

INDEPENDENT AUDITOR'S REPORT

To the Members of HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit & Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the period then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including Other Comprehensive Income, its Cash Flows statement and the Statement of Changes in Equity for the period ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the financial statements and our auditor's report thereon.

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

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 during the course of our audit or otherwise appears to be materially misstated.



If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

Management Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows Statement and the Statement of Changes in Equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair 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.

Those Board of Directors are also 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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit & loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act;



- e) On the basis of written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023, from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, in our opinion and according to the information and explanation given to us, the same is not applicable to the Company.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

Since Company is being Private Limited and hence limits prescribed in the section 197(16) of the Act are not applicable to the Company.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and as represented by the management:

- i. The Company does not have any pending litigations which would impact on its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) Management has represented to us that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) Management has represented to us that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries



- (c) Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation given by the management under paragraph (2) (h) (iv) (a) & (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1st April, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March, 2023.

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration no. 101720W/W100355



Anuj Bhatia
Partner
Membership No. 122179
UDIN : 23122179BGQWSU1370



Place : Mumbai
Date : 15th April, 2023

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date on the financial statements to the members of HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED for the year ended 31st March, 2023)

- (i) In respect of its fixed assets:
- a) The Company does not have any Property, Plant & Equipment. Therefore the provisions of clause (i) (a),(b), (c) and (d) of paragraph 3 of the Order are not applicable to the Company.
 - b) According to information & explanations and representation given to us by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) In respect of its inventories:
- a) The Company does not have any inventory. Therefore, the provisions of clause (ii) (a) of paragraph 3 of the Order are not applicable to the Company.
 - b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions. Therefore, the provisions of clause 3 (ii) (b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, during the year the Company has not made investments in or has not provided any guarantee or security or has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, the provisions of clause (iii) (a) to (f) of paragraph 3 of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not entered into any transaction in respect of loans, investments, guarantees and security covered under section 185 and 186 of the Act during the year. Therefore, the provisions of clause (iv) of paragraph 3 of the Order are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and explanations given to us, the Company is yet to start the operation. Therefore, the provisions of clause (vi) of paragraph 3 of the Order are not applicable to the Company.



- (vii) In respect of Statutory dues:
- a) According to the records of the Company examined by us, there were no undisputed statutory dues including Goods and Service tax, provident fund, employees' state insurance, income tax, duty of customs, cess and any other material statutory dues as applicable, payable during the year. According to the information and explanations given to us, there were no undisputed amounts payable in respect of the aforesaid dues, which were outstanding as 31st March, 2023 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited with the appropriate authority on account of any dispute.
- (viii) According to the information and explanations given to us and representation given to us by the management, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) a) In our opinion and according to the information and explanations given and books of accounts and records examined by us, the Company has not taken any borrowings from any lender. Therefore, the provisions of clause (ix) (a) of paragraph 3 of the Order are not applicable to the Company.
- b) In our opinion, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - c) The Company has not taken any term loan during the year. Therefore, the provisions of clause 3 (ix) (c) of the Order is not applicable to the Company.
 - d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that, *prima facie*, no funds raised on short-term basis have been used during the year for long-term purposes by the Company.
 - e) According to the information and explanations given to us, Company does not have any subsidiaries, associates or joint ventures and therefore, reporting under clause 3(ix) (e) of the Order is not applicable to the Company.
 - f) According to the information and explanations given to us, Company does not have any subsidiaries, joint ventures or associates companies and therefore, reporting under clause 3(ix) (f) of the Order is not applicable to the Company.
- (x) a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). Therefore, the provisions of clause (x) (a) of paragraph 3 of the Order is not applicable to the Company.



- b) In our opinion and according to the information and explanations given to us and on the basis of our audit procedures, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause (x) (b) of paragraph 3 of the Order are not applicable to the Company
- (xi) a) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- b) According to the information and explanations given to us, no report under sub-section 12 of section 143 of the Act has been filed by auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) In our opinion, Company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, during the year, there are no related party transactions with the related parties. Therefore, the provisions of clause (xiii) of paragraph 3 of the Order are not applicable to the Company.
- (xiv) In our opinion, and according to the information and explanations given to us, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act, 2013.
- (xv) According to the information and explanations provided by the management, the Company has not entered into any non-cash transaction with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) a) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- b) In our opinion, and according to the information and explanations provided to us and on the basis of our audit procedures, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year as per the Reserve bank of India Act 1934.
- c) In our opinion, and according to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d) In our opinion, and according to the information and explanations provided to us, the Group does not have any Core Investment Company (CIC) as part of the Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016. Therefore, provisions of clause (xvi) (d) of paragraph 3 of the Order are not applicable to the Company.



- (xvii) In our opinion, and according to the information and explanations provided to us, Company has incurred cash losses in the current financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Therefore, provisions of clause (xviii) of paragraph 3 of the Order are not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, the CSR provisions under section 135 of the Act are not applicable to the Company. Therefore, provisions of clause (xx) (a) and (b) of paragraph 3 of the Order are not applicable to the Company.

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration no. 101720WW100355



Anuj Bhatia
Partner
Membership No. 122179
UDIN : 23122179BGQWSU1370



Place : Mumbai
Date : 15th April, 2023

**HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
FINANCIAL STATEMENTS
AS AT MARCH 31, 2023**

**Registered Office : C/O Hindustan Zinc Limited , Yashad Bhawan, near
Swaroop Sagar, Udaipur -313004 (Rajasthan)**

HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Balance Sheet as at March 31, 2023

Particulars	Notes	(₹ in Lakhs) As at March 31, 2023
ASSETS		
Non-current assets		
Total Non-current assets		-
Current assets		
a) Financial Assets		
i) Cash and cash equivalents	4	10.00
Total Current assets		10.00
TOTAL ASSETS		10.00
EQUITY AND LIABILITIES		
Equity		
a) Equity share capital	5	10.00
b) Other equity		(1.00)
Total Equity		9.00
Liabilities		
Non-current liabilities		
Total Non-current liabilities		-
Current liabilities		
a) Financial liabilities		
i) Trade payables	6	-
a) Total outstanding dues of Micro Enterprises and Small Enterprises		-
b) Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises		1.00
Total Current liabilities		1.00
TOTAL EQUITY AND LIABILITIES		10.00

See accompanying notes to financial statements.

As per our report on even date

For CHATURVEDI & SHAH LLP
Chartered Accountants
Firm Registration No.: 101738W/W100355

Anuj Bhatia
Partner
Membership No.: 122179



Date: April 15, 2023
Place: Mumbai

For and on behalf of the Board of Directors

Arun Misra

Arun Misra
Director
DIN: 01835605

Dantuluri Satyanarayana Ravindra Raju
Director
DIN: 03274336

Date: April 15, 2023
Place: Udaipur



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Statement of Profit and Loss for period ended March 31, 2023

(₹ in Lakhs, except as stated)

Particulars	Notes	For the period September 07, 2022 to March 31, 2023
Revenue from operations		-
Other income		-
Total Income		-
Expenses:		1.00
Other expenses	7	1.00
Total Expenses		(1.00)
(Loss) before tax		-
Tax expense :		-
Current tax		-
Deferred tax	8	-
Total tax expenses		(1.00)
(Loss) for the Period		-
Other comprehensive Income		-
Other comprehensive Income		-
Total other comprehensive income		(1.00)
Total comprehensive (loss) for the period		-
Earnings per share (nominal value of shares ₹ 10)	9	(1.00)
-Basic earnings per share (₹)*		(1.00)
-Diluted earnings per share (₹)*		-
*Not Annualised		

See accompanying notes to financial statements.

As per our report on even date

For CHATURVEDI & SHAH LLP
Chartered Accountants
Firm Registration No. 101720W/W100355


Anuj Bhatia
Partner

Membership No.: 122179



Date: April 15, 2023
Place: Mumbai

For and on behalf of the Board of Directors



Arun Misra
Director
DIN: 01835605



Dantubari Satyanarayana Ravindra Raju
Director
DIN: 03274336

Date: April 15, 2023
Place: Udaipur



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Statement of Cash Flow for the period ended March 31, 2023

Particulars	(₹ in Lakhs)
For the period September 07, 2022 to March 31, 2023	
(A) CASH FLOW FROM OPERATING ACTIVITIES :	
(Loss) before tax	(1.00)
Adjustments to reconcile the (Loss) before tax to net cash provided by operating activities	-
Operating loss before working capital changes	(1.00)
Changes in assets and liabilities	-
Increase in Trade payables	1.00
Cash flows from operations	-
Net cash flows from operating activities	-
(B) CASH FLOW FROM INVESTING ACTIVITIES :	
Purchases of Property, Plant and Equipment	-
Net cash flows from investing activities	-
(C) CASH FLOW FROM FINANCING ACTIVITIES :	
Proceeds from issue of share capital	10.00
Net cash flows from financing activities	10.00
Net increase in Cash and cash equivalents	10.00
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the year (Refer Note 4)	10.00

Note:-

1. The figures in brackets indicates outflows.
2. The above cash flow has been prepared under "Indirect method" as set out in Indian Accounting Standard (Ind AS -7) Statement of Cash Flows.
3. The Company has incorporated on September 07, 2022 pursuant to which it has prepared its first financial statements for the period September 07, 2022 to March 31, 2023 and hence, there are no comparatives to present.

See accompanying notes to financial statements.

As per our report on even date

For **CHATURVEDI & SHAH LLP**
Chartered Accountants
Firm Registration No.: 101720W/W100355


Anuj Bhatia
Partner
Membership No.: 122179




Date: April 15, 2023
Place: Mumbai

For and on behalf of the Board of Directors



Arun Misra
Director
DIN: 01835605


Dantuluri Satyanarayana Ravindra Raju
Director
DIN: 03274336

Date: April 15, 2023
Place: Udaipur



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Statement of Changes in Equity for the period ended March 31, 2023

a. Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	Numbers of shares (in Lakhs)	(₹ in Lakhs)
Balance as at the beginning of the period	-	-
Issued during the period from September 07, 2022 to March 31, 2023	1.00	10.00
As at March 31, 2023	1.00	10.00

b. Other equity

Particulars	Reserve and surplus		(₹ in Lakhs)
	Retained earnings	Total	
Balance as at the beginning of the period	-	-	
Loss for the period from September 07, 2022 to March 31, 2023	-	-	
Balance as at March 31, 2023	(1.00)	(1.00)	(1.00)
	(1.00)	(1.00)	(1.00)

See accompanying notes to financial statements.

As per our report on even date

For CHATURVEDI & SHAH LLP
Chartered Accountants
Firm Registration No.: 101720W/W100355

Anuj Bhatt
Partner
Membership No.: 122179



Date: April 15, 2023
Place: Mumbai

For and on behalf of the Board of Directors

Arun Misra
Director
DIN: 01835605

Dantoluri Satyanarayana Ravindra Raju
Director
DIN: 03274336

Date: April 15, 2023
Place: Udaipur



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statement for the period ended 31st March, 2023

1. COMPANY OVERVIEW

Hindustan Zinc Fertilisers Private Limited ("HZFPL" or "the Company") was incorporated on September 7, 2022 and has its registered office at Yashad Bhawan, Udaipur (Rajasthan). The Company is a wholly owned subsidiary of Hindustan Zinc Limited ("Holding Company") and is engaged in manufacturing of Phosphatic fertilisers.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules 2015 (as amended from time to time) and presentation requirement of Division II of schedule III to the Companies Act 2013 (Ind AS compliant Schedule III), as applicable. The financial statements have been prepared on a historical cost convention on the accrual basis except for financial instruments which are measured at fair values (Refer note 3(I)(e) below) and the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Company has just been incorporated and it will be supported by the parent company till the company commences operations.

Accounting policies have been applied in all material aspects except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are prepared in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in Indian Rupees (₹) has been rounded to the nearest Lakhs.

The financial statements were authorised for issue in accordance with a resolution of Board of Directors on April 15, 2023.

3.(I) SIGNIFICANT ACCOUNTING POLICIES

a) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



b) Property, plant and equipment

(i) Property, plant and equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Major machinery spares and parts are capitalized when they meet the definition of Property, Plant and Equipment. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in the Statement of Profit and Loss.

Assets held for sale are carried at lower of their carrying value or fair value less cost to sell.

The cost includes the cost of replacing part of the plant and equipment when significant part of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repairs and maintenance cost are recognized in the Statement of Profit and Loss as incurred.

(ii) Capital work in progress (CWIP)

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalized in CWIP until the period of commissioning has been completed and the asset is ready for its intended use.

(iii) Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value over their useful lives by using straight-line method. The useful life of property, plant and equipment is considered based on life prescribed in part C of Schedule II to the Companies Act, 2013. In case of major components identified, depreciation is provided based on the useful life of each such component based on technical assessment, if materially different from that of the main asset.

c) 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.

Impairment tests are carried out annually for all assets when there is an indication of impairment. 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 recognized impairment losses. External factors, such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognized impairment losses.

If any such indication exists 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.

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 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.

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 recognized in the Statement of Profit and Loss.

Any reversal of the previously recognized 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 recognized.

d) 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.

Financial assets - recognition and subsequent measurement

All financial assets are recognized initially at fair value, plus in the case of financial assets not recorded at fair value through profit and loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financial component are measured at transaction price. For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortized cost

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- a) Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.
- b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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. This category applies to cash and bank balances.

- Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- a) Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.
- b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets at fair value through Statement of Profit and Loss (FVTPL)

FVTPL is a residual category. Any financial asset which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Financial assets - Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) 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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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Financial liabilities – recognition and subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables, as appropriate.

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

The Company's financial liabilities include trade and other payables.

The subsequent measurement of financial liabilities depends on their classification, as described below:

• Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit or Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the Statement of Profit and Loss.

• Financial liabilities at amortized cost (Trade and Other payables)

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the Statement of Profit and Loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Financial liabilities - derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 recognized in the Statement of Profit and Loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

e) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:



- In the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

f) Taxation

Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

g) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

h) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

i) Provisions, contingent liabilities and contingent assets

Provisions represent liabilities for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in Statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Balance Sheet.

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefit is probable.

3.(II) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023, effective from April 01, 2023, resulting in amendments to below existing Ind AS.

- i) Ind AS 101- First time adoption of Indian Accounting Standards
- ii) Ind AS 102- Share Based Payment
- iii) Ind AS 103 – Business Combinations
- iv) Ind AS 107 – Financial Instruments - Disclosures
- v) Ind AS 109 - Financial Instruments
- vi) Ind AS 115 - Revenue from Contracts with Customers
- vii) Ind AS 1 - Presentation of Financial Statements
- viii) Ind AS 8 - Accounting Policies, Change in Accounting Estimates and Errors
- ix) Ind AS 12 - Income Taxes
- x) Ind AS 34 - Interim Financial Reporting

These amendments are not expected to have any significant impact on the Company. The Company has not early adopted any amendments that have been notified but is not yet effective.

Standards issued but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.



4. CASH AND CASH EQUIVALENTS

Particulars	(₹ in Lakhs)
As at March 31, 2023	
Balances with a bank	
In current account	
Total	10.00
	10.00

5. EQUITY SHARE CAPITAL.

Particulars	(₹ in Lakhs)
As at March 31, 2023	
A. Authorized equity share capital	
Equity shares of ₹ 10 each.	
No. of Shares (In Lakhs)	10.00
B. Issued, subscribed and paid up	
Equity shares of ₹ 10 each	
No. of Shares (In Lakhs)	1.00
C. Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year	
	1.00

	No. of Shares (In Lakhs)	(₹ in Lakhs)
Shares outstanding at the beginning of the period	-	-
Issued during the period	1.00	10.00
Shares outstanding at the end of the year	1.00	10.00

D. Equity shares held by Holding Company		
Hindustan Zinc Limited		
No. of Shares (In Lakhs)	1.00	100.00%
% of Holding (along with its nominees)		

E. Details of shareholders holding more than 5% shares in the Company		
Hindustan Zinc Limited		
No. of Shares (In Lakhs)	1.00	100.00%
% of Holding (along with its nominees)		

F. Details of shares held by promoters		
Hindustan Zinc Limited		
No. of shares issued at the beginning of the period (In Lakhs)	-	-
Change during the period September 07, 2022 to March 31, 2023 (In Lakhs)	1.00	100.00%
No. of shares at the end of the year (In Lakhs)	1.00	100.00%
% of Total Shares (along with its nominees)		
% change during the period		

G. Terms/Rights attached to equity shares
 The Company has one class of equity shares having a par value of ₹ 10 per share. Each equity shareholder is eligible for one vote per share held. Each equity shareholder is entitled to dividend as and when declared by the Company. Interim dividend is paid as and when declared by the Board. Final dividend is paid after obtaining shareholders' approval. Dividends are paid in Indian Rupees. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

H. There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

I. There is no dividend paid or proposed during the period.



6. TRADE PAYABLES

Particulars	(₹ in Lakhs)
	As at March 31, 2023
Total outstanding dues of Micro, Small and Medium Enterprises	-
Total outstanding dues to creditors other than Micro, Small and Medium Enterprises	-
Total	1.00
Trade payables Ageing Schedule	1.00

Particulars	(₹ in Lakhs)
	As at March 31, 2023
Undisputed dues- MSME	
Less than 1 year	-
1-2 years	-
2-3 years	-
More than 3 years	-
Total	-
Undisputed dues- Other than MSME	
Less than 1 year	-
1-2 years	-
2-3 years	1.00
More than 3 years	-
Total	1.00

The disclosures relating to Micro Enterprises and Small Enterprises have been furnished to the extent such parties have been identified on the basis of the intimation received from the suppliers regarding their status under the Micro and Medium Enterprises Development Act, 2006. There is no interest paid/payable as at March 31, 2023.

Particulars	(₹ in Lakhs)
	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	
i) Principal amount due to micro and small enterprises	-
ii) Interest due on above	-
iii) The amount of interest paid by the buyer in terms of section 16 of the MSME Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSME Act, 2006.	-
v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSME Act, 2006.	-



7. OTHER EXPENSES

Particulars	(₹ in Lakhs)	
	For the period September 07, 2022 to March 31, 2023	
Payment to auditors ⁽¹⁾		1.00
Miscellaneous expenses		0.00
Total		1.00
(1) Remuneration to auditors:		
- Audit fees		1.00
- Other services		
Total		1.00

8. INCOME TAX EXPENSES

The major components of income tax expense for the period ended March 31, 2023 are indicated below:

Particulars	(₹ in Lakhs)	
	For the period September 07, 2022 to March 31, 2023	
Tax charge recognised in Profit and Loss		
Current tax:		
Current tax charge		-
Total Current tax		-
Deferred tax:		
In respect of current period reversal and origination of temporary differences		-
Total Deferred tax		-
Tax expense for the period		-

9. EARNINGS PER SHARE

Particulars	For the period September 07, 2022 to March 31, 2023	
	Basic earnings per share (₹)*	
Diluted earnings per share (₹)*		(1.00)
*not annualised		
The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:		
(Loss) after tax attributable to owners of the Company (in ₹ Lakhs)		(1.00)
Earnings used in the calculation of basic earnings for the year (in ₹ Lakhs)		(1.00)
Weighted average number of equity shares outstanding (Number in Lakhs)		1.00
Nominal Value per share (in ₹)		1.00

10. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

a. Contingent liabilities

Based on the information available with the Company, there is no contingent liability as at the period ended March 31, 2023.

b. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 1406.13 Crores as at the period ended March 31, 2023.



11. FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

(₹ in Lakhs)

Particulars	Fair Value through profit and loss	Fair Value through other comprehensive income	Amortised Cost	Total carrying value	Total fair value
As at March 31, 2023					
Financial assets					
Cash and cash equivalents			10.00	10.00	10.00
Total			10.00	10.00	10.00
Financial liabilities					
Trade payables			1.00	1.00	1.00
Total			1.00	1.00	1.00

The management assessed that Cash and cash equivalents approximate their carrying amounts largely due to the short term maturities of these instruments.

Since the Company does not have any financial asset or liability measured at fair value, disclosure of fair value hierarchy and disclosure of category-wise assets and liabilities is not relevant. All financial assets and liabilities of the Company have been valued at amortised cost and their values are not expected to be different than those presented in financial statements.

12. RISK MANAGEMENT FRAMEWORK

Risk management

The Company's businesses are subject to several risks and uncertainties including financial risks such as market risk and liquidity risk.

Financial risk

a. Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of trade payables and other financial liabilities.

The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

Payment due by years	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
As at March 31, 2023					
Trade payables	1.00	-	-	-	1.00
Total	1.00	-	-	-	1.00

Market risk

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. Market risk comprises interest rate risk and currency risk.

a. Foreign Currency risk

Foreign Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. There is no foreign currency exposure as at March 31, 2023. Hence, the Company's loss for the period would have no impact.

b. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rate. The Company does not have floating interest rate borrowings as at the March 31, 2023. Hence, the Company's loss for the period would have no impact.

13. CAPITAL MANAGEMENT

The Company's objectives when managing capital is to safeguard continuity and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of internal accruals, equity and other short term/long term borrowings. The Company believes that it will able to meet all its current liabilities on timely manner. Since the Company is yet to initiate any project and no external borrowings have been obtained, Capital gearing ratio is not presented for the period ended March 31, 2023.

14. RELATED PARTY

a. List of related parties:

Particulars

(i) Holding Companies:

Hindustan Zinc Limited (Immediate Holding Company)
Vedanta Limited (Immediate Holding Company)
Vedanta Resources Limited (Intermediate Holding Company)
Vedanta Investments Limited (Ultimate Holding Company)

(ii) Key management Personnel:

Mr. Anun Moha (Director)
Mr. Dattatraya Satyanarayana Rowindra Raja (Director)

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b. Transactions with Related Parties

The details of the related party transactions entered into by the Company for the period ended March 31, 2023 are as follows:

Nature of transactions	(₹ In Lakhs)
Issue of Share Capital Hindustan Zinc Limited	For the period September 07, 2022 to March 31, 2023
Total	10.00
Purchase of Services Hindustan Zinc Limited	10.00
Total	10.00

All the transactions entered by the Company with the related parties are at arm's length price.

The balances payable as at year end

Particulars	(₹ In Lakhs)
Payable to Hindustan Zinc Limited	As at March 31, 2023
Total	-

15. The Company has incorporated on September 07, 2022 pursuant to which it has prepared its first financial statements for the period September 07, 2022 to March 31, 2023 and hence, there are no comparatives to present.

16. Segment Information

The Company's operations revolve around manufacturing of Phosphate Fertilisers. Considering the nature of Company's business, as well as based on reviews by the Chief Operating Decision Maker to make decisions about resource allocation and performance measurement, there is only one reportable segment in accordance with the requirements of Ind AS - 108 - "Operating Segments". The Company's operations are mainly confined within India and as such there are no reportable geographical segment.

17. Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023
Current ratio	Current Assets	Current Liabilities	10.00
Debt - Equity Ratio	Total Debt	Shareholder's Equity	-
Debt Service Coverage ratio	Earning before Interest, Tax, Depreciation & Amortisation (EBITDA) and exceptional items	Interest expense on long term and short term borrowing during the period + Scheduled principal repayment of long term borrowing during the year	-
Return on Equity ratio	Net Profit/(Loss)	Average Shareholder's Equity	0.11
Inventory Turnover ratio	Revenue from operations - Earning before Interest, Tax, Depreciation & Amortisation (EBITDA) and exceptional items	Average Inventory	-
Trade Receivable Turnover Ratio	Revenue from operations (including Other operating income)	Average Trade Receivable	-
Trade Payable Turnover Ratio	Total Purchases	Average Trade Payables	-
Net Capital Turnover Ratio	Revenue from operations (including Other operating income)	Working capital - Current assets - Current liabilities	-
Net Profit ratio	Net Profit/(Loss)	Revenue from operations (including Other operating income)	-
Return on Capital Employed	Earnings before interest and taxes	Average Capital Employed	-
Return on Investment	Income on investments	Capital Employed = Net Worth + Total Debt	0.11
		Average Investments	-

18. SUBSEQUENT EVENTS

There are no other material adjusting or non-adjusting subsequent events, except as already disclosed.



19. Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the (Ultimate Beneficiaries).

See accompanying notes to financial statements.

As per our report on even date

For CHATURVEDI & SHAH LLP
Chartered Accountants
Firm Registration No.: 101720W/W100355



Anuj Bhanu
Partner
Membership No.: 122179



Date: April 15, 2023
Place: Mumbai

For and on behalf of the Board of Directors



Arjun Mera
Director
DIN: 01835605



Dantuluri Sathyanarayana Ravindra Raju
Director
DIN: 03274336

Date: April 15, 2023
Place: Udaipur



