

Revised Independent Auditor's Report on accounting treatment contained in draft Scheme of arrangement amongst Hindustan Zinc Limited and its Shareholders

To,
The Board of Directors,
Hindustan Zinc Limited,
Yashad Bhawan,
Udaipur, Rajasthan – 313004

We, the statutory auditors of Hindustan Zinc Limited, (hereinafter referred to as “the Company”), have examined the proposed accounting treatment specified in paragraph 5 of the Certified Draft Scheme of Arrangement (hereinafter referred to as “Scheme”) between the Company and its shareholders in terms of provisions of Sections 230 to 232 of the Companies act, 2013 read with rules made thereunder and other applicable provisions of the Companies Act, 2013 (the ‘Act’) to confirm whether it is in compliance with the applicable accounting standards notified under section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015 as may be amended from time to time and Other Generally Accepted Accounting Principles (‘Applicable Accounting Standards’). This certificate is being issued in supersession of our earlier certificate dated January 21, 2022, which hereby stands withdrawn for reasons stated in Annexure 1 which is an integral part of this certificate.

This revised certificate is to be read together with our comments in Annexure 1.

The responsibility for the preparation of the Certified Draft Scheme and its compliance with the relevant laws and regulations, including the Applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is to examine and report whether the Certified Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Revised Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Revised Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examinations and according to the information and explanations given to us, we report that there is no specific accounting treatment specified for transfer from general reserves to free reserves in accounting standards prescribed under Section 133 of the Act. Accordingly, in our opinion the proposed accounting treatment contained in the paragraph 5 of the Scheme is in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all applicable accounting standards prescribed under section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other generally accepted accounting principles

This Revised Certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the NSE, BSE, SEBI and NCLT. This revised certificate is to be read together with Annexure

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which forms an integral part of this certificate. This Revised Certificate should not be used for any other purpose without our prior written consent.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

AJAY
BANSAL

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Per Ajay Bansal

Membership Number: 502243

UDIN: 22502243ADAAPS9896

Place : Gurgaon

Date : February 18, 2022

Annexure I which forms part of the Revised certificate

1. This Revised Certificate is issued in accordance with the terms of the Master Engagement Agreement (the “MEA”) dated October 21, 2021 and the service scope letter (the “SSL”) dated October 21, 2021 between S. R. Batliboi & Co. LLP ("we" or "us" or "SRBC") and Hindustan Zinc Limited (hereinafter the “Company”).
2. We are informed that the Company had filed the aforementioned Scheme with the National Stock Exchange of India Limited (‘NSE’) and BSE Limited (‘BSE’) together with our report dated January 21, 2022. We are issuing this revised certificate in response to the queries raised by NSE in supersession of our earlier certificate dated January 21, 2022, which hereby stands withdrawn. Consequentially, our opinion has been reworded in this revised certificate. We have received an undertaking from the management that this revised certificate and the fact of supersession of the Original Certificate be brought to the attention of all recipients of such previous (superseded) certificate and such Original Certificate shall be replaced with this revised certificate, wherever such Original Certificate has been used/distributed.
3. The attached Scheme is prepared by the Company, which is required to be submitted by the Company to the BSE, NSE, National Company Law Tribunal (‘NCLT’) and Securities and Exchange Board of India (‘SEBI’) or any other authority as required under the Act and initialled by us for identification purposes only.

Managements’ Responsibility

4. The preparation of the Scheme is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The management of the Company is also responsible for ensuring that the Company complies with the requirements of the Act, and for providing all relevant information to the NCLT and any other regulatory authority in connection with the Scheme.

Auditor’s Responsibility

6. Pursuant to the requirements of Section 230 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, our responsibility is to express reasonable assurance in the form of an opinion based on our examination and according to information and explanations given to us as to whether the proposed accounting treatment prescribed in the Scheme complies with the applicable accounting standards and other Generally Accepted Accounting Principles.
7. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the reporting criteria. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the Reporting Criteria. Accordingly, we have performed the following procedures in relation to the Revised Certificate:

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- i. Read the proposed accounting treatment specified in paragraph 5 of the Scheme.
 - ii. Examined the accounting treatment as described in paragraph 5 of the Scheme with the SEBI (Listing Obligations and Disclosure Requirements) and applicable accounting standards and other Generally Accepted Accounting Principles. While assessing the proposed accounting treatment we have also considered the guidance issued by ICAI to the extent relevant.
 - iii. Performed necessary inquiries with the management and obtained necessary representations from the management.
8. Our examination did not extend to any aspects of a legal or propriety nature covered in the paragraph 5 of the Scheme. Further, our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion in the specified elements, accounts or items thereof, for the purpose of this revised certificate. Accordingly, we do not express such opinion. Further, our examination did not extend to any aspects of legal or propriety nature of the Petition and other compliances thereof.
9. We performed procedures in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Restriction on Use

11. This revised certificate has been prepared at the request of the Company for submission to NCLT and SEBI or any other authority as required under the Act. It should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this revised certificate for events and circumstances occurring after the date of this revised certificate.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**AJAY
BANSAL**

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