

INDEPENDENT AUDITOR'S REPORT

To the Members of Hindustan Zinc Fertilisers Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Hindustan Zinc Fertilisers Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of material accounting policy information and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at March 31, 2025, its loss (including other comprehensive income), its changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1(b) in the financial statements, which states that the Company has sold its assets (sole under-construction plant) to its Holding Company, Hindustan Zinc Limited during the year and currently does not have any other source of income. However, in view of the financial support letter provided by the Holding Company, these financial statements have been prepared on going concern basis.

Our opinion is not modified in respect of this matter.

Other Information

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



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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statements.

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

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



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matter

The audit of financial statements for the year ended March 31, 2024, was carried out and reported by the Company's predecessor auditor M/s Chaturvedi & Shah LLP, Chartered Accountants, vide their unmodified audit report dated April 17, 2024, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we report in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph (vi) below on reporting under Rule 11(g);



- c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of the written representations received from the directors as on March 31, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of section 164(2) of the Act;
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";
- g. With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:


In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid or provided remuneration to its directors during the year under section 197 of the act, hence, reporting the compliance under section 197 of the Act is not applicable;

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company does not have any pending litigations which would impact its financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



- (c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.
- (vi) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2025, which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature for direct changes to data in certain database tables was enabled w.ef. March 3, 2025, as described in Note 27(ix) to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of relevant prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective year, as stated in Note 27(ix) to the financial statements.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W / W100048


Kunj B. Agrawal
Partner
Membership No. 095829
UDIN: 25095829BMOJMH4573



Place: New Delhi

Date: April 18, 2025

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Hindustan Zinc Fertilisers Private Limited ("the Company") on the financial statements for the year ended March 31, 2025].

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information, explanations and written representation given to us by the Management and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) The Company does not have any Property, Plant and Equipment or Intangible Assets and accordingly, reporting under clauses (i)(a) to (e) of paragraph 3 of the Order are not applicable.
- (ii) a) The Company is in the business of providing services, and consequently, does not hold any inventory. Therefore, reporting under clause (ii)(a) of paragraph 3 of the Order is not applicable.
b) The Company has not obtained any sanctioned working capital limit during the year, from banks and/or financial institutions, on the basis of security of current assets. Therefore, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable.
- (iii) During the year, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. Accordingly, reporting under clause (iii) of paragraph 3 of the Order is not applicable.
- (iv) The Company has not granted any loans or made any investments or provided any guarantees and securities to which provisions of sections 185 and 186 of the Act are applicable. Accordingly, reporting under clause (iv) of paragraph 3 of the Order is not applicable.
- (v) In our opinion, the Company has not accepted any deposits or amounts which are deemed to be deposits. Accordingly, reporting under clause (v) of paragraph 3 of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the services of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, services tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it.

No undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

b) There are no dues with respect to provident fund, employees' state insurance, income tax, goods and service tax, sales tax, service tax, value added tax, duty of customs, duty of excise duty and cess, which have not been deposited on account of any dispute.
- (viii) We have not come across any transaction which was previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.



- (b) The Company has not availed loans or borrowings from any bank or financial institution or government or any government authority. Accordingly, reporting under clause (ix)(b) of paragraph 3 of the Order is not applicable.
- (c) The Company has prima facie utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) During the year, the Company has not availed any funds on short-term basis. Accordingly, reporting under clause (ix)(d) of paragraph 3 of the Order is not applicable.
- (e) On an overall examination of the financial statements of the Company, the Company does not have any subsidiary, associate, jointly controlled entity or joint operation, as defined under the Act. Accordingly, reporting under clause (ix)(e) and (ix)(f) of paragraph 3 of the Order is not applicable.
- (x) (a) The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year. Therefore, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year; nor have we been informed of any such instance by the management.
- (b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.
- (c) There are no whistle blower complaints received by the Company.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with sections 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards. Further, the company is not required to constitute an Audit committee under section 177 of the act and accordingly, to this extent, the provision of the (xiii) of paragraph 3 of the order is not applicable to the company.
- (xiv) In our opinion, the Company is not required to have an internal audit system as per the provisions of the Act. Hence, reporting under clause (xiv)(a) and (b) of paragraph 3 of the Order is not applicable.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) and (b) of paragraph 3 of the Order are not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 ("Directions") by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) and (d) of paragraph 3 of the Order are not applicable.



HARIBHAKTI & CO. LLP



Chartered Accountants

- (xvii) The Company has incurred cash losses amounting to Rs. 11.81 lakhs and Rs. 2.16 lakhs in the current year and in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditor during the year. Accordingly, reporting under clause (xviii) of paragraph 3 of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, we believe that material uncertainty exists as the Company has sold its assets (sole under-construction plant) to its Holding Company, Hindustan Zinc Limited during the year and currently does not have any other source of income. However, in view of the financial support available from the Holding Company, we believe that the Company will be able to meet its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date, read together with paragraph 'Material Uncertainty related to Going Concern' in our main audit report of even date regarding the applicability of the going concern assumption. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause (xx) of paragraph 3 of the Order is not applicable.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

Kunj B. Agrawal

Partner

Membership No.: 095829

UDIN: 25095829BMOJMH4573

Place: New Delhi

Date: April 18, 2025

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Hindustan Zinc Fertilisers Private Limited on the financial statements for the year ended March 31, 2025].

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Hindustan Zinc Fertilisers Private Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

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

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



Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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



Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Kunj B. Agrawal

Partner

Membership No. 095829

UDIN: 25095829BMOJMH4573

Place: New Delhi

Date: April 18, 2025

HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Balance Sheet as at March 31, 2025
CIN: U24100RJ2022PTC083645

(₹ in Lakhs)


Particulars	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
a) Property, plant and equipment	4	-	278.22
b) Capital work-in-progress	5	-	10,253.73
c) Other non-current assets	7	-	22,826.50
Total Non-current assets		-	33,358.45
Current assets			
a) Financial Assets			
i) Cash and cash equivalents	6	2.88	0.49
b) Current tax assets	19	127.43	19.70
c) Other current assets	7	0.39	264.68
Total Current assets		130.70	284.88
TOTAL ASSETS		130.70	33,643.33
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	8	10.00	10.00
b) Other equity	9	(28.75)	(10.59)
Total Equity		(18.75)	(0.59)
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	10	144.05	28,586.26
ii) Other financial liabilities	11	1.91	1,480.91
Total Non-current liabilities		145.96	30,067.17
Current liabilities			
a) Financial liabilities			
i) Trade payables			
a) Total outstanding dues of Micro Enterprises and Small Enterprises	12	2.86	-
b) Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises		-	1.35
ii) Other financial liabilities	11	0.20	3,575.40
b) Other current liabilities	13	0.42	-
Total Current liabilities		3.48	3,576.75
TOTAL EQUITIES AND LIABILITIES		130.70	33,643.33


The accompanying notes form an integral part of the financial statements.

3

As per our report on even date

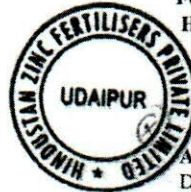
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 103523W/W100048


Kunj B. Agrawal
Partner
Membership No.: 095829



Place: New Delhi
Date: April 18, 2025

For and on behalf of the Board of Directors of
Hindustan Zinc Fertilisers Private Limited


Arun Misra
Director
DIN: 01835605

Place: Udaipur
Date: April 18, 2025

P

HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Statement of Profit and Loss for the year ended March 31, 2025
CIN: U24100RJ2022PTC083645

(₹ in Lakhs, except as stated)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations		-	-
Total Income		<u>-</u>	<u>-</u>
Expenses:			
Finance costs	14	9.38	0.01
Other expenses	15	5.72	1.50
Total expenses		<u>15.10</u>	<u>1.51</u>
(Loss) before tax		<u>(15.10)</u>	<u>(1.51)</u>
Tax expense :			
Current tax	16	-	-
Deferred tax		-	-
Total tax expenses		<u>-</u>	<u>-</u>
(Loss) for the year from continuing operations (A)		<u>(15.10)</u>	<u>(1.51)</u>
Discontinued operations			
Profit before tax from discontinued operations	17	(3.06)	(8.06)
Tax expense of discontinued operations		-	-
(Loss) for the year from discontinued operations (after tax) (B)		(3.06)	(8.06)
(Loss) for the Year (A+B)		(18.16)	(9.57)
Other comprehensive income		-	-
Total other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (loss) for the year		<u>(18.16)</u>	<u>(9.57)</u>
Earnings per share (nominal value of shares ₹ 10)			
Earnings per share from continuing operations			
-Basic (₹)	18	(15.10)	(1.51)
-Diluted (₹)	18	(15.10)	(1.51)
Earnings per share from discontinued operations			
-Basic (₹)	18	(3.06)	(8.06)
-Diluted (₹)	18	(3.06)	(9.57)
Earnings per share from continuing and discontinued operations			
-Basic (₹)	18	(18.16)	(9.57)
-Diluted (₹)	18	(18.16)	(9.57)
The accompanying notes form an integral part of the financial statements.	3		

As per our report on even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No: 103523W/W100048

Kunj B. Agrawal
Partner
Membership No. 095829

Place: New Delhi
Date: April 18, 2025



**For and on behalf of the Board of Directors of
Hindustan Zinc Fertilisers Private Limited**



Arun Misra
Director
DIN: 01835605

Place: Udaipur
Date: April 18, 2025

P

HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Statement of Cash Flows for the Year ended March 31, 2025
CIN: U24100RJ2022PTC083645

(₹ in Lakhs)


Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
(Loss) before tax from		
-Continuing operations	(15.10)	(1.51)
-Discontinued operations	(3.06)	(8.06)
Adjustments to reconcile the (loss) before tax to net cash provided by operating activities:		
Depreciation and amortization expense (discontinued operations)	6.35	7.41
Interest expense	9.38	0.01
Net (Gain) on sale of Property, Plant and Equipment (discontinued operations)	(6.84)	-
Operating loss before working capital changes	(9.27)	(2.15)
Changes in assets and liabilities		
Decrease/(Increase) in Other current assets	264.29	(284.38)
Increase in Trade payables	1.51	0.35
Increase in Other current liabilities	0.42	-
(Increase) in Current financial liabilities	(0.20)	(164.55)
Cash flows from operations	256.76	(450.73)
Income taxes (paid) during the year (net of refunds)	(107.73)	-
Net cash from operating activities (A)	149.03	(450.73)
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchases of Property, Plant and Equipment (including CWIP and Capital Creditors)	(10,639.77)	(28,145.03)
Proceeds from sale of Property, Plant and Equipment (including CWIP)	41,846.44	-
Net cash flow from investing activities (B)	31,206.67	(28,145.03)
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long term borrowings	11,601.62	28,586.26
Repayment of long term borrowings	(40,043.83)	-
Interest paid	(2,911.10)	(0.01)
Net cash flow (used) in financing activities (C)	(31,353.31)	28,586.25
Net increase/(decrease) in Cash and cash equivalents	2.39	(9.51)
Cash and cash equivalents at the beginning of the year	0.49	10.00
Cash and cash equivalents at the end of the year (refer note 6) (A+B+C)	2.88	0.49


Note:-

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

See accompanying notes to financial statements.
As per our report on even date

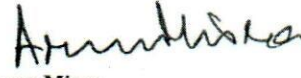
For Haribhakti & Co. LLP
Chartered Accountants
Membership No.: 095829


Kunj B. Agrawal
Partner
Membership No.: 095829
Place: New Delhi
Date: April 18, 2025



**For and on behalf of the Board of Directors of
Hindustan Zinc Fertilisers Private Limited**




Arun Misra
Director
DIN: 01835605
Place: Udaipur
Date: April 18, 2025

P

HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Statement of Changes in Equity for the year ended March 31, 2025

a. Equity share capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	Numbers of shares	(₹ in Lakhs)
As at March 31, 2023	100,000	1,000,000.00
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the current year	-	-
As at March 31, 2024	100,000	1,000,000.00
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the current year	-	-
As at March 31, 2025	100,000	1,000,000.00

b. Other equity

Particulars	Reserve and Surplus	Total
	Retained earnings	
Balance as at March 31, 2023	(1.02)	(1.02)
(Loss) for the year	(9.57)	(9.57)
Other Comprehensive Income for the year	-	-
Balance as at March 31, 2024	(10.59)	(10.59)
(Loss) for the year	(18.16)	(18.16)
Other Comprehensive Income for the year	-	-
Balance as at March 31, 2025	(28.75)	(28.75)

The accompanying notes form an integral part of the financial statements.

As per our report on even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.: 103523W/W100048

Kunj B. Agrawal
Partner
Membership No.: 095829



Place: New Delhi
Date: April 18, 2025

For and on behalf of the Board of Directors of
Hindustan Zinc Fertilisers Private Limited



Arun Misra
Director
DIN: 01835605

Place: Udaipur
Date: April 18, 2025

2

HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

1. COMPANY OVERVIEW

Hindustan Zinc Fertilisers Private Limited ("HZFPL" or "the Company") was incorporated on September 7, 2022 and has its registered office at Yashad Bhawan, Udaipur (Rajasthan). The Company is a wholly owned subsidiary of Hindustan Zinc Limited ("Holding Company") and was in the process of setting up of Phosphatic fertilisers project. During the current year, the Company has sold under construction plant to Hindustan Zinc Limited, its Holding Company based on fair value determined by independent valuer. In future, the Company will provide Marketing Support Services (MSS) to its holding company in relation to fertiliser business.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Basis of preparation

a) Statement of Compliance with Indian Accounting Standards

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 and presentation requirement of Division II of schedule III to the Companies Act 2013, as applicable. The financial statements have been prepared on a going concern basis using historical cost convention and on accrual basis except for financial instruments which are measured at fair values (refer note 3(I)(e) below) and the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

b) Going Concern

During the current year, the Company has sold its sole under construction plant to Hindustan Zinc Limited, its Holding Company based on fair value determined by independent valuer to its holding company.

Also, as at the balance sheet date, the Company has not commenced its commercial operations and has incurred losses during the year.

These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the management has assessed the Company's ability as a going concern on the reporting date, taking into account the following factors:

- i) The Company is expected to commence its operations in the next financial year;
- ii). The Holding Company has provided a financial support letter confirming their continued financial and operational support to the Company to meet its obligations as and when they fall due;
- iii). The Company has adequate plans in place to generate revenues and manage operating costs effectively once operations begin.

Based on the above considerations, the management believes that the Company will be able to meet its financial obligations and continue its operations in the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

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 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 and "0" represents amount less than ₹ 1 Lakhs being rounding off norms adopted by the company

The financial statements were authorised for issue in accordance with a resolution of Board of Directors on April 18, 2025. The revision to these financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

3.(I) MATERIAL ACCOUNTING POLICIES

a) Current and non-current classification

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

b) Property, plant and equipment

(i) Property, plant and equipment

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

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

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

(ii) Capital work in progress (CWIP)

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

(iii) Non current asset held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell. Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

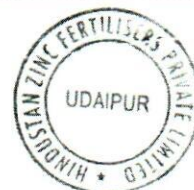
(iv) Depreciation

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

c) Impairment of non-financial assets

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

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



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

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.

d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets – recognition and subsequent measurement

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

• **Financial assets at amortized cost**

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

a) Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.

b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. This category applies to cash and bank balances.

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

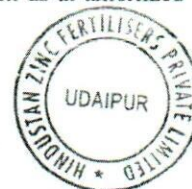
A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

a) Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.

b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

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

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



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

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.

Financial liabilities – recognition and subsequent measurement

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

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

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

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

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

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

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

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

- Financial Liabilities at amortized cost (Trade and Other payables)

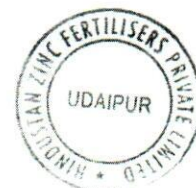
After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

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

Financial liabilities - derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

Reclassification of financial assets

The Group 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.

Offsetting of financial instruments

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

e) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

f) Discontinued Operations

Discontinued operation is a component of the Company that has been disposed of or classified as held for sale and represents a major line of business. Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

g) Taxation

Current tax

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

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

Deferred tax

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

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

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

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

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

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

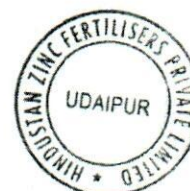
h) Earnings per share

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.

i) 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.



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

j) Provisions, contingent liabilities and contingent assets

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

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not 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.

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

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

3(III) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent liabilities at the date of these financial statements. Actual results may differ from these estimates under different assumptions and conditions.

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Information about estimates and judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

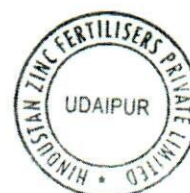
(A) Significant Estimates

(i) Property, Plant and Equipment:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

(ii) Impairment of non-financial assets:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

(iii) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

...This space is left intentionally blank...



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)			
Particulars	Buildings	Office equipment	Total
As at March 31, 2023	-	-	-
Additions	262.50	23.13	285.63
Disposals	-	-	-
As at March 31, 2024	262.50	23.13	285.63
Additions	-	-	-
Disposals*	(262.50)	(23.13)	(285.63)
As at March 31, 2025	-	-	-
Accumulated depreciation			
As at March 31, 2023	-	-	-
Depreciation charge for the year	4.85	2.56	7.41
Disposals	-	-	-
As at March 31, 2024	4.85	2.56	7.41
Depreciation charge for the year	4.16	2.20	6.36
Disposals*	(9.01)	(4.76)	(13.77)
As at March 31, 2025	-	-	-
Net Book Value			
As at March 31, 2025	-	-	-
As at March 31, 2024	257.65	20.57	278.22

* Refer Note 17

5. CAPITAL WORK IN PROGRESS

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	10,253.73	-
Additions during the year	8,487.30	10539.36
Capitalised during the year	-	(285.63)
Disposal/sale during the year*	(18,741.03)	-
Balance at the end of the year	-	10,253.73

* Refer Note 17

Capital work in progress (CWIP) Ageing Schedule

Amount in CWIP for a period of	(₹ in Lakhs)			
	As at March 31, 2025		As at March 31, 2024	
	Projects in progress	Total	Projects in progress	Total
Less than 1 year	-	-	10,253.73	10,253.73
1-2 years	-	-	-	-
2-3 years	-	-	-	-
More than 3 years	-	-	-	-
Total	-	-	10,253.73	10,253.73

5.1 The Company does not have any capital work in progress whose completion is overdue or has exceeded its cost compared to original plan.

5.2 refer note 4.1

5.3 The Company has capitalised the following expenses which are attributable to the construction activity and are included in the cost of Capital Work in Progress (CWIP). Consequently, expenses disclosed under the respective notes are net of such amounts.

Particulars	(₹ in Lakhs)	
	As at March 31, 2025	As at March 31, 2024
Finance cost	1,422.72	1,645.46
Total	1,422.72	1,645.46



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

6. CASH AND CASH EQUIVALENTS

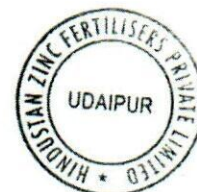
	(₹ in Lakhs)	
Particulars	As at March 31, 2025	As at March 31, 2024
Balances with banks		
On current accounts	2.88	0.49
Total	2.88	0.49
For the purpose of statement of cash flows, cash and cash equivalents comprises the following:		
Cash and cash equivalents as above	2.88	0.49
Total	2.88	0.49

7. OTHER ASSETS

	(₹ in Lakhs)	
Particulars	As at March 31, 2025	As at March 31, 2024
Non-current		
Unsecured, considered good		
Capital advances (refer note 17)	-	22,826.50
Total	-	22,826.50
Current		
Unsecured, considered good		
Other receivable from vendor	-	0.06
Balance with government authorities ⁽¹⁾	0.39	264.62
Total	0.39	264.68

⁽¹⁾Pertains to GST receivables

...This space is left intentionally blank...



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

8. EQUITY SHARE CAPITAL

Particulars	(₹ in Lakhs)			
	As at March 31, 2025		As at March 31, 2024	
	Number of Shares	Amount (₹ in Lakhs)	Number of Shares	Amount (₹ in Lakhs)
A. Authorized equity share capital				
Equity shares of ₹ 10 each	100,000	10.00	100,000	10.00
B. Issued, subscribed and paid up				
Equity shares of ₹ 10 each fully paid-up	100,000	10.00	100,000	10.00

C. Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year.

	Number of Shares	Amount (₹ in Lakhs)	Number of Shares	Amount (₹ in Lakhs)
Shares outstanding at the beginning of the year	100,000	10.00	100,000	10.00
Issued during the year	-	-	-	-
Shares outstanding at the end of the year	100,000	10.00	100,000	10.00

D. Equity shares held by Holding Company

	Number of Shares	% Held	Number of Shares	% Held
Hindustan Zinc Limited	100,000	100%	100,000	100%
% of Holding (along with its nominees)				

E. No shares issued for consideration other than cash and no shares bought back since the inception of the Company on September 07, 2022.

F. Details of shareholders holding more than 5% shares in the Company

	Number of Shares	% Held	Number of Shares	% Held
Hindustan Zinc Limited	100,000	100%	100,000	100%
% of Holding (along with its nominees)				

G. Details of shares held by promoters

	Number of Shares	% Held	Number of Shares	% Held
Hindustan Zinc Limited (along with its nominees)				
As at the beginning of the year	100,000	100%	100,000	100%
Change during the year	-	-	-	-
As at the end of the year	100,000	100%	100,000	100%

H. 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.

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



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

9. Other Equity

Particulars	(₹ in Lakhs)	
	As at March 31, 2025	As at March 31, 2024
At the beginning of the year	(10.59)	(1.02)
Add : (Loss) for the year	(18.16)	(9.57)
Add: Other comprehensive income for the year	-	-
At the end of the year	(28.75)	(10.59)

10. BORROWINGS

Non-current

Particulars	(₹ in Lakhs)	
	As at March 31, 2025	As at March 31, 2024
Non-current		
Unsecured		
Loan from Related Party (refer note 23)	144.05	28,586.26
Total Non-current borrowing	144.05	28,586.26

During the previous year, the Company got sanction for an unsecured term loan upto ₹ 1,67,500.00 Lakhs from Hindustan Zinc Limited (Holding Company) for the purpose of funding its capital expenditure. The loan carry a floating rate of interest of 8.30% per annum linked with Repo rate (benchmarked) which shall be reset every 3 months from the date of first disbursement. The repo rate remained same during the year. The loan was drawn to the extent of ₹ 28,586.26 Lakhs till previous year end as and when needed and the outstanding loan was repayable in three equal half yearly instalment of ₹ 8,375.00 Lakhs starting from March 2026 and the third and last instalment of ₹ 3,461.26 Lakhs.

In the current year, the Company has made prepayment of the loan to the extent of ₹ 40,043.83 Lakhs (including ₹ 11,601.62 availed as loan during the current year) out of the proceeds received from sale of its under construction plant. As per the Addendum to the loan agreement dated September 1, 2024, the balance outstanding loan of ₹ 144.05 outstanding on March 31, 2025 is repayable by the Company. The interest rate of borrowings for the current year is 8.05% w.e.f. February 18, 2025 (8.30% till February 17, 2025).

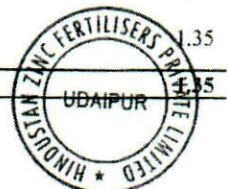
In accordance with the Addendum to the Loan Agreement, As there is no obligation on the Company of repayment and the Management does not intend to repay the loan within 12 months from the end of the year, the loan has been classified as non-current borrowings.

11. OTHER FINANCIAL LIABILITIES

Particulars	(₹ in Lakhs)	
	As at March 31, 2025	As at March 31, 2024
Non-Current		
Interest on Borrowings from related party (refer note 23)	1.91	1,480.91
Total	1.91	1,480.91
Current		
Due to related party (refer note 23)	0.20	3,575.40
Total	0.20	3,575.40

12. TRADE PAYABLES

Particulars	(₹ in Lakhs)	
	As at March 31, 2025	As at March 31, 2024
Total outstanding dues of Micro and Small Enterprises	2.86	-
Total outstanding dues of Creditors other than Micro and Small Enterprises	-	1.35
Total	2.86	1.35



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

Trade payables Ageing Schedule

(₹ in Lakhs)		
	As at March 31, 2025	As at March 31, 2024
Undisputed dues- Micro and Small Enterprises		
Unbilled Dues	2.86	-
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	2.86	-
Undisputed dues- Other than Micro and Small Enterprises		
Unbilled Dues	-	1.35
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	-	1.35

(1) Outstanding for above mentioned periods from the date of transaction.

The disclosures relating to Micro Enterprises and Small Enterprises have been furnished below 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.

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
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	2.86	-
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.	-	-

13. OTHER LIABILITIES

(₹ in Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Statutory dues payable	0.42	-
Total	0.42	-

...This space is left intentionally blank...



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

14. FINANCE COSTS

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on borrowings (refer note 23)	9.37	-
Bank charges	0.01	0.01
Total	9.38	0.01

15. OTHER EXPENSES

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Payment to auditors ⁽¹⁾	5.05	1.50
Miscellaneous expenses	0.67	0.00
Total	5.72	1.50
⁽¹⁾ Remuneration to auditors:		
- Audit fees (excluding GST)	5.00	1.50
- Out of pocket expenses	0.05	-
Total	5.05	1.50

... This space is left intentionally blank...



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

16. INCOME TAX EXPENSES

The major components of income tax expense for the year ended March 31, 2025 and March 31, 2024 are indicated below:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a). Tax charge recognised in Profit and Loss		
Current tax:		
Current tax on (loss) for the year	-	-
Total Current tax	-	-
Deferred tax:		
Reversal and origination of temporary differences	-	-
Total Deferred tax charge/(credit)	-	-
Tax expense/(credit) for the year	-	-
Effective income tax rate (%)	17.16	17.16
(b) Statement of other comprehensive income		
Deferred tax charge/(credit) on :		
Other comprehensive income	-	-
Total	-	-

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

(₹ in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Accounting (Loss) before tax (after exceptional item)	(18.16)	(9.57)
Statutory income tax rate (%)	17.16	17.16
Tax at statutory income tax rate	0.00	0.00
Deferred tax assets on brought forward losses	-	-
Impact of tax rate differences on Other income	-	-
Total	-	-

(d) Significant components of deferred tax assets and (liabilities) recognized in the balance sheet are as follows:

(₹ in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Property, plant and equipment, Exploration and evaluation and intangible assets	-	-
Deferred Tax Assets (net)	-	-

Ⓒ "No provision for current and deferred taxes has been made as the Company has not commenced operations and has no taxable income for the year.

17. Disclosure pursuant to Ind As 105 "Non-Current Assets Held for Sale and Discontinued Operations"

The Company was setting up a 0.5 MT fertilizer manufacturing plant ("the Plant") at Chanderiya in Chittorgarh district of Rajasthan. During the year, the Board of Directors of the Company at their meeting held on September 13, 2024 had approved the transfer of the under construction Plant for a total consideration of Rs. 4,18,42.46 lakhs to Hindustan Zinc Limited, the Holding Company by way of an asset transfer agreement dated September 30, 2024, after obtaining necessary approvals.

Pursuant to the Agreement, the assets transferred comprises of property, plant and equipment, capital work-in progress and capital advances having aggregate book value of Rs. 4,18,35.62 lakhs. The fair market value of property, plant and equipment and capital work-in progress has been determined on the basis of report by an independent valuer having aggregate book value of Rs. 1,90,09.12 lakhs and capital advance having a book value of Rs. 22,826.50 lakhs.

The transaction was consummated and the consideration is also duly received by the Company during the year ended March 31, 2025.

Consequently, the said transfer has been disclosed as Discontinued Operations in accordance with Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" and the corresponding figures for the previous year have also been presented if these operations were discontinued in the previous year.



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

(i) Financial Performance related to discontinued operations:

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Other income (gain on sale of assets)	6.84	-
Total income	6.84	-
Expenses		
Depreciation and amortization expenses	6.35	7.41
Other expenses	3.55	0.65
Total Expense	9.90	8.06
Profit before tax	(3.06)	(8.06)
Tax Expense		
Current Tax	-	-
Profit from discontinued operations after tax	(3.06)	(8.06)

(ii) Cash flow disclosure with respect to discontinued operations:

Cash flow from investing activities	31,206.67	(28,145.03)
Cash flow from financing activities	(31,353.31)	28,586.25

18. EARNINGS PER SHARE

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
a) (loss) after tax from continuing operations	(15.10)	(1.51)
b) (loss) after tax from discontinued operations	(3.06)	(8.06)
c) (loss) after tax from continuing and discontinued operations	(18.16)	(9.57)
d) Weighted average number of shares outstanding during the year* (No.'s)	10,000	10,000
e) Earnings per share from continuing operations (Basic and Diluted)	(15.10)	(1.51)
f) Earnings per share from discontinued operations (Basic and Diluted)	(3.06)	(8.06)
g) Earnings per share from continuing and discontinued operations (Basic and Diluted)	(18.16)	(9.57)
h) Nominal Value per share (in ₹)	10.00	10.00

*There are no dilutive potential equity shares, hence weighted average number of shares used for basic and diluted EPS remain the same.

19. Current tax Assets

Particulars	(₹ in Lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Advance Income Tax (net of provision: nil) (March 31, 2024: nil)	127.43	19.70
Total	127.43	19.70

20. CONTINGENT LIABILITIES AND COMMITMENTS

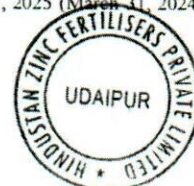
a. Contingent liabilities

Based on the information available with the company, there is no Contingent liability as at the year ended March 31, 2025 (March 31, 2024: Nil).

b. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided is Nil as at the year ended March 31, 2025 (March 31, 2024: 1,116.81 Crores)

... This space is left intentionally blank...



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

21. FINANCIAL INSTRUMENTS

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

Financial assets and liabilities:

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

(₹ in Lakhs)

Particulars	Fair Value through profit and loss	Fair Value through other comprehensive income	Amortized Cost	Total carrying value	Total fair value
As at March 31, 2025					
Financial assets					
Cash and cash equivalents	-	-	2.88	2.88	2.88
Other Current financial assets and loans	-	-	-	-	-
Total	-	-	2.88	2.88	2.88
Financial liabilities					
Borrowings	-	-	144.05	144.05	144.05
Trade payables	-	-	2.86	2.86	2.86
Other Current financial liabilities	-	-	0.20	0.20	0.20
Other Non-current financial liabilities	-	-	1.91	1.91	1.91
Total	-	-	149.02	149.02	149.02
As at March 31, 2024					
Financial assets					
Cash and cash equivalents	-	-	0.49	0.49	0.49
Total	-	-	0.49	0.49	0.49
Financial liabilities					
Borrowings	-	-	28,586.26	28,586.26	28,586.26
Trade payables	-	-	1.35	1.35	1.35
Other Current financial liabilities	-	-	3,575.40	3,575.40	3,575.40
Other Non-current financial liabilities	-	-	1,480.91	1,480.91	1,480.91
Total	-	-	33,643.92	33,643.92	33,643.92

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 maturities of these instruments.

The below table summarises the fair value of borrowings which are carried at amortised cost as at March 31, 2025 and March 31, 2024:

(₹ in Lakhs)

Financial Liabilities	Level-1	Level-2	Level-3
As at March 31, 2025			
Borrowings	-	144.05	-
Total	-	144.05	-
As at March 31, 2024			
Borrowings	-	28,586.26	-
Total	-	28,586.26	-

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.

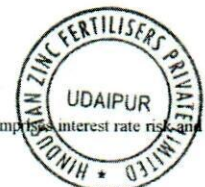
The risk management process is coordinated by the Management Assurance function of the Holding company and is regularly reviewed by the Risk Management Committee of the Holding company, which meets regularly to review risks as well as the progress against the planned actions. Key business decisions are 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

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.



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

Financial risk

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

a. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The support required for meeting the financial liabilities obligations will be provided by immediate holding company i.e Hindustan Zinc Limited to mitigate the liquidity risk arising in the upcoming years, if there is any shortfall in fulfilment of obligation by the company.

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					(₹ in Lakhs)
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
As at March 31, 2025					
Trade and other payables	3.06	-	-	-	3.06
Borrowings (including interest)	-	145.96	-	-	145.96
Total	3.06	145.96	-	-	149.02
As at March 31, 2024					
Trade and other payables	3,576.75	-	-	-	3,576.75
Borrowings (including interest)	-	26,605.91	3,461.26	-	30,067.18
Total	3,576.75	26,605.91	3,461.26	-	33,643.93

*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				(₹ in Lakhs)
	Total facility	Drawn	Undrawn	
As at March 31, 2025				
Total	167,500	40,187.88	127,312	
	167,500	40,187.88	127,312	
As at March 31, 2024				
Total	167,500	28,586.26	138,913.74	
	167,500	28,586.26	138,913.74	

b. Foreign currency risk

Foreign Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. There is no foreign currency exposure as at March 31, 2025. Hence, the Company's Loss for the year would have no impact.

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, 2025.

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

Particulars					(₹ in Lakhs)
	Total	Floating rate	Fixed rate	Non-interest bearing	
As at March 31, 2025					
Financial assets	2.88	-	-	2.88	
Financial liabilities	146.16	144.05	-	2.11	
As at March 31, 2024					
Financial assets	0.49	-	-	0.49	
Financial liabilities	33,643.92	28,586.26	-	5,057.66	

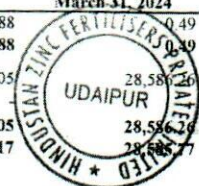
The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations. Any increase in interest rates would result in a net loss and any decrease in interest rates would result in a net gain. The below analysis gives the impact of a 0.5%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

The impact of change (increase/(decrease)) in interest rate of 0.5%, 1.0% and 2.0% on the loss for the year ended March 31, 2025 is ₹ 0.72 lakhs, ₹ 1.44 lakhs and ₹ 2.88 lakhs and for the year ended March 31, 2024 is ₹ 143 lakhs, ₹ 286 lakhs and ₹ 572 lakhs.

22. 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 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.

Particulars			(₹ in Lakhs)
	As at March 31, 2025	As at March 31, 2024	
Cash and cash equivalents (refer note 5)	2.88	0.49	
Total cash (a)	2.88	0.49	
Non Current borrowings (refer note 10)	144.05	28,586.26	
Current borrowings (refer note 10)	144.05	28,586.26	
Total debt (b)	144.17	28,586.77	
Net debt (c = (b-a))			



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

(₹ in Lakhs)

Particulars	As at	
	March 31, 2025	March 31, 2024
Equity (d) (See Statement of changes in Equity)	(18.75)	(0.59)
Total Capital (e = equity + net debt)	122.43	28,585.18
Gearing ratio(times) (c/e)	1.15	1.00

23. 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.Chendurpandian Chandru (Director)

b. Transactions with Related Parties:

The details of the related party transactions entered into by the Company, for the year ended March 31, 2025 and March 31, 2024 are as follows:

(₹ in Lakhs)

Nature of transactions	For the year ended	
	March 31, 2025	March 31, 2024
Borrowings taken during the year		
Hindustan Zinc Limited	11,601.62	28,586.26
Total	11,601.62	28,586.26
Interest on Borrowings		
Hindustan Zinc Limited	1,432.09	1,645.46
Total	1,432.09	1,645.46
Repayment made during the year		
Hindustan Zinc Limited	40,043.06	-
Total	40,043.06	-
Transfer of Assets (PPE & CWIP)		
Hindustan Zinc Limited	41,842.46	8,893.90
Total	41,842.46	8,893.90
Other Expenses and reimbursements		
Hindustan Zinc Limited	4.29	17.97
Total	4.29	17.97

The balances payable as at year end:

(₹ in Lakhs)

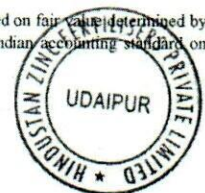
Particulars	As at	
	March 31, 2025	March 31, 2024
Payable to		
Hindustan Zinc Limited- Borrowings	144.05	28,586.26
Hindustan Zinc Limited- Interest	1.91	1,480.91
Hindustan Zinc Limited- Others	0.20	3,575.40
Total	146.16	33,642.57

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 10 (1) for terms and conditions for loans from related parties.

24. SEGMENT INFORMATION

During the year, the Company has sold all its property plant and equipment and capital work-in-progress including its sole under-construction plant based on fair value determined by an independent valuer to Hindustan Zinc Limited (the holding company). Since there is no reportable segment, the disclosure as required as per Indian accounting standard on "Operating Segments" (Ind AS-108) is not given



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025

25. RATIO ANALYSIS AND ITS ELEMENTS⁽¹⁾

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% Variance*
Current ratio	Current Assets	Current Liabilities (excluding current maturities of long term borrowing)	37.53	0.08	46814%
Debt- Equity Ratio	Debt [Debt is long term borrowing (current & non current portion) and Short Term Borrowing]	Shareholder's Equity	**	**	**
Debt Service Coverage ratio	Earning before Interest, Tax, Depreciation & Amortisation (EBITDA) and exceptional items	Interest expense on long term and short term borrowing during the period + Scheduled principal repayment of long term borrowing during the year	(0.01%)	(0.13%)	(95.44%)
Return on Equity ratio	Net Profit(loss) after tax before exceptional items(net of tax)	Average Shareholder's Equity	187.80%	(227.75%)	(182.46%)
Inventory Turnover ratio	Revenue from operations - Earning before Interest, Tax, Depreciation & Amortisation (EBITDA) and exceptional items	Average Inventory	-	-	-
Trade Receivable Turnover Ratio	Revenue from operations (including Other operating income)	Average Trade Receivable	-	-	-
Trade Payable Turnover Ratio	Total Purchases	Average Trade Payables	-	-	-
Net Capital Turnover Ratio	Revenue from operations - Earning before Interest, Tax, Depreciation & Amortisation (EBITDA) and exceptional items	Working capital = Current assets - Current liabilities excluding current maturities of long term borrowing	***	***	-
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]	(0.06%)	(0.07%)	(13%)
Return on Investment	Interest (Finance Income)	Average Investments	-	-	-

*Reason for Variance more than 25%

** Net worth/ Share holder's Equity is negative

*** Net capital turnover ratio is not computed as there is no revenue from operations during the year

**** Net profit ratio is not computed as there is no revenue from operations during the year

(i) Current ratio - Current ratio is higher mainly on account of lower current liabilities due to repayment of loan in current year.

(ii) Debt service coverage ratio - debt service coverage ratio is reduced on account of pre-payment of debt

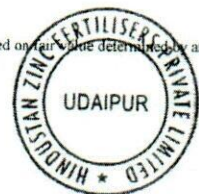
(iii) Return on Equity ratio - return on equity ratio is higher on account of gain on sale of assets to holding company.

(iv) Return on Capital Employed - return on capital employed ratio due to reduction in debt on account of pre-payment.

(1) Ratios are fluctuating on account of the transfer of all its property plant and equipment and capital work-in-progress including its sole under-construction plant based on the value determined by an independent valuer to Hindustan Zinc Limited (the holding company) by entering into an asset transfer agreement and also the capital advances pertaining to the project.

26. SUBSEQUENT EVENTS

There are no other material adjusting or non-adjusting subsequent events.



HINDUSTAN ZINC FERTILISERS PRIVATE LIMITED
Notes to the financial statements for the year ended March 31, 2025


27. OTHER STATUTORY INFORMATION

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.
- (iii) The Company does not have any transactions with companies struck off.
- (iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (vi) 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.
- (vii) 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.
- (viii) 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).
- (ix) The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature was enabled in the SAP application for direct changes to data in certain database tables for part of the year i.e. from March 3, 2025 to March 31, 2025. Further no instance of audit trail feature being tampered with was noted in respect of the software. Additionally, the Company has recorded and preserved audit trail in full compliance with the requirements of section 128(5) of the Companies Act, 2013, in respect of the financial year 2024 to the extent it was enabled.

The accompanying notes form an integral part of the financial statements.

As per our report on even date.

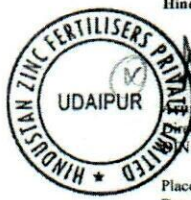
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W/100048


Kunj B. Agrawal
Partner
Membership No. 095829

Place: New Delhi
Date: April 18, 2025



For and on behalf of the Board of Directors of
Hindustan Zinc Fertilisers Private Limited




S. Misra
Director
CIN: 01835605

Place: Udaipur
Date: April 18, 2025

P