

**HINDUSTAN ZINC ALLOYS PRIVATE LIMITED**  
**IND AS FINANCIAL STATEMENTS**  
**AS AT AND FOR THE YEAR ENDED MARCH 31, 2023**

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

		(₹ in Lakhs)	
Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
a) Property, plant and equipment	4	167	-
b) Capital work-in-progress	4A	13,402	-
c) Other non-current assets	5	0	-
<b>Total Non-current assets</b>		<b>13,569</b>	<b>-</b>
<b>Current assets</b>			
a) Financial Assets			
i) Cash and cash equivalents	6	0	2
b) Other current assets	5	822	4
<b>Total Current assets</b>		<b>822</b>	<b>6</b>
<b>TOTAL</b>		<b>14,391</b>	<b>6</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity share capital	7	10	10
b) Other equity		(149)	(35)
<b>Total Equity</b>		<b>(139)</b>	<b>(25)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a) Financial liabilities			
i) Borrowings	8	6,132	-
b) Other non-current liabilities	9	1,254	-
<b>Total Non-current liabilities</b>		<b>7,386</b>	<b>-</b>
<b>Current liabilities</b>			
a) Financial liabilities			
i) Borrowings	8	5,000	-
ii) Trade payables	10	-	-
a) Total outstanding dues of Micro Enterprises and Small Enterprises		4	4
b) Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises		2,103	24
iii) Other financial liabilities	11	37	3
b) Other current liabilities	9	7,144	31
<b>Total Current liabilities</b>		<b>7,144</b>	<b>31</b>
<b>TOTAL</b>		<b>14,391</b>	<b>6</b>

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.: 304003E/E300005

**Tridevlal Khandelwal**  
Partner  
ICAI Membership No.: 501160

For and on behalf of the Board of Directors

*Arun Misra*

**Arun Misra**  
Director  
DIN: 01835605

*R. Pandwal*

**R. Pandwal**  
Director  
DIN: 06695133



Date: April 17, 2023  
Place: Udaipur

Date: April 17, 2023  
Place: Udaipur


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

Particulars	Notes	(₹ in Lakhs, except as stated)	
		For the year ended March 31, 2023	For the period November 17, 2021 to March 31, 2022
Revenue from operations		-	-
Other Operating income		-	-
Other income	12	100	-
<b>Total Income</b>		<b>100</b>	<b>-</b>
<b>Expenses:</b>			
Finance costs	13	39	-
Other expenses	14	175	35
<b>Total expenses</b>		<b>214</b>	<b>35</b>
<b>(Loss) before tax</b>		<b>(114)</b>	<b>(35)</b>
<b>Tax expense :</b>			
Current tax	15	-	-
Deferred tax	15	-	-
<b>Total tax expenses</b>		<b>-</b>	<b>-</b>
<b>(Loss) for the Year</b>		<b>(114)</b>	<b>(35)</b>
<b>Other comprehensive income</b>			
Other comprehensive income		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive (loss) for the period</b>		<b>(114)</b>	<b>(35)</b>
<b>Earnings per share (nominal value of shares ₹ 10)</b>			
-Basic earnings per share (₹ )	16	(114.00)	(95.34)
-Diluted earnings per share (₹ )	16	(114.00)	(95.34)


See accompanying notes to financial statements.

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DIN: 01835605

  
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Director  
DIN: 06695133

Date: April 17, 2023  
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**HINDUSTAN ZINC ALLOYS PRIVATE LIMITED**  
Statement of Cash Flow for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended March 31, 2023	For the period November 17, 2021 to March 31, 2022
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES :</b>		
(Loss) before tax	(114)	(35)
Adjustments to reconcile the (loss) before tax to net cash provided by operating activities:		
Interest expense	30	-
Interest income	(3)	-
Net (Gain) on sale of financial asset investments	(1)	-
Net gain on foreign currency transactions and translation	(96)	-
<b>Operating loss before working capital changes</b>	<b>(184)</b>	<b>(35)</b>
<b>Changes in assets and liabilities</b>		
(Increase) in Other current assets	(818)	(4)
Increase in Trade payables	86	4
Increase in Other current liabilities	34	27
<b>Net cash (used) in operating activities</b>	<b>(882)</b>	<b>(8)</b>
Income taxes (paid) during the year (net of refunds)	-	-
<b>Net cash (used) in operating activities</b>	<b>(882)</b>	<b>(8)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchases of Property, Plant and Equipment (including CWIP and Capital Creditors)	(10,256)	-
Interest received	3	-
Purchase of current investments	(743)	-
Proceeds from sale of current investments	744	-
<b>Net cash (used) in investing activities</b>	<b>(10,252)</b>	<b>-</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from long term borrowings	11,132	-
Proceeds from issue of share capital	-	10
<b>Net cash flows from financing activities</b>	<b>11,132</b>	<b>10</b>
Net (decrease)/increase in Cash and cash equivalents	(2)	2
Cash and cash equivalents at the beginning of the period	2	-
<b>Cash and cash equivalents at the end of the year (Refer Note 6)</b>	<b>0</b>	<b>2</b>

**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

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Date: April 17, 2023  
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**HINDUSTAN ZINC ALLOYS PRIVATE LIMITED**  
**Statement of Changes in Equity for the year ended March 31, 2023**

**a. Equity share capital**

Equity shares of ₹ 10 each issued, subscribed and fully paid	Numbers of shares (in Lakhs)	(₹ in Lakhs)
As at March 31, 2022	1	10
Changes in equity share capital during the current year	-	-
As at March 31, 2023	1	10

**b. Other equity**

Particulars	Reserve and Surplus Retained earnings	Total
Balance as at beginning of the period	-	-
(Loss) for the period November 17, 2021 to March 31, 2022	(35)	(35)
Balance as at March 31, 2022	(35)	(35)
(Loss) for the year	(114)	(114)
Balance as at March 31, 2023	(149)	(149)


See accompanying notes to financial statements.

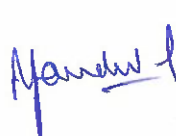
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## 1. COMPANY OVERVIEW

Hindustan Zinc Alloys Private Limited ("HZAPL" or "the Company") 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 on the accrual basis except for financial instruments which are measured at fair values (Refer note 3(I)(a) below) and the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended. The Company 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.

The financial statements were authorised for issue in accordance with a resolution of Board of Directors on April 17, 2023.

## 3.(I) SIGNIFICANT ACCOUNTING POLICIES

### a) Fair value measurement

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

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

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

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

### b) Current and non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.





A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

#### **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) 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.

#### **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. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Major machinery spares and parts are capitalized when they meet the definition of Property, Plant and Equipment. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized.

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

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

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

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**

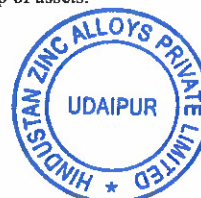
Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value over their useful lives by using straight-line method. The useful life of property, plant and equipment is considered based on life prescribed in part C of Schedule II to the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

##### **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. A cash-generating unit (CGU) is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.



Impairment tests are carried out annually for all assets when there is an indication of impairment. The Company conducts an internal review of asset values annually, which is used as a source of information to assess for any indications of impairment or reversal of previously recognized impairment losses. External factors, such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognized impairment losses.

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

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general.

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

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the Statement of Profit and Loss.

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

#### **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**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. For purposes of subsequent measurement, financial assets are classified in three categories:

- 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.

- At fair value through other comprehensive income (FVTOCI)

A financial instrument 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.

- At fair value through Statement of Profit or 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.

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

#### **Financial assets - derecognition**

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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





### **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., loans, debt securities, deposits, 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 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.

### **Subsequent measurement**

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

- At fair value through Statement of Profit or Loss (FVTPL)

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

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

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

- At amortized cost

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 are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

### **Offsetting of financial instruments**

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

### **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 when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment

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.

#### **i) 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.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

#### **j) 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.

#### **k) Foreign currency translation**

The functional currency for the Company is determined as the currency of the primary economic environment in which it operates. For the Company, the functional currency is the local currency of the country in which it operates, which is Indian Rupee (₹).

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.





All exchange differences are included in the Statement of Profit and Loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

#### **l) 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.

#### **m) 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.

#### **n) 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.

#### **o) 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**

There is no impact of any new or amended standard.

#### **Standards issued but not yet effective**

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

Ind AS 102 - Share Based Payment

Ind AS 103 - Business Combinations

Ind AS 107 - Financial Instruments - Disclosures

Ind AS 109 - Financial Instruments

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 1 - Presentation of Financial Statements

Ind AS 8 - Accounting Policies, Change in Accounting Estimates and Errors

Ind AS 12 - Income Taxes

Ind AS 34 - Interim Financial Reporting

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



#### 4. PROPERTY, PLANT AND EQUIPMENT

Particulars	Freehold land	Total
At Cost		
As at beginning of the period	-	-
Additions	-	-
Disposals/ adjustments	-	-
As at March 31, 2022	-	-
Additions	167	167
Disposals/ adjustments	-	-
As at March 31, 2023	167	167
Accumulated depreciation		
As at beginning of the period	-	-
Depreciation charge for the period	-	-
Disposals/ adjustments	-	-
As at March 31, 2022	-	-
Depreciation charge for the year	-	-
Disposals/ adjustments	-	-
As at March 31, 2023	-	-
Net Book Value		
As at March 31, 2023	167	167
As at March 31, 2022	-	-

#### 4A. CAPITAL WORK IN PROGRESS

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of Capital work in progress	13,402	-

#### Capital work in progress(CWIP) Ageing Schedule

CWIP	As at March 31, 2023		Total
	Projects in progress	Projects in progress	
Less than 1 year	13,402	-	13,402
1-2 years	-	-	-
2-3 years	-	-	-
More than 3 years	-	-	-
Total	13,402	-	13,402

(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	As at March 31, 2023	As at March 31, 2022
Finance Cost	332	-
Other expenses	45	-
Total	377	-



## 5. OTHER ASSETS

	(₹ in Lakhs)	
Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Capital advances	0	-
<b>Total</b>	<b>0</b>	<b>-</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Advance given to vendors for supply of goods and services	0	-
Balance with government authorities <sup>(1)</sup>	822	4
<b>Total</b>	<b>822</b>	<b>4</b>

<sup>(1)</sup> Pertains mainly to GST receivable balances.

## 6. CASH AND CASH EQUIVALENTS

	(₹ in Lakhs)	
Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
On current accounts	0	2
<b>Total</b>	<b>0</b>	<b>2</b>

## 7. EQUITY SHARE CAPITAL

	(₹ in Lakhs)	
Particulars	As at March 31, 2023	As at March 31, 2022
<b>A. Authorized equity share capital</b>		
Equity shares of ₹ 10 each.	10	10
No. of Shares (In Lakhs)	1	1
<b>B. Issued, subscribed and paid up</b>		
Equity shares of ₹ 10 each.	10	10
No. of Shares (In Lakhs)	1	1
<b>C. Equity shares held by Holding Company</b>		
Hindustan Zinc Limited		
No. of Shares (In Lakhs)	1	1
% of Holding (along with its nominees)	100.00%	100.00%
<b>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</b>		
<b>E. Details of shareholders holding more than 5% shares in the Company</b>		
Hindustan Zinc Limited		
No. of Shares (In Lakhs)	1	1
% of Holding (along with its nominees)	100.00%	100.00%
<b>F. Details of shares held by promoters</b>		
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

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.





## 8. BORROWINGS

### Non-current

	(₹ in Lakhs)	
Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Unsecured		
Loan from Related Party <sup>(1)</sup> (Refer note 20)	11,132	-
<b>Total Non-current borrowing</b>	<b>11,132</b>	<b>-</b>
Less: Current maturities of long-term borrowings	(5,000)	-
<b>Total (Net)</b>	<b>6,132</b>	<b>-</b>

<sup>(1)</sup> During the current year, the Company has 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 four equal half yearly installment of ₹ 2,500 Lakhs starting from September 2023 and last installment of ₹ 1,132 Lakhs.

### Current

	(₹ in Lakhs)	
Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Unsecured		
Current maturities of long-term borrowings	5,000	-
<b>Total</b>	<b>5,000</b>	<b>-</b>

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

## 9. OTHER LIABILITIES

	(₹ in Lakhs)	
Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Deferred government grant <sup>(2)</sup>	1,254	-
<b>Total</b>	<b>1,254</b>	<b>-</b>
Current		
Statutory and other liabilities <sup>(1)</sup>	37	3
<b>Total</b>	<b>37</b>	<b>3</b>

<sup>(1)</sup> Pertains to TDS payable balances.

<sup>(2)</sup> 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.

## 10. TRADE PAYABLES

	(₹ in Lakhs)	
Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of Micro Enterprises and Small Enterprises	-	-
Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises	4	4
<b>Total</b>	<b>4</b>	<b>4</b>

### Trade payables Ageing Schedule

	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Undisputed dues- Micro Enterprises and Small Enterprises		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



**Undisputed dues- Other than Micro Enterprises and Small Enterprises**

Less than 1 year	4	4
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
<b>Total*</b>	<b>4</b>	<b>4</b>

\*Includes Unbilled dues of ₹ 4 Lakhs (March 31, 2022: ₹ 4 Lakhs)

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, 2023 (March 31, 2022: NIL)

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
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.	-	-

**11. OTHER FINANCIAL LIABILITIES**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Derivatives - Liabilities (Refer Note 18)	13	-
Capital Creditors	1,631	-
Due to related party (Refer Note 20)	439	24
Other liabilities	20	-
<b>Total</b>	<b>2,103</b>	<b>24</b>



**12. OTHER INCOME**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the period November 17, 2021 to March 31, 2022
Net gain on sale of current investments	1	-
Net gain on foreign currency transactions and translation	96	-
Interest Income on Bank deposits measured at amortized cost	3	-
<b>Total</b>	<b>100</b>	<b>-</b>

**13. FINANCE COSTS**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the period November 17, 2021 to March 31, 2022
Interest on financial liabilities at amortised cost	30	-
Bank charges	9	-
<b>Total</b>	<b>39</b>	<b>-</b>

**14. OTHER EXPENSES**

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the period November 17, 2021 to March 31, 2022
Manpower charges	149	22
Payment to auditors <sup>(1)</sup>	4	4
Legal and professional expenses	6	8
Conveyance and travelling expenses	6	-
Admin expenses	8	-
Miscellaneous expenses	2	1
<b>Total</b>	<b>175</b>	<b>35</b>
<sup>(1)</sup> Remuneration to auditors:		
- Audit fees	4	4
- Other services	-	-
<b>Total</b>	<b>4</b>	<b>4</b>

**15. INCOME TAX EXPENSES**

The major components of income tax expense for the year ended March 31, 2023 and period ended March 31, 2022 are indicated below:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the period November 17, 2021 to March 31, 2022
<b>(a) Tax charge recognised in Profit and Loss</b>		
<b>Current tax:</b>		
Current tax charge	-	-
<b>Total Current tax</b>	<b>-</b>	<b>-</b>
<b>Deferred tax:</b>		
In respect of current period reversal and origination of temporary differences	-	-
<b>Total Deferred tax</b>	<b>-</b>	<b>-</b>
<b>Tax expense for the period</b>	<b>-</b>	<b>-</b>



(b) A reconciliation of income tax expense applicable to accounting (loss) 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, 2023	For the period November 17, 2021 to March 31, 2022
(Loss) before tax	(114)	(35)
Statutory income tax rate	25.168%	25.168%
Tax at statutory income tax rate	(29)	(9)
Deferred tax asset not recognised	29	9
Total	-	-

#### 16. EARNINGS PER SHARE

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2023	For the period November 17, 2021 to March 31, 2022
Basic earnings per share (₹)	(114)	(95)
Diluted earnings per share (₹)	(114)	(95)

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

Loss after tax attributable to owners of the Company (in ₹ Lakhs)	(114)	(35)
Earnings used in the calculation of basic earnings for the year (in ₹ Lakhs)	(114)	(35)
Weighted average number of equity shares outstanding (Number in Lakhs)	1.00	0.37
Nominal Value per share (in ₹)	10	10

#### 17. CONTINGENT LIABILITIES AND COMMITMENTS

##### a. Contingent liabilities

Bank guarantees amounting to ₹ 1,257 Lakhs (March 31, 2022: Nil) have been executed in favour of Customs department towards fulfilment of export obligation against duty saved under Export Promotion Capital Goods Scheme enacted by the Government of India.

##### b. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 6,957 Lakhs (March 31, 2022: Nil)

##### c. Other Commitments - Export obligations

The Company has export obligations of ₹ 7,524 Lakhs (March 31, 2022: Nil) 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, 2022: Nil), plus applicable interest. This liability is backed by the bank guarantees executed in favour of Customs department amounting to ₹ 1,257 Lakhs (March 31, 2022: Nil).



## 18. FINANCIAL INSTRUMENTS

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

### Financial assets and liabilities:

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

	(₹ in Lakhs)				
Particulars	Fair Value through profit and loss	Fair Value through other comprehensive income	Amortized Cost	Total carrying value	Total fair value
<b>As at March 31, 2023</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	0	0	0
<b>Total</b>	-	-	0	0	0
<b>Financial liabilities</b>					
Borrowings	-	-	11,132	11,132	11,504
Trade payables	-	-	4	4	4
Other Current financial liabilities	13	-	2,090	2,103	2,103
<b>Total</b>	13	-	13,226	13,239	13,611
<b>As at March 31, 2022</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	2	2	2
<b>Total</b>	-	-	2	2	2
<b>Financial liabilities</b>					
Trade payables	-	-	4	4	4
Other Current financial liabilities	-	-	24	24	24
<b>Total</b>	-	-	28	28	28

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

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	Level-1	Level-2	Level-3
(₹ in Lakhs)			
<b>As at March 31, 2023</b>			
<b>Financial Liabilities</b>			
<b>At fair value through profit and loss</b>			
Derivatives financial Liabilities*			
Forward foreign currency contracts	-	13	-
<b>Total</b>	-	13	-
<b>As at March 31, 2022</b>			
<b>Financial Liabilities</b>			
<b>At fair value through profit and loss</b>			
Derivatives financial Liabilities*			
Forward foreign currency contracts	-	-	-
<b>Total</b>	-	-	-

\* Refer section - "Derivative financial instruments"

The below table summarises the fair value of borrowings which are carried at amortised cost as at March 31, 2023 and March 31, 2022:

Financial Liabilities	Level-1	Level-2	Level-3
(₹ in Lakhs)			
<b>As at March 31, 2023</b>			
Borrowings	-	11,504	-
<b>Total</b>	-	11,504	-
<b>As at March 31, 2022</b>			
Borrowings	-	-	-
<b>Total</b>	-	-	-

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 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. 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

#### 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.

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

Payment due by years	<1 year	1-3 Years	3-5 Years	> 5 Years	(₹ in Lakhs) Total
<b>As at March 31, 2023</b>					
Trade and other payables	1,781	-	-	-	1,781
Borrowings*	6,203	6,595	-	-	12,798
<b>Total</b>	<b>7,984</b>	<b>6,595</b>	<b>-</b>	<b>-</b>	<b>14,579</b>
<b>As at March 31, 2022</b>					
Trade and other payables	28	-	-	-	28
Borrowings*	-	-	-	-	-
<b>Total</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28</b>

\*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.

Funding facility	Total facility	Drawn	(₹ in Lakhs) Undrawn
<b>As at March 31, 2023</b>			
Less than 1 year	26,690	11,132	15,558
More than 1 year	-	-	-
<b>Total</b>	<b>26,690</b>	<b>11,132</b>	<b>15,558</b>
<b>As at March 31, 2022</b>			
Less than 1 year	-	-	-
More than 1 year	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>





**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	As at March 31, 2023		As at March 31, 2022	
	Financial Asset	Financial Liability	Financial Asset	Financial Liability
<b>Currency exposure</b>				
US Dollar	-	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. 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

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	Total exposure		Effect of 10% strengthening/weakening of INR on pre-tax profit/(loss)	
	For the year ended March 31, 2023	For the period November 17, 2021 to March 31, 2022	For the year ended March 31, 2023	For the period November 17, 2021 to March 31, 2022
US Dollar	931	-	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, 2023.

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
<b>As at March 31, 2023</b>				
Financial assets	0	-	-	0
Financial liabilities	13,239	11,132	-	2,107
<b>As at March 31, 2022</b>				
Financial assets	2	-	-	2
Financial liabilities	28	-	-	28

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 period ended March 31, 2023 is ₹ 56 Lakhs, ₹ 111 Lakhs and ₹ 223 Lakhs and for period ended March 31, 2022 is Nil.

**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.

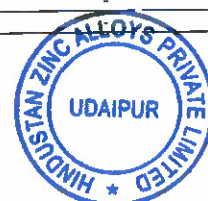
The use of derivatives can give rise to credit and market risk. The Company tries to manage credit risk by entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. 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 (for the year ended March 31, 2023) 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	As at March 31, 2023		As at March 31, 2022	
	Assets	Liabilities	Assets	Liabilities
<b>Current</b>				
Non - qualifying hedges	-	13	-	-
Forward foreign currency contracts	-	13	-	-
<b>Total</b>	-	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**

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

(In Lakhs)				
Currency	Foreign currency	Indian Rupees	Buy / Sell	Cross Currency
As at March 31, 2022				
USD	-	-	-	-

**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, 2023 (March 31, 2022: Nil)**

**19. 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 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.

(₹ in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents (See Note 6)	0	2
<b>Total cash (a)</b>	<b>0</b>	<b>2</b>
Non Current borrowings (See Note 8)	6,132	-
Current borrowings (See Note 8)	5,000	-
<b>Total debt (b)</b>	<b>11,132</b>	<b>-</b>
<b>Net debt (c = (b-a))</b>	<b>11,132</b>	<b>-</b>
Equity (d) (See Statement of changes in Equity)	(139)	(25)
<b>Total Capital (e = equity + net debt)</b>	<b>10,993</b>	<b>(25)</b>
<b>Gearing ratio(times) (c/e)</b>	<b>1.01</b>	<b>-</b>

**20. 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)  
Volcan Investments 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 year ended March 31, 2023 are as follows:

(₹ in Lakhs)		
Nature of transactions	For the year ended March 31, 2023	For the period November 17, 2021 to March 31, 2022
<b>Borrowings taken during the year</b>		
Hindustan Zinc Limited	11,132	-
<b>Total</b>	<b>11,132</b>	<b>-</b>
<b>Interest on Borrowings</b>		
Hindustan Zinc Limited	362	-
<b>Total</b>	<b>362</b>	<b>-</b>
<b>Other Expenses and reimbursements</b>		
Hindustan Zinc Limited	189	26
<b>Total</b>	<b>189</b>	<b>26</b>
<b>Purchase of property, plant and equipment</b>		
Hindustan Zinc Limited	161	-
<b>Total</b>	<b>161</b>	<b>-</b>
<b>Letter of Comfort/Bank Limits taken</b>		
Hindustan Zinc Limited	810	-
<b>Total</b>	<b>810</b>	<b>-</b>



**The balances payable as at year end:**

Particulars	(₹ in Lakhs)	
	As at March 31, 2023	As at March 31, 2022
Payable to		
Hindustan Zinc Limited- Borrowings	11,132	-
Hindustan Zinc Limited- Interest	326	24
Hindustan Zinc Limited- Others	113	-
<b>Total</b>	<b>11,571</b>	<b>24</b>

**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 8(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.

21. The Company was incorporated on November 17, 2021 in the previous financial year pursuant to which it had prepared its first financial statements for the period November 17, 2021 to March 31, 2022. Hence, comparatives presented are for the period November 17, 2021 to March 31, 2022 only .

**22. 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.



### 23. RATIO ANALYSIS AND ITS ELEMENTS<sup>(1)</sup>

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance*
Current ratio	Current Assets	Current Liabilities (excluding current maturities of long term borrowing)	0.38	0.19	98%
Debt- Equity Ratio	Debt [Debt is long term borrowing (current & non current portion) and Short Term Borrowing]	Shareholder's Equity	(80.09)	-	-
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	(0.22)	-	-
Return on Equity ratio	Net Profit/(loss) after tax before exceptional items(net of tax)	Average Shareholder's Equity	(139%)	(140%)	(1%)
Inventory Turnover ratio	Revenue from operations - Earning before Interest, Tax, Depreciation & Amortisation (EBITDA) and exceptional items	Average Inventory	-	-	-
Trade Receivable Turnover Ratio	Revenue from operations (including Other operating income)	Average Trade Receivable	-	-	-
Trade Payable Turnover Ratio	Total Purchases	Average Trade Payables	19.91	-	-
Net Capital Turnover Ratio	Revenue from operations - Earning before Interest, Tax, Depreciation & Amortisation (EBITDA) and exceptional items	Working capital = Current assets - Current liabilities excluding current maturities of long term borrowing	(0.06)	-	-
Net Profit ratio	Net Profit/(loss) after tax before exceptional items(net of tax)	Revenue from operations (including Other operating income)	-	-	-
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]	(2%)	(140%)	(99%)
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) 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.  
(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.

### 24. SUBSEQUENT EVENTS

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

### 25. 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).

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.: 301003/EL300005  
Tridevika Khandelwal  
Partner  
ICAI Membership No.: 501160

For and on behalf of the Board of Directors

Arun Misra  
Director  
DIN: 01835605

R. Pandwal  
Director  
DIN: 06695133

Date: April 17, 2023  
Place: Udaipur

Date: April 17, 2023  
Place: Udaipur

