have been approved by the board of directors and authorised for issued on: 29 April 2025

SPayRamen
………………………………
Director

Ramasy
………………………………
Director

The notes on pages 11 to 29 form an integral part of these financial statements.
Independent auditor's report on pages 4 to 6.

THL Zinc Ventures Ltd
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2025

	Notes	Year ended 31 March 2025	Year ended 31 March 2024
			(Amount in USD)
Finance income			
Interest income	12	**1,977,868**	17,752
Administrative expenses			
Legal and professional fees		**(613,868)**	(831,247)
Other expenses	13	**(4,345)**	(998)
Audit fees		**(9,097)**	(2,850)
Total		**(627,310)**	(835,095)
Finance costs	14	**(139,546,332)**	(109,975,521)
Loss before tax		**(138,195,774)**	(110,792,864)
Tax expense	15	**-**	-
Loss for the year		**(138,195,774)**	(110,792,864)
Total comprehensive loss for the year		**(138,195,774)**	(110,792,864)

The notes on pages 11 to 29 form an integral part of these financial statements.
Independent auditor's report on pages 4 to 6.

THL Zinc Ventures Ltd
Statement of changes in equity
For the year ended 31 March 2025

(Amount in USD)

	Issued capital	Other equity reserve*	Accumulated losses	Total equity/ (Shareholder's deficit)
At 1 April 2023	10,000,001	(504,488,824)	(1,050,457)	(495,539,280)
Capital restructuring (refer note 8)	(1,100,000)	-	1,100,000	-
Reversal of impairment (refer note 6)	-	504,488,824	-	504,488,824
Total comprehensive loss for the year	-	-	(110,792,864)	(110,792,864)
At 31 March 2024	8,900,001	-	(110,743,321)	(101,843,320)
Share capital issued during the year (refer note 8)	**600,000,000**			**600,000,000**
Total comprehensive loss for the year	**-**	**-**	**(138,195,774)**	**(138,195,774)**
At 31 March 2025	**608,900,001**	**-**	**(248,939,095)**	**359,960,906**

* Refer to Note 6

The notes on pages 11 to 29 form an integral part of these financial statements.
Independent auditor's report on pages 4 to 6.

THL Zinc Ventures Ltd
Statement of Cash Flows
For the year ended 31 March 2025

			(Amount in USD)
	Notes	**Year ended 31 March 2025**	Year ended 31 March 2024
Cash flows from operating activities			
Net cash used in operating activities	11	**(7,276,983)**	(58,082)
Cash flows from investing activities			
Investment in OCRPS of THL Zinc Ltd	17	**-**	(187,850,000)
Redemption of OCRPS of THL Zinc Ltd	17	**-**	28,582,000
Cash Received on maturity of fixed deposit		**610,000,000**	-
Investment in fixed deposit		**(610,000,000)**	-
interest received		**1,956,387**	-
Net cash used in investing activities		**1,956,387**	(159,268,000)
Cash flows from financing activities			
Proceeds from issue of share capital		**600,000,000**	-
Proceeds from borrowings		**94,000,000**	975,000,000
Repayment of borrowings		**(550,000,000)**	(8,000,000)
Redemption of OCPRS	17	**-**	(700,000,000)
Interest paid		**(112,200,000)**	(82,701,631)
Other borrowing cost paid		**(9,746,106)**	(19,223,275)
Net cash generated from financing activities		**22,053,894**	165,075,094
Net increase in cash and cash equivalents		**16,733,298**	5,749,012
Cash and cash equivalents at beginning of the year		**5,841,205**	92,193
Cash and cash equivalents at end of the year		**22,574,503**	5,841,205

The notes on pages 11 to 29 form an integral part of these financial statements.

THL Zinc Ventures Ltd
Notes to the Financial Statements
For the year ended 31 March 2025

1 Company overview

THL Zinc Ventures Ltd (the "Company") was incorporated in Mauritius, under the Mauritius Companies Act 2001, on 28 February 2008 as a private company. The Company was granted a Global Business Licence under section 72(6) of the Financial Services Act. The Company's registered office address is c/o IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324, Mauritius. The Company's principal activity is investment holding.

2 Basis of preparation

The financial statements of the Company have been prepared using the going concern principal under the historical cost convention except as disclosed in the accounting policies below and are drawn in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board (IASB) as modified by the exemption from consolidation in the Mauritius Companies Act 2001 for Companies holding a Global Business Licence.

The financial statements have been prepared on a historical-cost basis, except for financial assets, measured at fair value and are denominated in United States Dollars (“USD”)

3(a) Accounting policies

A summary of the material accounting policies, which have been applied consistently, is set out below.

(i) 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. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

(ii) 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

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost or fair value through profit or loss (“FVTPL”).

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Company’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Transaction costs for financial assets at FVTPL are recognised as an expense when incurred. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

For a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are ‘solely payments of principal and interest (“SPPI”)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified into one of two categories
a) Financial assets at FVTPL
a) Financial assets at amortised cost;

Financial assets at FVTPL
Financial assets which are managed and whose performance is evaluated on a fair value basis and those are not classified as measured at amortised cost or FVOCI as described below are measured at FVTPL. This includes investments in debt securities (OCRPS). The Company’s investment in Optionally Convertible Redeemable Preference Shares (“OCRPS”) is classified as a financial asset and measured at fair value through profit or loss (FVTPL) in accordance with IFRS 9. The OCRPS entitle the investor to either: (a) convert the preference shares into a variable number of equity shares of the investee, at the investor’s discretion, based on the fair value of the investee’s equity on the date of conversion; or (b) require redemption of the preference shares at the option of the issuer, at any time.

Financial assets at amortized cost (debt instruments)

A ‘debt instrument’ is measured at 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.

3(a) Accounting Policies (continued)

(ii) Financial instruments (continued)

Financial assets at amortized cost (debt instruments) (continued)

(a) Financial assets – recognition & subsequent measurement (continued)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes cash and cash equivalents, loan to related party and other receivables (note 17).

(b) Financial asset - derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:
• The rights to receive cash flows from the asset have expired.
Or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
(a) the Company has transferred substantially all the risks and rewards of the asset, or
(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(c) Impairment of financial assets

In accordance with IFRS 9, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on the following financial assets:

i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits; and

ii) Other receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IFRS 15.

The Company follows 'simplified approach' for recognition of impairment loss allowance on other receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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-month 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.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company 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 recognised as income/expense in profit or loss. The statement of financial position presentation for various financial instruments is described below:

Financial assets measured at amortised cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the statement of financial position. The Company does not reduce impairment allowance from the gross carrying amount.

THL Zinc Ventures Ltd
Notes to the Financial Statements (Cont'd)
For the year ended 31 March 2025

3(a) Accounting policies (continued)

(ii) Financial instruments (continued)

(c) Impairment of financial assets (continued)

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

(d) Financial liabilities – recognition and subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, or as loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

The Company's financial liabilities include other payables, loans and borrowings.

Financial liabilities and equity instruments issued by the Company

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

Ordinary shares are classified as equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to stated capital. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

3(a) Accounting Policies (continued)

(ii) Financial instruments (continued)

(d) Financial liabilities – recognition and subsequent measurement (continued)

Compound instruments (continued)

Transaction costs that relate to the issue of the compound instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

This category generally applies to borrowings.

(e) Financial liabilities – derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

(f) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iii) Impairment of non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. The Company conducts an internal review of asset values annually, which is used as a source of information to assess for any indications of impairment or reversal of previously recognised impairment losses. Internal and external factors, such as worse economic performance than expected, changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognised impairment losses.

If any such indication exists or in case of goodwill where annual testing of impairment is required then an impairment review is undertaken, the recoverable amount is calculated, as the higher of fair value less costs of disposal and the asset's value in use.

3(a) Accounting Policies (continued)

(iii) Impairment of non-financial assets (continued)

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general. Fair value for mineral and oil and gas assets is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted at an appropriate post-tax discount rate to arrive at the net present value.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use is determined by applying assumptions specific to the Company's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined. The carrying value is net of deferred tax liability recognised in the fair value of assets acquired in the business combination.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit or loss.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised except if initially attributed to goodwill.

(iv) Accounting for foreign currency transactions and translations

The directors consider USD to be the currency that most faithfully represent 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 instruments are prepared in USD.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into functional currencies at exchange rates prevailing on the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss and other comprehensive income.

Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All differences are taken to the statement of profit or loss except those where the monetary item is designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognised in other comprehensive income.

(v) Current and non-current classification

The Company presents assets and liabilities in the statement of financial position 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 12 months after the reporting date.

3(a) Accounting policies (continued)

(v) Current and non-current classification (continued)

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.

(vi) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in 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.

(vii) Related parties

Related parties are individuals and companies, including the management company, where the individual or the Company has the ability directly or indirectly to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(viii) 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.

(ix) Expense recognition

Expenses are accounted for in the statement of profit or loss and other comprehensive income on an accrual basis.

(x) 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.

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 tax 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) (a) Application of new and revised International Financial Reporting Standards ("IFRS")

Up to the date of issue of these financial statements, the IASB has issued the following amendments which are effective for annual periods beginning on or after 01 April 2024:

i Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
ii Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
iii Classification of Liabilities as Current or Non-Current (Amendments to IAS 1);
iv Non-current Liabilities with Covenants (Amendments to IAS 1);

The application of the new and revised IFRS Accounting Standards did not have any an impact on the financial statements.

(b) Standards and interpretations issued and not yet effective for the financial year ended 31 March 2025

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Company has not early adopted them. The directors do not expect that the adoption of the standards listed below would have an impact on the financial statements.

New pronouncement	Effective date
Lack of exchangeability – Amendments to IAS 21	01-Jan-25
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	01-Jan-26
Annual Improvements to IFRS Accounting Standards— Volume 11	01-Jan-26
Contracts Referencing Nature dependent – Amendments to IFRS 9 and IFRS 7	01-Jan-26
IFRS 18 – Presentation and Disclosure in Financial Statements	01-Jan-27
IFRS 19 - Subsidiaries without Public Accountability: Disclosures	01-Jan-27

The amendments are not expected to have a material impact on the Company. The Company has not early adopted any amendments which has been notified but is not yet effective.

4 Significant accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

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. Refer to note 19 for more details.

4 Significant accounting estimates and judgements (continued)

Estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements.

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 and future periods affected.

The information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as given below:

Impairment on investment in subsidiaries

Investments in subsidiaries, associates and joint ventures should be tested for impairment in accordance with IAS 36 (unless the investment is accounted for applying IFRS 9). IAS 36 includes as indications that such an investment could be impaired the fact that the investor recognises a dividend from the investment and there is evidence available that either:
• The carrying amount of the investment in the investor's financial statements exceeds the carrying amounts in the financial statements of the investee's net assets, including associated goodwill
• The dividend exceeds the total comprehensive income of the subsidiary, joint venture or associate in the period the dividend is declared. It is also important to remember that the asset being tested for impairment is the carrying amount of the investment the parent holds, rather than the underlying assets held by the investee.

• Certain assets of the subsidiary that are outside the scope of IAS 36 but that would contribute to the recoverable amount of the investment in the subsidiary, for example investment properties measured at fair value under IAS 40 Investment Property.

• Certain liabilities that are typically required to be ignored when determining the recoverable amount of the CGU but that would reduce the equity value of the investment in the subsidiary. These liabilities may include financial liabilities (e.g. debt) under IFRS 9, lease liabilities under IFRS 16 Leases, provisions under IAS 37 Provisions and current tax liabilities under IAS 12.

Investment in subsidiaries

Investments in subsidiaries are assessed on an annual basis for impairment in accordance with IAS 36. In making this assessment the directors determine the recoverable amount of the investments which is based on discounted cash flow (DCF) and consider among other factors, the financial health and business prospects of the subsidiaries. The use of DCF requires significant judgements, inputs and estimates to be made by management. If the carrying amount of the investment exceeds its recoverable amount, an impairment loss is recognised to reduce the carrying amount.

Fair valuation of financial assets at fair value through profit or loss

The Company may, from time to time, hold financial instruments that are not quoted in active markets, such as its financial assets at fair value through profit or loss amounting to **USD 859,268,000** (2023: USD 859,268,000). Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by experienced personnel at the Company's management. The management's evaluation takes into consideration a business review of the underlying investments (performance development compared with plans) and the actual and planned transactions in the investments.

When the fair values of financial assets recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using other valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

THL Zinc Ventures Ltd
Notes to the Financial Statements
For the year ended 31 March 2025

5 Investment in subsidiary

(Amount in USD)

	As at 31 March 2025	As at 31 March 2024
THL Zinc Ltd	**9,001,000**	9,001,000

Details of the investments held in subsidiary during the year are provided below:

(Amount in USD)

Company	Principal activity	Types of shares	No of shares Held 2025	No of shares Held 2024	Proportion of ownership interests 2025	Proportion of ownership interests 2024	Value of Investments at cost less impairment 2025	Value of Investments at cost less impairment 2024
THL Zinc Ltd	Investment holding	Ordinary	**91,000**	91,000	**100%**	100%	**9,001,000**	9,001,000
Total							**9,001,000**	9,001,000

6 Financial assets at fair value through profit or loss

(Amount in USD)

Company	Principal activity	Types of shares	No of shares Held 2025	No of shares Held 2024	Proportion of ownership interests 2025	Proportion of ownership interests 2024	Value of Investments at cost less impairment 2025 (As at 31 March 2025)	Value of Investments at cost less impairment 2024 (As at 31 March 2024)
THL Zinc Ltd (i)	Investment holding	OCRPS	**8,592,680**	8,592,680	**99.0%**	99.0%	**859,268,000**	859,268,000
Provision for impairment							**-**	(504,488,824)
Reversal of provision for impairment							**-**	504,488,824
							859,268,000	859,268,000
Total							**868,269,000**	868,269,000

i In earlier years, the Company had invested 8.5 million, 0.25% Optionally Convertible Redeemable Preference Shares ("OCRPS") of USD 1 each with a premium of USD 99 each of THL Zinc Ltd. The OCRPS are convertible at option of investor into variable number of equity shares based on the fair value as on the date of conversion at any time, also these are redeemable at the option of issuer at any time. Such OCRPS are expected to be in redeemed in next 12 months, therefore it has been classified as current at fair value.

The fair value of the OCRPS approximate cost at reporting date.

7 Other receivables

(Amount in USD)

	As at 31 March 2025	As at 31 March 2024
Amount due from THL Zinc Ltd* (refer to note 16)	**322,999**	323,000
Accrued interest on OCRPS (refer to note 16)	**179,318**	157,838
Prepaid expenses	**662**	663
	502,979	481,501

*The amounts due from THL Zinc Ltd, the subsidiary, pertains to current account transactions and are receivable on demand.

The carrying amount of other receivables approximate their fair values

THL Zinc Ventures Ltd
Notes to the Financial Statements
For the year ended 31 March 2025

8 **Issued capital**

(Amount in USD)

	No. of shares 31 March 2025	As at 31 March 2025	No. of shares 31 March 2024	As at 31 March 2024
	Nos.	USD	Nos.	USD
Ordinary shares				
Issued and fully paid				
At 31 March (par value USD 100 each)	**6,089,000**	**608,900,000**	89,000	8,900,000
At 31 March (par value USD 1 each)	**1**	**1**	1	1
	6,089,001	**608,900,001**	89,001	8,900,001

The shares in the capital of the Company are issued to Vedanta Limited. The ordinary shares carry voting rights and a right to dividend.

Pursuant to a shareholder's resolution dated 3 December 2010, there has been an alteration in the capital structure of the Company such that henceforth all subsequent issuance of ordinary shares will be made at a par value of USD 100. There was no change to the existing 1 ordinary share of par value of USD 1.

Pursuant to director's and shareholder's resolution dated 19 May 2023, the Company has reduced its stated capital from USD 10,000,001 to USD 8,900,001 by cancelling 11,000 ordinary shares of USD 100 each and the corresponding effect of the same has been adjusted in Other Equity. The Company has carried out the restructuring in order to optimise and rebalance its capital structure.

During the current year , share capital was increased by USD 600,000,000 by Vedanta Limited, a related party (Note 16).

9 **Borrowings**

(Amount in USD)

	As at 31 March 2025	As at 31 March 2024
Non-current		
Loan from THL Zinc Holding BV (refer to note 9 (i) and 16)	**177,000**	-
Loan from Monte Cello BV (refer to note 9 (ii) and 16)	**32,023,513**	32,023,513
Loan from Hope XI Investments PTE. Ltd. (refer to note 9 (iii))	**-**	891,833,002
Loan from Vedanta Limited (refer to note 9 (iv) and 16)	**129,000,000**	35,000,000
Loan from Citicorp (refer to note 9 (v))	**349,747,255**	-
	510,947,768	958,856,515

(Amount in USD)

	As at 31 March 2025	As at 31 March 2024
Current		
Loan from THL Zinc Holding BV (refer to note 9 (i) and 16)	**-**	177,000
	-	177,000
Total Borrowings	**510,947,768**	959,033,515

i. During the year 2021-22, the Company executed an unsecured loan facility agreement with THL Zinc Holding BV, a group company for a facility amount of USD 1,000,000 at an interest rate of 7.74% p.a. repayable in December 2024. During the year 2022-23, an amount of USD 75,000 was drawn under this facility. During the current year the existing loan was extended to 20 December 2028 hence the loan has been reclassified from current to non-current liability. As at 31 March 2025, the principal amount of loan outstanding under this facility was **USD 177,000** (31 March 2024: USD 177,000) along with accrued interest of **USD 40,929** (31 March 2024: USD 26,302).

ii. During the year 2023-24, the Company executed an unsecured loan facility agreement with Monte Cello BV, a group company for a facility amount of USD 23,884,513 at an interest rate of 13.25% p.a. repayable in November 2026. As at 31 March 2025, the principal amount of loan outstanding under this facility was **USD 23,884,513** (31 March 2024: USD 23,884,513) along with accrued interest of **USD 4,351,463** (31 March 2024: USD 1,186,763).

The Company has executed an additional unsecured loan facility agreement with Monte Cello BV for an amount of USD 8,139,000 at an interest rate of 13.25% p.a. repayable in November 2026. As at 31 March 2025, the principal amount of loan outstanding under this facility was **USD 8,139,000** (31 March 2024: USD 8,139,000) and accrued interest of **USD 1,464,849** (31 March 2024: USD 386,428)

Notes to the Financial Statements (Cont'd)
For the year ended 31 March 2025

9 **Borrowings (Cont'd)**

iii. During the year ended 31 March 2024, the Company executed a secured loan facility agreement with Hope XI Investments PTE. Ltd. for a facility amount of USD 900,000,000 with an interest rate of 12 % p.a. along with running fee of 1% p.a. and an upfront fee of 1.3% on loan value. The loan has been repaid in full 6 March 2025.

As at 31 March 2025, the principal loan amount outstanding under this facility is USD NIL **(**31 March 2024: USD 900,000,000) along with accrued interest of USD NIL (31 March 2024: USD 10,500,000). The outstanding issue expenses (upfront fee) and outstanding running fee under this facility as at 31 March 2025 is **USD NIL** (31 March 2024: USD 8,166,998) and **USD NIL** (31 March 2024: USD 875,000) respectively.

iv. During the year ended 31 March 2024, the Company executed an unsecured loan facility agreement with Vedanta Limited, the immediate holding company for facility value of USD 150,000,000 at an interest rate of 12% p.a. repayable in November 2027, out of which, the Company has drawn an amount of USD 35,000,000 and USD 94,000,000 as on 31 March 2024 and 31 March 2025, respectively. As at 31 March 2025, the principal loan amount outstanding under this facility was **USD 129,000,000** (31 March 2024: USD 35,000,000) and accrued interest of **USD 11,505,000** (31 March 2024: USD 455,000).

v. During the year ended 31 March 2025, the Company executed a secured loan facility agreement with Citicorp International Limited for a facility amount of USD 350,000,000 with an interest rate of 9.6%.

As at 31 March 2025, the principal loan amount outstanding under this facility is USD 350,000,000. Loan amount shall be repaid in full after 2 years.

10 **Other payables**

(Amount in USD)

	As at 31 March 2025	As at 31 March 2024
Audit fees	**5,500**	5,500
Accrued interest on loan from Hope XI Investments PTE. Ltd. (refer note 9 (iii))	**-**	10,500,000
Accrued interest on loan from related parties (refer note 9 (i), (ii) & (iv) and 16)	**17,362,241**	2,054,493
Running fee on loan from Hope XI Investments PTE. Ltd. (refer note 9 (iii))	**-**	875,000
Guarantee commission payable (refer to note 16)	**74,982**	2,991,722
Due to related parties (refer note 16)	**159,247**	180,155
Sundry creditors*	**2,835,837**	794,641
	20,437,807	**17,401,511**

*Sundry creditors are unsecured, interest free and repayable on demand.

11 **Net cash used in operating activities**

(Amount in USD)

	Year ended 31 March 2025	Year ended 31 March 2024
Loss before tax	**(138,195,774)**	(110,792,864)
Adjustments for:		
-Interest income on OCRPS (note 12)	**(1,977,868)**	(17,752)
-Interest expense	**119,434,410**	95,051,787
-Running fee on loan from Hope XI Investments PTE. Ltd (note 14)	**8,475,000**	7,748,611
-Other borrowing cost (note 14)	**8,310,359**	4,182,666
Changes in working capital:		
Decrease in other receivables	**1**	195
(Decrease)/Increase in other payables	**(3,323,111)**	3,769,275
Net cash used in operating activities	**(7,276,983)**	(58,082)

THL Zinc Ventures Ltd
Notes to the Financial Statememnts (Cont'd)
For the year ended 31 March 2025

12 **Finance income**

(Amount in USD)

	Year ended 31 March 2025	Year ended 31 March 2024
Bank & Deposit Interest	**1,956,388**	-
Interest income OCRPS (refer note 16)	**21,480**	17,752
	1,977,868	17,752

13 **Other expenses**

(Amount in USD)

	Year ended 31 March 2025	Year ended 31 March 2024
VAT expenditure	**4,343**	998
Forex difference	**2**	-
	4,345	998

14 **Finance costs**

(Amount in USD)

	Year ended 31 March 2025	Year ended 31 March 2024
Interest on OCRPS (refer note 16)	**-**	2,541
Interest on loan from related parties (refer note 16)	**15,307,743**	2,065,413
Interest on loan from Hope XI Investments PTE. Ltd. (refer note 9 (iii))	**101,700,000**	92,983,333
Interest on loan from Citicorp	**2,426,667**	-
Running fee on loan from Hope XI Investments PTE. Ltd.	**8,475,000**	7,748,611
Guarantee commission (refer to note 16)	**3,322,018**	2,991,722
Other borrowing cost (a)	**8,310,359**	4,182,666
Bank charges	**4,545**	1,235
	139,546,332	109,975,521

(a) Other borrowing costs for the year ended 31 March 2025 amounted to **USD 8,310,359** (2024: USD 4,182,722). This includes USD 8,166,998 relating to the write-off of unamortised issue costs on repayment of the loan from Hope XI Investments PTE Ltd. The balance comprises agency fees of USD 125,000 and incidental charges of USD 18,361 on the Citicorp facility.

15 **Tax expense**

The Company is subject to tax at the rate of 15% (31 March 2024: 15%). Pursuant to the enactment of the Finance Act 2018, with effect as from 1 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Category 1 Global Business License on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax (“Deemed tax credit”) on its foreign source income, up to 30 June 2021. Mauritius does not impose tax on capital gains and as such will not be exposed to any capital gains tax in Mauritius upon disposal of investments, and any dividend paid by the Company to its shareholder is not subject to any withholding or other tax in Mauritius.

The Financial Services Commission (“FSC”) issued a Category 1 Global Business License (“GBL1”) to the company on 18 November, 2010. Hence these regulations are applicable to the Company post 30 June 2021.

Post 30 June 2021 and under the new tax regime and subject to meeting the necessary substance requirements as required under the Financial Services Act 2007 (as amended by the Finance Act 2018) and such guidelines issued by the Financial Services Commission, the Company is entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company’s tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to foreign source dividends or interest income.

The Company is subject to a Corporate Climate Responsibility ("CCR") Levy of 2% on its chargeable income when turnover exceeds MUR 50 million (approximately USD 1.1M). Turnover means gross income, including any exempt income, derived by the Company from all its sources.

The accumulated tax losses at 31 March 2025 are available for set off against any taxable income, as follows:

(Amount in USD)

Loss relating to financial year ending	**Carry forward up to financial year ending**	**As at 31 March 2025**	As at 31 March 2024
31 March 2020	31 March 2025	-	28,008
31 March 2021	31 March 2026	31,263	31,263
31 March 2022	31 March 2027	27,262	27,262
31 March 2023	31 March 2028	55,758	55,758
31 March 2024	31 March 2029	121,683	121,683
31 March 2025	31 March 2030	13,813,734	-
		14,049,700	263,974

At 31 March 2025, the Company has unutilized tax losses of **USD 14,049,700** (31 March 2024: USD 263,974). Losses incurred in an income year may be carried forward to be set off against net income of the following 5 income years only and accordingly tax losses of USD 28,008 for FY 2019-20 have lapsed as they were being carried forward for more than 5 years.

THL Zinc Ventures Ltd
Notes to the Financial Statememnts (Cont'd)
For the year ended 31 March 2025

15 **Tax expense (continued)**

The directors have in accordance with the Company's accounting policy not recognised a deferred tax asset as the probability of taxable profit arising in future is remote.

Tax reconciliation

The income tax expense for the year can be reconciled to the accounting loss as follows:

(Amount in USD)

	Year ended 31 March 2025	Year ended 31 March 2024
Loss before income tax	**(138,195,774)**	(110,792,864)
Income tax @15%	**(20,729,366)**	(16,618,930)
Non-deductible expenses	**18,657,306**	16,600,678
Effect of unused tax losses not recognised as deferred tax assets	**2,072,060**	18,252
Income tax expense recognised in statement of profit or loss	**-**	-

16 **Related party transactions and balances**

During the year ended 31 March 2025, the Company transacted with related parties. The nature and volume of transactions with the entities are as follows:

(Amounts in USD)

Name of company	**Relationship**	**Nature of Transaction**	**As at 31 March 2025**	As at 31 March 2024
Transactions				
THL Zinc Ltd	Subsidiary	Interest income on OCRPS (Refer to note 12)	**21,480**	17,752
	Immediate holding company	Interest expense on OCRPS (Refer to note 14)	**-**	2,541
Vedanta Limited	Immediate holding company	Guarantee commission (Refer to note 14)	**3,322,018**	2,991,722
Vedanta Limited	Immediate holding company	Interest expense on loan (Refer to note 14)	**11,050,000**	455,000
Monte Cello B.V.	Group Subsidiary	Interest expense on Loan (Refer to note 14)	**4,243,116**	1,573,196
Cairn India Holding Limited	Group Subsidiary	Interest expense on loan (Refer to note 14)	**-**	23,513
	Group Subsidiary	Loan received	**-**	8,000,000
	Group Subsidiary	Loan repaid	**-**	(8,000,000)
THL Zinc Holding BV	Group Subsidiary	Loan received (Refer to note 9)	**177,000**	-
		Interest expense (Refer to note 14)	**14,627**	13,704

16 **Related party transactions and balances (Cont'd)**

(Amounts in USD)

			As at 31 March 2025	As at 31 March 2024
Outstanding receivable/(payable) balances				
THL Zinc Ltd	Subsidiary	Other receivable (Refer to note 7)	**322,999**	323,000
		Interest receivable on OCRPS (Refer to note 7)	**179,318**	157,838
Vedanta Limited	Immediate holding company	Interest payable on OCRPS (Refer to note 10)	**-**	-
Vedanta Limited	Immediate holding company	Guarantee Commission payable (Refer to note 10)	**(74,982)**	(2,991,722)
Vedanta Resources Limited	Intermediate holding company	Due to related parties (Refer to note 10)	**(99,118)**	(120,026)
Vedanta Limited	Immediate holding company	OCRPS (Refer to note 8)	**-**	-
Monte Cello B.V.	Group Subsidiary	Loan payable (Refer to note 9)	**(32,023,513)**	(32,023,513)
Monte Cello B.V.	Group Subsidiary	Interest payable on loan (Refer to note 10)	**(5,816,312)**	(1,573,196)
THL Zinc Holding BV	Group Subsidiary	Loan payable (Refer to note 9)	**(177,000)**	(177,000)
		Due to related parties (Refer to note 10)	**(60,128)**	(60,128)
		Interest payable on loan (Refer to note 10)	**(40,929)**	(26,302)
Vedanta Limited	Immediate holding company	Loan payable (Refer to note 9)	**(129,000,000)**	(35,000,000)
		Interest payable on loan (Refer to note 10)	**(11,505,000)**	(455,000)

THL Zinc Ventures Ltd
Notes to the Financial Statememnts (Cont'd)
For the year ended 31 March 2025

16 **Related party transactions (continued)**

Other related party transactions

IQ EQ Corporate Services (Mauritius) Ltd and its associates perform certain administration and related services for the Company. A sum amounting to USD 9,880 (31 March 2024: USD 19,540) which includes professional fees for the provision of directorship services of USD 2,004 (31 March 2024: USD 4,000) was expensed during the year in respect of the aforesaid services. No compensation to key management personnel was paid during the current year (31 March 2024: USD NIL).

17 **Financial instruments**

Fair values

The carrying amounts of other receivables, cash and cash equivalents, and other payables approximate their fair values.

Categories of financial instruments

(Amounts in USD)

	As at 31 March 2025	As at 31 March 2024
Financial assets- At fair value or loss through profit or loss		
OCRPS	**859,268,000**	859,268,000
	859,268,000	859,268,000
Financial assets-At amortised cost		
Other receivables *	**502,317**	480,838
Cash and cash equivalents	**22,574,503**	5,841,205
	23,076,820	6,322,043
Total financial assets	**882,344,820**	865,590,043

* Excludes prepaid expenses of USD 662 (2024: USD 663)

Financial liabilities-At amortised cost		
Other payables	**20,437,808**	17,401,511
Short term borrowings	**-**	177,000
Long term borrowings	**510,947,768**	958,856,515
	531,385,576	976,435,026

Fair values hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
• Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
• Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)
The below tables summarise the categories of financial assets and liabilities as at 31 March 2025 and 31 March 2024 measured at fair value:

As at 31 March 2025	**Level 1**	**Level 2**	**Level 3**
Financial assets - at fair value through profit or loss			
OCRPS (Refer to note 5 (b))	-	-	**859,268,000**

As at 31 March 2024	Level 1	Level 2	Level 3
Financial assets - at fair value through profit or loss			
OCRPS (Refer to note 5 (b))	-	-	859,268,000

Reconciliation of Level 3 financial assets at fair value through profit or loss	**Amount(USD)**
At 01 April 2023	700,000,000
Investment made during the year	159,268,000
At 31 March 2024	859,268,000
Investment made during the year	-
At 31 March 2025	**859,268,000**

(a) Currency risk management

There is no significant exchange rate risk as substantially all financial assets and financial liabilities are denominated in United States Dollar which is the functional currency of the Company.

The investment in the subsidiary is denominated in United States Dollars and therefore, the Company is not exposed to movement in exchange rates on realisation of the investments.

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17 **Financial instruments (continued)**

(a) Currency risk management (continued)

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 31 March 2025	**As at 31 March 2025**	As at 31 March 2024	As at 31 March 2024
United States Dollars	**882,344,820**	**531,385,576**	865,590,043	976,435,026

The Company is not exposed to currency risk.

* Excludes prepaid expenses of USD 662 (2024: USD 663)

(b) Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company does not have any exposure to market risk.

(c) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows 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 risks. The total interest sensitivity gap represents the net notional amounts of all interest sensitive financial instruments.

(Amount in USD)

31 March 2025	**Interest bearing**	**Non-interest bearing**	**Total**
Financial assets- At fair value or loss through profit or loss	**-**	**859,268,000**	**859,268,000**
OCRPS			
Financial assets - At amortised cost			
Other receivables*	**-**	**502,317**	**502,317**
Cash and cash equivalents	**-**	**22,574,503**	**22,574,503**
Total assets	**-**	**882,344,820**	**882,344,820**
* Excludes prepaid expenses of **USD 662**			
Financial liabilities - At amortised cost			
Other payables	-	**20,437,808**	**20,437,808**
Short term borrowing	**-**	**-**	**-**
Long term borrowing	**510,947,768**	**-**	**510,947,768**
Total liabilities	**510,947,768**	**20,437,808**	**531,385,576**

(Amount in USD)

31 March 2024	Interest bearing	Non-interest bearing	Total
Financial assets- At fair value or loss through profit or loss		859,268,000	859,268,000
Financial assets - At amortised cost			
Other receivables*	-	480,838	480,838
Cash and cash equivalents	-	5,841,205	5,841,205
Total assets	-	865,590,043	865,590,043
* Excludes prepaid expenses of **USD 662**			
Financial liabilities - At amortised cost			
Other payables	-	17,401,511	17,401,511
Short term borrowing	177,000		177,000
Long term borrowing	958,856,515	-	958,856,515
Total liabilities	959,033,515	17,401,511	976,435,026

All interest bearing assets and liabilities are at fixed interest rate and not sensitive to movement in interest rates.

17 Financial instruments (continued)

(d) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company is exposed to credit risk from its loans and other receivables and cash and cash equivalents.

The Company has clearly defined policies to mitigate counterparty risks. For cash and cash equivalents, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions.

Credit risk on loans and other receivables is limited as the counterparties, which are all related parties, have obtained financial support from the intermediate holding company to enable them to meet their obligations as and when they fall due and to carry on with their current business for the next 18 months. As such, management considers the probability of default to be close to zero and hence no allowance has been recognised based on 12-months ECL.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(Amount in USD)

	As at 31 March 2025	As at 31 March 2024
Other receivables*	**502,317**	480,838
Cash and cash equivalents	**22,574,503**	5,841,205
	23,076,820	6,322,043

* Excludes prepaid expenses of USD 662 (31 March 2024: USD 663)

(e) Liquidity risk management

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 maturity profile of the Company's financial liabilities.

(Amount in USD)

31 March 2025	**Repayable on demand**	**Up to 1 year**	**More than 1 year**	**Total**
Financial liabilities - At amortised cost				
Other payables	**2,835,837**	**17,601,971**	**-**	**20,437,808**
Long term borrowing (Refer to note 9)	**-**	**-**	**510,947,768**	**510,947,768**
Total	**2,835,837**	**17,601,971**	**510,947,768**	**531,385,576**

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Notes to the Financial Statements (Cont'd)
For the year ended 31 March 2025

17 **Financial instruments (continued)**

(Amount in USD)

(e) Liquidity risk management (Cont'd)

31 March 2024	Repayable on demand	Up to 1 year	More than 1 year	Total
Financial liabilities - At amortised cost				
Other payables	794,641	16,606,870	-	17,401,511
Short term borrowing (Refer to note 9)	-	177,000		177,000
Long term borrowing (Refer to Note 9)	-	-	958,856,515	958,856,515
Total	794,641	16,783,870	958,856,515	976,435,026

Fair value estimation
The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

(f) Capital risk management

For the purpose of the Company's capital management, capital includes issued capital, accumulated losses 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. 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 equity.

The capital structure of the Company consists of issued capital and equity.

Gearing ratio

The gearing ratio at the year end was as follows:

(Amount in USD)

	As at 31 March 2025	As at 31 March 2024
Debt (i)	**510,947,768**	959,033,515
Cash and cash equivalents	**(22,574,503)**	(5,841,205)
Net debt	**488,373,265**	953,192,310
Equity (ii)	**359,960,906**	(101,843,320)
Net debt to equity ratio (times)	**1.36**	N/A

(i) Debt is defined as long-term and short-term borrowings.
(ii) Equity includes all capital, other equity and other reserves of the Company.

18 **Immediate, intermediate and ultimate holding company**

The Company's immediate holding company is Vedanta Limited, a company incorporated in India. The Company's intermediate holding company is Vedanta Resources Limited a company incorporated in the United Kingdom. The ultimate controlling party of the Company is Vedanta Incorporated (formerly "Volcan Investments Limited") and its wholly owned subsidiary Volcan Investment Cyprus Limited, which is beneficially owned by the Anil Agarwal Discretionary Trust. Vedanta Incorporated is incorporated in the Bahamas and does not produce Group accounts.

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19 Going concern

The Company has incurred a net loss of **USD 138,195,774** (31 March 2024: net loss of USD 110,792,864) for the year ended 31 March 2025 and as at that date, its total assets exceeded its total liabilities by **USD 359,960,906** (31 March 2024: USD 101,843,320).

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

20 Contingent liabilities

The Company does not have any contingent liabilities as at the year end which require disclosures in the financial statements.

21 Events after reporting period

There have been no material events after reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 March 2025.