

INDEPENDENT AUDITOR'S REPORT

To the Members of Hindustan Zinc Alloys Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Hindustan Zinc Alloys Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

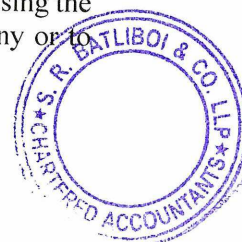
Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Responsibility of Management 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 and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to



cease operations, or has no realistic alternative but to do so.

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- 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.



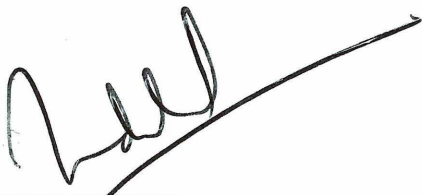
Report on Other Legal and Regulatory Requirements

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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 it appears from our examination of those books except for the matters stated in the paragraph i(vi) below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of 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, read with Companies (Indian Accounting Standards) Rules, 2015;
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) No managerial remuneration is paid during the year. Hence, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2024;
 - (h) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the sub-clause (b) above on reporting under Section 143(3)(b) and paragraph i(vi) below on reporting under Rule 11(g);
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 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:
 - i. The Company does not have any pending litigations which would impact 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) The management has represented that, to the best of its 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 person(s) or entity(ies), 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) The management has represented that, to the best of its 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; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for direct changes to data in certain database tables when using system administrator access rights, as described in note 31 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of accounting software.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005



per Tridevlal Khandelwal
Partner
Membership Number: 501160
UDIN: 24501160BKFVXK6287
Place of Signature: Pune
Date: April 17, 2024

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements of our report of even date

Re : HINDUSTAN ZINC ALLOYS PRIVATE LIMITED ("the Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that :

- (i)
- (a)
- (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The title deeds of immovable properties disclosed in note 4 to the financial statements included in property, plant and equipment are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)
- (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. There are no Inventories lying with third parties and discrepancies of 10% or more in aggregate for each class of inventory were not noticed.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, advances in the nature of loans, or made any investments, provided any guarantees, given any security, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b),(c),(d),(e) and (f) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of sections 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii)
- (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, duty of customs, income-tax, and other statutory dues applicable to it.



provisions relating to provident fund, employees' state insurance, sales tax, service tax, duty of excise, and value added tax are not applicable to the Company. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix)
- (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained .
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) and 3(ix)(f) of the Order is not applicable to the Company.
- (x)
- (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)
- (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a),(b) & (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) & (b) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.



- (xvi) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a),(b),(c) & (d) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses amounting to Rs. 854 lakhs in the current year and amounting to Rs. 109 lakhs in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 29 of the financial statements, the 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 and considering the Company's current liabilities exceeds the current assets by INR 5,582 lakhs, the Company has obtained the letter of financial support from the Holding Company, nothing has come to our attention, which causes us to believe 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, further state that this is not an assurance as to the future viability of the Company and 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) Provision of Corporate Social Responsibility is not applicable to the Company as it doesn't fulfil the criteria mentioned in section 135 of Companies Act, 2013. Accordingly, the requirement to report on clause (xx) of the Order is not applicable to the Company.
- (xxi) Provisions of Consolidated Financial Statements is not applicable to the Company. Accordingly, the requirement to report on clause (xxi) of the Order is not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005



per **Tridevjal Khandelwal**
Partner
Membership Number: 501160
UDIN: 24501160BKFVXK6287
Place of Signature: Pune
Date: April 17, 2024

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF HINDUSTAN ZINC ALLOYS PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Hindustan Zinc Alloys Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Committee of Sponsoring Organisations of the Treadway Commission (2013 Framework) ("COSO 2013 Criteria"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies



and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

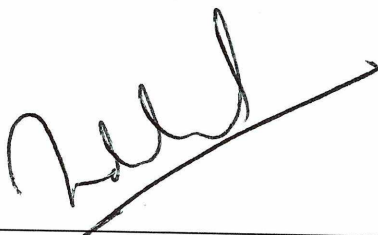
Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the COSO 2013 criteria.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005



per Tridevjal Khandelwal

Partner

Membership Number: 501160

UDIN: 24501160BKFVXK6287

Place of Signature: Pune

Date: April 17, 2024

**HINDUSTAN ZINC ALLOYS PRIVATE LIMITED
IND AS FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024**

HINDUSTAN ZINC ALLOYS PRIVATE LIMITED
Balance Sheet as at March 31, 2024

(₹ in Lakhs)

| Particulars | Notes | As at March 31, 2024 | As at March 31, 2023 |
|---|-------|----------------------|----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| a) Property, plant and equipment | 4 | 9,816 | 167 |
| b) Capital work-in-progress | 4A | 8,891 | 13,402 |
| c) Deferred tax assets (net) | 22 | 206 | - |
| d) Other non-current assets | 5 | 28 | 0 |
| Total Non-current assets | | 18,941 | 13,569 |
| Current assets | | | |
| a) Inventories | 6 | 174 | - |
| b) Financial Assets | | | |
| i) Trade Receivables | 7 | 162 | - |
| ii) Cash and cash equivalents | 8 | 203 | 0 |
| iii) Others | 9 | 0 | - |
| c) Other current assets | 5 | 1,892 | 822 |
| d) Income tax assets | | 3 | - |
| Total Current assets | | 2,434 | 822 |
| TOTAL | | 21,375 | 14,391 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| a) Equity share capital | 10 | 10 | 10 |
| b) Other equity | | (992) | (149) |
| Total Equity | | (982) | (139) |
| Liabilities | | | |
| Non-current liabilities | | | |
| a) Financial liabilities | | | |
| i) Borrowings | 11 | 13,115 | 6,132 |
| b) Other non-current liabilities | 12 | 1,226 | 1,254 |
| Total Non-current liabilities | | 14,341 | 7,386 |
| Current liabilities | | | |
| a) Financial liabilities | | | |
| i) Borrowings | 11 | 5,000 | 5,000 |
| ii) Trade payables | 13 | | |
| a) Total outstanding dues of Micro Enterprises and Small Enterprises | | - | - |
| b) Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises | | 869 | 4 |
| iii) Other financial liabilities | 14 | 1,953 | 2,103 |
| b) Other current liabilities | 12 | 194 | 37 |
| Total Current liabilities | | 8,016 | 7,144 |
| TOTAL | | 21,375 | 14,391 |

See accompanying notes to financial statements.

As per our report on even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

Tridevjal Khandelwal
Partner
ICAI Membership No.: 501160



For and on behalf of the Board of Directors

Arun Misra

Arun Misra
Chairperson
DIN: 01835605

Date: 17 April, 2024
Place: Udaipur

Date: 17 April, 2024
Place: Udaipur

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HINDUSTAN ZINC ALLOYS PRIVATE LIMITED
Statement of Profit and Loss for the year ended March 31, 2024

(₹ in Lakhs, except as stated)

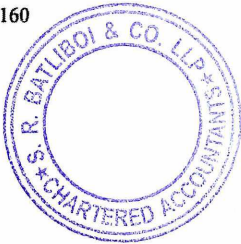
| Particulars | Notes | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|-------|--------------------------------------|--------------------------------------|
| Revenue from operations | 15A | 1,543 | - |
| Other Operating income | 15B | 0 | - |
| Other income | 16 | 6 | 100 |
| Total Income | | 1,549 | 100 |
| Expenses: | | | |
| Cost of materials consumed | 17 | 1,549 | - |
| (Increase)/Decrease in inventories of finished goods and work-in-progress | 18 | (46) | - |
| Depreciation expense | 19 | 202 | - |
| Finance costs | 20 | 323 | 39 |
| Other expenses | 21 | 570 | 175 |
| Total expenses | | 2,598 | 214 |
| (Loss) before tax | | (1,049) | (114) |
| Tax expense : | | | |
| Current tax | 22 | - | - |
| Deferred tax | 22 | (206) | - |
| Total tax expenses | | (206) | - |
| (Loss) for the Year | | (843) | (114) |
| Other comprehensive income | | | |
| Other comprehensive income | | - | - |
| Total other comprehensive income | | - | - |
| Total comprehensive (loss) for the year | | (843) | (114) |
| Earnings per share (nominal value of shares ₹ 10) | | | |
| Basic loss per share (₹) | 23 | (843) | (114) |
| Diluted loss per share (₹) | 23 | (843) | (114) |

See accompanying notes to financial statements.

As per our report on even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/0300005


Tridevjal Khandelwal
Partner
ICAI Membership No.: 501160



Date: 17 April, 2024
Place: Udaipur



For and on behalf of the Board of Directors


Arun Misra
Chairperson
DIN: 01835605

Date: 17 April, 2024
Place: Udaipur

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HINDUSTAN ZINC ALLOYS PRIVATE LIMITED
Statement of Cash Flow for the year ended March 31, 2024

| | (₹ in Lakhs) | |
|---|--------------------------------------|--|
| Particulars | For the year ended March 31, 2024 | For the period ended March 31, 2023 |
| (A) CASH FLOW FROM OPERATING ACTIVITIES : | | |
| (Loss) before tax | (1,049) | (114) |
| Adjustments to reconcile the (loss) before tax to net cash provided by operating activities: | | |
| Depreciation and amortization expense | 202 | - |
| Interest expense | 321 | 30 |
| Interest income | - | (3) |
| Amortization of deferred revenue arising from government grant | (6) | - |
| Net (Gain) on sale of financial asset investments | - | (1) |
| Net (gain)/loss on foreign currency transactions and translation | 11 | (96) |
| Operating loss before working capital changes | (521) | (184) |
| Changes in assets and liabilities | | |
| (Increase)/Decrease in Inventories | (174) | - |
| (Increase)/Decrease in Trade receivables | (162) | - |
| (Increase) in Other current assets | (1,070) | (818) |
| (Increase)/Decrease in Other non current assets | - | 0 |
| Increase in Trade payables | 865 | 86 |
| Increase/(Decrease) in Other current liabilities | 77 | 34 |
| Net cash (used) in operating activities | (985) | (882) |
| Income taxes (paid) during the year (net of refunds) | (3) | - |
| Net cash (used) in operating activities | (988) | (882) |
| (B) CASH FLOW FROM INVESTING ACTIVITIES : | | |
| Purchases of Property, Plant and Equipment (including CWIP and Capital Creditors) | (4,299) | (10,256) |
| Interest received | - | 3 |
| Purchase of current investments | - | (743) |
| Proceeds from sale of current investments | - | 744 |
| Net cash (used) in investing activities | (4,299) | (10,252) |
| (C) CASH FLOW FROM FINANCING ACTIVITIES : | | |
| Proceeds from long term borrowings | 5,490 | 11,132 |
| Net cash flows from financing activities | 5,490 | 11,132 |
| Net (decrease)/increase in Cash and cash equivalents | 203 | (2) |
| Cash and cash equivalents at the beginning of the period | 0 | 2 |
| Cash and cash equivalents at the end of the year (Refer Note 8) | 203 | 0 |

Note:-

- The figures in brackets indicates outflows.
- The above cash flow has been prepared under "Indirect method" as set out in Indian Accounting Standard (Ind AS -7) Statement of Cash Flows.

See accompanying notes to financial statements.

As per our report on even date

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

Tridevial Khandelwal
Partner
ICAI Membership No.: 501160



Date: 17 April, 2024
Place: Udaipur

P

For and on behalf of the Board of Directors

Arun Misra
Arun Misra
Chairperson
DIN: 01835605

Date: 17 April, 2024
Place: Udaipur

HINDUSTAN ZINC ALLOYS PRIVATE LIMITED
Statement of Changes in Equity for the year ended March 31, 2024

a. Equity share capital

| Equity shares of ₹ 10 each issued, subscribed and fully paid | Numbers of shares (in Lakhs) | (₹ in Lakhs) |
|--|---------------------------------|--------------|
| As at March 31, 2023 | 1 | 10 |
| Changes in equity share capital during the current year | - | 0 |
| As at March 31, 2024 | 1 | 10 |

b. Other equity

| Particulars | Reserve and Surplus | Total |
|---|---------------------|--------------|
| | Retained earnings | |
| Balance as at April 01, 2022 | (35) | (35) |
| (Loss) for the year | (114) | (114) |
| Changes in accounting policy or prior period errors | - | - |
| Other comprehensive (loss) for the year | - | - |
| Balance as at March 31, 2023 | (149) | (149) |
| (Loss) for the year | (843) | (843) |
| Changes in accounting policy or prior period errors | - | - |
| Other comprehensive (loss) for the year | - | - |
| Balance as at March 31, 2024 | (992) | (992) |

See accompanying notes to financial statements.

As per our report on even date

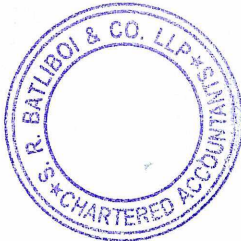
For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005


Tridevlal Khandelwal
Partner
ICAI Membership No.: 501160

For and on behalf of the Board of Directors


Arun Misra
Chairperson
DIN: 01835605

Date: 17 April, 2024
Place: Udaipur



Date: 17 April, 2024
Place: Udaipur





1. COMPANY OVERVIEW

Hindustan Zinc Alloys Private Limited ("HZAPL" or "the Company")(CIN U27320RJ2021PTC078200) is a private limited company domiciled in India and incorporated on November 17, 2021 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 metals and its alloys.

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) 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 and on the accrual basis except for financial instruments which are measured at fair values (Refer note 3(I)(a) below). The Company is financially and operationally supported by the holding company to enable it to operate and settle its liabilities and obligations as and when they become due to continue as a going concern.

Accounting policies have been consistently 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. (Refer note 3 (II) below).

The financial statements were authorised for issue in accordance with a resolution of Board of Directors on April 17, 2024. The revision to these financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

3.(I) MATERIAL ACCOUNTING POLICIES

a) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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.

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.

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.

b) Current and non-current classification

The assets and liabilities are classified as current/ non-current based on the operating cycle, which has been identified as 12 months.

c) Functional and presentation currency

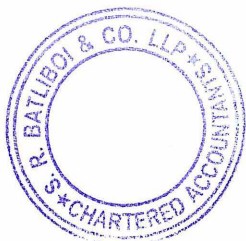
The financial statements are prepared in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in Indian Rupees (₹) has been rounded to the nearest Lakhs. Amounts less than ₹ 0.50 Lakhs have been presented as "0".

d) Revenue recognition

(i) Sale of goods

Revenue from contracts with customers is recognised when control(as defined in Ind As 115) of the goods or services is transferred to the customer as per the terms of contract, which usually, is at the time of dispatch of goods to the customer or on the delivery of goods to a carrier responsible for transporting the goods to the customer, or on the date of bill of lading on delivery of the goods to the carriers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised net of discounts, volume rebates, outgoing sales taxes/ goods and service tax and other indirect taxes. The Company has generally concluded that it is the principal in its revenue arrangements.

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Goods are often sold with volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. A liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are generally made with a credit term of 0-90 days, which is consistent with market practice. Any obligation to provide a refund is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Certain of the Company's sales contracts provide for provisional pricing based on the price on the London Metal Exchange (LME), as specified in the contract. Revenue in respect of such contracts is recognised when control passes to the customer and is measured at the amount the entity expects to be entitled – being the estimate of the price expected to be received at the end of the measurement period. Post transfer of control of goods, provisional pricing features are accounted in accordance with Ind AS 109 'Financial Instruments' rather than Ind AS 115 and therefore the Ind AS 115 rules on variable consideration do not apply. These 'provisional pricing' adjustments i.e. the consideration received post transfer of control are included in total revenue from operations on the face of the Statement of Profit and loss. Final settlement of the price is based on the applicable price for a specified future period. The Company's provisionally priced sales are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

Revenue from freight and insurance services is recognised over the period during which services are rendered.

(ii) Contract Balances

(a) Trade Receivable

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Accounting policies of financial assets in Financial instruments – initial recognition and subsequent measurement (Refer Note 3 (II) (g) below).

(b) Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(iii) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iv) Others

Revenue relating to insurance claims and interest on delayed or overdue payments from trade receivable is recognized when no significant uncertainty as to measurability or collection exists.

e) 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. 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.

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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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. 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.

Government grant related to fixed asset is capitalized along with the asset that it relates to and depreciated over the life of the primary asset.

(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. Depreciation on tangible property and other equipment has been provided on the straight-line method.

- Depreciation has been provided over remaining useful life or life of replaced part whichever is shorter of the respective property, plant and equipment in respect of additions arising on account of insurance spares, on additions or extension forming an integral part of existing plants and on the revised carrying amount of assets identified as impaired.

- Based on technical evaluation, the management believes that the useful lives as given below best represent the period over which the management expects to use the asset.

| Assets | Useful life in years (as per Sch II) |
|---|--------------------------------------|
| Factory buildings | 30 years |
| Residential buildings | 60 years |
| Computers and data processing equipment | 3-6 years |
| Plant and Equipment | 8-40 years |
| Office equipment | 5 years |
| Furniture and fixtures | 10 years |
| Vehicles | 8-10 years |

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

iv) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowings of the funds.

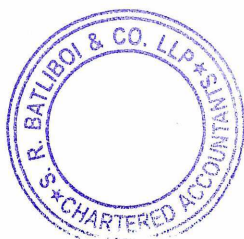
f) Impairment of non-financial assets

Impairment charges and reversals are assessed at the level of cash-generating units.

Impairment tests are carried out annually for all assets when there is an indication of impairment. The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. The Group 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.

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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.

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.

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.

g) 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

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, financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables that do not contain a significant financing component are measured at transaction price as per Ind AS 115. For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at 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. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

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

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

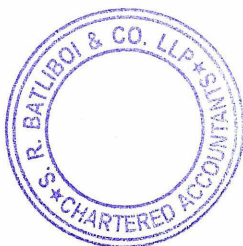
- Financial assets at fair value through Statement of Profit and Loss (FVTPL)

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

The provisionally priced trade receivables are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

Fair value changes related to such financial assets are recognised in the Statement of Profit and Loss

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Financial assets - derecognition

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.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets measured at amortized cost and other contractual rights to receive cash or other financial asset

- Financial assets that are measured at amortized cost e.g., trade receivables and bank balances
- Financial assets that are debt instruments and are measured as at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

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

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 recognizing 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 (i.e. all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss (P&L). The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

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.

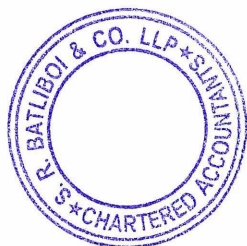
Financial liabilities – recognition and Subsequent measurement

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

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

The Company's financial liabilities include trade and other payables, loans and borrowings including and derivative financial instruments.

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Subsequent measurement

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

- At fair value through Statement of Profit or Loss.

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 at amortized cost (Borrowings and 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.

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 is financial liabilities.

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.

h) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange, the Company enters into forward currency contracts. The Company does not hold derivative financial instruments for speculative purposes.

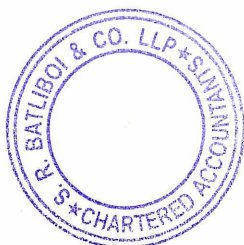
Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges
- Cash flow hedges

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At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss. When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the Statement of Profit and Loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the Statement of Profit and Loss.

Amounts recognized as OCI are transferred to Statement of Profit and Loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

j) Government grants, subsidies and export incentives

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income.

k) Inventories

Inventories are valued at the lower of cost and net realizable value, less any provision for obsolescence.

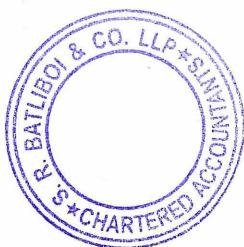
Costs incurred in bringing each product to its present location and condition are accounted for as follows:

(i) Raw material, work-in-progress and finished goods (including significant by-products i.e. Zinc dross) are valued at lower of cost or net realizable value on weighted average basis.

(ii) Stores and spares are valued at lower of cost or net realizable value on weighted average basis.

Net realizable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal.

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l) 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 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.

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 reassessed 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.

m) Foreign currency translation

The Company Financial statements are presented in INR, which is also the parent company's functional currency.

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. 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.

n) Earnings per share

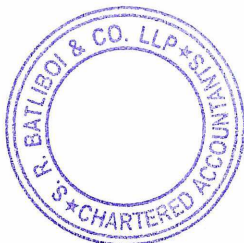
The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined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

o) 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.

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p) Provisions, contingent liabilities and contingent assets

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

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 recognised 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 recognised 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 recognised but disclosed in the financial statements when an inflow of economic benefit is probable.

The Company has capital commitments in relation to ongoing capital projects which are not recognized on the balance sheet. but disclosed in the financial statement.

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker i.e. board of directors of the Company.

The Company's operations revolve around manufacturing of metal and their alloys. 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", prescribed under Companies (Indian Accounting Standards) Rules, 2015. The Company's operations are mainly confined within India and as such there are no reportable geographical segment.

3. (II) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Group applied for the first-time these amendments.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

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The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

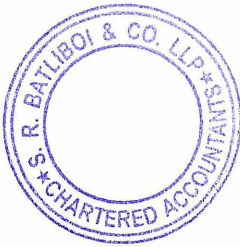
(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The amendments had no impact on the Company's financial statements.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

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4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

| Particulars | Freehold land | Buildings | Plant and equipment | Office equipment | Total |
|----------------------------------|---------------|-----------|---------------------|------------------|--------|
| At Cost | | | | | |
| As at April 1, 2022 | - | - | - | - | - |
| Additions | 167 | - | - | - | 167 |
| Disposals/ adjustments | - | - | - | - | - |
| As at March 31, 2023 | 167 | - | - | - | 167 |
| Additions | - | 2,530 | 7,244 | 77 | 9,851 |
| Disposals/ adjustments | - | - | - | - | - |
| As at March 31, 2024 | 167 | 2,530 | 7,244 | 77 | 10,018 |
| Accumulated depreciation | | | | | |
| As at April 30, 2023 | - | - | - | - | - |
| Depreciation charge for the year | - | 52 | 148 | 3 | 202 |
| Disposals/ adjustments | - | - | - | - | - |
| As at March 31, 2024 | - | 52 | 148 | 3 | 202 |
| Net Book Value | | | | | |
| As at March 31, 2024 | 167 | 2,478 | 7,096 | 74 | 9,816 |
| As at March 31, 2023 | 167 | - | - | - | 167 |

4A. CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Opening Carrying amount of Capital work in progress | 13,402 | - |
| Additions during the year | 5,340 | 13,402 |
| Capitalisation during the year | (9,851) | - |
| Closing Carrying amount of Capital work in progress | 8,891 | 13,402 |

Capital work in progress(CWIP) Ageing Schedule

(₹ in Lakhs)

| CWIP | As at March 31, 2024 | | As at March 31, 2023 | |
|-------------------|----------------------|-------|----------------------|--------|
| | Projects in progress | Total | Projects in progress | Total |
| Less than 1 year | 1,242 | 1,242 | 13,402 | 13,402 |
| 1-2 years | 7,649 | 7,649 | - | - |
| 2-3 years | - | - | - | - |
| More than 3 years | - | - | - | - |
| Total | 8,891 | 8,891 | 13,402 | 13,402 |

CWIP completion schedule for projects whose completion is overdue or has exceeded its cost compared to its original plan:

(₹ in Lakhs)

| CWIP | As at March 31, 2024 | | As at March 31, 2023 | |
|---------------|----------------------|-----------|----------------------|-----------|
| | To be completed in | | To be completed in | |
| | Less than 1 year | 1-2 years | Less than 1 year | 1-2 years |
| HZAPL Project | 8,891 | - | - | - |
| Total | 8,891 | - | - | - |

(1) During the year, the Company has capitalised the following expenses which are attributable to the construction activity and are included in the cost of capital work in progress (CWIP). Consequently, expenses disclosed under the respective notes are net of such amounts.

| Particulars | (₹ in Lakhs) | |
|---------------------------|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Cost of Material Consumed | 85 | - |
| Finance Cost | 977 | 332 |
| Other expenses | 21 | 45 |
| Total | 1,083 | 377 |

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5. OTHER ASSETS

| Particulars | (₹ in Lakhs) | |
|---|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Non-current | | |
| Unsecured, considered good | | |
| Capital advances | 28 | 0 |
| Total | 28 | 0 |
| Current | | |
| Unsecured, considered good | | |
| Advance given to vendors for supply of goods and services | 0 | 0 |
| Balance with government authorities ⁽¹⁾ | 1,884 | 822 |
| Claims and other receivables ⁽²⁾ | 8 | - |
| Total | 1,892 | 822 |

⁽¹⁾ Pertains to GST receivable balances.

⁽²⁾ Pertains to prepaid expenses.

6. INVENTORIES *

| Particulars | (₹ in Lakhs) | |
|---------------------------|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| a. Raw material | 54 | - |
| b. Work in Progress | 46 | - |
| c. Finished goods | - | - |
| d. Stores and spare parts | 74 | - |
| Total | 174 | - |

* For method of valuation of inventories, Refer note 3(I)(j)

(1) Inventory held at net realizable value amounted to ₹ 170 Lakhs (March 31, 2023 : ₹ Nil). The write down on this inventory of ₹ 30 Lakhs (March 31, 2023: ₹ Nil) has been taken to Statement of Profit and Loss.

7. TRADE RECEIVABLES

| Particulars | (₹ in Lakhs) | |
|------------------|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Unsecured | | |
| Considered good | 162 | - |
| Total | 162 | - |

Trade receivables Ageing Schedule

| | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------------|----------------------|----------------------|
| Undisputed | | |
| Not Due | | |
| Less than 6 months | 162 | - |
| 6 months – 1 year | - | - |
| 1-2 years | - | - |
| 2-3 years | - | - |
| More than 3 years | - | - |
| Total | 162 | - |
| Disputed | | |
| Not Due | | |
| Less than 6 months | - | - |
| 6 months – 1 year | - | - |
| 1-2 years | - | - |
| 2-3 years | - | - |
| More than 3 years | - | - |
| Total | - | - |
| Total Trade receivables | 162 | - |

⁽¹⁾ The average credit period given to customer ranges from zero to ninety days. Interest is charged on trade receivables for the credit period, from the date of the invoice at 9.2%. (March 31, 2023: Nil) per annum on the outstanding balance.

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8. CASH AND CASH EQUIVALENTS

| Particulars | (₹ in Lakhs) | |
|---------------------|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Balances with banks | | |
| On current accounts | 203 | 0 |
| Total | 203 | 0 |

9. OTHER FINANCIAL ASSETS

| Particulars | (₹ in Lakhs) | |
|-----------------------------------|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Non-current | - | - |
| Current | | |
| Unsecured, Considered Good | | |
| Derivative assets (Refer Note 25) | 0 | - |
| Total | 0 | - |

10. EQUITY SHARE CAPITAL

| Particulars | (₹ in Lakhs) | |
|---|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| A. Authorized equity share capital | | |
| Equity shares of ₹ 10 each. | 10 | 10 |
| No. of Shares (In Lakhs) | 1 | 1 |
| B. Issued, subscribed and paid up | | |
| Equity shares of ₹ 10 each. | 10 | 10 |
| No. of Shares (In Lakhs) | 1 | 1 |
| C. Equity shares held by Holding Company | | |
| Hindustan Zinc Limited | | |
| No. of Shares (In Lakhs) | 1 | 1 |
| % of Holding (along with its nominees) | 100.00% | 100.00% |
| D. No shares issued for consideration other than cash and no shares bought back during the period of five years immediately preceding the reporting date | | |
| E. Details of shareholders holding more than 5% shares in the Company | | |
| Hindustan Zinc Limited | | |
| No. of Shares (In Lakhs) | 1 | 1 |
| % of Holding (along with its nominees) | 100.00% | 100.00% |
| F. Details of shares held by promoters | | |
| Hindustan Zinc Limited | | |
| No. of shares issued as at the beginning of the year (In Lakhs) | 1 | 1 |
| Change during the year (In Lakhs) | - | - |
| No. of shares at the end of the year (In Lakhs) | 1 | 1 |
| % of Total Shares (along with its nominees) | 100.00% | 100.00% |
| % change during the period | - | - |
| G. Terms/Rights attached to equity shares | | |

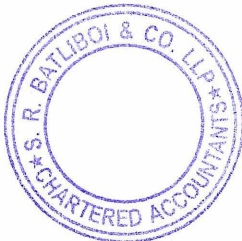
G. Terms/Rights attached to equity shares

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.

11. BORROWINGS**Non-current**

| Particulars | (₹ in Lakhs) | |
|--|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| At amortised cost | | |
| Unsecured | | |
| Loan from Related Party ⁽¹⁾ (Refer note 27) | 18,115 | 11,132 |
| Total Non-current borrowing | 18,115 | 11,132 |
| Less: Current maturities of long-term borrowings | (5,000) | (5,000) |
| Total (Net) | 13,115 | 6,132 |

②



⁽¹⁾During the previous year, the Company had taken loan from Hindustan Zinc Limited (Immediate Holding Company) towards funding of its capital expenditure. The total sanctioned limit of the loan is ₹ 19,190 Lakhs at a floating rate of interest of 6.25% p.a linked with Repo rate (benchmarked) which shall be reset every 3 months from the date of first disbursement. The Loan is drawn as and when there is fund requirement and the outstanding loan is repayable in seven equal half yearly installment of ₹ 2,500 Lakhs starting from September 2024 and last installment of ₹ 615 Lakhs.

| Particulars | (₹ in Lakhs) | |
|--|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Current | | |
| At amortised cost | | |
| Unsecured | | |
| Current maturities of long-term borrowings | 5,000 | 5,000 |
| Total | 5,000 | 5,000 |

Bold

The changes in liabilities arising from financing activities is on account of cash flow changes only and there are no non-cash changes.

12. OTHER LIABILITIES

| Particulars | (₹ in Lakhs) | |
|--|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Non-Current | | |
| Deferred government grant ⁽²⁾ | 1,226 | 1,254 |
| Total | 1,226 | 1,254 |
| Current | | |
| Advance from customers ⁽³⁾ | 127 | - |
| Statutory and other liabilities ⁽¹⁾ | 45 | 37 |
| Deferred government grant ⁽²⁾ | 22 | - |
| Total | 194 | 37 |

⁽¹⁾ Pertains to TDS payable balances.

⁽²⁾ Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of Property, Plant and Equipments accounted for as government grant and being amortised over the useful life of such assets.

⁽³⁾ Advance from customers as at March 31, 2024 were ₹ 127 Lakhs (net of provision of ₹ 22 Lakhs).

13. TRADE PAYABLES

| Particulars | (₹ in Lakhs) | |
|--|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Total outstanding dues of Micro Enterprises and Small Enterprises | - | - |
| Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises (Refer Note 27) | 869 | 4 |
| Total | 869 | 4 |

Trade payables Ageing Schedule

| Particulars | (₹ in Lakhs) | |
|--|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Undisputed dues- Micro Enterprises and Small Enterprises | | |
| Less than 1 year | - | - |
| 1-2 years | - | - |
| 2-3 years | - | - |
| More than 3 years | - | - |
| Total | - | - |
| Undisputed dues- Other than Micro Enterprises and Small Enterprises | | |
| Less than 1 year | 869 | 4 |
| 1-2 years | - | - |
| 2-3 years | - | - |
| More than 3 years | - | - |
| Total* | 869 | 4 |

*Includes Unbilled dues of ₹ 101 Lakhs (March 31, 2023: ₹ 4 Lakhs)

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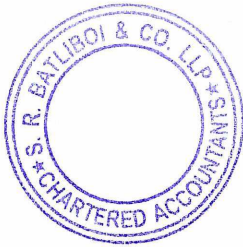
The disclosures relating to Micro Enterprises and Small Enterprises have been furnished to the extent such parties have been identified on the basis of the intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. There is no interest paid/payable as at March 31, 2024 (March 31, 2023: NIL)

| Particulars | (₹ in Lakhs) | |
|---|----------------------|----------------------|
| | As at March 31, 2024 | 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 MSMED 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 MSMED 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 MSMED Act, 2006. | - | - |

14. OTHER FINANCIAL LIABILITIES

| Particulars | (₹ in Lakhs) | |
|---|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Current | | |
| Derivatives - Liabilities (Refer Note 25) | - | 13 |
| Capital Creditors | 1,736 | 1,631 |
| Due to related party (Refer Note 27) | 217 | 439 |
| Deposits from vendors | 0 | - |
| Other liabilities | - | 20 |
| Total | 1,953 | 2,103 |

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15. (A) REVENUE FROM OPERATIONS

| Particulars | (₹ in Lakhs) | |
|-------------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| Sale of products | 1,543 | - |
| Total Revenue ⁽¹⁾ | 1,543 | - |

⁽¹⁾ Revenue is shown exclusive of GST and other indirect taxes, as these collections are not an inflow on entity's own account, rather it is collected on behalf of government authorities.

The above revenue from operations for the year ended March 31, 2024 comprises of revenue from contracts with customers of ₹ 1,543 lakhs (March 31, 2023: Nil) and a net loss on mark to market of ₹ 20 lakhs (March 31, 2023: ₹ Nil) on account of gains/losses relating to sales fully priced during the year and marked to market gains/losses relating to sales that were provisionally priced as at the end of the year.

(B) OTHER OPERATING INCOME

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| Others (unclaimed amount, carbon credits, liquidated damages etc.) | 0 | - |
| Total | 0 | - |

16. OTHER INCOME

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| Net gain on sale of current investments | - | 1 |
| Net gain on foreign currency transactions and translation | - | 96 |
| Amortization of deferred revenue arising from government grant | 6 | - |
| Interest Income on Bank deposits measured at amortized cost | - | 3 |
| Other financial assets measured at amortised cost | 0 | - |
| Total | 6 | 100 |

17. COST OF MATERIALS CONSUMED

| Particulars | (₹ in Lakhs) | |
|-----------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| Opening inventory | - | - |
| Add: Purchase | 1603 | - |
| Less: Closing inventory | (54) | - |
| Cost of materials consumed | 1549 | - |

18. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

| Particulars | (₹ in Lakhs) | |
|-------------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| Opening inventory | | |
| Finished goods | - | - |
| Work in progress | - | - |
| Total (A) | - | - |
| Closing inventory | | |
| Finished goods | - | - |
| Work in progress | 46 | - |
| Total (B) | 46 | - |
| Changes in Inventory (A - B) | (46) | - |

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19. DEPRECIATION EXPENSES

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| Depreciation on Property, Plant and Equipments (Refer note 4) | 202 | - |
| Total | 202 | - |

20. FINANCE COSTS

| Particulars | (₹ in Lakhs) | |
|---|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| Interest on financial liabilities at amortised cost | 321 | 30 |
| Bank charges | 2 | 9 |
| Total | 323 | 39 |

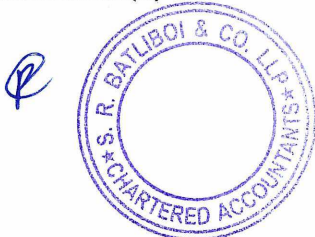
21. OTHER EXPENSES

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| Consumption of stores and spare parts | 84 | - |
| Repairs and Maintenance: Plant and equipment | 131 | - |
| Other manufacturing and operating expenses | 9 | - |
| Conveyance and travelling expenses | 7 | 6 |
| Manpower charges | 242 | 149 |
| Payment to auditors ⁽¹⁾ | 15 | 4 |
| Carriage outwards | 1 | - |
| Legal and professional expenses | 35 | 6 |
| Net loss on foreign currency transactions | 11 | - |
| Admin expenses | - | 8 |
| Miscellaneous expenses | 35 | 2 |
| Total | 570 | 175 |
| ⁽¹⁾ Remuneration to auditors: | | |
| - Audit fees | 15 | 4 |
| - Other services | - | - |
| Total | 15 | 4 |

22. INCOME TAX EXPENSES

The major components of income tax expense for the year ended March 31, 2024 are indicated below:

| Particulars | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| a. Tax charge recognised in Profit and Loss | | |
| Current tax: | | |
| Current tax on profit for the year | - | - |
| Adjustment in respect of earlier years | - | - |
| Total Current tax | - | - |
| Deferred tax: | | |
| Reversal and origination of temporary differences | (206) | - |
| Adjustment in respect of earlier years | - | - |
| Total Deferred tax | (206) | - |
| Tax expense for the year | (206) | - |
| Effective income tax rate (%) | 20% | - |



(b) A reconciliation of income tax expense applicable to accounting profits before tax at the statutory income tax rate to recognized income tax expense for the year is as follows:

| Particulars | (₹ in Lakhs) | |
|--|-----------------------------------|-----------------------------------|
| | For the year ended March 31, 2024 | For the Year ended March 31, 2023 |
| Accounting profit before tax (after exceptional item) | (1,049) | (114) |
| Statutory income tax rate | 17.16% | 25.17% |
| Tax at statutory income tax rate | (180) | (29) |
| Deffered tax assets on brought forward losses. | (26) | - |
| Tax losses on which deferred tax assets are not recognised | - | 29 |
| Total | (206) | - |

(i) Deferred tax Assets aggregating to ₹ 206 Lakhs as on March 31, 2024 (March 31, 2023: Nil) pertains to temporary differences between books and tax base of PPE and deferred tax assets on brought forward losses.

(ii) The Company is reasonably certain of utilisation of deferred tax assets in the coming years.

23. EARNINGS PER SHARE

| Particulars | (₹ in Lakhs) | |
|----------------------------|-----------------------------------|-----------------------------------|
| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| Basic loss per share (₹) | (843) | (114) |
| Diluted loss per share (₹) | (843) | (114) |

The loss and weighted average number of equity shares used in the calculation of basic and diluted loss per share are as follows:

| | | |
|--|-------|-------|
| Loss after tax attributable to owners of the Company (in ₹ Lakhs) | (843) | (114) |
| Loss used in the calculation of basic loss for the year (in ₹ Lakhs) | (843) | (114) |
| Weighted average number of equity shares outstanding (Number in Lakhs) | 1 | 1 |
| Nominal Value per share (in ₹) | 10 | 10 |

24. CONTINGENT LIABILITIES AND COMMITMENTS

a. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 2,303 Lakhs (March 31, 2023: ₹ 6,957 Lakhs)

b. Other Commitments - Export obligations

The Company has export obligations of ₹ 7,524 Lakhs (March 31, 2023 ₹ 7,524 Lakhs) on account of concessional rates of import duties paid on capital goods under the Export Promotion Capital Goods Scheme enacted by the Government of India (which is required to be fulfilled over the next six years from purchase). If the company is unable to meet these obligations, its liabilities would be ₹ 1,254 Lakhs (March 31, 2023: ₹ 1,254 Lakhs), plus applicable interest. This liability is backed by the bank guarantees executed in favour of Customs department amounting to ₹ 1,257 Lakhs (March 31, 2023: ₹ 1,257 Lakhs).

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25. 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 material 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:

| Particulars | (₹ in Lakhs) | | | | |
|-------------------------------------|------------------------------------|---|----------------|----------------------|------------------|
| | Fair Value through profit and loss | Fair Value through other comprehensive income | Amortized Cost | Total carrying value | Total fair value |
| As at March 31, 2024 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | - | - | 203 | 203 | 203 |
| Trade receivables | - | - | 162 | 162 | 162 |
| Other Current financial assets | 0 | - | - | 0 | 0 |
| Total | 0 | - | 365 | 365 | 365 |
| Financial liabilities | | | | | |
| Borrowings | - | - | 18,115 | 18,115 | 18,115 |
| Trade payables | - | - | 869 | 869 | 869 |
| Other Current financial liabilities | - | - | 1,953 | 1,953 | 1,953 |
| Total | - | - | 20,937 | 20,937 | 20,937 |
| As at March 31, 2023 | | | | | |
| Financial assets | | | | | |
| Cash and cash equivalents | - | - | 0 | 0 | 0 |
| Trade receivables | - | - | - | - | - |
| Other Current financial assets | - | - | - | - | - |
| Total | - | - | 0 | 0 | 0 |
| Financial liabilities | | | | | |
| Borrowings | - | - | 11,132 | 11,132 | 11,132 |
| Trade payables | - | - | 4 | 4 | 4 |
| Other Current financial liabilities | 13 | - | 2,090 | 2,103 | 2,103 |
| Total | 13 | - | 13,226 | 13,239 | 13,239 |

The management assessed that Cash and cash equivalents, Trade receivables, Trade payables and other current financial liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The Fair value of non current financial liabilities are estimated by discounting the expected future cash flows using a discount rate equivalent to the risk free rate of return adjusted for the appropriate credit spread.

The Company has entered into derivative financial instruments with one counterparty, principally financial institution with investment grade credit ratings. Forward foreign currency contracts are valued using valuation technique with market observable inputs. The most frequently applied valuation techniques for such derivatives include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency (a level 2 technique). The changes in counterparty risk had no material effect on the hedge effectiveness assessment for the derivatives designated in hedge relationship and the value of the other financial instrument recognised at fair value.

Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by measurement hierarchy. The different levels have been defined below:

- 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).

Quantitative disclosures on fair value measurement hierarchy:

| Particulars | (₹ in Lakhs) | | |
|--|--------------|----------|----------|
| | Level-1 | Level-2 | Level-3 |
| As at March 31, 2024 | | | |
| Financial Assets | | | |
| At fair value through profit and loss | | | |
| Derivatives financial Assets* | | | |
| Forward foreign currency contracts | - | 0 | - |
| Total | - | 0 | - |
| Financial Liabilities | | | |
| At fair value through profit and loss | | | |
| Derivatives financial Liabilities* | | | |
| Forward foreign currency contracts | - | - | - |
| Total | - | - | - |

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As at March 31, 2023

Financial Assets

At fair value through profit and loss

Derivatives financial Assets*

Forward foreign currency contracts

Total

| | | | |
|--|---|---|---|
| | - | - | - |
| | - | - | - |

Financial Liabilities

At fair value through profit and loss

Derivatives financial Liabilities*

Forward foreign currency contracts

Total

| | | | |
|--|---|----|---|
| | - | 13 | - |
| | - | 13 | - |

* Refer section - "Derivative financial instruments"

The below table summarises the fair value of borrowings which are carried at amortised cost as at March 31, 2024 and March 31, 2023:

| Financial Liabilities | (₹ in Lakhs) | | |
|-----------------------------|--------------|---------------|---------|
| | Level-1 | Level-2 | Level-3 |
| As at March 31, 2024 | | | |
| Borrowings | - | 18,115 | - |
| Total | - | 18,115 | - |
| As at March 31, 2023 | | | |
| Borrowings | - | 11,132 | - |
| Total | - | 11,132 | - |

There is no financial instrument which is classified as level 3 during the year. There were no transfers between Level 1, Level 2 and Level 3 during the year.

Risk management framework

Risk management

As the Company is in nascent stage, its risk management is being done by Holding company. The Company's businesses are subject to several risks and uncertainties including financial risks. The Holding Company's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, commodity price risk, foreign exchange risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers of Holding company. Each significant risk has a designated 'owner' within the Holding Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance function of the Holding company and is regularly reviewed by the Risk Management Committee of the Holding company, which meets regularly to review risks as well as the progress against the planned actions. Key business decisions are discussed at the periodic meetings of the Executive Committee of the Holding company. The overall internal control environment and risk management programme including financial risk management is reviewed by the Board of directors of the Company.

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

Treasury management

Holding company's treasury function provides services to the company's business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

Treasury management of the company as managed by Holding company's treasury function focuses on capital protection, liquidity maintenance and yield maximization. The treasury policies are approved by the Board of the Holding company and adherence to these policies is strictly monitored at the Executive Committee meetings of the of the Holding company. Day-to-day treasury operations of the Company are managed by the Holding company's finance team within the framework of the overall Holding Company's treasury policies.

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury and commodity risks. The treasury derivative transactions are normally in the form of forwards and these are subject to the Holding Company's guidelines and policies.

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. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments.

Financial risk

The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Company does not engage in speculative treasury activity.

a. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through continued support from lenders, trade creditors as well as through issue of equity shares.

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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.

| | (₹ in Lakhs) | | | | |
|-----------------------------|--------------|---------------|--------------|-----------|---------------|
| Payment due by years | <1 year | 1-3 Years | 3-5 Years | > 5 Years | Total |
| As at March 31, 2024 | | | | | |
| Trade and other payables | 2,822 | - | - | - | 2,822 |
| Borrowings* | 5,000 | 10,000 | 3,115 | - | 18,115 |
| Total | 7,823 | 10,000 | 3,115 | - | 20,938 |
| As at March 31, 2023 | | | | | |
| Trade and other payables | 1,781 | - | - | - | 1,781 |
| Borrowings* | 6,203 | 6,595 | - | - | 12,798 |
| Total | 7,984 | 6,595 | - | - | 14,579 |

*Includes Non-current borrowings, current maturities of non-current borrowings, committed interest payments on borrowings and interest accrued on borrowings.

The Company had access to following funding facilities.

| | (₹ in Lakhs) | | |
|-----------------------------|----------------|---------------|---------------|
| Funding facility | Total facility | Drawn | Undrawn |
| As at March 31, 2024 | | | |
| Less than 1 year | 25,190 | 18,115 | 7,075 |
| More than 1 year | - | - | - |
| Total | 25,190 | 18,115 | 7,075 |
| As at March 31, 2023 | | | |
| Less than 1 year | 26,690 | 11,132 | 15,558 |
| More than 1 year | - | - | - |
| Total | 26,690 | 11,132 | 15,558 |

b. Foreign currency risk

Fluctuations in foreign currency exchange rates may have an impact on the Statement of Profit and Loss, where any transaction. References more than one currency other than the functional currency of the Company.

The Company uses forward exchange contracts, to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The sources of foreign exchange risk are outstanding amounts payable for capital goods denominated in foreign currency. These transactions are denominated in US dollars. The policy of the Company is to determine on a regular basis what portion of the foreign exchange risk on financing transactions are to be hedged through forward exchange contracts and other instruments. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted for project expenditures to avoid budget overruns. Longer term exposures, are normally unhedged. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. The following analysis is based on the gross exposure as at the reporting date which could affect the Statement of Profit and Loss. The below table summarises the foreign currency risk from financial instrument and is partly mitigated by some of the derivative contracts entered into by the Company as disclosed under the section on "Derivative financial instruments."

The carrying amount of the Company's financial assets and liabilities in different currencies is as follows:

| Particulars | (₹ in Lakhs) | | | |
|-------------------|----------------------|---------------------|----------------------|---------------------|
| | As at March 31, 2024 | | As at March 31, 2023 | |
| Currency exposure | Financial Asset | Financial Liability | Financial Asset | Financial Liability |
| US Dollar | - | 834 | - | 931 |

The Company's exposure to foreign currency arises where a Company holds monetary assets and liabilities denominated in a currency different to the functional currency of the Company, with US dollar being the major non-functional currency. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, liquidity and other market changes.

The results of Company operations may be affected largely by fluctuations in the exchange rates between the Indian Rupee, against the US dollar. The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rate shift in the currencies by 10% against the functional currency of the respective entities.

Set out below is the impact of a 10% strengthening/weakening in the INR on pre-tax profit/(loss) arising as a result of the revaluation of the Company's foreign currency financial assets/liabilities:

| Particulars | (₹ in Lakhs) | | | |
|-------------|-----------------------------------|-----------------------------------|---|-----------------------------------|
| | Total exposure | | Effect of 10% strengthening/weakening of INR on pre-tax profit/(loss) | |
| | For the year ended March 31, 2024 | For the year ended March 31, 2023 | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| US Dollar | 834 | 931 | 83 | 93 |

c. 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 has floating interest rate borrowing as at the March 31, 2024.

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The exposure of the Company's financial assets and liabilities to interest rate risk is as follows:

| Particulars | (₹ in Lakhs) | | | |
|-----------------------------|--------------|---------------|------------|----------------------|
| | Total | Floating rate | Fixed rate | Non-interest bearing |
| As at March 31, 2024 | | | | |
| Financials assets | 365 | - | - | 365 |
| Financial liabilities | 20,937 | 18,115 | - | 2,822 |
| As at March 31, 2023 | | | | |
| Financials assets | 0 | - | - | 0 |
| Financial liabilities | 13,239 | 11,132 | - | 2,107 |

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations. Any increase in interest rates would result in a net loss and any decrease in interest rates would result in a net gain. The below analysis gives the impact of a 0.5% to 2.0% change in interest rates on floating rate liabilities on (loss) and equity and represents management's assessment of the possible change in interest rates.

The impact of change (increase/(decrease)) in interest rate of 0.5%, 1.0% and 2.0% on the loss for the year ended March 31, 2024 is ₹ 83.10 Lakhs, ₹ 166.21 Lakhs and ₹ 332.42 Lakhs and for period ended March 31, 2023 is ₹ 56 Lakhs, ₹ 111 Lakhs and ₹ 223 Lakhs respectively.

Derivative financial instruments

The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury risks. Treasury derivative transactions are normally in the form of forward contracts and these are subject to the Company guidelines and policies.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value based on quotations obtained from financial institutions or brokers. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current assets and liabilities. Derivatives that are designated as hedges are classified as current depending on the maturity of the derivative.

The use of derivatives can give rise to credit and market risk. The Company tries to manage credit risk by entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Non-qualifying/economic hedges

Non-qualifying hedges relates to foreign currency exposure. The Company enters into forward contracts for the covering the risk that may arise due to fluctuation in the Foreign Exchange Rate while making the Foreign Payments. The Company enters into forward foreign currency contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Fair value changes on such forward contracts are recognized in the Statement of Profit and Loss.

The fair value of the Company's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows:

| Derivative financial instruments | (₹ in Lakhs) | | | |
|------------------------------------|----------------------|-------------|----------------------|-------------|
| | As at March 31, 2024 | | As at March 31, 2023 | |
| | Assets | Liabilities | Assets | Liabilities |
| Current | | | | |
| Non - qualifying hedges, | | | | |
| Forward foreign currency contracts | 0 | - | - | 13 |
| Total | 0 | - | - | 13 |

Disclosures of Non qualifying Hedge:

A. The following are the outstanding forward exchange contracts entered into by the Company and outstanding as at year end

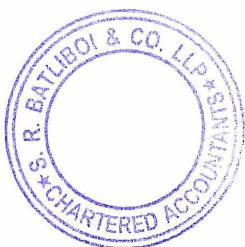
| Currency | (In Lakhs) | | | |
|-----------------------------|------------------|---------------|------------|----------------|
| | Foreign currency | Indian Rupees | Buy / Sell | Cross Currency |
| As at March 31, 2024 | | | | |
| USD | 11 | 931 | Buy | INR |

| Currency | (In Lakhs) | | | |
|-----------------------------|------------------|---------------|------------|----------------|
| | Foreign currency | Indian Rupees | Buy / Sell | Cross Currency |
| As at March 31, 2023 | | | | |
| USD | 15 | 1,232 | Buy | INR |

B. All derivative and financial instruments acquired by the Company are for hedging purposes.

C. There are Nil unhedged foreign currency exposure as on March 31, 2024 (March 31, 2023: Nil)

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26. 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's overall strategy remains unchanged from previous period. 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 currently met through a mixture of equity and other short term/long term borrowings. The Company believes that it will be able to meet all its current liabilities on a timely manner. The Company monitors capital on the basis of gearing ratio, which is net debt divided by total capital (equity + net debt). Net debt are non-current and current debt as reduced by cash and cash equivalents, other bank balances and current investments. Equity comprises all components including other components of equity. The Company is not subject to any externally imposed capital requirement.

| Particulars | (₹ in Lakhs) | |
|--|----------------------|----------------------|
| | As at March 31, 2024 | As at March 31, 2023 |
| Cash and cash equivalents (See Note 8) | 203 | 0 |
| Total cash (a) | 203 | 0 |
| Non Current borrowings (See Note 11) | 13,115 | 6,132 |
| Current borrowings (See Note 11) | 5,000 | 5,000 |
| Total debt (b) | 18,115 | 11,132 |
| Net debt (c = (b-a)) | 17,912 | 11,132 |
| Equity (d) (See Statement of changes in Equity) | (982) | (139) |
| Total Capital (e = equity + net debt) | 16,930 | 10,993 |
| Gearing ratio(times) (c/e) | 1.06 | 1.01 |

27. RELATED PARTY

a. List of related parties:

Particulars

(i) Holding Companies:

Hindustan Zinc Limited (Immediate Holding Company)

Vedanta Limited (Intermediate Holding Company)

Vedanta Resources Limited (Intermediate Holding Company)

Vedanta Incorporated (formerly known as Volcan Investment Limited)(Ultimate Holding Company)

(ii) Key management Personnel:

Mr. Arun Misra (Director)

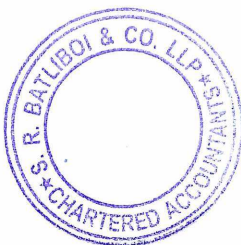
Mr. R. Pandwal (Director)

b. Transactions with Related Parties:

The details of the related party transactions entered into by the Company, for the period ended March 31, 2024 are as follows:

| Nature of transactions | (₹ in Lakhs) | |
|--|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
| Borrowings taken during the year | | |
| Hindustan Zinc Limited* | 6,983 | 11,132 |
| Total | 6,983 | 11,132 |
| Interest on Borrowings | | |
| Hindustan Zinc Limited | 1,298 | 362 |
| Total | 1,298 | 362 |
| Other Expenses and reimbursements | | |
| Hindustan Zinc Limited | 362 | 189 |
| Total | 362 | 189 |
| Purchase of property, plant and equipment | | |
| Hindustan Zinc Limited | - | 161 |
| Total | - | 161 |
| Letter of Comfort/Bank Limits taken | | |
| Hindustan Zinc Limited | 6,600 | 8,100 |
| Total | 6,600 | 8,100 |

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| Purchase of Goods | | |
|--------------------------|--------------|----------|
| Hindustan Zinc Limited | 1,741 | - |
| Vedanta Limited | 74 | - |
| Total | 1,815 | - |

*Includes interest payable considered as Borrowings.

| The balances payable as at year end: | | (₹ in Lakhs) | |
|---|-----------------------------|-----------------------------|--|
| Particulars | As at March 31, 2024 | As at March 31, 2023 | |
| Payable to | | | |
| Hindustan Zinc Limited- Borrowings | 18,115 | 11,132 | |
| Hindustan Zinc Limited - Interest | - | 326 | |
| Hindustan Zinc Limited - Trade payable | 767 | - | |
| Hindustan Zinc Limited- Others | 217 | 113 | |
| Total | 19,099 | 11,571 | |

There are no dues to/from the directors and senior officers of the Company.

c. Terms and conditions of related party transactions:

The transactions from related parties are assessed to be at arm's length by the management. Outstanding balances at the year-end are unsecured and interest free, except for borrowings taken, and settlement occurs in cash. Refer note 11(1) for terms and conditions for loans from related parties. There have been no other guarantees/Letter of comfort provided or received from any related party receivables or payables except as disclosed in Note (b) above.

28. SEGMENT INFORMATION

The Company's operations revolve around manufacturing of metal and their alloys. 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", prescribed under Companies (Indian Accounting Standards) Rules, 2015. The Company's operations are mainly confined within India and as such there are no reportable geographical segment.

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29. RATIO ANALYSIS AND ITS ELEMENTS⁽¹⁾

| Ratio | Numerator | Denominator | March 31, 2024 | March 31, 2023 | % Variance* |
|---------------------------------|--|---|----------------|----------------|-------------|
| Current ratio | Current Assets | Current Liabilities (excluding current maturities of long term borrowing) | 0.81 | 0.38 | 110% |
| Debt- Equity Ratio | Debt [Debt is long term borrowing (current & non current portion) and Short Term Borrowing] | Shareholder's Equity | (18.44) | (80.09) | (77%) |
| 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 | (0.40) | (0.22) | 82% |
| Return on Equity ratio | Net Profit/(loss) after tax before exceptional items(net of tax) | Average Shareholder's Equity | (1.50) | (1.39) | (8%) |
| Inventory Turnover ratio | Revenue from operations - Earning before Interest, Tax, Depreciation & Amortisation (EBITDA) and exceptional items | Average Inventory | 23.70 | - | - |
| Trade Receivable Turnover Ratio | Revenue from operations (including Other operating income) | Average Trade Receivable | 19.00 | - | - |
| Trade Payable Turnover Ratio | Total Purchases | Average Trade Payables | 5.12 | 19.91 | (74%) |
| Net Capital Turnover Ratio | Revenue from operations (including Other operating income) | Working capital = Current assets - Current liabilities excluding current maturities of long term borrowing | ** | ** | - |
| Net Profit ratio | Net Profit after tax (PAT) before exceptional items(net of tax) | Revenue from operations (including Other operating income) | (0.55) | - | - |
| Return on Capital Employed | Earnings before interest and taxes | Average Capital Employed Capital Employed= Net Worth + Total Debt [Debt is long term borrowing (current & non current portion) and Short Term Borrowing] | (0.05) | (0.02) | (113%) |
| Return on Investment | Interest (Finance Income) | Average Investments | - | - | - |

***Reason for Variance more than 25%**

- (i) Current ratio - Current ratio is higher mainly on account of higher current assets than previous year.
- (ii) Debt - Equity ratio - Debt-Equity ratio is higher mainly on account of lower shareholder's equity and higher inter company borrowings taken during the year for capital expenditure.
- (iii) Debt - Service Coverage ratio - Debt-Service Coverage ratio is higher mainly on account of higher interest expense.
- (iv) Inventory Turnover ratio - Inventory Turnover ratio is NIL in previous year as there were no inventory balance.
- (v) Trade Receivables Turnover ratio - Trade Receivables Turnover ratio is NIL in previous year as there was no revenue from operation and trade receivables.
- (vi) Trade payable turnover ratio - Trade payable turnover ratio is higher mainly on account of higher total purchases due to commencement of operation in current year.
- (vii) Net Profit ratio - Net Profit ratio is NIL in previous year as there was no revenue from operations.
- (viii) Return on Capital Employed - Return on Capital Employed is lower mainly on account of higher inter company borrowings taken during the year for capital expenditure.

**Working Capital is Negative

⁽¹⁾ Ratios are fluctuating mainly on account of the company being in its nascent stage and higher inter company borrowings taken by the company towards funding of its capital expenditure.

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30. SUBSEQUENT EVENTS


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

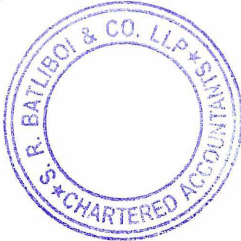
31. OTHER STATUTORY INFORMATION

- (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 Intermediary shall:
 - (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,
- (vii) The Company has no any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature is not enabled in the SAP application for direct changes to data in certain database tables, which is restricted to only one user ID with system administrator user access, in order to optimise system performance. The Company carried out proactive monitoring and review of activities performed by such user during the year. Additionally, the system administrator rights have been disabled subsequent to the year end. Further, no instance of audit trail feature being tampered with was noted in respect of software.

See accompanying notes to financial statements.


As per our report on even date

For **S.R. Battiboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/B300005

Tridevjal Khandelwal
Partner
ICAI Membership No.: 501160



Date: 17 April, 2024
Place: Udaipur

For and on behalf of the Board of Directors


Arun Misra
Chairperson
DIN: 01835605

Date: 17 April, 2024
Place: Udaipur



