



HINDUSTAN ZINC LIMITED

Registered Office: Yashad Bhawan, Udaipur-313004

CIN: L27204RJ1966PLC001208, www.hzindia.com

NOTICE

Notice is hereby given that the 48th Annual General Meeting of the Members of the Company will be held on Tuesday, 24th June, 2014 at 2.30 PM at Yashad Bhawan, Udaipur to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statement of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon.
2. To declare final dividend for the financial year 2013-2014.
3. To appoint a Director in place of Mr. Rajib Sekhar Sahoo (DIN 02708503), who retires by rotation and, being eligible, offers himself for re-appointment as per Article 129 of the Articles of Association of the Company.
4. To appoint a Director in place of Ms. Shaukat Ara Tirmizi (DIN 05137036), who retires by rotation and, being eligible, offers herself for re-appointment as per Article 129 of the Articles of Association of the Company.
5. To re-appoint the retiring Auditors M/s Deloitte Haskins & Sells LLP as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and to pass, the following resolution as Special Resolution, with or without modification(s):

"RESOLVED that M/s Deloitte Haskins & Sells, LLP, Chartered Accountants having ICAI registration no. 117366W/W 100018, be and are hereby re-appointed as Statutory Auditors of the Company for the period from the conclusion of 48th Annual General Meeting to the conclusion of the next Annual General Meeting at such remuneration as may be fixed by the Board of Directors as per the provisions of Section 139 and other applicable provisions of the Companies Act, 2013".

SPECIAL BUSINESS

1. To approve extension in tenure of Mr. Akhilesh Joshi as Chief Executive Officer & Whole-time Director and in this regard to consider and to pass, with or without any modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactments thereof, and all other statutory provisions if any, the approval of the Company be and is hereby accorded to the extension in the tenure of Mr. Akhilesh Joshi, as Chief Executive Officer and Whole-time Director of the Company up to 30th September, 2015, with effect from 1st February 2014, on the terms, conditions and stipulations, including remuneration as set out in the Explanatory

Statement annexed here to, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and / or remuneration , subject to the same not exceeding the limits specified under Schedule V to the Companies Act , 2013 or any statutory modification(s) or re-enactment thereof.

2. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2015 and in this regard to consider and pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s K.G. Goyal & Company the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting.”

Explanatory Statement Pursuant to Section 102 (1) of the Companies Act, 2013 (The Act)

The following Statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice.

Item No. 1

The Board of Directors of the Company, subject to the Shareholders approval, has approved extension in the tenure of Mr. Akhilesh Joshi as Chief Executive Officer and Whole-time Director of the Company, on terms and conditions including remuneration as detailed below.

The material terms of extension in tenure and remuneration payable to Mr Joshi is as under:

(A)	Tenure	1st February, 2014 to 31st March, 2014	
	Remuneration and other entitlements	(a)	All inclusive annual fee payable on a monthly basis Rs. 170 lakhs
		(b)	Annual Performance Bonus as per the rules of the Company.
		(c)	Medical and Accident Insurance policy as per Company's rules.
		(d)	Company maintained car as per Company policy.
		(e)	Stock options as per the rules of the Company.
		(f)	Leave as per Company rules.

(B)	Tenure	18 months w.e.f. 1st April, 2014	
	Remuneration and other entitlements	(a)	All inclusive annual fee in the range of Rs. 175-225 lakhs.
		(b)	Annual performance bonus in the range of Rs. 60-90 lakhs per annum.
		(c)	Medical and Accident insurance policy as per Company's rule.
		(d)	Company maintained car as per Company policy.
		(e)	Stock options as per the rules of the Company.
		(f)	Leave as per Company rules.

Explanation:

- i. Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost to the Company.
- ii. For the purpose of perquisites stated hereinabove, 'family' means self and spouse.

I. Other Benefits:

- i. The Company shall provide him with car, expenses relating to fuel, maintenance and driver will be reimbursed on actuals. Further the Company shall also provide telephones and other communication facility (for official business).
- ii. Such other benefits as may be decided by the Board or its Committee from time to time.

II. Minimum Remuneration:

In the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall remunerate by way of salary, perquisites or any other allowance as specified above.

Apart from the remuneration aforesaid, he shall be entitled to reimbursement of expenses incurred in connection with the business of the Company.

III. Other Terms and Conditions:

- i. The terms and conditions of the said appointment may be altered and varied from time to time by the Board of Directors of the Company or its Committee as it may, at its discretion deem fit, so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) or any amendments made thereto.
- ii. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.
- iii. He shall not so long as he function as such, become interested or otherwise concerned directly or through his wife and/or children in any selling agency of the Company in future without prior approval of the Central Government.
- iv. The agreement may be terminated by giving not less than 90 days prior notice in writing in that behalf to the other party or 90 days salary in lieu thereof and on the expiry of the period of such notice, this Agreement shall stand terminated.

Mr. Akhilesh Joshi satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under Sub-section (3) of Section 196 of the Act for being eligible for extension, and is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The Board recommends the proposal at Special Business Item No. 1 for approval by the shareholders.

None of the Directors/ Key Managerial Personnel of the Company / their relatives, except Mr. Akhilesh Joshi is concerned or interested in the said resolution set out at Special Business Item No. 1 of the Notice.

Item No. 2

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s K.G. Goyal & Company, Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs 1.50 lacs payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Special Business Item No. 2 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

The Board recommends the proposal at special business Item No. 2 for approval by the shareholders.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Special Business Item No. 2 of the Notice.

By Order of the Board

R. Pandwal

Company Secretary

Place: Udaipur

Date: 21st April, 2014

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member of the Company (A copy of the proxy form is attached).
2. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
3. The Register of Members and Share Transfer Books shall be available for inspection by members.
4. Annual Report and AGM Notice is available at the website of the Company at www.hzlindia.com in the Investor Relations section.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 21st May, 2014 to 24th May, 2014 (both days inclusive) for the purpose of payment of final dividend and annual general meeting.
6. Shareholders who are yet to encash their earlier dividend warrants for the years from 2006-07 (final dividend) to 2013-14 (interim dividend) are requested to contact the Company Secretary for revalidation of the dividend warrant/issue of fresh demand draft.
7. Members are requested to:
 - (a) Notify the change in address if any, with Pin Code numbers immediately to the Company (in case of shares held in physical mode).
 - (b) Bring their copy of the Annual Report and Attendance Slip with them at the Annual General Meeting.
 - (c) Quote their Regd. Folio Number/DP and Client ID Nos. in all their correspondence with the Company or its Registrar and Share Transfer Agent.
8. In compliance with provisions of the Companies Act, 2013, the Company is also offering the e-voting facility to the Members to enable them to cast their votes electronically. Please note that e-voting is optional and not mandatory. E-voting facility would remain open only from 18th June to 19th June, 2014 (both days inclusive).

Mr. Manoj Maheshwari, Practising Company Secretary, Jaipur has been appointed as the scrutinizer who will give his report on the votes cast through e-voting system.

The instructions for members for voting electronically are as under:-

(I) In case of members receiving e-mail:

- i) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii) Log on to the e-voting website www.evotingindia.com.
- iii) Click on “Shareholders” tab to cast your votes.
- iv) Now, select the Electronic Voting Sequence Number - “EVSN” along with “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: <Default Number> in the PAN field.

Please enter any one of the details in order to login.

- vi) After entering these details appropriately, click on “SUBMIT” tab.
- vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # \$ %& *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- viii) Click on the relevant EVSN on which you choose to vote.
- ix) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the

Resolution and option NO implies that you dissent to the Resolution.

- x) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
 - xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (II) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:**
- (A) Please follow all steps from sl. no. (ii) to sl. no. (xii) above, to cast vote.
 - (B) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
 - (C) The voting period begins on 18th June, 2014 at 10.00 AM and ends on 19th June, 2014 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th May, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - (D) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
9. Corporate members are requested to send a duly certified copy of the board resolution/power of attorney authorizing their representative to attend and vote at the Annual General Meeting.

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses with the Company.



HINDUSTAN ZINC LIMITED

Registered Office: Yashad Bhawan, Udaipur-313004

PROXY FORM

I, _____ of _____ in the district of _____ being member of the above named Company and holding _____ equity shares hereby appoint Mr. _____ in the district of _____ as my proxy to attend and vote for me on my behalf at the 48th Annual General Meeting of the Company to be held on Tuesday, 24th June, 2014 at 2.30 PM and at any adjournment thereof.

Signed this _____ day of _____

Signature _____

Name _____

Reg. Folio No. /Client ID No. _____

Affix
Revenue
Stamp
Rs. 1/-

Note: The proxy form duly completed should be deposited at the Registered Office of the Company not less than 48 hours before the time for commencement of the Meeting.



HINDUSTAN ZINC LIMITED

Registered Office- Yashad Bhawan, Udaipur- 313004

ATTENDANCE SLIP

48th ANNUAL GENERAL MEETING, TUESDAY, 24th JUNE, 2014 AT 2.30 PM

Name and Address of the Member _____

Reg. Folio/Client ID No. _____

I certify that I am a registered shareholder of the company and hold _____ shares.

Please indicate whether Member/Proxy _____

Member's/ Proxy Name in BLOCK Letters

Member's/Proxy's Signature

Note: Shareholder/Proxy holder must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.



HINDUSTAN ZINC LIMITED

Registration of e-mail address for future communication

Name of shareholder: _____ e-mail id: _____

Address: _____

Client ID/ Folio Number (in case physical holding): _____

DP ID: _____

Signature _____



Annual Report 2013-14
Hindustan Zinc Limited



TRANSFORM DELIVER SUSTAIN





To get the online version of this report log on to www.hzlindia.com

Forward-looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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IN THE EVOLUTION OF A COMPANY, COMES A POINT OF TRANSFORMATION...

FY 2014 marked the beginning of our transition from open cast to underground mining with an accelerated pace of underground mine development and rising share of production from underground mines.

The transformation to underground mining will deliver 15 million MT of ore and 1.2 million MT of mined metal annually by FY 2019. This will more than make up for the tapering of open cast mine, radically changing the nature of our mining operations.

We have prepared for this transformation over the last few years and achieved several milestones:

Commissioned Rampura Agucha underground and Kayad underground mines during the year

High-speed shaft sinking at Rampura Agucha and Sindesar Khurd mines have reached depths of 310 and 905 metres respectively

Consistently achieved 2 million MT run-rate at Sindesar Khurd mine in recent months and heading for the next phase of ramp up

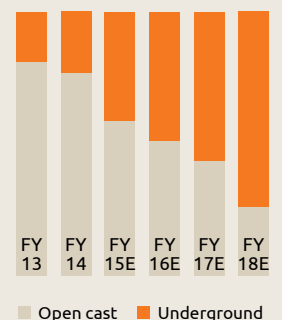
Mine development at Rampura Agucha underground mine also approaching 1,000 metres per month

India's first paste fill plant under commissioning

Inducted best-in-class machinery



(%)
Mined Metal Production Profile



ROBUST DELIVERY IN THE FACE OF CHALLENGES



○ Road grader at work in Sindesar Khurd Mine

IN FY 2014, WE SET NEW PERFORMANCE RECORDS AS WE DELIVERED HIGHEST EVER MINE PRODUCTION, HIGHEST EVER INTEGRATED ZINC-LEAD PRODUCTION AND HIGHEST EVER INTEGRATED SILVER PRODUCTION

We took significant measures to drive asset availability and optimise capacity utilisation to improve productivity, reduced water and energy consumption and de-bottlenecked our smelters. We also took several initiatives to enhance safety culture across the organisation. Moreover, our improved operational efficiencies led to a stable cash cost of production in US\$ terms.



SUSTAINING OPERATIONAL DELIVERY IN THE TRANSFORMED PARADIGM IS AN IMPERATIVE

To stabilise production at higher levels on a sustained basis, we have:

- Continued to add more to our reserve & resource than we have depleted, through an active exploration programme
- Pushed ahead our agenda of zero waste generation and minimal loss of natural resources
- Created cells for mine planning, mine development and asset optimisation for improved productivity
- Committed resources to grass-root level projects and need-based community interventions, while at the same time focusing on larger institutional projects



○ Heavy Earth Moving and Mining Equipment Workshop at Rampura Agucha mine

A SUSTAINABLE ENTERPRISE

Hindustan Zinc is one of the world's leading integrated producers of zinc, lead and silver. We are a subsidiary of the BSE, NSE and NYSE listed, Sesa Sterlite Limited.

1ST

World's largest
Zinc mine at
Rampura Agucha

2ND

Largest
Zinc-Lead
miner
globally

25⁺

Years
mine life

4TH

Largest
Zinc-Lead
metal producer
globally

1ST

Decile of global
cost curve, among
the lowest cost
producers of Zinc

1⁺

million MT
integrated
metal
production
capacity

● High speed shaft sinking at Rampura Agucha



VISION

TO BE THE WORLD'S LARGEST
AND MOST ADMIRER ZINC-LEAD
AND SILVER COMPANY



MISSION

ENHANCE STAKEHOLDER VALUE
THROUGH EXPLORATION,
INNOVATION, OPERATIONAL
EXCELLENCE AND
SUSTAINABILITY

BE THE LOWEST COST
PRODUCER

MAINTAIN MARKET LEADERSHIP
AND ENHANCE CUSTOMER
DELIGHT



VALUES

ENTREPRENEURSHIP

We foster an entrepreneurial spirit and value the ability to foresee business opportunities early in the cycle to act on them swiftly.

GROWTH

We continue to deliver growth and generate significant value for our shareholders. We have pursued growth across all our businesses and into new areas, always on the basis that value must be delivered.

EXCELLENCE

Achieving excellence in all that we do is our way of life. We strive to consistently deliver projects at industry-leading costs and within budget. We focus on constantly achieving a top decile cost of production in each of our businesses. To attain this, we follow the culture of benchmarking with best practices.

TRUST

The trust that our stakeholders place in us is key to our success. We recognise that we must responsibly deliver on the promises we make to earn that trust. We constantly strive to meet and exceed stakeholder expectations.

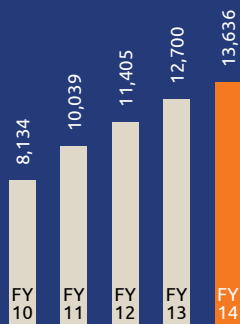
SUSTAINABILITY

We practise sustainability within the framework of well-defined governance structure & policies and with the demonstrated commitment of our management and employees. We aim to make a positive impact on the environment and communities where we work.

ROBUST FINANCIALS

₹ in Crores

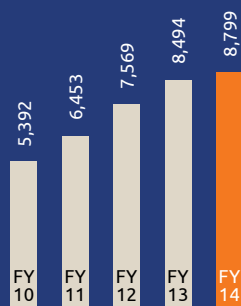
Net Revenue



₹ in Crores

PBDIT*

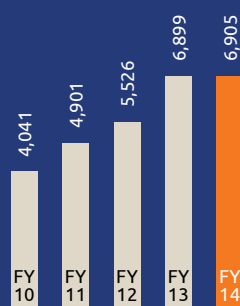
PROFIT BEFORE
DEPRECIATION,
INTEREST & TAX



₹ in Crores

PAT

PROFIT AFTER TAX



Financial Highlights

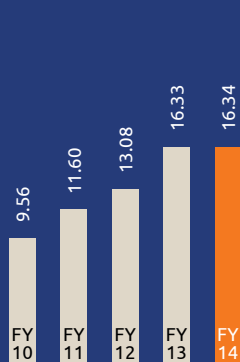
Our best financial performance yet in FY2014

Highest ever dividend - final dividend of 95%, taking the total dividend for the year to 175%

₹

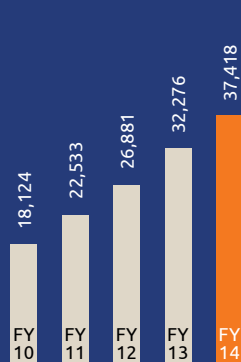
EPS**

EARNINGS PER SHARE



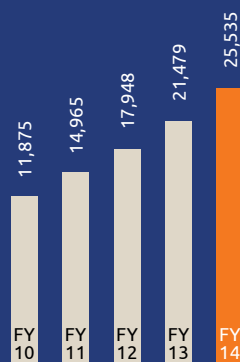
₹ in Crores

Net Worth



₹ in Crores

Cash & Equivalents***



(*) Includes Other Income and Extraordinary Income

(**) The EPS figures have been reworked for FY 2010, to give effect of subdivision of shares and the allotment of bonus shares. The existing equity shares of ₹ 10 each were subdivided into 5 equity shares of ₹ 2 each and bonus shares in the ratio of 1:1 (post split) were allotted on March 9, 2011

(***) Includes Cash and Cash Equivalents and Current Investments



ACCELERATING PRODUCTION

Mined Metal

(MT)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Total	768,620	840,053	830,432	870,200	879,718
Zinc	682,772	752,125	738,569	764,671	769,897
Lead	85,848	87,928	91,863	105,529	109,821

Total Refined Metal

(MT)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Zinc	578,411	712,471	758,716	676,921	749,167
Lead	71,627	63,192	98,724	124,816	129,858
Silver	176	179	242	408	388

Integrated Refined Metal

(MT)

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Zinc	578,411	693,335	752,265	659,971	742,975
Lead	71,627	63,192	89,192	106,753	117,763
Silver	176	179	237	322	339

Operational Highlights

Highest ever ore and mined metal production

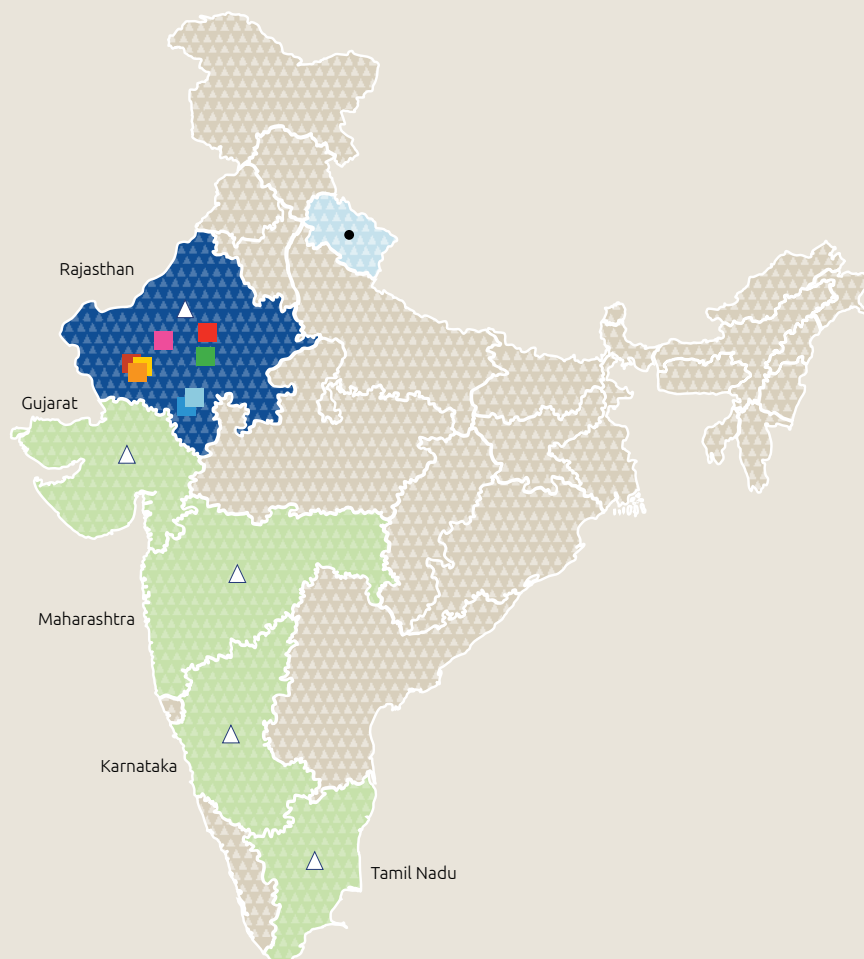
Commissioned Rampura Agucha underground and Kayad mines

Highest ever integrated zinc – lead metal production

Highest ever integrated silver metal production



OPERATIONAL ASSETS



Rampura Agucha Mine

Reserve	: 57.5 mt
Resource	: 51.9 mt
Reserve Grade Zn	: 13.7%
Reserve Grade Pb	: 1.8%
Ore Production Capacity	: 6.15 mtpa

Sindesar Khurd Mine

Reserve	: 20.4 mt
Resource	: 78.7 mt
Reserve Grade Zn	: 4.6%
Reserve Grade Pb	: 2.6%
Ore Production Capacity	: 2 mtpa

Zawar Mining Complex

Reserve	: 9.9 mt
Resource	: 68.5 mt
Reserve Grade Zn	: 3.8%
Reserve Grade Pb	: 1.9%
Ore Production Capacity	: 1.2 mtpa
Captive Power Plant	: 80 MW

Rajpura Dariba Mine

Reserve	: 10 mt
Resource	: 44.3 mt
Reserve Grade Zn	: 6.4%
Reserve Grade Pb	: 1.6%
Ore Production Capacity	: 0.90 mtpa

Kayad Mine

Reserve	: 6.2 mt
Resource	: 1.5 mt
Reserve Grade Zn	: 10.4%
Reserve Grade Pb	: 1.5%
Ore Production Capacity	: 0.35 mtpa

(mt: million MT)

R&R Summary

	Tonnage		Grade		
	mt	Zn (%)	Pb (%)	Ag (g/t)	
Reserve	103.9	10.1	2.0	73.0	
Resource	261.2	6.4	2.3	81.0	

Note:

(1) We also have a Rock-Phosphate mine at Maton near Udaipur in Rajasthan with annual production capacity of 0.18 million MT and Reserve & Resource of 5.0 million MT.

(2) Additional facilities in the state of Uttarakhand for processing and refining of zinc, lead and silver (●)

(3) Reserve and Resource at the planned mine at Bamnia Kalan are nil and 16.3 million MT respectively.



Chanderiya Lead Zinc Smelter

Pyrometallurgical Lead Zinc Smelter	: 105,000 tpa Zinc
	: 85,000 tpa Lead

Hydrometallurgical Zinc Smelter	: 420,000 tpa
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Captive Power Plant	: 234 MW
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Dariba Smelting Complex

Hydrometallurgical Zinc Smelter	: 210,000 tpa
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Lead Smelter	: 100,000 tpa
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Captive Power Plant	: 160 MW
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Zinc Smelter Debari

Hydrometallurgical Zinc Smelter	: 88,000 tpa
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Wind Power Plants by State (MW)

△ Rajasthan	: 88.8
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△ Gujarat	: 88.8
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△ Maharashtra	: 25.5
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△ Karnataka	: 49.4
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△ Tamil Nadu	: 21.0
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Smelting and Power Summary

Zinc smelting	: 823,000 tpa
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Lead smelting	: 185,000 tpa
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Silver refining	: 518 tpa
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Captive Power	: 474 MW
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Wind Power	: 274 MW
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(tpa: MT per annum)

Note:

(1) In addition to silver, sulphuric acid is also a by-product where capacity is 1.74 million MT per annum



AWARDS AND ACCOLADES

Corporate

- Business Today Best CEO (Core sector) award to Mr. Akhilesh Joshi, CEO of Hindustan Zinc
- Indian Institute of Metals 'Gold Medal' to Mr. Akhilesh Joshi
- Dun & Bradstreet Corporate Excellence Award
- Top 100 CISO Award
- CIO100 Award
- NASSCOM IT User Award
- CII National HR Excellence Award 'Strong Commitment to HR Excellence' - Commendation Certificate

Sustainability

- IMC - Ramakrishna Bajaj National Quality Award awarded to Chanderiya Lead Zinc Smelter (CLZS) for its exemplary contribution in the area of quality and business excellence.
- National Energy Conservation Award - 2nd prize to Sindesar Khurd Mine
- Green Manufacturing Excellence Award to CLZS
- The Economic Times Indian Manufacturing Excellence Award 'Gold Award' to Hydro-II, CLZS
- Par Excellence Award at National Convention on Quality Concept Circles

CHAIRMAN'S MESSAGE



76%
increase

IN UNDERGROUND
MINE DEVELOPMENT,
AN INVESTMENT FOR
THE FUTURE

“Amidst a challenging environment, our team delivered the best ever operating performance. It is times like these that test the mettle of our people and assets.”

I AM GLAD TO SHARE THAT EVEN DURING OUR PHASE OF TRANSITIONING FROM OPEN CAST MINING TO UNDERGROUND MINING AT RAMPURA AGUCHA, OUR FLAGSHIP MINE, WE WERE ABLE TO ACHIEVE RECORD PRODUCTION, CONTROL COSTS AND BETTER OUR FINANCIAL PERFORMANCE.

The year was not without its challenges and obstacles and some disappointments. We had to scale back our production targets due to slow ramp-up of our underground mines. Whilst our mined metal production in the second half of FY 2014 was down marginally from the first half, this largely reflected our shift in focus towards primary mine development to facilitate future growth.

Market Scenario

The year 2013 saw global industrial production grow at its slowest rate since 2009. However, domestic demand in China has improved through the second half of the year. The developed world is also showing gradual recovery of economic activity.



During the year, zinc witnessed a good global demand leading to a drawdown of inventories after years of build up. A similar scenario is anticipated for 2014 as well. Starting next year, we will see some major mine closures, which along with rising demand will likely lead to mine supply shortfall by 2017.

India's zinc demand will leverage from the recent depreciation of the rupee, which is expected to increase exports and industrial production. The anticipated global economic recovery would also facilitate auto exports from India. The pick-up in consumer sentiments will further give a fillip to industrial and construction sectors, boosting demand for our products.

Milestones

Hindustan Zinc achieved a number of strategic milestones during FY 2014. We progressed on our expansion projects and achieved 76% increase in underground mine development, an investment for the future. We began underground stoping operations at Rampura Agucha and Kayad mines and ramped up production at Zawar mines. The commissioning of the new roaster at Dariba provided stability and reliability to our zinc smelting operations.

Safety

The health and safety of our employees, contractors and communities is core to our values. The total recorded injuries this year has reduced by 13% as compared to last year. However, I regret to report that we had four fatalities during the year. In our quest to prevent all injuries and achieve our objective of zero harm, we have started a four-year programme for Safety Cultural Transformation

with a leading global safety consultant. 'Aarohan', the name given for this journey, appropriately means 'stepping up' towards safety excellence.

Corporate Social Responsibility

We have a deep rooted commitment to corporate social responsibility and our projects have been appreciated at all levels. Our CSR activities are largely focused in the vicinity of our operations.

We touch over 500,000 lives through our social programmes to help solve societal challenges and create opportunities for the underprivileged. During the year, Vedanta Heart Hospital in Udaipur was upgraded to provide world-class cardiac treatment to the underprivileged. We also commissioned the first Sewage Treatment Plant in Udaipur, which will address the problem of untreated sewage flowing into the city's lakes. Inclusive of this project and many of our ongoing activities, we spent over ₹90 Crores though we still have some way to go before we reach the desired threshold of 2% of the profits.

Way forward

The ongoing transformation to an underground mining company gives us a sustained platform from which to deliver industry-leading performance. I look forward to the future with renewed optimism.

Warm Regards,
Agnivesh Agarwal
Chairman

"Vedanta Heart Hospital in Udaipur was upgraded to provide world-class cardiac treatment to the underprivileged"

"Commissioned the first Sewage Treatment Plant in Udaipur, which will address the problem of untreated sewage flowing into the city's lakes"

INDUSTRY SYNOPSIS

ZINC

THE GLOBAL ZINC INDUSTRY IS DOMINATED BY THE STRUCTURAL ISSUE OF MINE SUPPLY FALLING SHORT OF FUTURE DEMAND. ZINC PRICES ARE POISED TO MOVE HIGHER ON THE BACK OF IMMINENT MINE CLOSURES AND STEADY DEMAND GROWTH.

CY 2013 ESTIMATE

12,927_{KT}

Mine production

12,989_{KT}

Smelter production

13,295_{KT}

Consumption

1.1%

Mine production growth rate

4%

Smelter production growth rate

3.6%

Consumption growth rate

Source: Wood Mackenzie, March 2014



Global zinc demand grew at ~4% in 2013 to 13.3 million MT from 12.8 million MT the previous year. Zinc metal supply fell short of demand by 2%, even as global production recovered from the sharp decline witnessed in 2012.

On the other hand, surplus mine supply resulted in lower zinc price. Zinc price declined by 2% in 2013 though it outperformed all other base metals due to relatively stronger demand-supply fundamentals. The current scenario is majorly a result of lower Chinese smelter production on account of weak margins, leading to surplus in global mined metal market.

Currently, zinc mine supply along with existing inventories is sufficient to satisfy demand from smelters and is expected to remain so till 2016. The surplus is forecast to gradually



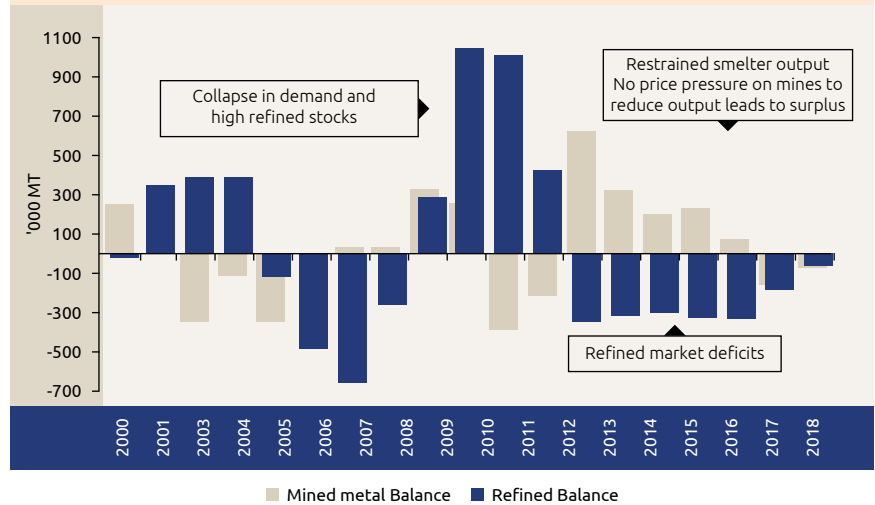
shrink and turn to deficit with closure of some high profile mines in the coming 3-4 years.

The Century mine in Australia with a capacity of 500,000 MT per annum will close in 2015. In 2016, the 160,000 MT per annum capacity Skorpion operation in Namibia and in 2017 the 70,000 MT per annum capacity Pomorzany mine in Poland are expected to close down along with closure in some smaller operations. This together with attrition at operating mines will eliminate 1.8 million MT per annum of global mine capacity by 2018 and 2.2 million MT per annum capacity by 2019.

Global zinc demand is forecasted to grow at 5-6% in 2014. China will continue to remain the dominant driving force as galvanised sheet usage in cars and construction activity is expected to grow. The gradual recovery in global economic activity is looking sustainable. Eurozone crisis is showing signs of improvement as demand is picking up just when there are concerns about physical scarcity of metal in the coming years.

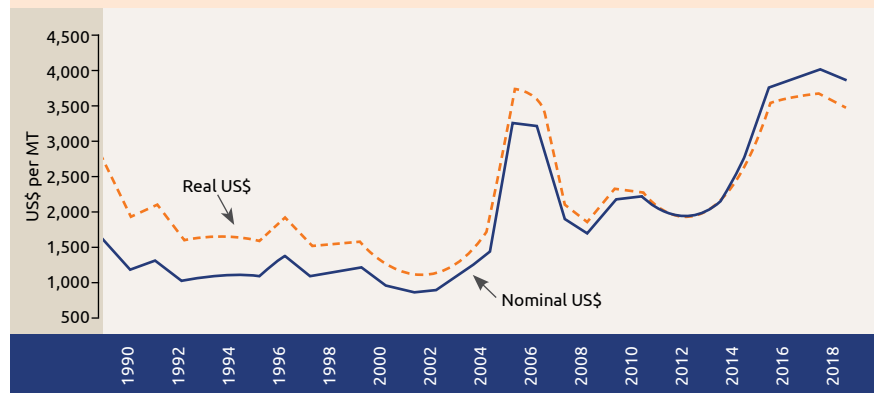
The Indian zinc demand witnessed strong growth in 2013 mainly on account of demand from galvanised sheet sector. This momentum is expected to continue as new zinc applications and investment in infrastructure projects are expected to drive domestic demand.

Zinc refined metal and mined metal market balance



Source: Wood Mackenzie, March 2014

LME Zinc price



Source: Wood Mackenzie, Long Term Outlook March 2014

The demand for zinc in the near-term is expected to increase by 0.7 million MT per year due to increase in Chinese demand and recovery and normalisation of the rest of the world economy. The combination of steady demand growth and reducing supply due to mine closures will create an environment conducive for a sharp increase in zinc prices in the foreseeable future.

INDUSTRY SYNOPSIS

LEAD

REFINED LEAD MARKET WILL MOVE TO DEFICIT IN NEAR-TO-MID TERM DUE TO TOUGHER ENVIRONMENTAL REGULATION, TIGHT PRIMARY SUPPLY AND ROBUST DEMAND GROWTH.

CY 2013 ESTIMATE

5,237_{KT}	5,678_{KT}	11,110_{KT}
Mine production	Smelter production	Consumption
10.5%	8.5%	3.8%
Mine production growth rate	Smelter production growth rate	Consumption growth rate

Source: Wood Mackenzie, March 2014

Lead metal market (including secondary production) was in surplus in 2013 driven by higher Chinese production and reached 11.2 million MT, compared to the demand of 11.1 million MT.

It was a tough year as demand growth was below expectation and the industry was confronted with numerous challenges including:

- Smelter shutdowns in China due to tougher environmental regulations
- Struggling automobile industry
- Emergence of alternative battery technologies

Similar to zinc, lead mine supply will also be impacted by mine closures and will be insufficient to meet demand from primary smelters. Consequently, production cutbacks from primary smelters are expected in the near-to-mid



○ Lead 99.99% Ingot



term. The market is anticipated to shift into deficit in 2014 as demand growth is expected to remain robust while lead production will be hampered by weak mine supply and stringent environmental regulations. Consequently, lead prices are expected to gradually increase.

Global lead demand is expected to witness a robust growth of 4-5%.

Developing economies will continue to be the main drivers, with growth forecast at 6-7% p.a., compared with flat demand from mature economies. China will continue to drive demand at a healthy ~7% growth.

India is the second most important growth prospect in the Asian region with demand growth estimated around 7%. Much of the growth

in Indian lead demand is likely to come from the industrial battery sector, supported by India's growing telecoms industry, ongoing infrastructure development and expanding solar power market.

SILVER

THE INDUSTRIAL DEMAND FOR SILVER IS EXPECTED TO INCREASE ALONGSIDE A GROWING GLOBAL ECONOMY.

Global silver mine production witnessed an estimated growth of 3.5% in 2013, while overall demand was flat at 33,950 MT.

Silver price in 2013 saw lower price levels through most part of the year mainly due to reluctant investors in the precious metals market. Improved sentiment of US economy was the main reason for low bullion prices.

Moreover, global fabrication demand increased to 28,300 MT, a 4% growth from last year due to industrial fabrication, silverware, coins and jewellery.



○ Silver 99.99% ingot

Indian silver demand witnessed an outstanding growth to reach 6,250 MT – driven by 4% growth in industrial fabrication demand and 20% growth in jewellery segment. Additionally, investment demand in the country was also high due to lower prices.

Going forward, the momentum in domestic demand is expected to continue driven by prospective growth in industrial segments and low prices attracting more investors.

OPERATIONAL EXCELLENCE

MINES

OUR MINE EXPANSION PROJECTS ARE PROGRESSING WELL. SIX MAJOR MINING PROJECTS AND EXPANSIONS WILL BE COMPLETED OVER THE NEXT FIVE YEARS TO INCREASE OUR MINED METAL PRODUCTION CAPACITY TO 1.2 MILLION MT AT AN ANNUAL OUTLAY OF ABOUT US\$ 250 MILLION.

For this phase of growth, mine planning has been done in consultation with leading global experts and we are using best-in-class technologies to ensure productivity and safety.

For example we are using paste fill technology for robustness of mine structure; fully equipped underground workshops and communication network for higher throughput and safety in mines; latest mining equipment like raise boring machines, V30 slot drilling machine, mobile carrier rig diamond drilling

machine and double boom jumbo drillers for enhanced productivity and safety of operations.

We have on board experienced mining professionals and contractors from major mining countries including Australia, South Africa, Philippines and Peru among others. Importantly, we are creating a large pool of local talent through formal training programmes and simulator based training.



○ Shotcreting operation at Rampura Agucha Underground mine



Rampura Agucha Mine

Rampura Agucha Mine (RAM) is the largest zinc-lead mine in the world. RAM produced 709,693 MT of mined metal during the year.

RAM is currently operating through both the open cast (OC) and underground (UG) routes. As part of life-of-mine-planning, RAM OC mine tapering commenced this year even as the RAM UG was opened up.

RAM UG mine has been started with a vision of underground mining excellence with best-in-class infrastructure, technology and safety. The project includes a production shaft of 950 metres depth, two ramps from surface, two ventilation shafts and a paste fill plant.

During the year, ramp access to the first production block at a depth of ~400 metres was achieved and RAM UG mine commenced ore production from stopes in the second quarter of FY 2014. Ramp development is under progress to gain access to next production block. Overall, the project achieved 7.5 km of development with 0.32 million MT of ore production.

The sinking of main production shaft and one of the ventilation shafts is ongoing and reached depths of 310 metres and 210 metres respectively during the year. Paste fill plant is expected to become operational shortly. Surface Heavy Earth Moving and Mining workshop with all facilities was commissioned during

the year. Other surface infrastructure is under construction and expected to be completed in the near term. The Company is targeting production of about one million MT from RAM UG mine in FY 2015.

Sindesar Khurd Mine

The Sindesar Khurd Mine (SKM) is a highly mechanised underground mine. The mine was initially opened as a satellite of Rajpura Dariba mine in FY 2007. In FY 2014, the mine achieved a production of 84,888 MT of mined metal. The average silver grade during the year was 105 parts

per million, which is expected to rise gradually with the mine's increasing depth.

During the year, continuous improvement drive resulted in higher rates of mine development and drilling as well as higher metal recovery.

As part of the mine's ongoing expansion, the Company plans to increase ore production capacity to 3.75 million MT per annum in the coming years. SKM's expansion is expected to significantly contribute to the Company's integrated lead and

Performance of our mines in FY 2014

		Rampura Agucha	Sindesar Khurd	Rajpura Dariba	Zawar	Kayad
Ore Mined ('000 MT)		5,804	1,723	610	1,004	149
<i>FY 2013</i>		<i>6,149</i>	<i>1,585</i>	<i>554</i>	<i>305</i>	<i>28</i>
Ore Milled ('000 MT)		5,778	1,725	607	997	157
<i>FY 2013</i>		<i>6,168</i>	<i>1,585</i>	<i>561</i>	<i>277</i>	<i>-</i>
Zinc	Feed Grade (%)	12.4	3.5	5.3	2.8	8.0
	<i>FY 2013</i>	<i>12.3</i>	<i>3.8</i>	<i>5.4</i>	<i>3.8</i>	<i>7.7</i>
	Mined Metal ('000 MT)	652.7	53.6	26.5	25.7	11.4
	<i>FY 2013</i>	<i>677.3</i>	<i>52.6</i>	<i>25.2</i>	<i>9.6</i>	<i>-</i>
Lead	Feed Grade (%)	1.7	2.1	1.3	1.7	1.1
	<i>FY 2013</i>	<i>1.8</i>	<i>2.4</i>	<i>1.3</i>	<i>1.1</i>	<i>1.2</i>
	Mined Metal ('000 MT)	57.0	31.3	5.3	15.3	1.1
	<i>FY 2013</i>	<i>65.6</i>	<i>32.2</i>	<i>5.1</i>	<i>2.6</i>	<i>-</i>

OPERATIONAL EXCELLENCE

silver production.

Mine's infrastructure development is on a fast track to enhance ore production capacity in a phased manner. The sinking of production shaft has reached a depth 905 metres of the planned 1,050 metres depth and off-shaft development is under progress. Paste fill plant is under construction and is expected to be commissioned in the near future.

Rajpura Dariba Mine

The Rajpura Dariba Mine (RDM) produced 31,748 MT of mined metal during the year.

Ore production capacity at RDM is planned to progressively increase to 1.20 million MT per annum. During the year, RDM expansion project achieved development of 2.2 km in second ramp. New equipment including jumbo drills, Load Haul Dump loader and mine trucks have been introduced to achieve higher production targets.

Zawar Mine

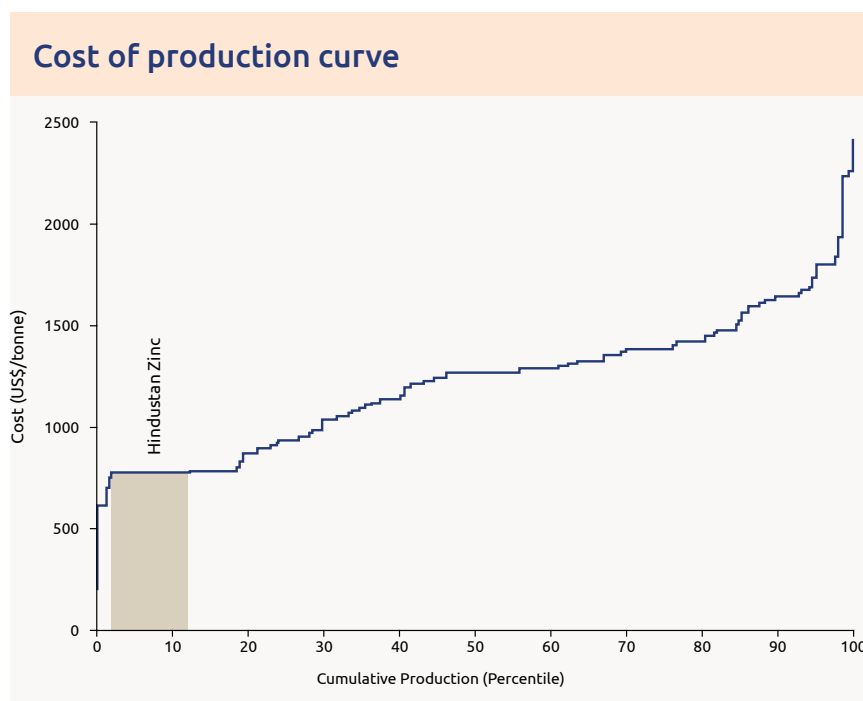
Three of the four mines at the Zawar group of mines (ZM) resumed production after a gap of about three years in January 2013. ZM produced 41,008 MT of mined metal during the year.

The Company plans to progressively expand ZM over the next few years by enhanced mechanisation and switchover to trackless mining. This expansion is expected to significantly contribute to the Company's lead mined metal production.

Kayad Mine

A new underground mine near Ajmer, Rajasthan was opened up in Kayad (KM) in the third quarter of FY 2014. KM is a small but high grade deposit. KM produced a modest 12,381 MT of

mined metal during the year, which is expected to doubled in FY 2015. The ore from KM is treated at Rampura Agucha mills. The capacity of this mine will be finalised this year based on results of on-going exploration.



Source: Wood Mackenzie, March 2014

Stitching of faults by Cable Bolting and Wire Meshing



A typical cable bolting-cum-wire meshing site at Rampura Agucha open cast

Geological discontinuities such as faults constitute major concern to stability of the mine. In order to carry out targeted mine production safely, pit walls needed stabilisation - stitching by cable bolting and wire meshing. RAM OC sites have successfully stitched a total area of 13,950 sq. metres, thereby becoming the first open pit mine to carry out cable bolting and wire meshing.

The machine for the purpose was locally designed and consists of a Drifter fitted on Hydra to drill 10-12 metres long horizontal holes covering 10 metres bench height and a lifter to lift two persons up to 10 metres bench height. For safety of the operations, rod changing at 10 metres height is carried out automatically by rod changer mechanism.

Combined Production and Trim Blast

RAM successfully achieved the landmark of Combined Production and Trim Blast on 15 January 2014. This technology leads to faster rate of descent i.e. bench turn over and also improving loading equipment productivity by leveraging latest electronic detonators.

A total of 301 holes were fired with Combined Production and Trim successfully, with improved fragmentation and no visibly adverse impact on pit wall.

The RAM OC blasting team accomplished this milestone by working along with design consultant, Orica and learning from its expertise and exposure to similar operations.



Successful firing with combined production and trim blast at Rampura open cast

OPERATIONAL EXCELLENCE

SMELTERS

HINDUSTAN ZINC HAS WORLD CLASS SMELTERS ACROSS THREE LOCATIONS WITH A CUMULATIVE CAPACITY OF 1.01 MILLION MT

Chanderiya Lead-Zinc Smelter

Chanderiya Lead Zinc Smelter (CLZS) is one of the world's largest smelting complexes with lead zinc smelting capacity of 610,000 MT per annum. It includes both hydrometallurgical and pyrometallurgical smelters.

In FY 2014, CLZS produced 476,950 MT of zinc and 53,749 MT of lead, up by 8% and down 11% respectively. During the year, Integrated Truck Management System (ITMS) with RFID and GPS technology and man-less weigh-bridges were implemented. ITMS was subsequently rolled out in RAM and will be implemented at other locations during FY 2015.


Dariba Smelting Complex

Dariba Smelting Complex (DSC) is unique with zinc smelter, lead smelter and captive power plants, all located in the vicinity of mines - SKM and RDM.

DSC produced 197,715 MT of zinc and 76,109 MT of lead during the year, up 20% and 18%, respectively. A new roaster was commissioned in early FY 2014, which has significantly strengthened the Company's zinc smelting capabilities. Additionally, fuming furnace capacity at the lead plant has also been increased by 45% in a record time of 12 days. Both these have led to de-bottlenecking of our smelters.

Various performance-enhancing and cost-saving initiatives were taken at DSC related to water conservation and energy saving, such as commissioning of adiabatic cooling tower with a new RO



 Dariba Smelting Complex



plant, idea generation scheme 'Mere Vichar' for workmen, 'Kaizen' and focused improvement projects. DSC won silver award in 'National Award for Manufacturing Competitiveness' by International Research Institute on Manufacturing, Chennai.

Others

In addition to CLZS and DSC, the Company has a zinc smelter at Debari in Udaipur, Rajasthan which produced 74,501 MT of zinc during the year, up 9% from previous year. The Debari

unit also supplies surplus calcine, an intermediate product to other zinc smelters.

Silver is a by-product of zinc and lead smelting processes. During the year, the integrated refined silver production was 339 MT and total refined silver production was 388 MT, inclusive of 38 MT of captive consumption.

The operations at zinc smelter in Visakhapatnam were closed during the year and all workmen have accepted voluntary retirement.

The Company also has additional facilities at Haridwar and Pantnagar in the state of Uttarakhand for processing and refining of zinc, lead and silver as well as for nationwide distribution of finished products. These facilities do not add to the overall smelting capacity.

Performance of our smelters in FY 2014

	Chanderiya Lead Zinc Smelter	Dariba Smelting Complex	Zinc Smelter Debari
Refined Zinc (MT)	476,950	197,715	74,501
<i>FY 2013</i>	<i>443,074</i>	<i>165,403</i>	<i>68,445</i>
Refined Lead (MT)*	53,749	76,109	-
<i>FY 2013</i>	<i>60,152</i>	<i>64,664</i>	-
Saleable Sulphuric Acid (MT)	586,919	459,026	282,565
<i>FY 2013</i>	<i>620,267</i>	<i>257,205</i>	<i>316,006</i>

*Includes captive consumption of 7,262 MT in FY 2014 and 6,500 MT lead in FY 2013.



OPERATIONAL EXCELLENCE

POWER

OUR CAPTIVE POWER PLANTS (CPP) ENSURE RELIABLE AND LOW-COST POWER FOR ALL OUR OPERATIONS.

Captive power

The Company has thermal CPPs at Chanderiya, Dariba and Zawar, with total power generation capacity of 474 MW.

The Company has undertaken various initiatives to reduce coal cost, which is the main cost driver for its smelting operations. These initiatives include optimising Indian and imported coal blend at Dariba and Zawar CPPs, keeping the auxiliary power consumption at a minimum, improving the specific coal consumption (SCC), improvement in

machine availability and operating the power plants at high plant load factor.

The average SCC across all six plants was at its lowest in FY 2014 at 436.4 grams per unit. This was achieved by turbine overhauling and optimisation of coal blend. However, the linkage coal for CLZS CPP was terminated in early FY 2014.

During FY 2014, the Company was also able to achieve the following milestones:



 Captive Power Plant at Dariba



- Continuous boiler availability of 453 days for Unit-1 at CLZS
- Completed the 220kV Rajasthan State Electricity Board second transmission line at CLZS
- Lowest ever auxiliary power consumption of 8.4% was achieved at DSC

Green Energy

Wind Energy

We are one of the leading wind power producers in India with a capacity of 273.5 MW.

In FY 2014, the Company produced 447.7 million units of wind power, a decrease of 12.5% as compared to FY 2013 due to weaker wind season and lower availability. The entire wind power is sold to state grids.

The Company's wind power capacity is registered under the United Nations Framework Convention on Climate Change for Clean Development Mechanism and has Certified Emission Reduction potential of 497,000 per annum of CO₂.

Waste Heat Recovery

Power Plants

The Company also has waste heat recovery power plants with a capacity of 35.4 MW that are registered under the Rajasthan Renewable Energy Corporation as a source of renewable energy. In FY 2014, the Company commissioned 10 MW steam turbine generator as a part of the new roaster at the DSC.



○ Wind farm at Samana, Gujarat

In FY 2014, the total power generated including CPP and waste heat recovery was 3,471 million units, up 4.7% from FY 2013.

Power generation capacity (MW)

	Chanderiya	Dariba	Zawar	Debari	Total
Wind*	-	-	-	-	273.5
Waste Heat Recovery	13.7	14.3	-	7.4	35.4
Captive Power Plant	234.0	160.0	80.0	-	474.0

* Rajasthan - 88.8 MW, Gujarat - 88.8 MW, Maharashtra - 25.5 MW, Karnataka - 49.4 MW, Tamil Nadu - 21.0 MW

OPERATIONAL EXCELLENCE

EXPLORATION

WE AIM TO REPLACE EVERY TONNE OF ORE MINED. OUR EXPLORATION PROGRAMME FORMS AN INTEGRAL ELEMENT OF OUR GROWTH AND EXPANSION STRATEGY. WE MAINTAIN CONSTANT FOCUS AT GRASS-ROOT LEVEL EXPLORATION TO IDENTIFY AND DEVELOP WORLD CLASS ZINC-LEAD DEPOSITS IN THE COUNTRY.

The Company's exploration programme entails systematic exploration around its mines to identify continuations of all mine sequences. The ongoing brownfield exploration expands resources of existing mines while project generation team identifies potential areas across India.

To conduct systematic investigation of the exploration properties, the Company deploys a series of fit-for-use advanced mineral exploration technologies including:

- Heliborne Magnetic and Electro-Magnetic
- Deep Earth Imaging
- IP-Resistivity survey
- SMARTem and DHEM survey
- Modern high resolution ground magnetic and gravity surveys
- Field (XRF) geochemical survey
- Satellite based mineral alteration mapping in conjunction with other data acquisition and integration systems as required

Additionally, the Company is developing ore body exploration models for select under-explored geological sequences that have potential to host world class mineral deposits.

India, being a mineral rich country, has significant potential for new discoveries of base-metals, gold, iron,



○ Mapping at greenfield site



platinum group elements, rare earth elements and phosphate. During the year, greenfield exploration was carried out over 392 sq. km in one Reconnaissance Permit (RP) in Rajasthan. Based on the review of geological data and project generation studies, 3 new RPs (6,291 sq km) and 1 Prospecting Licence (PL) (25 sq km) were applied in Karnataka, Madhya Pradesh and Rajasthan during FY 2014. In all, 33 RP (41,952 sq km), 32 PL (522 sq km) and 4 Mining lease (ML) (18.46 sq km) applications are at various stages of grant in 10 states, namely Rajasthan, Madhya Pradesh, Gujarat, Maharashtra, Orissa, Uttarakhand, Himachal Pradesh, Andhra Pradesh, Karnataka and Tamil Nadu.

A total of 125,643 metres of core drilling was completed at various exploration sites throughout the mines and tenements. A hole of 1,774 metres was drilled at Rajpura Dariba, which is the deepest ever at any base metal exploration site in India.

The ongoing exploration activities resulted in gross addition of 26.1 million MT to reserve and resource (R&R) prior to a depletion of 9.3 million MT in FY 2014. The contained zinc-lead metal has increased by 1.1 million MT, prior to a depletion of 0.9 million MT during the same period. Total R&R at March 31, 2014 were 365.1 million MT containing 35.2 million MT of zinc-lead metal and 926 million ounces of silver.

During FY 2014, there was significant resource upgradation of 25.6 million MT from Inferred to Indicated category in line with mine planning. The resource additions were primarily reported from Rampura Agucha, as well as Sindesar Khurd mine which now has R&R of 99.1 million MT. The R&R of Kayad mine declined from 11.3 million MT to 7.7 million MT, even as Kayad's reserve increased from 5.4 million MT to 6.2 million MT. The R&R position has been independently reviewed and certified as per the JORC standard.

Ore Reserve and Mineral Resource as on March 31, 2014

Mine/Location	Ore Reserve				Mineral Resource							
	Proved and Probable				Measured and Indicated				Inferred			
	Million MT	Grade %		g/t Silver	Million MT	Grade %		g/t Silver	Million MT	Grade %		g/t Silver
Zinc		Lead	Zinc			Lead	Zinc			Lead		
Rampura Agucha (OC)	12.8	15.0	2.0	58								
Rampura Agucha (UG)	44.7	13.4	1.8	58	17.4	15.3	2.1	65	34.5	9.9	2.2	58
Rajpura Dariba	10.0	6.4	1.6	58	21.3	6.9	2.4	66	22.9	7.1	1.9	90
Sindesar Khurd	20.4	4.6	2.6	155	30.8	5.1	3.2	174	47.9	3.7	2.2	100
Bamnia Kalan					5.4	4.5	1.6	66	10.9	3.8	1.7	55
Zawar	9.9	3.8	1.9	34	23.9	5.0	1.8	43	44.7	4.9	2.6	55
Kayad	6.2	10.4	1.5	32	1.1	13.1	2.0	36	0.4	7.0	1.0	13
Total	103.9	10.1	2.0	73	99.9	7.3	2.4	93	161.2	5.8	2.2	74

Note. Mineral Resource is reported exclusive of the Ore Reserve

SUSTAINABILITY

Our sustainability framework is supported by three pillars - Responsible Stewardship, Building Strong Relationships and Adding and Sharing Value.

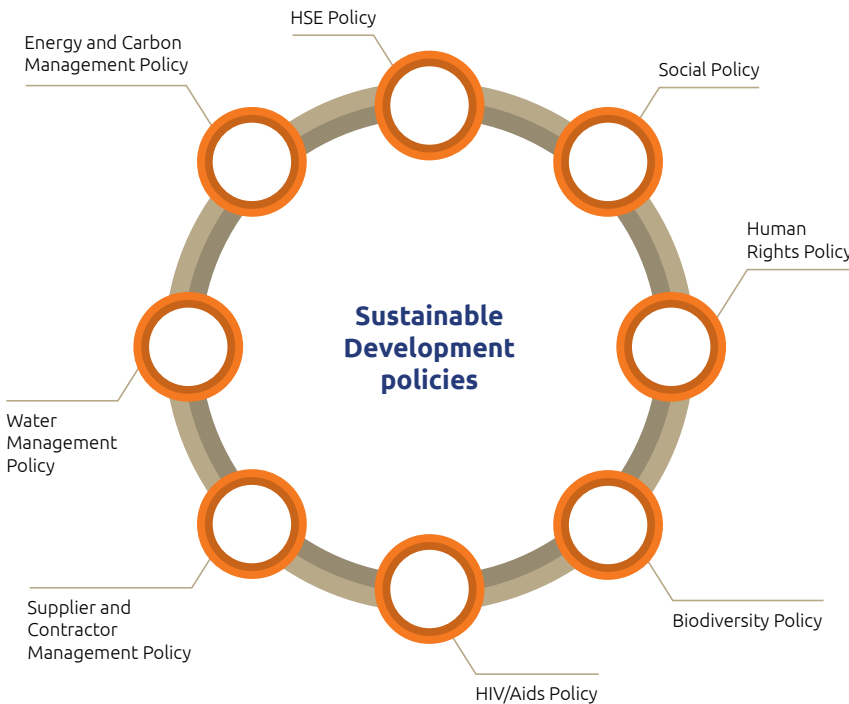
The Company has a three level structure for steering sustainability:

Level-1: Sustainability Committee at Group level, which meets every quarter

Level-2: Sustainability Business Management Group at Company level which meets every month

Level-3: Sustainability review every month at operation level

All locations have well-defined action plans that provide both direction and target for improvement. Appropriate guidance documents and trainings supplement these plans to ensure effective execution.



Vedanta Sustainability Framework



Responsible Stewardship

Responsible stewardship is the foundation on which we build our business – the way in which we respond to and manage our business. This includes: employees’ health and safety management, land management, our environmental impact and our supporting business processes.



Building Strong Relationships

We work hard to engage with our stakeholders to understand their key concerns and expectations of our business and practices. Proactive engagement also enables us to identify opportunities and mitigate risks by understanding and responding to issues rather than reacting to them.



Adding and Sharing Value

We seek to add and share value through everything that we do. As a business we make a considerable economic impact: through employment, the payment of taxes, royalties and other contributions to local, state and national governments. We also build local infrastructure that benefits local communities in the form of roads, schools and healthcare centres.



Health, Safety and Environment

Zero harm to people, host communities and the environment is our key focus area. All our major operational sites have robust Environment Management System certified to ISO:14001 International Standard.

Health, Safety and Environment are key elements to sustainability of business. The Company is committed to create sustainable values for stakeholders and accordingly strives to balance social, environment and economic aspects in the business.



○ Providing a safe workplace

Health

We care for our people and aim to eliminate occupational illness and diseases.

The Company makes consistent efforts for providing a workplace free from occupational health risks and hygiene hazards. Such efforts translate into good health for employees, reduced absenteeism and higher productivity.

Some of the measures undertaken are:

- Well-equipped occupational health centres for regular health examination of employees including contract work force
- Workplace air monitoring is carried out every month and ambient air monitoring is done twice a month. Air parameters are maintained below the prescribed limits

- Training for first aid and occupational health awareness to all employees
- Periodic and pre-placement medical examination to assess the health status
- Specific examinations like blood lead level, audiometric, spirometry, ophthalmic and chest x-rays
- Special campaigns for stress management, bone density tests and hypertension for employees and dependents
- Diphoterene availability in all the high risk areas that are likely to have chemical burns and spillage
- Automatic External Defibrillator availability in plant premises for cardiac emergencies
- Bag filters installed at various locations
- Preventive maintenance system to arrest dust and fume leakages
- Use of good quality personal protective equipment and protective clothing
- Wash house facilities

During FY 2014, over 10,000 persons including contract employees underwent periodic medical examinations. No occupational disease case was reported in FY 2014.

SUSTAINABILITY

Safety

We are committed to providing safe working conditions and have effective management systems in place to ensure the well-being of all our employees and others who may be affected by our operations.

The Company is committed to be a business without fatalities, serious injuries or occupational illness and firmly believes that every unsafe incident is preventable.

‘Zero Harm to people’ is the Company’s paramount health and safety goal.

The Company believes in continual improvement in this aspect and constantly strives to bring positive

safety culture in the organisation. As a result, total Loss Time Injuries (LTI) reduced from 48 to 42, while Loss Time Injury Frequency Rate (LTIFR) reduced by 13% as compared to last year.

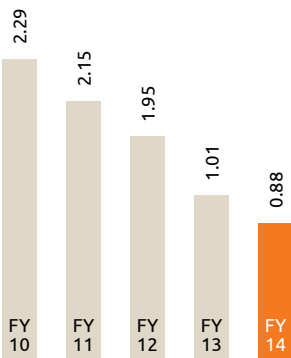
To achieve high levels of safety, the Company encourages employees to embrace globally recognised paradigms like Cardinal Rules, Safety Observations, Occupational Health & Safety Pyramid, Job cycle check for Standard Operating Procedures, One Day Safety Officer Scheme, Consequence Management Committee and Job Safety Analysis. It conducts safety trainings, visits of other world class plants for imbibing best practices and safety audits by

third parties to build safety culture.

Despite continued efforts towards safety improvement, there were four fatalities during the year. The Company has critically reviewed the safety systems and laid down suitable measures to avoid such incidents in future. Each accident is thoroughly investigated and learnings are disseminated throughout the organisation. Disciplinary action is taken against those responsible for the mishaps to bring in accountability.

Some of the recent initiatives undertaken to ensure overall safety performance are:

LTIFR has reduced by 62% from FY 2010 to FY 2014



Safety Interaction with Mr. Akhilesh Joshi, CEO



1. Safety Excellence Journey 'Aarohan' with DuPont

In FY 2013, the Company conducted Safety Management Evaluation and Safety Perception Survey along with DuPont. Moving ahead this year, it entered into a long-term engagement with DuPont to reach the goal of zero harm through Safety Cultural Transformation and safety excellence. This journey has been named 'Aarohan', which means 'stepping up' towards safety excellence.

2. Simulator based training

For safe mining and higher productivity, simulators have been installed at Rampura Agucha underground mine for drilling operation and at Sindesar Khurd mine for operation of LPDT, LHD, and jumbo drills. The simulator based training enhances safety and operational efficiency by creating real time mine conditions.

3. Special trainings

Special trainings for improving mine safety were conducted for several areas including safe and efficient blasting practices, skill development for operation and maintenance, mine ventilation and safety and strata management among others.



- The simulator at Sindesar Khurd mine has a realistic replica of the cabin of actual equipment mounted on a three degree of freedom motion platform, surrounded by 360 degree projection display system and surround sound.

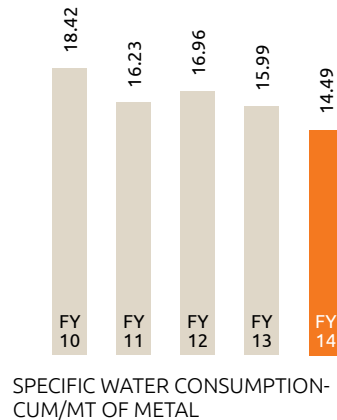
SUSTAINABILITY

Environment

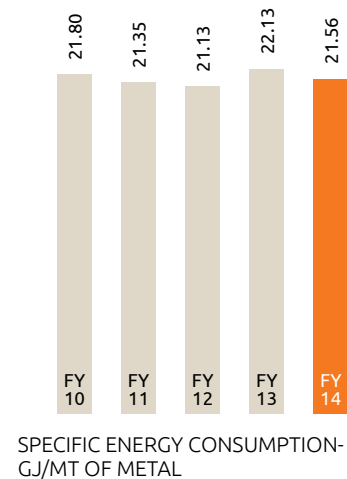
We are committed to maximising metal extraction and reducing carbon footprint, while caring for people and bio-diversity.

The Company's key focus areas are conservation of mineral resources and judicious use of limited resources like water and energy. It has been constantly enhancing technical capabilities for better recoveries of main products and by-products. The Company's Energy & Carbon policy and HSE policy guide to proactively address the impact of climate change and other global environment issues.

Specific water consumption reduced by 21% from FY 2010 to FY 2014



Specific energy consumption stable despite increasing underground depths



Practices and technologies adopted for optimal resource utilisation

Mines

- Heavy earth moving machinery fleet management through centralised computer based truck dispatch system for improving productivity and reducing carbon footprint
- Simulator based training and skill mapping for improving productivity
- Adoption of latest technology and software in mine planning and design & blasting for improving resource efficiency
- Paste fill technology for resource conservation

Beneficiation Plant

- Online analyser and froth camera to enhance the recovery of metal
- Advanced Control Tool in grinding and flotation to optimise the process for energy conservation
- Use of Larox pressure filters to enhance production of mined metal with lower water consumption
- Use of deep cone thickener for thickening tailings, thereby reducing water evaporation from tailing dam

Smelters

- Latest generation roasters for operational efficiencies
- Jumbo cell house in new zinc smelters for energy optimisation
- Integrated effluent treatment plants along with Reverse Osmosis and Multiple Effective Evaporator to maximise recycle of waste water
- Increased recovery of by-products like silver, cadmium and sulphuric acid
- Reducing mercury content to below customers' expectations in sulphuric acid

Nursery for Endangered Species of Rajasthan



In-house nursery at Rampura Agucha

In-house nursery has been set up at Zinc Colony, Rampura Agucha over an area of 1200 sq. metres for conservation of biodiversity while ensuring sustained and inclusive development of the community. This nursery will serve as (i) a source of 10,000-15,000 saplings every year (from second year onwards) and (ii) a model initiative to revive endangered and threatened

floral species of Rajasthan. Some of the selected endangered and threatened plant species being developed in the nursery include - Gugal, Dhaak, Arjun, Mopane, Moringa, Anjana, Nubica, Jajoba, Scalarifam, Harshringar, Rohida and Ratanjot. Apart from these, some plants with ayurvedic properties are being also being nurtured.

Managing climate change

As a responsible corporate entity, we operate with least footprint for water, carbon, land and hazardous wastes and constantly measure our carbon footprint with persistent focus on its reduction.

The Company has 10 UNFCCC registered projects in wind power and waste heat recovery under clean development mechanism. These projects have total certified emission reduction potential of about 680,000 MT of CO₂.

During FY 2014, 341,182 Voluntary Emission Reduction were verified. The Company has been voluntarily filing Carbon Disclosure Project responses over the years as a proactive step towards reporting its carbon footprint.

Biodiversity Management

We recognise the importance of protecting local ecosystems and biodiversity and strive to mitigate the adverse impact of our operations through afforestation and greenbelt development.

The Company has a separate policy on biodiversity and stays committed to prevent risk on biodiversity throughout its business by conserving rare and endemic species and high priority conservation areas.

All operating sites are surrounded by plantation cover, which is increased every year to further improve its density. Some sites have engaged horticulture experts to restore the wastelands with plantation. Over the years, the Company has planted 1.41 million plants across its operating locations.

To conserve the local endangered floral species, a model nursery has been developed at Rampura Agucha,

which provides 10,000-15,000 saplings every year.

For healthy bird population, an initiative was taken on World Environment Day to save birds by providing shelters in the forms of breeding huts and feeding platforms. A total of 175 breeding huts and feeding platforms were set up in various units.

During FY 2014, the Company conducted biodiversity assessment at Rampura Agucha mine, Rajpura Dariba Complex, Zawar mines, Debari Zinc Smelter, Haridwar Zinc Plant, Pantnagar Metal Plant and Maton mines. The scope of biodiversity assessment was to assess the biodiversity index (adopting the published Shannon Weiner Diversity Index) within industrial and nearby areas and to prepare Biodiversity Management Plan. Actions are under implementation for improving biodiversity of the operating area.

SUSTAINABILITY

Air Quality Management

We regularly monitor air quality and have adopted numerous air pollution preventive measures.

All sites are regularly monitored for emissions. Ambient air quality including noise is monitored monthly and meets the National Ambient Air Quality Standards, November 2009.

Besides regular air monitoring, the Company adopts the following air pollution preventive measures:

Scope-1, Scope-2 and Scope-3 emissions are being captured and calculated for all units. The Company has taken several initiatives to reduce greenhouse gas emission, such as use of variable frequency drives, ban on ozone-depleting substances and CFC substances and use of LED lights and energy efficient motors.

Most of the Company's business meetings are held over tele-presence and video conference, reducing business related travel trips within India and thus greenhouse gas emission.

Energy Management

Reducing energy consumption in all forms is an integral part of the business strategy that focuses on reducing the carbon footprint.

The Company sources its energy needs from coal, diesel, LPG, propane and grid power, though coal is the primary source. It has also installed 274 MW of wind power and 35 MW of waste heat recovery power plants to give an impetus to green energy. The Company focuses on reducing energy consumption through various in-process innovations and adoption of best practices like machine productivity and improving throughput to reduce specific energy consumption.

Details of energy management initiatives in FY 2014 are provided in annexure to Directors' report.

Waste Management

We undertake continual improvement projects to optimise our waste efficiency by reducing waste generation and maximising waste recycling.

The Company has clearly defined waste segregation practices for recycling hazardous and non-hazardous waste. Waste such as Anode mud, ETP Sludge, HGP dust and cobalt cake are recycled back into the process. In FY 2014, around 447,877 MT of Fly ash and about 50,600 MT of ISF slag, which is ~ 79% of our total non-hazardous waste generated, was reused for cement manufacturing. This has helped in reducing waste inventories and conserving natural resources.

Mines

Track-mounted Down the Hole drills with wet drilling system

Water sprinklers and dust suppressants to suppress haul road dust

Water sprays nozzles and venturi scrubbers at crusher to collect dust

Truck tyre washing system to wash out the wheels' residues

Industrial road cleaning by mechanical road sweeper

Covered conveyor belts and material carrying trucks to prevent dust/fugitive emissions/spillages

Smelters

100 metres height of stacks in acid plant for better dispersion

165 metre height of stacks in power plant for better dispersion

Adopted the Double Conversion Double Absorption (DCDA) technique in Acid Plant

Clean technology based Tail Gas Treatment plants for old acid plant to reduce SO₂ emissions

PTFE bag filters for reducing particulate matter below 50 mg/NM³



Water Management

Water is a critical resource in our processes and continued reduction of water usage is identified as an important business imperative, given that we operate in a water-scarce state.

Water conservation is an integral part of the Company's Environment Management System. The Company continues to identify opportunities for water access, reuse, efficient use and responsible waste water management. Most of its operational

locations are zero discharge. It proactively manages water usage and also promotes sustainable use of water in agriculture practices in the nearby communities. It develops water resources by joining hands with the Government of Rajasthan to facilitate sustainable use of this scarce resource.

Moreover, the Company promotes water conservation initiatives, including cloud seeding, sewage treatment and rainwater harvesting.

Below is a summary of our water conservation initiatives:

Source reduction

Replacement of conventional cooling towers by adiabatic cooling towers at Dariba Smelting Complex has resulted in 70% reduction in cooling water equivalent to 2,000 cum per day of fresh water

Process waste disposal: Higher density disposal (>50% solids) vs. wet disposal (<35% solids) of Jarofix resulting in lower evaporation losses

Use of less water-intensive technology

- Use of air-pressing filters in place of water-pressing filters at beneficiation plant
- Use of dust-suppression chemicals for haulage roads to reduce water usage at Rampura Agucha mine

Efficient utilisation

In-process reuse: Every process area has its dykes to capture leaks and spills, which are reused in the process without any treatment

Intra-plant recycling: A comprehensive mapping of water and stream quality enables effluent generated in one part of the manufacturing process to be effectively utilised in another

Inter-plant recycling: Integrated operations with multiple manufacturing plants within a complex enabling utilisation of effluents from one as water source for another plant

Discharge reduction

Storm water management

- Separate drains for process effluent and storm water
- Storm water ponds separately collect the first contamination and the subsequent spills

Effluent management

- Based on total dissolved solids, process effluent is treated through utilisation cycles at effluent treatment plants. Processed effluent is reused
- Maximum recovery is ensured through secondary treatment, by reverse osmosis, and if required tertiary treatment by use of multiple effect evaporation or solar evaporation ponds

SUSTAINABILITY

Creating opportunities for societies to prosper

As a socially responsible organisation, we have been relentlessly working to uplift the local communities around our operations.



○ One of the Anganwadi centres adopted by the Company

The Company is committed to social upliftment in the vicinity of its operations and in the society at large and has signed many MoUs for high impact social projects, including:

- Tripartite MoU with Udaipur District Administration and NGO partner 'FINISH' for construction of 10,000 toilets over three years in villages near Zawar, Maton and Debari operations
- Tripartite MoU with Zila Parishad and FINISH for construction of 10,000 toilets for below poverty line (BPL) families of Chittorgarh and Bhadesar and another 10,000 toilets at Rampura Agucha
- Three-year MoU with District Administration for infrastructure development in 40 schools of Udaipur district and 20 schools of Rajsamand district



○ Self Help Group member at work

- MoU with BAIF Development Research Foundation for agriculture and livestock programme at all our locations
- MoU with NGO 'SANKALP' for imparting vocational training to 500 rural youth in technical trades

During the year, the Company upgraded its existing Cardiology Centre which was established in 1999 at RNT Medical college, Udaipur into Vedanta Heart Hospital with an objective of access to affordable and modern cardiac care services to the rural population in southern Rajasthan.

First Sewage Treatment Plant (STP) in Udaipur commissioned

The STP is the first sustainable development project of its kind in Rajasthan and has been constructed

as per a tripartite agreement between Hindustan Zinc, Udaipur Municipal Corporation and Urban Improvement Trust. With a capacity of 20 million litres per day, the STP will treat city's sewage leading to a substantial reduction in sewage

inflow to the lakes and help maintain the beauty of lakes.



○ Sewage Treatment Plant in Udaipur

SUSTAINABILITY

Major projects

Some of the key projects and their outcomes are:

Project

Vedanta Heart Hospital, Udaipur
(Inaugurated in June, 2013)

Sanitation Project
(MoUs signed in June, 2013)

Mid-Day Meal Programme
(Started in August, 2006)

Vedanta Bal Chetna Anganwadi
Project
(Started in March, 2008)

Vedanta Computer Education Project
(Started in April, 2007)

Objective of the project

Access to affordable heart care services to people of Udaipur and rural south Rajasthan

Reduce incidence of diseases arising out of poor sanitation and unhygienic practices

Improve school enrolment, attendance, retention and nutritional status among primary and secondary school underprivileged students

Overall development of children in the age group of 3–6 years by adoption of Anganwadi (Creche) Centres for improvement in health, pre-school education and linkage with formal education.

Provide computer education through Computer Aided Learning Programme model in rural government schools.

Outreach, outcome and way forward

- Reduced turnaround period for indoor patients, networked referral with national-level health institutions for higher clinical management
- Plan to provide all medical facilities related to heart ailments free of cost to BPL families

- Constructed 3,668 toilets in identified villages
- Reduced incidence of diseases arising due to poor sanitation and unhygienic practices by 80% in targeted villages
- Going forward, 30,000 low cost toilets will be constructed

- Establishment of six hi-tech centralised kitchens to prepare nutritious mid-day meal for 180,000 children
- Visual gallery will be installed in two kitchens

- Implemented the project in 1,500 centres in four districts benefiting more than 42,000 children
- Improvement in nutritional status, overall health indicators and significant increase in average attendance
- Plan to develop 500 model Anganwadi centres

- Covered 80,000 students in 682 rural government schools in seven districts
- Plan to add another 1,000 government schools in FY 2015



Project

Vocational training to women Self Help Group (SHG) members (Started in 2006)

Objective of the project

Socio-Economic empowerment of rural women through capacity building and linking with various income generation activities

Outreach, outcome and way forward

- 1,010 SHG women have undergone skill enhancement training in FY 2014
- More than 50% of the SHG women are linked with micro enterprise thereby enhancing their family income from ₹ 3,000 to 5,000 per month
- Plan to form SHG federation of existing SHGs and market linking of SHG products

Integrated Livestock Management Plan (Started in 2009)

Improve livestock health status through targeted interventions

- Ongoing initiatives include mega vaccination drive, veterinary camps, artificial inseminations of cattle and training on livestock development to farmers
- Going forward, the project will be implemented in all operational villages ensuring 100% cattle vaccination and increasing household income

Integrated Agriculture Development Plan (Started in 2009)

Help increase agricultural productivity through improved agricultural practices

- Developed Green Houses, Wadis (orchard) and Mandap farming
- Ongoing initiatives include seed distribution, training farmers on improved agriculture practices, micro nutrient and vegetable cultivation
- Plan to increase coverage to a total of 6,000 farmers by FY 2015

Integrated Village Development Programme

Holistic development and improvement of the overall quality of life of the identified villages through livelihood, health, sanitation, safe drinking water and skill enhancement initiatives

- Improvement in the overall quality of life in 45 villages of 12 Panchayats
- Plan to benefit 53,155 members of 12,885 families from 45 targeted villages

"Khushi"

Building a life
of dignity for
Underprivileged Children...

A Vedanta Group Initiative

Spreading Message on Child Care – their nutrition, health and education



Vedanta Group has a strong focus towards care for the underprivileged children. Since 2008 the group has got associated with about 14,000 child care centres in India, reaching out to about 500,000 rural children – for their nutrition, health and education.

India houses the largest number of children in the world but it is also home for largest malnourished children and largest child deaths. Government, corporate and NGOs are doing their bit, but today common people need to come forward and help these underprivileged children.

With this focus Vedanta Group launched "Khushi", a 100% non-funding global child care campaign, that pro-actively engages with different sets of people through direct interventions and encourages them to take individual steps towards child care.

The campaign has been launched through blog www.khushi-creatinghappiness.blogspot.in which uploads success stories, articles and other credible information, and utilizes Facebook, www.facebook.com/groups/vedantakhushi for spreading general awareness.



"No child in India should be deprived of nutrition, health and primary education. Let us make India a child malnourished free nation."

Anil Agarwal
Chairman, Vedanta Group



"Khushi" also has 75 child care centres in rural Rajasthan, Tamil Nadu, Chattisgarh and Odisha reaching out to 2500 underprivileged children. Post "Khushi" campaign, Vedanta has also adopted 152 rural schools in Rajasthan for their renovation and up-gradation. Recently, Vedanta's "Khushi" came together with NDTV for "Our Girls Our Pride" campaign with focus on girl child.



HUMAN RESOURCE

We view our employees as our greatest asset and are committed to providing them with a progressive workplace



The Company provides a vibrant working environment to enable employees to innovate, discover potential and realise professional dreams. It uses appropriate and modern methods for training encompassing simulator based trainings, workshops & conferences and learning clubs. The Company also encourages visits to best practice companies in India and abroad,

institutional training, knowledge sharing meetings and learning implementation projects, which help to bridge the identified gaps.

During FY 2014, total of 32,993 man days of training were conducted.

The Company promotes equal opportunities without discriminating on the basis of nationality or ethnic origin, gender, race, religion,

caste, disability, political or sexual orientation. The Sexual Harassment policy provides guidance for a harassment-free workplace.

The Company has made efforts to positively influence employees' physical, mental and emotional wellbeing. There are various committees that work in the areas of welfare, transportation, environment, education, safety, housing and cafeteria, among others.

Employee engagement is an inclusive and empowering platform that connects employees with leaders as well as peer groups. Monthly newsletters are published at company and unit levels to keep employees updated about latest developments and initiatives. Information on policies and practices are made available on online portal and the revisions are regularly updated. Employee feedback is taken time to time through employee perception surveys and the findings are implemented to improve the satisfaction level of employees. A new employee intranet called 'ZiNG' was launched during FY 2014 to strengthen employee communication, engagement and information sharing.

REVIEW OF FINANCIAL PERFORMANCE

Financial information is presented in accordance with the Indian GAAP. Our reporting currency is Indian Rupees (₹).

We have delivered robust performance in terms of volume growth, improved zinc-lead realisations and enhanced operational efficiencies. We continue to maintain our cost competitiveness, growth and profitability.

Abridged Statement of Profit & Loss

(₹ in Crores)

	FY 2014	FY 2013
Net Revenue from Operations	13,636	12,700
Other Income	1,899	2,003
Total Income	15,535	14,703
Mining, Manufacturing and Other expenses including Changes in Inventories of Finished Goods and Work-in-Progress	6,736	6,209
Finance Cost	45	27
Depreciation and Amortisation Expense	785	647
Total Expenditure	7,566	6,883
Profit before Depreciation, Interest & Tax (PBDIT)*	8,799	8,494
Income Tax	1,065	921
Profit for the Year	6,905	6,899
Earnings Per Share (₹)	16.34	16.33

(*) Includes Other Income and Extraordinary Items

Net Revenue from operations

The Company reported net revenues from operations of ₹ 13,636 Crores, an increase of 7.4% over FY 2013. The increase was driven by higher zinc sales volume and premium supported by rupee depreciation, partially offset by lower metal prices.

Production cost

In FY 2014, net zinc metal cost, without royalty was higher by 12% in ₹ term and 1% higher in US\$ term, at ₹ 51,054 (US\$ 844). The increase in ₹ term was driven by rupee depreciation of 11%, significantly lower acid credits and higher mine development and diesel cost.

Other income

The Company reported 'Other income' of ₹ 1,899 Crores during the year, down 5.2%. This was mainly as a small part of our portfolio was impacted by the steep increase in interest rates resulting in notional mark downs, partly offset by an increase in total investments base.

Operating margins

The profit before depreciation, interest and taxes (PBDIT) for the current fiscal was higher by 3.6% at ₹ 8,799 Crores, driven by higher integrated metal volumes and rupee depreciation, partially offset by lower metal prices.



Taxation

The total tax rate for FY 2014 was around 13.4%, compared to 11.8% in FY 2013. The tax rate benefits from location-based tax incentives, incentives related to wind power & thermal power units and tax-efficient treasury investments.

Liquidity and investment

The Company had current investments & cash and cash equivalents of ₹ 25,535 Crores, out of which ₹ 20,527 Crores was invested in debt mutual funds, ₹ 1,977 Crores in bonds, ₹ 3,020 Crores were in fixed deposits with banks and ₹ 11 Crores as bank balance. We exited the year with a strong liquid balance sheet on the back of our excellent cash conversion, even with the significant capital investment during the year.

Cash flows

(₹ in Crores)

	FY 2014	FY 2013
Opening Cash*	21,479	17,948
ADD: EBITDA**	6,974	6,545
ADD: Net Interest Income	1,842	1,947
Less: Income Tax & Dividend	-3,177	-2,839
Less: Capital Account Payments	-1,813	-1,756
(Less)/Add: Movement in Working Capital & Others	230	-366
Closing Cash Balance	25,535	21,479

(*) Includes Cash and Cash Equivalents (refer Note 16 of the Audited Financial Statements) and Current Investments (refer Note 13 of the Audited Financial Statements)

(**) Earnings before Interest, Tax, Depreciation & Amortisation expenses, Income on investments and Extraordinary items

Gross working capital

The gross working capital cycle reduced from 55 days in FY 2013 to 52 days in FY 2014. Gross working capital comprises of inventory, sundry debtors and loans & advances; which increased from ₹ 1,887 Crores to ₹ 1,933 Crores as at March 31, 2014.

Gross block

The gross block during the year increased from ₹ 13,347 Crores to ₹ 15,125 Crores in the previous year. This was largely due to the ongoing mining projects and other sustaining capex.

Capital employed

The total capital employed as at March 31, 2014 was ₹ 11,883 Crores, as compared to ₹ 10,796 Crores at the end of previous fiscal year. The increased capital employed was basically on account of increase in net fixed assets and working capital.

RISK MANAGEMENT FRAMEWORK

Our risk management framework encompasses strategy and operations and seeks to proactively identify, address and mitigate existing and emerging risks. The risk management framework goes far beyond traditional boundaries and seeks to involve all key managers of the Company.

The Company has a robust risk management framework to identify and mitigate risks arising out of internal as well as external factors. There is a formal monitoring process at unit and company level, wherein new risks are identified, categorised as per impact and probability, mapped to key responsibilities of select managers and managed with appropriate mitigation plan.

To ensure transparency and critical assessment, we have a Group Management Assurance System that coordinates the risk management system. The risk management framework is reviewed annually by the Audit Committee on behalf of the Board.

The Company's risk management framework includes:

- Risk management policy
- Risk organisation structure
- Roles and responsibilities for managing risks
- Risk assessment process guidelines
- Templates for documenting, reporting and monitoring risks

The following points categorically detail the potential risks and measures in place to mitigate them.

1 PROJECT RISK

The Company's current and future projects may be significantly delayed by failures to receive timely regulatory approvals or their renewals, technical difficulties, human resource, technological and other resource constraints, resulting in significant cost overruns and delays. Timely execution of underground mining

projects is critical to sustain output in future, considering the planned tapering of Rampura Agucha open cast mine.

The Company continues to invest in ensuring the best-in-class human resources to complete large projects on time and within budgeted cost. Leading international consultants have been engaged for geotechnical modelling and optimisation to endorse mining projects' technical feasibility and mine stability. The fall in output due to the tapering of Rampura Agucha open cast mine will be more than offset by the planned ramp up of underground mining projects. The Company is working with leading global contractors for shaft sinking, paste fill and mine development for timely execution. Rigorous monitoring systems are in place to track project progress.

Risk of delays in approvals or renewals is minimal, considering that most of our expansion projects are at existing operational sites.

2 OPERATIONAL RISK

Disruptions in mining and production due to natural calamities, equipment failures, unexpected interruptions, non-availability of input materials at appropriate price & quality and industrial unrest will negatively impact business operations.

The Company's operational profitability is dependent upon the ability to produce metals at a low cost. Any disruption in the operations will impact production and cost. It consistently works towards maintaining or improving commercial and operational efficiencies. For this, the Company proactively undertakes process improvements,



benchmarks with best-in-class peers, increase automation to reduce manual-interface and focuses on asset optimisation and utilisation. It engages with reputed vendors in long term contracts and tries to maximise rail transportation. The Company maintains cordial relations with employee unions through regular engagement and has a comprehensive insurance programme to reduce risks.

3 PEOPLE RISK

The Company's inability to recruit and retain skilled manpower will hamper operations and projects.

The Company has a well thought out plan for right people at the right place. It has identified and filled gaps in skills including recruitment of expatriates and experts and initiatives to build local talent pool. There are robust processes and systems in place for leadership development - to nurture and promote talent from within the Company. Succession plan is in place for most key positions. Besides, the Company follows best practices to retain employees including several employee engagement initiatives, reward and retention schemes and fast track growth for high-potential employees.

4 RESERVE & RESOURCE (R&R) RISK

The Company's profitability depends on its ability to access mineral reserve that have geological characteristics enabling mining at competitive costs.

The Company continue to access its mineable R&R using the latest techniques. It has a track record of high conversion of resource to reserve and adding more to R&R every year than depletion. The Company also engages the services of independent experts annually to ascertain and verify the quantum and grade of R&R. The technical team continuously keeps monitoring the mineralogy of future mineable resource and backs it up with required technological inputs to address any adverse changes. Concurrently, the Company has an active exploration programme for new deposits in India and has an impressive portfolio and pipeline of tenements.

5 SAFETY, HEALTH AND ENVIRONMENT RISKS

The Company is engaged in mining and smelting activities, which are inherently hazardous. Any accident, explosion or leakages of hazardous emissions and wastes may cause property or bodily damage and adversely impact surrounding communities and environment. Such incidents may result in litigation, disruption to operations, penalties and loss of goodwill.

Safety as line function accountability is the Company's priority. For this, it has engaged with DuPont for a four-year project to enhance safety culture within the organisation. The Company's aim is to embed behavioural safety culture and is accordingly standardising safety trainings in mining and non-mining operations. Hazard identification and analysis has been incorporated in all critical operations. The Company focuses on capturing leading indicators to eliminate accidents while continuing to invest in training its employees and contractors.

RISK MANAGEMENT FRAMEWORK

Further, the Company has structured plant inspections for hazardous waste and emission reduction at shop floor level through process control and critical interlocks. Subject matter experts are involved in mapping environmental hazards and developing mitigation plan.

All safety and environmental incidents are thoroughly investigated for root cause analysis and to eliminate recurrence.

6 COMMUNITY RELATIONS RISK

Inability to provide inclusive growth to the communities and any disruption to their lives due to the Company's operations will cause discontent.

The Company proactively liaisons with prominent local bodies and engages with local community through CSR activities to have positive impact on the people around its operations. Education, skill development and vocational training are the cornerstones for many of our CSR projects. For further details of CSR activities, refer to page 34.

The Company has undertaken several initiatives to control air, water and sound pollution including dust suppression by water sprinklers and tankers, delayed blasting for minimal vibrations and dust, regular air monitoring, waste and tailing dam management to maintain greenery and zero discharge among others.

7 CURRENCY AND PRICE RISK

The Company's finished products are priced with reference to international metal exchanges in London. Any adverse fluctuation in prices or rupee appreciation has direct impact on the Company's revenue and profits. Conversely, rupee depreciation impacts project and

production costs adversely while benefitting top line and bottom line.

The Company has a well defined policy framework to manage currency risks wherein no speculative positions are taken and endeavours to achieve month-average in currency and metal prices. This is done as per clearly laid down guidelines by the management and strictly defined policies, internal controls and monitoring mechanisms. The policies are reviewed periodically taking stock of market conditions.

8 FINANCIAL RISK

Like any large and complex business, the Company's operations are prone to interest rate volatility on treasury funds, counterparty risks and insurance risks. If the financial policies are not designed well or not implemented rigorously, it could lead to control breakdown and impact the Company's profitability, growth and image.

The Company follows a conservative treasury policy revolving around capital protection and yield maximisation, in that order. Treasury operations are managed in an overall framework encompassing segregation of duties, third party confirmations and supplementary management assurance audits. The Company policy restricts trading or speculative calls and dealing in exotic structured products.

Furthermore, the Company has clearly defined policies to mitigate counterparty risks by making substantially all its sales on a secured basis while its investments are only in highly rated debt instruments with defined counter party limits. The Company's investment portfolio has been reviewed by an external agency for having highest credit quality after evaluation of underlying portfolio and exposures. The Company runs a well structured insurance programme balancing risks and costs and encompassing loss of profits and project risks, in addition to traditional asset risks.



9 NATURAL RESOURCE RISK

Lack of availability of natural resources like water, energy and land will hamper Company operations and impact future projects.

The Company has implemented several projects to reduce energy and water consumption. The section on Environment from page 30 to 33 enumerates these initiatives. The Company has developed several water sources in conjunction with the Government. The Company has recently set up Sewage Treatment Plant in Udaipur which will not only reduce inflow of sewage into local lakes but also provide a sustainable water source to its operations. The Company has also undertaken cloud seeding in some years.

The Company is self-sufficient in power through coal-based captive power generation for which it sources high-calorific value coal from the global market in addition to established linkages for indigenous sourcing.

Furthermore, as the Company's expansions are currently brownfield projects, additional land requirements are minimal.

10 POLITICAL, LEGAL AND REGULATORY RISKS

Non-compliance with applicable laws and regulations as well as changes in the Government policies, such as changes in royalty mechanism or rates, reduction in export incentives, changes in tax structure, cancellation or non-renewal of mining leases and permits and reduction or curtailment of duty and tax benefits available may adversely impact operations and hamper growth.

The Company has a well versed and strong team of professionally qualified experts to manage compliance with laws and has built in adequate checks and balances to monitor compliance through technology. It proactively communicates with all government functionaries to ensure that its suggestions on industry-view are heard before policy making which may impact the industry and the Company's business. The Company believes in responsible policy advocacy.

The Company does not contribute funds to any political party.

Internal Controls

We have effective and adequate internal audit and control systems, commensurate with our business size. Regular internal audit visits to the operations are undertaken to ensure that high standards of internal controls are maintained at each level. These consist of comprehensive internal and statutory audits, which are conducted by internationally reputed audit firms. Independence of the audit and compliance function is ensured by the auditor's direct reporting to the Audit Committee. Details on the composition and functions of the Audit Committee can be found in the chapter on Corporate Governance of the Annual Report.

Cautionary Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements

BOARD OF DIRECTORS



Agnivesh Agarwal



Akhilesh Joshi



Sujata Prasad



Durga Shanker Mishra

Agnivesh Agarwal Chairman

Mr. Agarwal was appointed on the Board with effect from November 15, 2005. He is an eminent industrialist with a rich knowledge of business operations with an extensive experience in efficiently managing large projects, business restructuring and strategies. Over the years, he has successfully developed excellent commercial acumen with hands-on experience. He is also the Director of Sterlite Iron and Steel Company Ltd, Sterlite Energy Limited, Agarwal Galvanising Pvt. Limited, Sterlite Display Technologies Pvt. Limited, Twinstar Overseas Limited, Twinstar Infrastructure Limited, Twinstar Investment Limited and Primex Healthcare and Research Private Limited. Mr. Agarwal is a graduate in Commerce from Sydhenam College, Mumbai.

Akhilesh Joshi Chief Executive Officer & Whole-time Director

Mr. Joshi was appointed CEO & Whole-time Director with effect from February 1, 2012. Earlier, he was appointed on the Board with effect from October 21, 2008 as the Chief Operating Officer and Whole-time Director. He joined the Company in 1976. Mr. Joshi has a mining engineering degree from MBM Engineering College, Jodhpur and a post graduate diploma in economic evaluation of mining projects from School of Mines of Paris. He is the recipient of the prestigious National Mineral Award (GOI), 2006 for his outstanding contribution in the field of Mining Technology and in 2013, he was honoured with Best CEO Award (Core Sector) by Business Today Group.

He is also the Director of Madanpur South Coal Company Limited.

The Indian Mining Engineering Journal honoured him with lifetime achievement award in 2013. He was also presented with Gold Medal by Indian Institute of Metals and was felicitated by the Institution of Engineers (India) for his contribution to the field of Mining Industry in 2013.

Sujata Prasad Director

Ms. Prasad was appointed on the Board with effect from May 3, 2013. She is Joint Secretary & Financial Advisor in Ministry of Mines, Corporate Affairs and Youth Affairs and Sports Ministries, Government of India. She is also the Director of Coal India Limited, Hindustan Copper Limited and Bharat Aluminium Company Limited.

She has held senior managerial positions in different ministries and departments of the Central Government. This includes her last stint as the Head of Training/Research Institute of the Ministry of Finance. Moreover, she has been Senior Financial Advisor of the All India Institute of Medical Science for 5 years.

Durga Shanker Mishra Director

Mr. Mishra was appointed on the Board with effect from December 6, 2012. He is an IAS officer, currently Joint Secretary, Government of India, Ministry of Mines, New Delhi. He is also on the Board of National Aluminium Company Limited and Mineral Exploration Corporation Limited.

**Navin Agarwal****Rajib Sekhar Sahoo****A.R. Narayanaswamy****Shaukat Ara Tirmizi**

Navin Agarwal Director

Mr. Agarwal was appointed on the Board with effect from April 11, 2002. His experience spans over 23 years in strategic and operational management. He has been the key driver behind Hindustan Zinc's growth story. He is the Deputy Executive Chairman of Vedanta Resources Plc. Chairman of Sesa Sterlite Limited, Cairn India Limited, Konkola Copper Mines plc and Bharat Aluminium Co. Limited. Director of Sterlite Iron and Steel Company Limited, Hare Krishna Packaging Pvt. Ltd., Vedanta Resources Holdings Limited and Konkola Resources Limited. His academic achievements include a Bachelor of Commerce degree from Sydenham College, Mumbai and Owner/President Management Programme from Harvard University.

Rajib Sekhar Sahoo Director

Mr. Sahoo was appointed on the Board with effect from October 25, 2011. He is a practicing Chartered Accountant, promoter and principal partner of SRB & Associates, Bhubaneswar. He is also on the Board of NTPC Limited, Tehri Hydro Development Corporation India Limited, Bank of Baroda, Rashtriyaspat Nigam Limited and Odisha State Civil Supplies Corporation Limited. He is a member of Task Force on MoU Department of Public Enterprise, Government of India, for FY 2012 and FY 2013. He is a member of Sri Jagannath Temple Managing Committee, Puri and Independent Trustee of Odisha Urban Infrastructure

Development Fund (OUIDF) appointed by Government of Odisha. He is also a member of Fee Structure Committee for Professional Educational Institutions of Odisha appointed as per the direction of Supreme Court of India chaired by a retired High Court Judge since 2007.

A.R. Narayanaswamy Director

Mr. Narayanaswamy was appointed on the Board with effect from March 30, 2009. He is a member of The Institute of Chartered Accountants of India and has an extensive experience in the mining industry. He is also on the Board of Sterlite Technology Limited, IBIS Softec Solutions (P) Limited, IBIS Logistics (P) Limited, IBIS Systems & Solutions (P) Limited and Primex Healthcare and Research Private Limited.

Shaukat Ara Tirmizi Director

Ms. Tirmizi was appointed on the Board with effect from October 25, 2011. She is an M.A. and M.B.A. (University of Slovenia, Europe) with specialisation in Finance. She is a retired advisor (Finance) from the Department of Telecom, Government of India, Ministry of Communication and Information Technology.

DIRECTORS' REPORT

Dear Members,

The Directors have pleasure in presenting the 48th Annual Report, together with the statement of Audited Financial Statements for the financial year ended March 31, 2014.

FINANCIAL RESULTS AND DIVIDEND

(₹ in Crores)

	FY 2014	FY 2013
Total Revenues (including Other Income)	15,535	14,703
Profit before depreciation, interest and tax	8,799	8,494
Less: Interest	45	27
Less: Depreciation and amortisation expense	785	647
Profit before tax	7,970	7,820
Net tax expense/(benefit)	1,065	921
Profit for the year	6,905	6,899
Earnings per equity share (₹)	16.34	16.33

DIVIDEND

The Board of Directors has recommended a final dividend of 95% i.e. ₹ 1.90 per share on equity share of ₹ 2.00 each, subject to the approval of shareholders. This takes the total dividend for FY 2014 to 175% i.e., ₹ 3.50 per share, which is the highest ever proposed by the Company. The total outgo on account of dividend, including tax on dividend, will be ₹ 1,730 Crores during FY 2014, as against ₹ 1,527 Crores in FY 2013.

PERFORMANCE REVIEW

We reported total revenue including other income of ₹ 15,535 Crores, an increase of 5.7% compared to FY 2013. The increase was driven by higher zinc sales volume and premium supported by rupee depreciation, partially offset by lower metal prices. The Company achieved profit before depreciation, interest and tax (PBDIT) of ₹ 8,799 Crores in FY 2014, up 3.6%, benefiting from higher integrated metal volumes and rupee depreciation, partially offset by lower metal prices.

Integrated refined zinc production this year was 742,975 MT, compared to 659,971 MT in FY 2013, an increase of 13%. The increase was due to improved operational efficiencies and higher roaster availability at our smelters. The total refined zinc production was 749,167 MT in FY 2014, compared to 676,921 MT in FY 2013.

We increased our integrated refined lead and saleable silver production, which are the highest ever at 117,763 MT and 301 MT – up 10% and 4% – respectively. Production of refined lead was helped by improved utilisation of smelter capacity. The increase in integrated silver metal production was mainly due to higher ore production during the fiscal, partly offset by temporarily lower grades especially in Sindesar Khurd mine. Total refined lead production was 129,858 MT and total silver production was 388 MT, up 4% and down 5%, respectively.

Our total power generation in FY 2014 was 3,471 million units, up 5% from FY 2013. Our wind power generation was down 12% at 448 million units, compared to that in FY 2013.



We delivered highest ever mined metal and integrated metal production in FY 2014.

EXPLORATION

Our future growth is contingent upon the success of our mineral exploration program. We are constantly doing exploration at our existing mines as well as have an active greenfield exploration strategy to add new tenements. We have added 26.1 million MT to our reserve and resource this year, prior to a depletion of 9.3 million MT during the period. In the same vein, our contained gross zinc-lead metal has increased by 1.1 million MT, prior to a depletion of 0.9 million MT during the period. Total reserve and resource, on March 31, 2014, were 365.1 million MT containing 35.2 million MT of zinc-lead metal and 926 million ounces of silver. Our expenditure in exploration was the highest ever this year.

Our current mine life is over 25 years, underlining the success of our exploration.

VIZAG ZINC SMELTER

The operations at the zinc smelter at Visakhapatnam have been discontinued and all workmen have accepted voluntary retirement.

SALES

The refined zinc metal sales in the domestic market during the year were 557,159 MT, while export sales accounted for 193,607 MT. We did not sell any mined metal during the year. Lead metal sales in the domestic market during the year were 107,390 MT, with export sales accounting for 13,730 MT. Silver sales were 352 MT in FY 2014, all in the domestic market.

FINANCIAL PERFORMANCE

The Company reported record profits of ₹ 6,905 Crores for the year, flat from the previous year. The positive impact of higher EBITDA was partly offset by higher depreciation, lower other income and higher tax during the year.

The Company's financial performance has been discussed in detail in 'Management Discussion and Analysis', which forms a part of this Annual Report.

PROJECTS

The Kayad and Rampura Agucha underground mine projects commenced commercial production during the year and are now ramping up well. Sindesar Khurd expansion project is ahead of schedule.

CONTRIBUTION TO THE EXCHEQUER

Your Company has contributed ₹ 4,439 Crores, in terms of royalties, taxes and duties to the exchequer.

DIRECTORS

During the year under review, following changes took place in the Board of Directors of your Company.

Ms. Sujata Prasad was appointed as Director in place of Ms. Anjali Anand Srivastava, who ceased to be Director. Mr. Rajib Sekhar Sahoo and Ms. Shaukat Ara Tirmizi retire by rotation and being eligible offer themselves for reappointment at the ensuing Annual General Meeting. None of the retiring Directors hold any shares in the Company. Your Directors recommend their reappointment.

Further, the Board of Directors has extended the tenure of Mr. Akhilesh Joshi as CEO and Whole-time Director upto September 30, 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report gives a detailed account of your Company's operations and the market in which it operates, including its initiatives to expand its business and in areas such as human resources, sustainability and risk management. This is a part of the Business Review section of this Annual Report.

CORPORATE GOVERNANCE & BUSINESS RESPONSIBILITY REPORT

As a listed Company, necessary measures are taken to comply with the Listing Agreements of the stock exchanges. A report on Corporate Governance, along with a certificate of compliance from the statutory auditors, forms part of this report. Further, Business Responsibility Report, describing the initiatives taken by your Company from an Environmental, Social and Governance perspective, also forms a part of this report.

Directors' Report Contd.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- i. In the preparation of Annual Financial Statements, applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on March 31, 2014, and the Company's profit for the year ending on that date.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Act, for safeguarding the Company's assets and for detecting and preventing frauds and other irregularities
- iv. The Directors have prepared the Annual Financial Statements on a 'Going Concern' basis.

AUDITORS

Your Company had appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, as Statutory Auditors of the Company to conduct audit of the Financial Statements for the year ended March 31, 2014. The term of their appointment expires at the conclusion of the forthcoming Annual General Meeting and being eligible, they have offered themselves for reappointment. Your Directors propose their reappointment.

Pursuant to the orders issued by the Central Government, the Board of Directors of your Company has appointed M/s K G Goyal & Co., Cost Accountants, for conducting the audit of the cost accounting records maintained by the Company for all its products.

PARTICULARS OF TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217 (1) (e) of the Companies Act, 1956, and rules made therein, the particulars of technology absorption and foreign exchange earnings and outgo are given in Annexure I, which is attached and forms a part of this report.

PARTICULARS OF EMPLOYEES

As required by the provisions of Sub-Section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, particulars of the employees are set out in the Annexure to the Directors' Report. However, as per provisions of Section 219 (1)(b)(iv) of the Companies Act, 1956, the report and the accounts are being sent to all the shareholders excluding the aforesaid information. Any shareholder, interested in obtaining such particulars may write to the Company Secretary at the Company's registered office for a copy of the same.

ACKNOWLEDGEMENTS

The Board of Directors places on record its sincere appreciation of the contribution made by the employees and the employees' unions in the success of the Company. The Directors also sincerely thank the Central Government and the State Governments of Rajasthan, Andhra Pradesh, Gujarat, Karnataka, Tamil Nadu, Maharashtra, Jharkhand and Uttarakhand; and the bankers, auditors, vendors, customers and the shareholders of the Company for their continued support.

For and on behalf of the Board of Directors

Akhilesh Joshi
CEO & Whole-time
Director

A R Narayanaswamy
Director

Place: Udaipur
Date: April 21, 2014



ANNEXURE 1

Particulars of technology absorption and foreign exchange earnings and outgo, as per Section 217 (1) (e) of the Companies Act, 1956, and the rules made therein and forming part of the Directors' Report for the year ended March 31, 2014.

A) Conservation of Energy

1. Installation of variable frequency drives in selected pumps at Chanderiya, Rampura Agucha, Debari, Dariba and Haridwar.
2. Replacement of fibre reinforced plastic blades with aerodynamic energy efficient blades of cooling towers at Dariba Smelting Complex.
3. Modification in raw water line at Chanderiya Pyro water treatment plant leading to saving of 9,000 units per month.
4. Installation of LED light fittings for street lights at Rampura Agucha, Dariba Smelting Complex and Haridwar.
5. Replacement of old motors with energy-efficient motors at Debari and Rampura Agucha.

B) Technology Absorption

a. Specific areas in which R&D has been carried out by the Company in FY 2014

1. Successful commissioning of Hot Gas Precipitator plant in Unit-1, Chanderiya
2. Two successful campaigns conducted at Dariba zinc smelter to bring down chloride levels below 300 ppm, based on which flow-sheet and equipment sizing has been done for installation of a dedicated plant to assist in improved availability of leaching equipment.
3. Developed a process for removal of sulphates in Moore Cake Plant's Raw Zinc Oxide. Pilot plant trials have been completed and equipment sizing has been done to set up a facility for removal of excess sulphates. This will reduce cost of production of Moore Cake resulting in overall benefit of ₹ 5 Crores per annum.

4. A plant trial with the new graphite depressant was successfully completed at Rampura Agucha mine, which showed an annual potential saving of ₹ 12 Crores in the reagent cost.

b. Benefits derived as result of above R&D

1. Improvement in value realisation from by-products and wastes by generating secondaries for pyro-furnaces.
2. Improvement in existing processes in terms of equipment availability and cost reduction by reducing impurities and enhancing recoveries.
3. Reduction of graphite carbon in mined metal by shifting it to flotation tailings.
4. Reduction in production cost by modifying processes to lower energy usage in beneficiation plant through plant audits and mineralogical studies, reducing reagent consumption and use of cost effective reagents.

c. Future Projects for R&D in FY 2015

1. Performance evaluations of new frothing reagents to reduce cost of production.
2. Evaluation of the silver recovery reagents for Rampura Agucha, Sindesar Khurd and Rajpura Dariba ores.
3. Evaluation of process response for new ore sources like Rampura Agucha underground and Kayad mines.
4. Establish flotation parameters of bulk mined metal produced in pilot scale from Rampura Agucha tailings.
5. Evaluate silica depressants for Sindesar Khurd ore.
6. Modeling and simulation of the grinding circuits at mills.
7. Mineralogical investigation for insights into control strategies for optimum performance of the flotation and grinding circuits.

Directors' Report Contd.

C) Foreign Exchange Earnings and Outgo

During the year, foreign exchange outgo was ₹ 1,634 Crores (which includes import of capital goods, stores & spares, coal, consumables, consultancy, travelling, etc.), while foreign exchange earned was ₹ 2,588 Crores. The details have been given under item numbers 41 to 43 of Notes to Financial Statements.

FORM 'A'

Form for disclosure of particulars with respect to conservation of energy

Particulars	Unit	Year ended March 31, 2014	Year ended March 31, 2013
A Electricity, Power Generation & Fuel consumption			
Purchase Units	Million Kwh	226	127
Total Amount	₹ Crore	114.21	89.04
Average rate of purchasing	₹/Kwh	5.06	7.01
CPP - Units generated from fuel oil			
Own Generation Units (From Fuel Oil)	Million Kwh	15	15
Quantity Consumed			
LSHS/FO	MT	227	330
HSD	KL	3575	3345
Total Amount	₹ Crore	21.32	15.68
Average cost of fuel per Kg	₹/Kg	67.55	51.04
Average cost of generation	₹/Kwh	14.62	10.68
Unit generated per unit of fuel (LSHS/FO/HSD)	Kwh/Kg	4.62	4.78
CPP - Units generated from Coal			
Own Generation Units (From Coal)	Million Kwh	3,361	3,234
Quantity Consumed			
Coal	MT	16,17,538	15,83,003
LDO	KL	619	687
Total Amount	₹ Crore	994.29	929.18
Average cost per Kg (Coal)	₹/Kg	6.12	5.86
Average cost per Kg (LDO)	₹/Kg	54.26	41.33
Average cost of generation	₹/Kwh	3.11	3.05
Unit generated per unit of fuel (Coal)	Kwh/Kg	2.29	2.25
B Fuel consumption for Metal Production			
(a) L.P.G./Propane			
Quantity	Million Kg	6.03	6.51
Total Amount	₹ Crore	39.70	40.17
Average cost per Kg	₹/Kg	65.79	61.72
(b) L.D.O./LSHS/FO			
Quantity	KL	20,632	21,486
Total Amount	₹ Crore	96.49	87.85
Average cost per Ltr	₹/Ltr	46.77	40.89
(c) Coal for Steam & Others			
Quantity	MT	27,443	53,042
Total Amount	₹ Crore	16.71	31.25
Average cost per MT	₹/MT	6,088	5,891
(d) Met Coke & Coke breeze			
Quantity	MT	1,26,446	1,20,751
Total Amount	₹ Crore	217.97	225.58
Average cost per MT	₹/MT	17,238	18,682



CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under Clause 49 of the Listing Agreement with the Bombay Stock Exchange and the National Stock Exchange, all Board members and the Senior Management personnel have confirmed compliance with the Business Ethics and Code of Conduct for the year ended on March 31, 2014.

For **Hindustan Zinc Limited**

Akhilesh Joshi

CEO & Whole-time Director

Place: Udaipur

Date: April 21, 2014

SECRETARIAL COMPLIANCE REPORT

To,
The Members,
Hindustan Zinc Limited, Udaipur

We have examined all relevant records of the Company relating to its compliance with the provisions of Companies Act, 1956 and the rules and regulations framed there under.

It is the Company's responsibility to prepare and maintain the relevant necessary records under the aforesaid Acts, Rules and Regulations framed thereunder. Our responsibility is to carry out an examination, on the basis of our professional judgment, to provide a reasonable assurance of the correctness and completeness of the records for the purpose of the report.

We have obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the purpose of the report and have been provided with such records, documents and so on, as required by us.

We report that for the financial year ended on March 31, 2014 the Company has complied with the provisions of the Companies Act, 1956 and Rules, Regulations framed there under, as given below:

1. Maintained all the statutory registers required under the Companies Act, 1956 ("the Act") and the Rules made thereunder.
2. Filed all the forms and returns and furnished necessary particulars to the Registrar of Companies, Rajasthan, as required by the Act.
3. Filed all the quarterly, half-yearly and annual disclosures physically or electronically with the Stock Exchanges and SEBI, as per the applicable clauses of the Listing Agreement (as amended from time to time) and other rules, regulations, bye-laws, and so on.

4. Issued all notices required to be given for convening of Board / Committee Meetings and General Meeting, within the time limit prescribed by law.
5. Conducted the Board / Committee Meetings and Annual General Meeting as per the requirement of the Act.
6. Complied with all the requirements relating to the minutes of the proceedings of the meeting of the Directors / Committee and the Shareholders.
7. Closed its Register of Members from May 13, 2013 to May 15, 2013 (both days inclusive) during the financial year.
8. Duly constituted the Board of Directors of the Company. The appointment of Directors has been made in accordance with the provisions of the Act.
9. Paid Remuneration to the Directors, including sitting fees, commission, and others, are provided in compliance with the provisions of the Act.
10. Duly constituted the Audit Committee, as required under Section 292A of the Act.
11. Paid dividend to the shareholders within the time limit prescribed and also transferred the unpaid dividends to the Central Government within the time limit from time to time.
12. Made due disclosure required under the other applicable provisions of the Act.

For **V. M. & ASSOCIATES**
Company Secretaries

CS Manoj Maheshwari

Partner

FCS: 3355; C P No. : 1971

Place: Jaipur

Date: April 21, 2014

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance is the application of best management practices, continued compliances of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholder value and discharge of social responsibilities. Adopting high standards gives comfort to all existing and potential stakeholders including government and regulatory authorities, customers, suppliers, bankers, employees and shareholders.

The Company remains resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance practices. The Company strongly believes that sound and unambiguous system of Corporate Governance practices go a long way in enhancing shareholder value and retaining investor trust and preserving the interest of all stakeholders in a context where ethics and values are under siege.

The Company has set up a three-tier governance structure, which helps it in strategic decision making, operations & project implementation and to address unforeseen challenges.

- (i) Strategic Supervision: Overall strategic supervision and control is exercised by the Board of Directors (Board) in laying down strategic goals, review of major expansion projects & capital expenditure and business plan approvals to ensure that the Company is progressing to fulfil growth aspirations.
- (ii) Operational Management and Control: Business Management Group comprising Functional heads and Unit or Location heads steered by CEO, CFO and COO, handles management and coordination of operations with regular reviews and meetings to seek continuous improvement in the Company's working and to harness its potential and to address unforeseen challenges.

- (iii) Location and Unit Executive Management: comprising Location or Unit heads and Departmental heads for overall execution and empowered through decentralised decision making.

The above governance structure, apart from ensuring greater management accountability and credibility, facilitates increased business autonomy, performance discipline and development of business leaders.

In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI), through Clause 49 of the listing agreement of the Stock Exchanges. The Company has adopted best practices mandated in Clause 49 of the listing agreement and has established procedures and systems to be fully compliant with it.

This chapter, along with those on Management Discussion & Analysis in the Business Review section and Additional Shareholder Information, reports the Company's compliance with Clause 49.

BOARD OF DIRECTORS

The Board is in a fiduciary position, empowered to oversee the management function with a view to ensure its effectiveness and enhancement of stakeholder value. The Board decides on the policies to be implemented across the Company and reviews and monitors its strategic direction, annual business plan and business objectives. Acting as trustees on behalf of the shareholders, the Board ensures that the Company has clear goals in enhancing value and growth for all the stakeholders associated with the Company and follows best governance practices.

Composition of the Board

As on March 31, 2014, Hindustan Zinc's Board comprised eight Directors, four of whom are nominee Directors from Government of India. According to the Shareholders' Agreement with the Government of India, the latter can nominate up to five Directors, whereas the strategic promoters, Sesa Sterlite Limited



can nominate up to six Directors to the Board of the Company. The Chairman and Whole-time Director are nominees of Sesa Sterlite Limited. All others are non-executive Directors. Presently the Board has two women Directors.

The composition of the Board is in conformity with Clause 49, which stipulates that at least fifty per cent of the Board should consist of non-executive Directors and, in case the Chairman is a non-executive Director, at least one-third of the Board should be independent. The Company is also compliant with SEBI circular dated April 8, 2008, which stipulates that at least fifty per cent of the Board should be independent, if the Chairman is either a promoter or related to the promoters or senior management, as defined under the Clause 49.

The non-executive Directors are appointed or re-appointed with the approval of the shareholders. All non-executive Directors are liable to retire by rotation, unless otherwise approved by the shareholders. One-third of the Directors, who are liable to retire by rotation,

retire every year and are eligible for re-appointment. According to the terms of the Company's Articles of Association, the strength of the Board shall not be less than three and more than twelve.

Number of Board Meetings

The Board of Directors met five times during the financial year, on April 25, July 19 and October 23 in 2013 and January 17 and March 29 in 2014. The maximum time gap between any two meetings was less than four months. The agenda for each meeting is prepared well in advance, along with explanatory notes wherever required and distributed to all Directors.

Directors' Attendance Record and Directorships Held

As mandated by the Clause 49, none of the Directors are members of more than ten Board-level Committees nor are they Chairman of more than five Committees, in which they are members. The composition of Board of Directors during 2013-14 is given in Table 1.

Table 1: Composition of the Board of Directors

Name of Director	Relationship with Other Directors	Category	No. of Meetings Held	No. of Meetings Attended	Whether Attended Last AGM	No. of Outside Directorships of Public Companies	No. of Committee Members#	No. of Chairmanships of Committees#
Mr. Agnivesh Agarwal, Chairman	Nephew of Mr. Navin Agarwal	Non-Executive	5	4	No	3@	--	--
Mr. Navin Agarwal	Uncle of Mr. Agnivesh Agarwal	Non-Executive	5	5	No	5@	1	--
Mr. Akhilesh Joshi*	None	Executive	5	5	Yes	1	--	--
Mr. A.R.Narayanaswamy	None	Independent	5	5	Yes	2	1	2
Mrs. Anjali Anand Srivastava\$**	None	Independent	1	--	--	3	-	--
Mr. Rajib Sekhar Sahoo§	None	Independent	5	5	No	3	4	--
Ms. Shaukat Ara Tirmizi§	None	Independent	5	1	No	--	--	--
Mr. Durga Shanker Mishra§	None	Independent	5	4	No	2	--	--
Ms. Sujata Prasad\$***	None	Independent	4	4	No	3	--	--

Notes:

* Tenure extended up to 30.09.2015

** Ceased to be Director on 03.05.2013

*** Appointed as Director w.e.f. 03.05.2013

§ Nominees of Government of India

Only Audit Committee and Shareholder Grievance Committee considered

@ Excludes foreign companies: Mr. Agnivesh Agarwal – 3, Mr. Navin Agarwal – 4

Corporate Governance Report Contd.

Information Supplied to the Board

The Board has complete access to all information of the Company and is regularly provided detailed information as a part of the agenda papers well in advance of the Board meeting or is tabled therein. In addition, detailed quarterly performance report by the CEO is presented in the Board meeting, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety. The following information is regularly provided to the Board as a part of the agenda papers:

- Quarterly results for the Company
- Minutes of the meetings of the Audit Committee and other Committees of the Board
- Annual business plan
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary
- Update on major expansion projects
- Materially important notices of show cause, demand, prosecution and penalty
- Fatal or serious accidents, injuries or any material environmental problems
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
- Any issue involving possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Details of any joint venture or significant collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions.
- Any significant development in human resources or industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Sale of material nature like equity investments and fixed assets, which is not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material
- Quarterly disclosure of all the investments made
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others
- The Board periodically reviews compliance reports of all laws applicable to the Company
- Significant achievement in exploration activities
- CSR activities

Remuneration to Directors

Non-executive Directors, except CEO & Whole-time Director and Government Directors in the employment of the Government are paid a fixed sitting fee for each meeting, which is approved by the Board. The remuneration paid to Mr. Akhilesh Joshi is as per the approval granted by the Board and approved in the earlier annual general meeting and as proposed in the forthcoming annual general meeting. The remuneration in the form of commission had been approved by the Board of Directors and is payable to all the non-executive Directors other than officiating Government Directors for 2013-14 and is within the limits of Section 309(4) and computed in the manner referred to in Section 198(1) of the Companies Act, 1956.

**Table 2 A: Sitting fee and Commission to Directors for FY 2014 (₹)**

Name of Director	Category	Sitting fees*	Commission
Mr. Agnivesh Agarwal, Chairman	Non-Executive	80,000	1,500,000
Mr. Navin Agarwal	Non-Executive	100,000	750,000
Mr. A.R. Narayanaswamy	Independent	160,000	750,000
Mr. Akhilesh Joshi	Executive	—	—
Ms. Anjali Anand Srivastava	Independent	—	—
Mr. Rajib Sekhar Sahoo	Independent	100,000	750,000
Ms. Shaukat Ara Tirmizi	Independent	20,000	750,000
Mr. Durga Shanker Mishra	Independent	—	—
Ms. Sujata Prasad	Independent	—	—

* Includes sitting fees for Board meetings (₹ 20, 000 per meeting) and Committee meetings (₹10, 000 per meeting)

Table 2 B: Remuneration paid to Executive Director for FY 2014

Name of Director	Category	Salary and perquisites	Stock option of holding Company	Total
Mr. Akhilesh Joshi	CEO & Whole-time Director	₹ 223,98,377	₹ 97,98,120	₹ 321,96,497

There are no pecuniary relationships or transactions of the non-executive Directors, vis-à-vis the Company, except as mentioned above. The Company has not granted any stock option to any of its Directors.

During FY 2014, the Company did not advance any loan to any of its Directors.

CODE OF CONDUCT, INTERNAL CONTROLS & RISK MANAGEMENT

Code of Conduct

Our values and principles are enshrined in the Code of Conduct ("Code") for all our Board members and senior management of the Company and are adhered to, in letter and spirit. All Board members and senior management personnel have affirmed compliance with the Code. This Code also ensures compliance with the provisions of the revised Clause 49 of the Listing Agreement executed with the stock exchanges.

Policies, procedures and guidelines have been formulated to clearly lay down norms on action and conduct of our employees.

These cover:

- o Guidelines on corporate communication
- o Securities dealing code (Insider Trading Regulation)

- o Whistle Blower Policy
- o Gift Policy
- o The UK Bribery Act
- o Foreign Corrupt Practices Act (USA)
- o Fraud
- o Human Rights
- o Antitrust compliance
- o Health, Safety & Environment
- o Political contribution

The Code is available on the website of the Company, www.hzindia.com. The annual declaration of its compliance by the Company is also given by the CEO & Whole-time Director.

We adhere to Section 299 of the Companies Act, 1956, which requires that every Director of a Company, who is in any way concerned or interested in a contract or arrangement, is required to disclose the nature of his concern or interest at a meeting of the Board of Directors. Once a year, a declaration is given to the Board by each Director to the effect that he is a Director or a member of a specified corporate body or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement, which may, after the date of the notice, be entered into with that corporate body or firm.

Corporate Governance Report Contd.

In consonance with the provisions of Clause 49 of Listing Agreement, every Board member confirms on a yearly basis, that he has complied with the Company's Code as applicable to Board members and senior management of the Company. Senior executives of the Company are also required to confirm whether they or any of their specified relatives have entered into any transaction with the Company.

Internal Control System

The Company has a well established and comprehensive internal control system. Documents, policies and authorisation guidelines comply with the level of responsibility and standard operating procedures specific to the respective businesses. Observations made in internal audit reports on business processes, systems, procedures and internal controls and implementation status of recommended remedial measures by Ernst & Young - Internal Auditors, are regularly presented to and reviewed by the Audit Committee of the Board through our Corporate Management Assurance Services.

Corruption and Anti-competitive Behaviour

We are committed to a pattern of behaviour that is wholly consistent with our principles of ethics and fair practices. We will not be party to any act or measure that compromises or is likely to compromise our values and complaints, if any, are thoroughly investigated and action taken. Robust systems are in place to address all issues involving anti-trust behaviour. These systems are reviewed periodically at the corporate level.

Guidelines for financial transactions and non-financial documents set by senior management are communicated to employees along with the Code. We also comply with relevant statutory requirements including anti-competitive behaviour.

Compliance

Our compliance system covers a multitude of statutory obligations and ensures that all applicable laws and regulations are complied with. In the reporting year, no material and uncontested financial or non-monetary sanctions were imposed upon us.

Risk Management

The Company operates in conditions where economic, environment and social risk is inherent to its businesses. With the industry and the economy going through prolonged bouts of turbulence, these risks have been more pronounced in recent times.

The Company has developed a very comprehensive risk management policy and review mechanism, which is reviewed by the Audit Committee annually. The risk matrix contains the Company's assessment of impact and probability of each significant risk and mitigation steps taken or planned. The Company has unit-wise risk matrix and location and unit management periodically reviews the identified risks and updates the remedial measures. At the corporate level, all major risks are reviewed by the Chief Executive Officer, Chief Financial Officer & Chief Operating Officer.

For a detailed discussion, please refer to section on Risk Management Framework.

Committees of the Board

The Company has two Board-level committees - Audit Committee and Shareholders' / Investors' Grievance Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

a) Audit Committee

As on March 31, 2014, the Audit Committee comprises of four Directors, out of which majority are independent Directors. Mr. A.R. Narayanaswamy is the Chairman of the Committee.

The time gap between any two meetings was less than four months. The Committee met four times in the financial year under review on April 25, July 19 and October 23 in 2013 and on January 17, 2014. The details of the Audit Committee are given in Table 3.

**Table 3: Attendance record of Audit Committee Meetings**

Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended	Sitting fees (₹)
Mr. A.R. Narayanaswamy	Chairman	Independent	4	4	40,000
Mr. Akhilesh Joshi	Member	Executive	4	4	-
Ms. Anjali Anand Srivastava*	Member	Independent	1	-	-
Mr. Durga Shanker Mishra	Member	Independent	4	3	-
Ms. Sujata Prasad**	Member	Independent	2	2	-

* Ceased to be member on 03.05.2013

** Appointed as member w.e.f. 19.07.2013

The Chief Financial Officer, the head of Corporate Management Assurance Services, the representative of the statutory auditors (M/s Deloitte Haskins & Sells, LLP) and internal auditors (M/s Ernst & Young) are invitees to the Audit Committee meetings. The Company Secretary is the Secretary to the Committee as well.

Mr. A.R. Narayanaswamy is a Chartered Accountant and Chairman of the Audit Committee and all the members of the Audit Committee are well versed with financial management. The quorum for the meeting of the Audit Committee is two members. The Chairman of the Audit Committee attended the 47th Annual General Meeting (AGM) held on June 15, 2013. The Audit Committee functions in accordance with its constitution and charter, framed in compliance with Clause 49.

The functions of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees
- Approval of payment to statutory auditors for any other services rendered by them
- Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be

included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956

- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgement by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- Reviewing the adequacy of internal audit plan
- Discussion with internal auditors on any significant findings and follow up thereof
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern

Corporate Governance Report Contd.

- To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors, if any
- Reviewing the functioning of the whistle blower mechanism
- Appointment of the Chief Financial Officer of the Company
- Carrying out any other function, as is mentioned in the terms of reference of the Audit Committee

The Audit Committee is empowered, pursuant to its terms of reference, to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- Management discussion and analysis of financial condition and results of operations
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management
- Management letters / letters of internal control weaknesses issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses

- The appointment, removal and terms of remuneration of the internal auditor

In addition, the Audit Committee of the Company also reviews the financial statements.

The Audit Committee is also apprised on information with regard to related party transactions by being presented:

- A statement in summary form of transactions with related parties in the ordinary course of business
- Details of material individual transactions with related parties which are not in the normal course of business
- Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same.

b) Shareholders'/ Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee consists of three members. The Committee met twice during the financial year under review on July 19, 2013 and January 17, 2014. Mr. A.R. Narayanaswamy is the Chairman of the Committee.

The primary function of the Committee is to address investor complaints pertaining to transfers/transmission of shares, non-receipt of dividend and any other related matters. The minutes of each of the Committee Meetings are reviewed by the Board. The attendance details are mentioned in Table 4 below.

Table 4: Attendance Record of Shareholders'/ Investors' Grievance Committee Meetings

Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended	Sitting fees (₹)
Mr. A.R. Narayanaswamy	Chairman	Independent	2	2	20,000
Mr. Akhilesh Joshi	Member	Executive	2	2	-
Mr. Durga Shanker Mishra	Member	Independent	2	1	-



The matters, if any, requiring Board's attention are informed to the Board by the Committee Chairman.

Details of queries and grievances received and addressed by the Company during the year FY 2014 is given in Table 5.

Table 5: Nature of complaints received and attended to during FY 2014

1. Number of complaints received from the investors comprising non-receipt of dividend warrants, non-receipt of securities sent for transfer and transmission, complaints received from SEBI and so on	16
2. Number of complaints resolved	16
3. Number of complaints not resolved to the satisfaction of the investors as on March 31, 2014	NIL
4. Complaints pending as on March 31, 2014	NIL
5. Number of Share transfers pending for approval, as on March 31, 2014	NIL

The Board of Directors has delegated the power of approving physical transfer and transmission of shares to the Company Secretary.

MANAGEMENT & OTHERS

Management Discussion and Analysis

Annual Report has a detailed chapter on Management Discussion and Analysis in the Business Review section.

Disclosures of Related Party Transactions

There have been no materially significant related party transactions with the Company's promoters, Directors, management or their relatives which have a potential conflict with the interests of the Company. Members may refer to disclosures of transactions with related parties, such as promoters, Directors, relatives or management made in the Balance Sheet in Notes to Financial Statements at Note No. 35 in compliance of Clause 32 of the Listing Agreement and Accounting Standard 18.

Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company follows the guidelines of Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 together with early adoption of Accounting Standard (AS) 30 'Financial instruments: Recognition and Measurement' and the consequential limited revisions to certain Accounting Standards issued by the Institute of Chartered Accountants of India.

Compliance with Capital market regulations

The Company has complied with all the requirements of regulatory authorities and no penalties/strictures were imposed on the Company by stock exchanges or SEBI or any other statutory authority on any matter related to capital market during the last three years.

In compliance with SEBI's regulation on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations. No violations have been reported during the year.

CEO and CFO Certification

The CEO and CFO certification of the Financial Statements for the year is enclosed at the end of this report.

Directors

As per law, two-thirds of the Directors should retire by rotation. One-third of these Directors are required to retire every year and if eligible, offer themselves for re-appointment. Mr. Rajib Sekhar Sahoo and Ms. Shaukat Ara Tirmizi would retire this year and being eligible, have offered themselves for re-appointment. A brief profile of both of them is as follows.

Corporate Governance Report Contd.

1. Mr. Rajib Sekhar Sahoo

Mr. Rajib Sekhar Sahoo was appointed on the Board with effect from October 25, 2011. Mr. Sahoo is a practicing Chartered Accountant and Principal Partner of SRB & Associates, Bhubaneswar. He is also on the Board of NTPC Limited, Tehri Hydro Development Corporation India Limited, Bank of Baroda, Rashtriya Ispat Nigam Limited and Odisha State Civil Supplies Corporation Limited. He is a member of Sri Jagannath Temple Managing Committee, Puri and Independent Trustee of Odisha Urban Infrastructure Development Fund appointed by Government of Odisha. He is also a member of Fee Structure Committee for Professional Educational Institutions of Odisha appointed as per the direction of the Supreme Court of India chaired by a Retired High Court Judge, since 2007.

2. Ms. Shaukat Ara Tirmizi

Ms. Shaukat Ara Tirmizi was appointed on the Board with effect from October 25, 2011. Ms. Shaukat Ara Tirmizi is an M.A. and M.B.A. (University of Slovenia, Europe) with specialisation in Finance. She is a retired Advisor (Finance) from Department of Telecom in the Ministry of Communication and Information Technology, Government of India.

Communication with Shareholders and others

The Company published its quarterly, half yearly and yearly results in the form as prescribed under Clause 41 of the Listing Agreement within the prescribed time. The results were sent to stock exchanges where shares are listed and the same were published in The Economic Times and Rajasthan Patrika/Dainik Bhaskar.

The financial results and official news releases are also displayed on the website of the Company (www.hzindia.com). Annual Report containing inter-alia Audited Annual Accounts, Directors Report, Auditors Report and other important and statutory information are circulated to all members and to others entitled thereto. The Management Discussion and Analysis Report, along with CEO and CFO certificate, forms a part of the Annual Report.

Table 6: Details of the Announcement of the Financial Results for FY 2014

Description	Date
Unaudited Financial Results for the quarter ended on June 30, 2013	July 19, 2013
Unaudited Financial Results for the quarter / half year ended on September 30, 2013	October 23, 2013
Unaudited Financial Results for the quarter / nine months ended on December 31, 2013	January 17, 2014
Audited Financial Results for the quarter/year ended on March 31, 2014	April 21, 2014

In addition to this, if there is any other announcement affecting the shareholders/public, it is duly informed to the stock exchanges and published in newspapers for the benefit of shareholders and public at large.

General Body Meetings

Table 7: gives the details of the last three General Meetings.

Date	AGM	Location	Time
June 25, 2011	45th AGM	Yashad Bhawan, Udaipur, Rajasthan	3.30 P.M.
July 6, 2012	46th AGM	Yashad Bhawan, Udaipur, Rajasthan	3.30 P.M.
June 15, 2013	47th AGM	Yashad Bhawan, Udaipur, Rajasthan	2.30 P.M.

In the last three Annual General Meetings, under ordinary business, special resolution was passed only for the reappointment of Statutory Auditors.

Further, in the 46th AGM, two special resolutions were passed: a) payment of commission to independent or non- executive Directors b) insertion of buy-back clause in the Articles of Association of the Company.

Postal Ballot

During the current year, no approval of shareholders was taken through Postal Ballot.



COMPLIANCE

Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of the revised Clause 49 of the Listing Agreements and of the Securities and Exchange Board of India (SEBI). Consequently, no penalties were imposed or strictures passed against your Company by SEBI, stock exchanges or any other statutory authority. The Company has complied with and adopted the mandatory requirements of Corporate Governance Code. However, while it has adopted several non-mandatory requirements of the same, the ones not yet adopted are as follows:

Maintenance of Chairman's office	Currently, Chairman is a non-executive Chairman.
Tenure of Independent Directors	Currently, four of the five independent Directors are nominated by the Government and no tenure is specified.
Setting up of Remuneration Committee	Sitting fees and commission paid to non-executive Directors other than officiating Government Directors and remuneration paid to CEO & Whole-time Director are all approved by the Board.
Communication of half-yearly results to each household of members	Results are placed on the Company website and published in leading newspapers.
Training of Directors	All Directors have expertise in their area of specialisation
Mechanism for evaluation of non-executive Directors	Given the Company's performance, this is not considered relevant at this stage.

ADDITIONAL SHAREHOLDER INFORMATION

Annual General Meeting

Date: June 24, 2014

Time: 2:30 pm

Venue: Yashad Bhawan, Udaipur

Financial Calendar

For the year ending March 31, 2015, financial results will be announced in the month following the end of the quarter.

Book Closure

The dates of book closure are from May 21, 2014 to May 24, 2014, both days inclusive.

Dividend

During the year, the Company has paid interim dividend of 80% per share of face value of ₹ 2 each that is ₹ 1.60 per share to all the shareholders whose names appeared in register of members as on October 29, 2013. Further,

the Board has recommended final dividend of 95% per share of face value of ₹ 2 each that is ₹ 1.90 per share, subject to approval by the shareholders at the forthcoming annual general meeting. The total dividend for the year is 175%, that is ₹ 3.50 per share, which is the highest ever dividend.

Listing

At present, the equity shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai (BSE), and The National Stock Exchange (NSE). The annual listing fees for FY 2014 to NSE and BSE have been paid.

Table 8: Hindustan Zinc's Stock Exchange Codes

Name of the Stock Exchange	Stock Code	ISIN Code
The National Stock Exchange, Mumbai	HIND ZINC	INE
Bombay Stock Exchange Limited, Mumbai	500188	267A01025

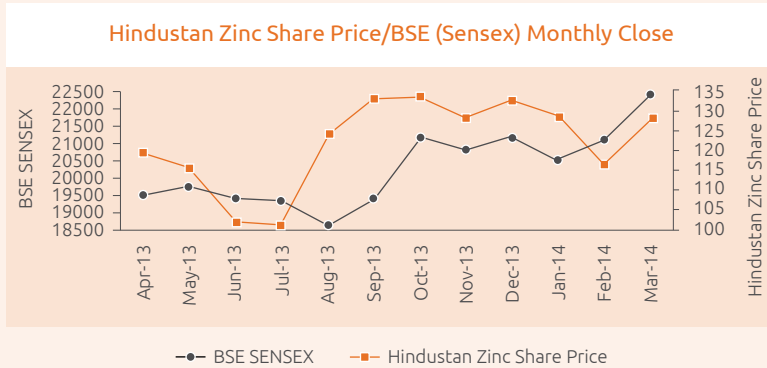
Corporate Governance Report Contd.

Stock Market Data

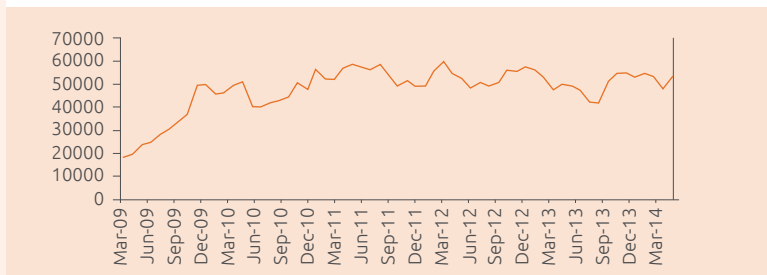
Table 9: High, Lows and Volumes of the Company's Shares for FY 2014 at the BSE and NSE

	BSE			NSE		
	High	Low	Volume (No. of Shares)	High	Low	Volume (No. of Shares)
April 2013	123.70	106.90	36,60,143	124.00	106.55	1,62,17,769
May 2013	125.30	113.10	12,15,161	125.05	113.00	96,79,502
June 2013	118.55	96.20	11,69,288	118.20	96.05	1,09,52,349
July 2013	108.10	96.20	25,76,810	108.75	96.55	1,12,56,914
August 2013	129.00	94.00	55,29,214	128.90	94.00	3,25,65,101
September 2013	137.25	116.00	41,08,027	137.80	116.00	3,25,38,541
October 2013	140.00	127.15	26,51,139	137.10	127.00	2,31,83,517
November 2013	139.30	121.60	15,26,477	139.25	121.40	1,48,98,040
December 2013	140.45	123.65	41,94,374	140.25	123.45	2,67,27,322
January 2014	141.80	124.50	58,74,596	142.00	124.50	3,36,10,118
February 2014	130.00	114.80	30,17,853	129.60	114.80	2,26,64,972
March 2014	129.20	115.10	21,26,049	129.45	115.25	2,35,00,113

Chart: Hindustan Zinc's Share Performance versus BSE Sensex



Market Capitalisation Performance of Hindustan Zinc from March 31, 2009 to March 31, 2014 (₹ Crores)





Distribution of Shareholding

Table 10 and 11 lists the distribution of the shareholding of the equity shares of the Company by size and by ownership class, as on March 31, 2014.

Table 10: Shareholding Pattern by Size on March 31, 2014

No. of equity shares	No. of shareholders	% of shareholders	No. of shares held	% of share-holding
Up to 500	49,406	79.0294	6,899,498	0.1633
501-1000	5,842	9.3448	5,032,449	0.1191
1001-2000	2,969	4.7492	4,879,352	0.1155
2001-3000	1,085	1.7356	2,902,725	0.0687
3001-4000	549	0.8782	2,039,808	0.0483
4001-5000	697	1.1149	3,381,620	0.0800
5001-10000	919	1.4700	7,272,596	0.1721
10001-20000	513	0.8206	7,609,136	0.1801
20001-30000	157	0.2511	3,923,307	0.0929
30001-40000	62	0.0992	2,188,426	0.0518
40001-50000	57	0.0912	2,647,352	0.0627
50001-100000	92	0.1472	6,640,930	0.1572
100001 and above	168	0.2687	4,169,901,801	98.6884
Total	62,516	100.00	4,225,319,000	100.00

Table 11: Shareholding Pattern by Ownership as on March 31, 2014

Category	No. of Shares Held	% of Share Holding
A Promoter's Holding		
1 Promoters		
- Indian Promoters Sesa Sterlite Limited	2,743,154,310	64.9218
- Foreign Promoters	0	0.0000
Sub Total	2,743,154,310	64.9218
B Non-Promoter Holding		
2 Institutional Investor		
a Mutual Funds and UTI	48,641,766	1.1512
b Banks, Financial Institutions, Insurance Companies (Central / State Government, Institutions/ Non-government Institutions)	25,443,047	0.6022
c FIIs	87,147,066	2.0625
Sub Total	161,231,879	3.8159
3 Others		
a Private Corporate Bodies	26,264,538	0.6216
b Indian Public	43,911,068	1.0393
c NRIs/OCBs	1,343,001	0.0318
d NRI Companies	830,000	0.0196
e Foreign Banks	10,000	0.0002
f Foreign National Individual	6,251	0.0001
g Any Other	617,363	0.0146
h GOI - President of India	1,247,950,590	29.5351
Sub Total	1,320,932,811	31.2623
Grand Total	4,225,319,000	100.0000

Corporate Governance Report Contd.

Dematerialisation of Shares

The shares of the Company are compulsory traded in dematerialised form only. The Company's shares are available for trading in the depository system of both NSDL and CDSL. As at the financial year-end, 422,20,60,813 equity shares forming 99.93% of the share capital of the Company, stand dematerialised.

The Company's share is actively traded on both the stock exchanges, namely BSE and NSE.

Outstanding GDRs / ADRs / Warrants/ Options

The Company had not issued any Global Depository Receipts / American Depository Receipts / Warrants / Options.

Details of Public Funding Obtained in the Last Three Years

No public funding has been obtained in the last three years.

Registrar and Transfer Agent

M/s. Sharepro Services (India) Pvt Ltd
13AB, Samhita Warehousing Complex, 2nd Floor
Sakinaka Telephone Exchange Lane,
Off. Andheri-Kurla Road, Sakinaka, Andheri (East)
Mumbai - 400072
Ph. no. : 022-67720331/ 67720300
Fax no. : 022-28591568

Company's Registered Office

Hindustan Zinc Limited
Yashad Bhawan
Udaipur – 313004
Rajasthan

Address for Correspondence

Mr R. Pandwal
Company Secretary
Hindustan Zinc Limited
Yashad Bhawan,
Udaipur – 313004,
Rajasthan.

Plant Locations

Mining Units:

Rampura Agucha Mine	:	Bhilwara District (Rajasthan)
Sindesar Khurd Mine	:	Rajsamand District (Rajasthan)
Zawar Mines	:	Udaipur District (Rajasthan)
Rajpura Dariba Mine	:	Rajsamand District (Rajasthan)
Kayad Mine	:	Ajmer District (Rajasthan)
Maton Mine	:	Udaipur District (Rajasthan)

Smelting Units:

Chanderiya Lead Zinc Smelter	:	Chittorgarh District (Rajasthan)
Dariba Smelting Complex	:	Rajsamand District (Rajasthan)
Debari Zinc Smelter	:	Udaipur District (Rajasthan)
Vizag Zinc Smelter (discontinued)	:	Visakhapatnam District (Andhra Pradesh)

Processing & Refining Units:

Haridwar Zinc Plant	:	Haridwar District (Uttarakhand)
Pantnagar Metal Plant	:	Rudrapur District (Uttarakhand)

Wind Power Farms:

Samana	:	Jamnagar District (Gujarat)
Gadag	:	Gadag District (Karnataka)
Gopalpura	:	Hassan District (Karnataka)
Mokal	:	Jaisalmer District (Rajasthan)
Osiyan	:	Jodhpur District (Rajasthan)
Chakala	:	Nandurbar District (Maharashtra)
Muthiyampatti	:	Tirpur District (Tamil Nadu)



CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY

We, Akhilesh Joshi, CEO & Whole-time Director and Amitabh Gupta, Chief Financial Officer of Hindustan Zinc Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the balance sheet and statement of profit and loss and all its notes, and confirm that:
 - a) Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or contain statements that might be misleading.
 - b) Based on our knowledge and information, the financial statements present in all material respects, a true and fair view of the Company's affairs and except as stated, are in compliance with the existing accounting standards and/or applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the Company during the period are fraudulent, illegal or violative of the Company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company, and we have:
 - a) designed such controls and procedures to ensure that material information relating to the Company is made known to us;
 - b) designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the Company's disclosure, controls and procedures; and
4. We confirm that:
 - a) there are no deficiencies in the design or operation of internal controls, which could materially adversely affect the Company's ability to record, process, summarise and report financial data;
 - b) there are no significant changes in internal controls during the period;
 - c) all significant changes in accounting policies during the year have been disclosed in the notes to the financial statements; and
 - d) there are no instances of significant fraud of which we are aware, that involves management or other employees who have a significant role in the Company's internal controls system.
5. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to 'whistle blowers' from unfair termination and other unfair or prejudicial employment practices.

Amitabh Gupta

Chief Financial
Officer

Akhilesh Joshi

CEO & Whole-time
Director

Place: Udaipur

Date: April 21, 2014

Corporate Governance Report Contd.

AUDITORS' CERTIFICATE

To the members of Hindustan Zinc Limited

1. We have examined the compliance of conditions of Corporate Governance by Hindustan Zinc Limited (the Company), for the year ended on 31 March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, the representations made by the Directors and the management, we certify that the Company

has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

4. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Registration No. 117366W/W-100018)

Jitendra Agarwal

Partner

M. No. 087104

Place: New Delhi

Date: April 21, 2014



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Agnivesh Agarwal	Chairman
Mr. Navin Agarwal	Director
Mr. A. R. Narayanaswamy	Director
Ms. Sujata Prasad	Director
Mr. Durga Shanker Mishra	Director
Ms. Shaukat Ara Tirmizi	Director
Mr. Rajib Sekhar Sahoo	Director
Mr. Akhilesh Joshi	Chief Executive Officer and Whole-time Director

BANKERS

State Bank of Bikaner & Jaipur
IDBI Bank Limited
ICICI Bank Limited
HDFC Bank Limited
CITI Bank
Credit Agricole CIB
Development Bank of Singapore
Kotak Mahindra Bank Ltd
Yes Bank Limited

CHIEF FINANCIAL OFFICER

Mr. Amitabh Gupta

COMPANY SECRETARY

Mr. Rajendra Pandwal

REGISTERED OFFICE

Yashad Bhavan
Udaipur – 313 004

STATUTORY AUDITORS

M/s Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre, Tower 3,
27th to 32nd Floor,
Elphinstone Mill Compound,
Senapati Bapat Marg,
Elphinstone (W), Mumbai - 400 013,
India

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION

1. Corporate Identity Number of the Company	L27204RJ1966PLC001208
2. Name of the Company	Hindustan Zinc Limited
3. Registered address	Yashad Bhawan, Udaipur – 313004 (Rajasthan) India
4. Website	www.hzlindia.com
5. E-mail id	hzl.ir@vedanta.co.in
6. Financial Year reported	April 1, 2013 - March 31, 2014
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Mining and Smelting of Non Ferrous metal. National Industrial Classification Code: Zinc 27204, Lead 27209
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	Zinc, Lead and Silver
9. Total number of locations where business activity is undertaken by the Company	
i. Number of International Locations	Nil
ii. Number of National Locations	12
10. Markets served by the Company - Local/State/ National/International	Our products are sold almost in all states in India. We also export to different countries, primarily in Asia and Middle East

SECTION B: FINANCIAL DETAILS

1. Paid up Capital	₹ 845.06 Crore
2. Total Turnover	₹ 13,636 Crore
3. Total profit after taxes	₹ 6,905 Crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the year, the Company has spent ₹ 93 Crore equivalent to 1.5% of the profit after tax in various CSR projects and initiatives undertaken by the Company.
5. List of activities in which expenditure in 4 above has been incurred	<ul style="list-style-type: none"> a. Infrastructure Development b. Community Development c. Water, Sanitation and Child Nutrition d. Health, Medical and Education



SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	No
2.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies

S.No.	Particulars	Details
1.	DIN Number (if applicable)	01920024
2.	Name	Mr. Akhilesh Joshi
3.	Designation	Chief Executive Officer & Whole-time Director
4.	Telephone number	0294 6604000
5.	e-mail id	hzl.ir@vedanta.co.in

b) Details of the BR head

same as above

2. Principles of Business Responsibility (BR) Policy as per National Voluntary Guidelines (NVG)

Principle 1 (P1): Conduct, Governance, Ethics, Transparency and Accountability

Principle 2 (P2): Safety and Optimal Resource Utilisation across Product Lifecycle

Principle 3 (P3): Employee Well-being

Principle 4 (P4): Engaging Stakeholders - Sustaining Value

Principle 5 (P5): Respecting and Promoting Human Rights

Principle 6 (P6): Nurturing the Environment

Principle 7 (P7): Responsible Policy Advocacy

Principle 8(P8): Supporting Inclusive Development

Principle 9(P9): Providing Customer Value

Business Responsibility Report

Principle-wise (as per NVG) BR Policy/policies

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1. Do you have a policy/policies* for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2. Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Does the policy conform to any national / international standards? If yes, specify? (50 words) Please refer footnote * below	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Has the policy been approved by the Board*? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5. Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6. Indicate the link for the policy to be viewed online?	http://www.hzlindia.com								
7. Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8. Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9. Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10. Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

* All the policies of the Company are based on Vedanta Sustainability Governance Standards, which are aligned with International Finance Corporation and meeting the requirement of IMS Standards. Most of these policies are enshrined in the Company's Business Ethics & Code of Conduct, which has been approved by the Board.

2a. If answer to S.No. 1 against any principle, is 'No', please explain why

Not Applicable



3. Governance related to BR

- I. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

CEO & Whole-time Director and senior management assess the BR performance on an on-going basis.

- II. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Sustainability is a part of Annual Report.

Code of Conduct. The same is available on the Company's website.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

16 investor complaints were received during FY 2014 and all were resolved. Other complaints are received by different functionaries in the Company and are suitably addressed, a formal tracking mechanism is yet to be put in place.

Principle 2: Safety and Optimal Resource Utilisation across Product Life cycle

1. List up to three of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Our three major products are zinc, lead and silver metal. We make all efforts to ensure that we produce in a safe and environmentally responsible manner. Over the years, we have constantly improved our recoveries, reduced hazardous waste generation, improved water and energy consumption and reduced our tailings to optimally use available natural resources. Our 274 MW wind power and 35 MW waste heat recovery plants also improve environmental footprint.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Conduct, Governance, Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

No. The Business Ethics and Code of Conduct serves as the guiding philosophy for all employees, suppliers, customers, NGOs and others who have dealings with the Company. All stakeholders are expected to comply with the Business Ethics and

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

	FY 2014		FY 2013	
	Sp. Energy Consumption	Sp. Water Consumption	Sp. Energy Consumption	Sp. Water Consumption
Mines	0.441	0.519	0.475	0.602
Smelters	17.15	9.29	17.31	9.88

Energy (Mines: GJ/MT of Ore treatment, Smelters: GJ/MT of metal production)

Water (Mines: m³/MT of Ore treatment, Smelters: m³/MT of metal production)

Business Responsibility Report

- ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Same is not tracked.

- 3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

The Company sources its primary raw-material from captive mines. Beneficiation is generally carried on within the mine premises to minimise transportation. For the past several years, the Company has added more to its mining reserve and resource than it has depleted, through systematic exploration efforts.

Please refer to the Environment section from page 30 to 33 of Annual Report for details about our water, waste and energy conservation initiatives.

- 4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company sources its major inputs from OEMs and large national and international manufacturers. There is limited industrial activity around our operations. Going forward, we will make further efforts to increase local sourcing. Our direct & indirect employment as also our CSR activities are largely focused on the communities surrounding our operations.

- 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sl No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	Nil. The Company does not hire child labour, forced labour or involuntary labour	Not applicable
2	Sexual Harassments	Nil	Nil
3	Discriminatory employment	The Company does not discriminate in the recruitment process. No reported case.	Not applicable.

- 5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Please refer to page 32 of Annual report for our waste management initiatives.

Principle 3: Employee Well-being

- Please indicate the total number of employees.**
5599 as at March 31, 2014
- Please indicate the total number of employees hired on temporary/contractual/casual basis.**
13219 as at March 31, 2014
- Please indicate the number of permanent women employees.**
373 as at March 31, 2014
- Please indicate the number of permanent employees with disabilities**
Separate list is not available
- Do you have an employee association that is recognized by the management?**
Yes, there are recognised trade unions.
- What percentage of your permanent employees are members of this recognized employee association?**
99.4% of all non-executives



8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Category	Safety Training	Total (as on March 31, 2014)	%	Skill Upgradation Training	Total (as on March 31, 2014)	%
Permanent Executives*	1,583	5,599	57	1,044	5,599	38
Permanent Women Employees	95	373	25	30	373	8
Contractual Employees	565 (Surksha Jyoti Programme)	13,219	4	4,371	13,219	33
Employees with Disability	Separate list not available					

* Includes executives and workmen

Principle 4: Engaging Stakeholders - Sustaining Value

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes. Our primary stakeholders are our employees, vendors, customers, governments, shareholders and the communities around our operations. We continually engage with each of our stakeholder groups on a pro-active basis and have different grievance redressal mechanism and stakeholder engagement methodologies in place.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.

Identification of the disadvantaged, vulnerable & marginalized stakeholders is an ongoing process. In particular, for any new proposed project or expansion, we map and engage with all such stakeholders on a proactive basis.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Yes. We engage with the disadvantaged, vulnerable and marginalised stakeholders through the following project:

1. Support to 200 widows: Every month, we organize a medical camp in collaboration with our partner NGO Swami Vivekanand Seva Nyas. We also provide vocational training to widows and provide allowances to old widows not capable of undergoing any training.

2. Badhir Bal Kalyan: We support this school for deaf and dumb children, which is affiliated with Rajasthan Board.

3. Muk Badhir Vidyalaya—We have supported this residential school for deaf and dumb children run by Viklang Kalyan Samiti.

4. Overall Development of Special Children: This is a residential school where we provide support for the development of special children in partnership with Viklang Kalyan Samiti.

Principle 5: Respecting and Promoting Human Rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs Others?

The Company has a human rights policy which also covers all its suppliers, contractors and NGOs. The clauses of the Code of Conduct and SA 8000 standards extend to all business partners.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There have been no stakeholder complaints related to Human Rights. Please also refer to Principle 1, point 2.

Business Responsibility Report

Principle 6: Nurturing the Environment

1. **Does the policy cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

Yes. Our contractors, contract employees, NGOs and suppliers are required to comply with our Health Safety & Environment (HSE) requirements, which are mentioned in our contracts. Also, induction and refresher trainings are imparted to our contract employees to raise awareness on sustainability policies and standards.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming etc.? Y/N. If yes, please give details.**

Yes, Energy & Carbon policy and HSE policy guides the organisation to proactively address the impact of climate change and other global environment issues. We continuously monitor our greenhouse gas emission intensity for reduction and endeavour to minimize our carbon footprint.

We are signatory of UNGC and submit the communication of progress every year.

3. **Does the company identify and assess potential environmental risks? Y/N**

Yes, environmental risks are regularly identified and assessed through the following:

- Environment Impact Assessment (EIA) studies carried out by recognized and approved third parties to identify risks and based on that mitigation plan is prepared in the form of Environmental Management Plan, which is integral part of EIA document.
- Environmental risks are being identified and assessed as part of Integrated Management system ISO: 14001.
- Risk register is being maintained by all units under the guidance of Risk Management policy and major risk is being reviewed periodically at corporate level.
- Hazard Identification and Risk assessment are also conducted as part of safety management system to identify potential environmental hazards and risks.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

As a responsible corporate entity, the Company measures its carbon footprint and constantly focuses on reducing the same. The Company has 10 UNFCCC registered projects in wind power and waste heat recovery under Clean Development Mechanism and monitoring report for obtaining verification report has been filed and Certified Emission Reductions were issued. During the year, 341,182 Voluntary Emission Reduction were verified. We have been voluntarily filing Carbon Disclosure Project responses over the years as a proactive step towards reporting our carbon footprint.

5. **Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give details.**

Yes. We have installed 274 MW of wind power and 35 MW of waste heat recovery power plants to give an impetus to green energy. We focus on energy consumption reduction through various in-process innovations and adoption of best practices like machine productivity and improving throughput to reduce specific energy consumption.

6. **Is the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes, emissions/waste generated by the Company is monitored on monthly basis and are within the limits prescribed by CPCB/SPCB. All sites are regularly monitored for emission. Ambient air quality including noise is monitored monthly and meets the National Ambient Air Quality standards, Nov 2009.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil



Principle 7: Responsible Policy Advocacy

1. **Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:**

Yes, the Company is a member of the following organisations:

- Confederation of Indian Industry
- Federation of Indian Chambers of Commerce & Industry
- Federation of Indian Mineral Industries
- Indian Chamber of Commerce

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**

Yes, for economic reforms.

Principle 8: Supporting Inclusive Development

1. **Does the Company have specified programmes/initiatives/projects in pursuit of this policy? If yes details thereof**

As a responsible corporate citizen, the Company focuses on community development through its CSR activities. Details of our CSR activities are provided from page 34 to 37 of Annual Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

We undertake our CSR activities through all of the above routes.

3. **Have you done any impact assessment of your initiative?**

Yes, the same is done internally and also at times with external agencies at periodical intervals.

4. **What is the Company's direct contribution to community development projects - Amount in ₹ and the details of the projects undertaken.**

The total amount spent on all CSR activities and projects during the FY 2014 was ₹ 93 Crore. Details of our CSR activities are provided from page 34 to 37 of Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Yes. Details of our CSR activities are provided from page 34 to 37 of Annual Report.

Principle 9: Providing Customer Value

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

No complaints pending at the end of FY 2014.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks(additional information)**

Yes, the Company displays the product name, batch number, grade, purity, date of production on the product label, as per industry practice.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

Yes, the Company carries out customer satisfaction survey periodically. The last survey conducted was in FY 2012.

INDEPENDENT AUDITORS' REPORT

To the Members of Hindustan Zinc Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **HINDUSTAN ZINC LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have 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.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report, comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated

13th September, 2013 of the Ministry of Corporate Affairs), together with the early adoption by the Company of Accounting Standard (AS) 30 Financial Instruments, Recognition and Measurement, effective April 1, 2007, and the consequential limited revisions as has been announced by the Institute of Chartered Accountants of India to certain Accounting Standards, as stated in Note 2 (a) and 37.

- (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal
Partner
(Membership No. 87104)

Place: New Delhi
Date: April 21, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. Having regard to the nature of the Company's business/ Activities/results during the year, clauses (x), (xii), (xiii), (xv), (xvi), (xviii), (xix), and (xx) of paragraph 4 of the Order are not applicable to the Company. In respect of the other clauses, we report as under:
 2. In respect of its fixed Assets:
 - i. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - ii. Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - iii. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
 3. In respect of its inventories:
 - i. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - ii. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of Company and the nature of its business.
 - iii. In our opinion, and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
 4. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
 5. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchases of inventory and fixed assets and the sale of goods. During the year, the Company did not have transactions in respect of sale of services. During the course of our audit, we have not observed any major weakness in such internal control system.
 6. To the best of our knowledge and belief and according to the information and explanations given to us, there are no contracts or arrangements that were required to be entered in the Register maintained in pursuance of Section 301 of the Companies Act.
 7. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
 8. In our opinion, the internal audit functions carried out during the year by an external agency appointed by the Management have been commensurate with the size of the Company and the nature of its business.
 9. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
 10. According to the information and explanations given to us in respect of statutory dues:
 - i. The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues applicable to it with the appropriate authorities.
 - ii. There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became applicable.



- iii. Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes are given below:

Name of Statute	Nature of dues	Amount (Rs. In Crores)	Period to which the amount relates	Forum where dispute is Pending	
Company's appeals					
A	Sales Tax Claims	Disputes in respect of sales tax difference / classification and stock transfers treated as sales.	67.50	FY 1980-81 to 2010-11	Deputy Commissioner, Joint Commissioner, Commercial Tax Department, Tribunal and High Court.
		Sub Total (A)	67.50		
B	Central Excise Duty	Admissibility of Modvat /Cenvat credit on inputs, capital goods, alleged duty demand on captive use of intermediate goods, reversal of the amount on dispatch of by-products, duty on valuation and storage/ handling losses.	126.69	FY 1985-86 to 2012-13	Central Excise & Service Tax Appellate Tribunal, Commissioner (Appeals) and High Court / Supreme Court.
		Sub Total (B)	126.69		
C	Income Tax	Disputes in respect appeals pending before CIT (A).	589.10	AY 1996-97, 1997-98, 1999-2000, 2008-09, 2010-11 and 2011-12.	Commissioner of Income Tax (Appeals)
		Sub Total (C)	589.10		
Department's appeals					
D	Income Tax	Relief granted by CIT (A) for differences in computation, allowances of certain expenses and enhancement of rebate, etc.	609.71	AY 1989-90 to 1991-92, 1993-94, 1998-99 and 2000-01 to 2009-10	Tribunal / Set aside Assessing Officer/ CIT (A)
		Relief granted by Tribunal for differences in computation, allowances of certain expenses and enhancement of rebate, etc.	113.04	AY 1990-91 to 1994-95 and 1996-97	High Court / Supreme Court
		Sub Total (D)	722.75		
		Sub Total (E) = (C) + (D)	1311.85		
		Total (A) + (B) + (E)	1506.94		

11. The Company has not taken any borrowing from banks, financial institutions or by way of debentures.
12. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments. Based on our examination of the records and evaluation of the related internal controls, the Company has maintained proper records of the transactions and contracts in respect of shares, securities, debentures and other investments and timely entries have been made therein. The aforesaid securities have been held by the Company in its own name.
13. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
14. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jitendra Agarwal
Partner
(Membership No. 87104)

Place: New Delhi
Date: April 21, 2014

BALANCE SHEET

as at March 31, 2014

(₹ in Crores)

Particulars	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	845.06	845.06
Reserves and surplus	4	36,572.55	31,430.68
Total Shareholders' funds		37,417.61	32,275.74
Non-current liabilities			
Deferred tax liabilities (net)	5	1,658.11	1,279.86
Other long term liabilities	6	56.37	28.23
Total Non-current liabilities		1,714.48	1,308.09
Current liabilities			
Trade payables (Other than acceptances)		510.32	403.47
Other current liabilities	7	1,018.48	653.24
Short-term provisions	8	1,015.78	824.87
Total Current liabilities		2,544.58	1,881.58
Total		41,676.67	35,465.41
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9.A	9,023.43	8,473.69
Intangible assets	9.B	123.82	10.05
Capital work-in-progress		1,540.94	1,081.85
Total Fixed asset (net)		10,688.19	9,565.59
Non-current investments	10	2.81	2.70
Long term loans and advances	11	2,939.36	1,898.29
Other non-current assets	12	-	239.19
Total Non-current assets		13,630.36	11,705.77
Current assets			
Current investments	13	22,503.58	14,537.18
Inventories	14	1,198.24	1,111.09
Trade receivables	15	399.51	402.87
Cash and cash equivalents	16	3,031.42	6,942.10
Short term loans and advances	17	334.93	373.32
Other current assets	18	578.63	393.08
Total Current assets		28,046.31	23,759.64
Total		41,676.67	35,465.41

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jitendra Agarwal
Partner

Date: April 21, 2014
Place: New Delhi

For and on behalf of the Board of Directors

Akhilesh Joshi
CEO & Whole-time Director

Amitabh Gupta
Chief Financial Officer

Date: April 21, 2014
Place: Udaipur

A. R. Narayanaswamy
Director

R. Pandwal
Company Secretary



STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2014

(₹ in Crores)

Particulars	Note	For the year ended March 31, 2014	For the year ended March 31, 2013
Revenue from operations (gross)		14,933.05	13,658.14
Less: Excise duty		(1,297.01)	(958.30)
Revenue from operations (net)	19	13,636.04	12,699.84
Other income	20	1,899.39	2,003.19
TOTAL REVENUE		15,535.43	14,703.03
Expenses			
Cost of materials consumed	21	501.26	766.34
Changes in inventories of finished goods and work-in-progress	22	(155.16)	(112.54)
Employee benefits expense	23	680.06	649.91
Finance costs	24	44.94	26.86
Depreciation and amortisation expense		784.59	647.04
Other expenses	25	5,648.36	4,887.77
TOTAL EXPENSES		7,504.05	6,865.38
Profit before exceptional item and tax		8,031.38	7,837.65
Exceptional item		61.67	17.53
Profit before tax		7,969.71	7,820.12
Tax expense (benefit):			
Current tax expenses		1,640.05	1,542.98
(Less) : MAT credit		(964.00)	(798.47)
Short / (Excess) provision for tax relating to prior years		-	10.57
Net current tax expense		676.05	755.08
Deferred tax - for the year		389.04	165.56
Deferred tax		389.04	165.56
Net tax expense / (benefit)		1,065.09	920.64
Profit for the year		6,904.62	6,899.48
Earnings per equity share (of ₹ 2 /- each)			
Basic and diluted		16.34	16.33

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jitendra Agarwal
Partner

Date: April 21, 2014
Place: New Delhi

For and on behalf of the Board of Directors

Akhilesh Joshi
CEO & Whole-time Director

Amitabh Gupta
Chief Financial Officer

Date: April 21, 2014
Place: Udaipur

A. R. Narayanaswamy
Director

R. Pandwal
Company Secretary

CASH FLOW STATEMENT

for the year ended March 31, 2014

(₹ in Crores)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax	7,969.71	7,820.12
Adjustments for :		
Depreciation and amortisation	784.81	647.24
Movement in general reserve	-	-
Finance costs	44.94	26.86
Interest Income	(675.52)	(832.39)
Mark to Market adjustment on financial instruments	(1,324.28)	(535.78)
Net unrealised Exchange (gain)/loss	1.68	0.99
Provision for diminution in value of investments	-	-
Provision for expenses written back	(0.71)	(0.92)
(Profit) / Loss on sale of fixed asset (net)	18.88	19.26
(Profit) / Loss on sale of current Investment (net)	171.03	(570.62)
Operating profit before working capital changes	6,990.54	6,574.76
Changes in working capital		
(Increase)/Decrease in Inventories	(87.15)	(313.15)
(Increase)/Decrease in Trade receivables	1.68	(71.41)
(Increase)/Decrease in short term loans and advances	38.39	(139.87)
(Increase)/Decrease in long term loans and advances	(8.16)	43.83
Increase/(Decrease) in trade payables	107.56	73.92
Increase/(Decrease) in other current liabilities	109.99	217.17
Increase/(Decrease) in other long term liabilities	28.14	11.08
Cash generated from operations	7,180.99	6,396.33
Income taxes paid during the year	(1,644.52)	(1,611.32)
Net cash generated from operating activities	5,536.47	4,785.01
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(1,813.05)	(1,755.82)
Interest and dividend received	729.16	537.54
Bank balances not considered as cash and cash equivalents		
- Placed	(462.25)	(6,520.17)
- Matured	4,311.20	5,094.52
Purchase of current investments	(30,150.63)	(24,675.87)
Sale of current investments	23,325.87	24,047.23
Sale of fixed assets	38.90	3.24
Net cash used in investing activities	(4,020.80)	(3,269.33)



(₹ in Crores)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Interest and finance charges paid	(44.94)	(26.86)
Dividend and tax thereon paid	(1,532.46)	(1,227.69)
Net cash used in financing activities	(1,577.40)	(1,254.55)
Net increase in cash and cash equivalents	(61.73)	261.13
Cash and cash equivalents at the end of the year	228.45	290.18
Cash and cash equivalents at the beginning of the year	290.18	29.05
	(61.73)	261.13
Reconciliation Cash and cash equivalent with the balance sheet		
Cash and cash equivalent as per balance sheet (refer note 17)	3,031.42	6,942.10
Less:- Bank balances not considered as cash and cash equivalents	2,802.97	6,651.92
Cash and Bank balance as at the end of the year*	228.45	290.18
* Comprises		
Cash in hand	0.02	0.02
Balances with Banks		
Current accounts	8.43	47.16
Deposit accounts	220.00	243.00
	228.45	290.18

The accompanying notes are an integral part of these financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Jitendra Agarwal
Partner

Date: April 21, 2014
Place: New Delhi

For and on behalf of the Board of Directors

Akhilesh Joshi
CEO & Whole-time Director

Amitabh Gupta
Chief Financial Officer

Date: April 21, 2014
Place: Udaipur

A. R. Narayanaswamy
Director

R. Pandwal
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2014

NOTE 1 COMPANY OVERVIEW

Hindustan Zinc Limited (HZL or Company) was incorporated on January 10, 1966 under the laws of the Republic of India and has its registered office at Udaipur (Rajasthan). HZL's shares are listed on National Stock Exchange and Bombay Stock Exchange. HZL is mainly engaged in the mining and smelting of non-ferrous metals in India.

HZL's operations include five zinc lead mines, four zinc smelters, one lead smelter, one lead zinc smelter, seven sulphuric acid plants, a silver refinery plant and five captive power plants in the state of Rajasthan. In addition, HZL also has a rock-phosphate mine in Maton near Udaipur in Rajasthan and zinc, lead & silver processing and refining facilities in the state of Uttarakhand. The Company also has wind power plants in the State of Rajasthan, Gujarat, Karnataka, Tamilnadu and Maharashtra.

The scheme of amalgamation and arrangement amongst, inter-alia Sterlite Industries (India) Limited (SIIL), and Sesa Goa Limited (SGL) have been sanctioned by the respective jurisdictional courts and made effective during the current year. In accordance with the scheme, SIIL merged with SGL with the effective date of August 17, 2013. SGL was thereafter renamed as Sesa Sterlite Limited. Accordingly, Sesa Sterlite Limited is the new holding company of HZL.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act 1956 ("the 1956 Act") (which continues to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act or 2013 Act. These Financial Statements have been prepared as a going concern under historical cost convention on accrual basis in accordance with Companies Act 1956, read together with early adoption of Accounting Standard 30 'Financial instruments: Recognition and Measurement by the Company, and the consequential limited revisions to certain Accounting Standards by the Institute of Chartered Accountants of India (ICAI) which have been measured at their fair value. Accounting policies not stated explicitly otherwise are consistent with generally accepted accounting principles.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the Financial Statements and the reported amounts of income and expenses during the reporting year. Differences between actual results and estimates are recognised in the periods in which the results are known or materialise.

c) Fixed Assets (Tangible And Intangible)

Fixed assets (including research and development assets) are recognised at cost of acquisition including expenditure up to the date of commissioning, net of cenvat or value added tax less accumulated depreciation, amortisation and impairment loss. Grant received towards fixed assets is reduced from the cost of the related assets.

Mine development expenditure includes leases, costs incurred for acquiring or developing properties or rights up to the stage of commercial production.

d) Capital Work-In-Progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

e) Impairment of Fixed Assets

The carrying amount of assets/cash generating units are reviewed at each balance sheet date, if there is any indication of impairment based on internal or external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is recognised in the Statement of Profit and Loss where the carrying amount of an asset exceeds its recoverable amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

f) Depreciation and Amortisation

Depreciation on fixed assets is provided using the straight-line method at rates prescribed under Schedule XIV of the Companies Act, 1956 subject to the following deviations:

- o Additions and disposals are reckoned on the first day and the last day of the month respectively.
- o Individual items of plant and machinery and vehicles costing upto ₹ 25,000 are wholly depreciated.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

- In respect of additions arising on account of insurance spares, on additions or extension forming an integral part of existing plants and on the revised carrying amount of the assets identified as impaired, on which depreciation has been provided over residual life of the respective fixed assets.

Intangible assets including mining rights/right to use assets are amortised over its expected useful life.

Amortisation of leasehold land has been done in proportion to the period of lease.

Mine development expenditure is amortised in proportion to the annual ore raised to the remaining mineable ore reserves. In the year of abandonment of mine, the residual mine development expenditure is written off.

g) Financial Asset Investments

- Investments are recorded as long term investments unless they are expected to be sold within one year. Investments in joint venture are valued at cost less provision for impairment, if any. Investments are reviewed for impairment at the year end.
- Investments classified as 'Held for Trading' that have a market price are measured at fair value and gains and losses arising on account of fair valuation are routed through Statement of Profit and Loss. Investments in unquoted equity instruments that do not have a market price and whose fair value cannot be reliably measured, are measured at cost.
- Investments classified as 'Available for Sale' are initially recorded at cost and then re-measured at subsequent reporting dates to fair value. Unrealised gains/losses on such investments are recognised directly in Investment Revaluation Reserve Account. At the time of disposal, de-recognition or impairment of the investments, cumulative gain or loss previously recognised in the Investment Revaluation Reserve Account is recognised in the Statement of Profit and Loss.

h) Inventories

- Ore, concentrate (Mined Metal), work-in-progress and finished goods (including significant by-products) are valued at lower of cost and net realisable value on weighted average basis.
- Stores and spares are valued at lower of cost and net realisable value on weighted average basis.

- Immaterial by-products, aluminum scrap, chemical lead scrap, anode scrap and coke fines are valued at net realisable value.

i) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

j) Revenue And Expenses

Revenue on sale of products (net of volume rebates) is recognised on delivery of product and / or on passage of title to the buyer. Export benefits are recognised on recognition of export sales.

Revenue relating to insurance or railways claims and interest on delayed or overdue payments from trade receivable for sale of energy is recognised when no significant uncertainty as to measurability or collection exists.

Expenditure on projects is:

- capitalised when projects are commissioned.
- written off in other cases.

Technical knowhow, not directly identifiable to any plans, layout of buildings or plant and machinery, etc. are written off. Expenditure relating to fixed assets not owned by Company is charged to Statement of Profit and Loss

Prior period and prepaid expenses exceeding ₹ 5 Lacs are appropriately disclosed.

All revenue expenses on research and development are written off.

k) Government Grants, Subsidies And Export Incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants or subsidies will be received.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2014

l) Foreign Currency Transactions

- 1) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction.
- 2) Monetary items denominated in foreign currencies at the year-end are restated at year end rates. In case of monetary items which are hedged by derivative instruments, the valuation is done as per "Accounting Standard - 30, Financial Instruments: Recognition and Measurement". The fair value of foreign currency contracts are calculated with reference to current forward exchange rates for the contracts with similar maturity profile.
- 3) Non-monetary foreign currency items are carried at cost.
- 4) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.

m) Derivative Financial Instruments

In order to hedge its exposure to foreign exchange, interest rate and commodity price risks, the Company enters into forward option or any other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes. Derivative financial instruments are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent balance sheet dates.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. The hedged item is recorded at fair value and any gain or loss is recorded in the Statement of Profit and Loss and is offset by the gain or loss from the change in the fair value of the derivative.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recorded in equity. Amounts deferred to equity are recycled in the Statement of Profit and Loss in the periods when the hedged item is recognised in the Statement of Profit and Loss.

Derivative financial instruments that do not qualify for hedge accounting are marked to market at the balance sheet date and gains or losses are recognised in the Statement of Profit and Loss immediately.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative

gain or loss on the hedging instrument recognised in equity is kept in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not carried at fair value with unrealised gains or losses reported in the Statement of Profit and Loss.

n) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of cost of such asset till such time as the asset is ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

o) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market or fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

p) Employee Benefits

i) Short term

Short term employee benefits including termination benefits are recognised as an expense at the undiscounted amount incurred during the year.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2014

ii) Long term

1. Defined contribution plan and family pension scheme:

The Company's contribution to the recognised provident fund and family pension scheme paid or payable during the year is recognised to the Statement of Profit and Loss. The shortfall, if any, between the return guaranteed by the statute and actual earnings of the Fund is provided for by the Company and contributed to the Fund.

2. Defined benefit plan: Gratuity

The Company accounts for the net present value of its obligations for gratuity benefits based on an independent external actuarial valuation carried out annually and determined using the projected unit credit method. The Company makes annual contributions to funds administered by trustees and managed by insurance company for amounts notified by the said insurance company. Actuarial gains and losses are immediately recognised in the Statement of Profit and Loss.

3. Other long term benefit plan : Compensated absences

The Company has a scheme for leave encashment for employees, the liability for which is determined on the basis of an actuarial valuation carried out at the end of the year.

q) Voluntary Retirement Expenses

Voluntary retirement expenses are charged to the Statement of Profit and Loss in the year of occurrence.

r) Taxation

The Company's income taxes include taxes on the Company's taxable profits, adjustment attributable to earlier periods and changes in deferred taxes.

Provision for current tax is made after taking into account rebates and reliefs available under the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset, if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefits associated with it will flow to the Company.

Deferred tax resulting from "timing difference" between book and taxable profits is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised only to the extent that there is a reasonable certainty that the future taxable profit will be available against which the deferred tax assets can be realised.

s) Dividend

Dividend payment including tax thereon is appropriated from profits for the year and provision is made for proposed final dividend and tax thereon is subject to consent of the shareholders at the Annual General Meeting.

t) Provisions, Contingent Liabilities And Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2014

NOTE 3 SHARE CAPITAL

Particulars	As at March 31, 2014		As at March 31, 2013	
	Number	(₹ in Crores)	Number	(₹ in Crores)
Authorised				
Equity shares of ₹ 2/- (2013 : ₹ 2 /-) each.	5,000,000,000	1,000.00	5,000,000,000	1,000.00
Issued, subscribed and paid up				
Equity shares of ₹ 2/- (2013 : ₹ 2 /-) each fully paid up	4,225,319,000	845.06	4,225,319,000	845.06
Total	4,225,319,000	845.06	4,225,319,000	845.06

i) Reconciliation of number of shares and amounts outstanding.

Particulars	Equity Shares		Equity Shares	
	Number	(₹ in Crores)	Number	(₹ in Crores)
Equity shares of ₹ 2/- (2013 : ₹ 2 /-) each outstanding at the beginning of the year	4,225,319,000	845.06	4,225,319,000	845.06
Equity Shares outstanding at the end of the year	4,225,319,000	845.06	4,225,319,000	845.06
Issued, subscribed and paid up				
Equity shares of ₹ 2/- (2013 : ₹ 2 /-) each fully paid up	4,225,319,000	845.06	4,225,319,000	845.06
Total	4,225,319,000	845.06	4,225,319,000	845.06

ii) 2,743,154,310 Equity Shares (2013: 2,743,154,310) are held by Sesa Sterlite Limited (see note 1) the holding company (2013: Sterlite Industries (India) Limited). The ultimate holding company is Vedanta Resources PLC, United Kingdom (VRPLC) . No shares are held by VRPLC or its other subsidiaries or associates.

iii) Details of Shareholders holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sesa Sterlite Limited (see note 1)	2,743,154,310	64.92	-	-
Sterlite Industries (India) Limited (see note 1)	-	-	2,743,154,310	64.92
Government of India- President of India	1,247,950,590	29.54	1,247,950,590	29.54

iv) Number of bonus shares allotted during the period of five years immediately preceding

Particulars	Aggregate number of shares	
	As at March 31, 2014	As at March 31, 2013
Equity shares allotted as fully paid up by way of bonus shares without payment being received in cash	2,112,659,500	2,112,659,500



NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

v) Other disclosures

The Company has one class of equity shares having a par value of ₹ 2 per share. Each equity shareholder is eligible for one vote per share held. Each equity shareholder is entitled to dividends as and when declared by the Company. Interim Dividend is paid as and when declared by the Board. Final dividend is paid after obtaining shareholder's 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.

NOTE 4 RESERVES AND SURPLUS		(₹ in Crores)	
Particulars	As at March 31, 2014	As at March 31, 2013	
Capital Reserves			
Balance provisions after adjustment as per Metal Corporation (Nationalisation and Miscellaneous Provision) Act, 1976			
Balance as at the beginning and end of the year	0.61	0.61	
General Reserve			
Balance as at the beginning of the year	9,683.18	8,983.18	
Add-Transferred from surplus in Statement of Profit and Loss	700.00	700.00	
Less-Transferred to share capital towards bonus shares	-	-	
Balance as at the end of the year	10,383.18	9,683.18	
Investment Revaluation Reserve			
Balance as at the beginning of the year	11.59	-	
Add- Addition during the year	-	11.59	
Less- Amount transferred to Statement of Profit and Loss	(11.59)	-	
Balance as at the end of the year	-	11.59	
Hedging Reserve			
Balance as at the beginning of the year	11.13	0.49	
Add-Effect of Forex and commodity price variation on hedging instruments outstanding at the end of the year	(31.74)	16.13	
Less-Effect of deferred tax adjustments	10.78	(5.49)	
Balance as at the end of the year	(9.83)	11.13	
Surplus in Statement of Profit and Loss			
Balance as at the beginning of the year	21,724.17	17,051.92	
Add-Profit for the year	6,904.62	6,899.48	
Less:			
Proposed dividend to Equity shareholders	(802.81)	(633.80)	
Tax on proposed dividend	(136.44)	(107.71)	
Interim dividend to Equity shareholders	(676.05)	(676.05)	
Tax on interim dividend	(114.90)	(109.67)	
Transfer to general reserves	(700.00)	(700.00)	
Balance as at the end of the year	26,198.59	21,724.17	
Total	36,572.55	31,430.68	

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2014

NOTE 5 DEFERRED TAX LIABILITIES (NET)

(₹ in Crores)

Particulars	As at March 31, 2014	As at March 31, 2013
Tax effect of items constituting deferred tax assets		
Deferred tax asset:		
Voluntary retirement expenditure	27.65	16.44
On timing differences on expenses	9.11	5.51
On others	-	0.03
(A)	36.76	21.98
Tax effect of items constituting deferred tax liabilities		
Deferred tax liability:		
On differences between book and tax depreciation	1,388.20	1,212.16
On investments	305.57	83.95
On others	1.10	5.73
(B)	1,694.87	1,301.84
Total (B-A)	1,658.11	1,279.86

NOTE 6 OTHER LONG TERM LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2014	As at March 31, 2013
Security deposits	42.08	26.16
Other liabilities (liquidated damages, etc.)	14.29	2.07
Total	56.37	28.23

NOTE 7 OTHER CURRENT LIABILITIES

(₹ in Crores)

Particulars	As at March 31, 2014	As at March 31, 2013
Unclaimed dividends	1.92	1.65
Unclaimed matured deposits and interest accrued thereon	0.08	0.08
Other payables		
Due to related parties	21.53	10.10
Security and other deposits	262.01	184.22
Advance from customers	69.89	81.94
Payables on purchase of fixed assets	339.43	115.93
Other (includes statutory payables, employee benefits, etc.)	323.62	259.32
Total	1,018.48	653.24

NOTE 8 SHORT TERM PROVISIONS

(₹ in Crores)

Particulars	As at March 31, 2014	As at March 31, 2013
Provision for proposed equity dividend	802.81	633.80
Provision for tax on proposed dividend	136.44	107.71
Provision for tax (Net of advance tax)	76.53	83.36
Total	1,015.78	824.87



NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

(₹ in Crores)

Particulars	Gross Block			Accumulated Depreciation			Net Block			
	As at 01.04.2013	Additions	Deductions / Adjustments	As at 31.03.2014	Adjustment for grant	Upto 31.03.2014	Upto 31.03.2013	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
A Tangible Assets										
Land										
Freehold Land	107.62	71.24	-	178.86	-	-	-	-	178.86	107.62
(Previous year)	77.11	28.30	(2.21)	107.62	-	-	-	-	107.62	77.11
Leasehold Land	102.45	62.92	4.53	160.84	-	-	-	-	160.84	102.45
(Previous year)	91.63	11.97	1.15	102.45	-	-	-	-	102.45	91.63
Buildings	1,096.24	94.70	13.35	1,177.59	0.25	1,177.34	143.84	169.22	1,008.12	952.15
(Previous year)	1,017.70	79.68	1.14	1,096.24	0.25	1,095.99	114.27	143.84	952.15	903.18
Railway siding	10.63	-	-	10.63	-	10.63	8.02	8.22	2.41	2.61
(Previous year)	10.63	-	-	10.63	-	10.63	7.58	8.02	2.61	3.05
Mine Development expenditure	116.19	275.34	-	391.53	-	391.53	92.40	117.50	274.03	23.79
(Previous year)	98.95	17.24	-	116.19	-	116.19	68.85	92.40	23.79	30.10
Plant and Equipment	10,603.01	868.77	162.59	11,309.19	14.12	11,295.07	3,425.65	4,014.26	7,280.81	7,163.24
(Previous year)	10,062.09	572.74	31.82	10,603.01	14.12	10,588.89	2,808.41	3,425.65	7,163.24	7,239.57
Furniture and Fixtures	22.53	1.80	1.24	23.09	-	23.09	10.68	10.89	12.20	11.85
(Previous year)	20.64	2.05	0.16	22.53	-	22.53	9.47	10.68	11.85	11.17
Vehicles	26.71	2.60	1.16	28.15	-	28.15	10.33	12.24	15.91	16.38
(Previous year)	24.56	2.70	0.55	26.71	-	26.71	8.16	10.33	16.38	16.40
Office equipment	173.67	11.18	3.92	180.93	1.75	179.18	78.32	88.93	90.25	93.60
(Previous year)	161.53	13.29	1.15	173.67	1.75	171.92	65.98	78.32	93.60	93.51
Total Tangible assets	12,259.05	1,388.55	186.79	13,460.81	16.12	13,444.69	3,769.24	4,421.26	9,023.43	8,473.69
Previous year	11,564.84	727.97	33.76	12,259.05	16.12	12,242.93	3,082.72	3,769.24	8,473.69	8,465.72
B Intangible Assets										
Computer software	21.87	-	-	21.87	-	21.87	11.82	14.91	6.96	10.05
(Previous year)	11.05	10.82	-	21.87	-	21.87	10.64	11.82	10.05	0.41
Right to use Asset	-	50.38	-	50.38	-	50.38	-	0.34	50.04	-
(Previous year)	-	-	-	-	-	-	-	-	-	-
Mining Rights	-	67.17	-	67.17	-	67.17	-	0.35	66.82	-
(Previous year)	-	-	-	-	-	-	-	-	-	-
Investment in shares	-	-	-	-	-	-	-	-	-	-
(Previous year)	98.41	-	98.41	-	-	-	51.72	4.70	56.42	46.69
Total Intangible assets	21.87	117.55	-	21.87	-	139.42	11.82	15.60	123.82	10.05
Previous year	109.46	10.82	98.41	21.87	-	21.87	62.36	11.82	10.05	47.10
GRAND TOTAL (A+B)	12,280.92	1,506.10	186.79	13,482.68	16.12	13,584.11	3,781.06	4,436.86	9,147.25	8,483.74
Current Year	11,674.30	738.79	132.17	12,280.92	16.12	12,264.80	3,145.08	3,781.06	8,483.74	8,512.82
(Previous year)										

Reconciliation of Depreciation and amortisation expenses

	Year ended 31 March, 2014	Year ended 31 March, 2013
Depreciation on tangible assets as above	781.03	697.78
Depreciation on intangible assets as above	3.78	5.88
Depreciation as above	784.81	703.66
Less: Depreciation included in Research and development expenditure	0.22	0.20
Less: Depreciation for intangible asset adjusted (see note 13B)	-	56.42
Less: adjusted to capital work in progress	-	-
As per Statement of Profit and Loss Account	784.59	647.04

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2014

NOTE 10 NON CURRENT INVESTMENTS (TRADE, UNQUOTED AND AVAILABLE FOR SALE)

(₹ in Crores)

Particulars	As at March 31, 2014	As at March 31, 2013
Equity Investments in Joint Venture - Jointly controlled entity - Madanpur South Coal Company Limited (at cost)(see note 29)		
2,01,362 equity shares of ₹ 10 each (2013: 1,95,814 equity shares of ₹ 10 each)	2.81	2.70
Total	2.81	2.70

NOTE 11 LONG TERM LOANS AND ADVANCES

(₹ in Crores)

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good		
Capital advances	420.06	348.68
Advance to related party	-	0.11
MAT credit entitlement	2,209.03	1,245.02
Loans to employees	6.05	8.52
Deposits with Government departments etc.,	97.25	88.03
Claims receivable	20.71	19.30
Taxation (net)	186.26	188.63
Total	2,939.36	1,898.29

NOTE 12 OTHER NON-CURRENT ASSETS

(₹ in Crores)

Particulars	As at March 31, 2014	As at March 31, 2013
Interest accrued on deposits	-	239.19
Total	-	239.19

NOTE 13 CURRENT INVESTMENTS

(₹ in Crores)

Particulars	As at March 31, 2014	As at March 31, 2013
Investments in bonds	1,977.07	2,151.15
Investments in mutual funds	20,526.51	12,276.03
Investment in Equity Instruments	-	110.00
Total	22,503.58	14,537.18



NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

NOTE 13 CURRENT INVESTMENTS (HELD FOR TRADING) - AT FAIR VALUE

(₹ in Crores)

Particulars	Face value (in ₹)	Total number of Bonds	2014	Total number of Bonds	2013
Investments in bonds - Quoted					
11.8 %, Tata Iron and Steel Company Perpetual, Non convertible debentures	1,000,000	2246	233.68	2246	246
Tax free secured , Redeemable Non convertible Bonds -National Highways Authority of India	1,000	1236188	121.01	1236188	134
Tax free secured , Redeemable Non convertible Bonds - Power Finance Corporation Limited	1,000	2123924	207.90	2123924	228
Tax free secured , Redeemable Non convertible Bonds - Indian Railway Finance Corporation	1,000	2237537	215.61	2237537	232
Tax free secured , Redeemable Non convertible Bonds - Housing and Urban Development Corporation Limited	1,000	5000000	482.03	5000000	516
Tax free secured , Redeemable Non convertible Bonds - Rural Electrification Corporation	1,000	2755720	265.96	2755720	293
Tax free secured , Redeemable Non convertible Bonds - Indian Railway Finance Corporation	1,000	5000000	450.88	5000000	502.10
Aggregate of quoted investments			1,977.07		2,151.15

Investment in mutual funds-unquoted

Particulars	Face value (in ₹)	Total number of Units	2014	Total number of Units	2013
Axis Fixed Term Plan - Series 47 (483 Days)	10	25,000,000	25.51	-	-
Axis Fixed Term Plan - Series 49	10	35,000,000	35.60	-	-
Axis Fixed Term Plan - Series 55	10	75,000,000	75.94	-	-
Axis Fixed Term Plan - Series 59	10	20,000,000	20.16	-	-
Axis Fixed Term Plan - Series 60	10	35,000,000	35.25	-	-
AXIS FMP Series 21 - 394 Days - IP	10	-	-	20,000,000	22.21
Baroda Pioneer Fixed Maturity Plan - Series G (369 Days)	10	20,000,000	21.01	-	-
Baroda Pioneer Fixed Maturity Plan - Series J (366 Days)	10	16,000,000	16.42	-	-
Baroda Pioneer Fixed Maturity Plan - Series M	10	30,000,000	30.32	-	-
Birla Sun Life Dynamic Bond Fund	10	48,723,921	103.37	-	-
Birla Sun Life Fixed Term Plan - Series GG (368 Days)	10	-	-	80,000,000	81.20
Birla Sun Life Fixed Term Plan - Series GJ (367 Days)	10	-	-	46,000,000	46.65
Birla Sun Life Fixed Term Plan - Series GM (367 Days)	10	-	-	25,000,000	25.34
Birla Sun Life Fixed Term Plan - Series GO	10	-	-	20,000,000	20.24
Birla Sun Life Fixed Term Plan - Series GQ	10	-	-	22,000,000	22.25
Birla Sun Life Fixed Term Plan - Series GR	10	45,000,000	49.50	45,000,000	45.40
Birla Sun Life Fixed Term Plan - Series GT	10	75,000,000	81.09	-	-
Birla Sun Life Fixed Term Plan - Series GV	10	70,000,000	75.38	-	-
Birla Sun Life Fixed Term Plan - Series HD	10	-	-	75,000,000	75.25
Birla Sun Life Fixed Term Plan - Series IY	10	22,000,000	22.72	-	-
Birla Sun Life Fixed Term Plan - Series JA	10	60,000,000	61.87	-	-
Birla Sun Life Fixed Term Plan - Series JE	10	30,000,000	30.87	-	-
Birla Sun Life Fixed Term Plan - Series JG	10	25,000,000	25.70	-	-
Birla Sun Life Fixed Term Plan - Series JI	10	38,000,000	38.99	-	-
Birla Sun Life Fixed Term Plan - Series JL	10	36,000,000	36.87	-	-
Birla Sun Life Fixed Term Plan - Series JN	10	15,000,000	15.33	-	-
Birla Sun Life Fixed Term Plan - Series JO	10	15,000,000	15.31	-	-
Birla Sun Life Fixed Term Plan - Series JQ	10	70,000,000	71.46	-	-
Birla Sun Life Fixed Term Plan - Series JT	10	60,000,000	61.08	-	-
Birla Sun Life Fixed Term Plan - Series JU	10	55,000,000	55.97	-	-
Birla Sun Life Fixed Term Plan - Series JX	10	28,000,000	28.50	-	-
Birla Sun Life Fixed Term Plan - Series JY	10	55,000,000	55.96	-	-
Birla Sun Life Fixed Term Plan - Series KE	10	75,000,000	76.06	-	-
Birla Sun Life Fixed Term Plan - Series KG	10	55,000,000	55.75	-	-
Birla Sun Life Fixed Term Plan - Series KH	10	50,000,000	50.62	-	-
Birla Sun Life Fixed Term Plan - Series KJ	10	75,000,000	75.75	-	-
Birla Sun Life Fixed Term Plan - Series KO	10	60,000,000	60.51	-	-
Birla Sun Life Fixed Term Plan - Series KP	10	60,000,000	60.55	-	-
Birla Sun Life Fixed Term Plan Series - GF	10	35,000,000	38.78	35,000,000	35.62
Birla Sun Life Fixed Term Plan Series ES	10	-	-	100,000,000	110.94
Birla Sun Life Fixed Term Plan Series EV	10	-	-	150,000,000	166.52
Birla Sun Life Fixed Term Plan Series FC	10	-	-	80,000,000	88.24
Birla Sun Life Fixed Term Plan Series FU	10	-	-	30,000,000	30.72
Birla Sun Life Fixed Term Plan Series FV	10	22,000,000	25.22	22,000,000	23.30

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2014

Investment in mutual funds-unquoted (Contd.)

Particulars	Face value (in ₹)	Total number of Units	2014	Total number of Units	2013
Birla Sun Life Fixed Term Plan-Series HY - Direct Growth	10	45,000,000	47.65	-	-
Birla Sun Life Fixed Term Plan-Series IA - Direct Growth	10	25,000,000	26.44	-	-
Birla Sun Life Fixed Term Plan-Series IL	10	25,000,000	26.01	-	-
Birla Sun Life Fixed Term Plan-Series IO	10	20,000,000	20.80	-	-
Birla Sun Life Income Plus	10	9,152,145	49.45	-	-
Birla Sun Life Interval Income Fund - Annual Plan II	10	-	-	35,000,000	35.48
Birla Sun Life Short Term Fund	10	11,373,640	53.67	12,021,369	52.18
Birla Sunlife Fixed Term Plan Series HB	10	80,000,000	85.25	-	-
Birla Sunlife Fixed Term Plan Series HL - Direct	10	125,000,000	133.40	-	-
Birla Sunlife Fixed Term Plan Series HS - Direct	10	60,000,000	63.90	-	-
Birla Sunlife Interval Income Fund - Annual Plan VIII	10	125,000,000	132.06	-	-
Deutsche Fixed Maturity Plan - Series 10 - IP	10	-	-	30,000,000	33.17
Deutsche Fixed Maturity Plan - Series 23	10	50,000,000	55.18	50,000,000	50.65
Deutsche Fixed Maturity Plan - Series 24	10	-	-	45,000,000	45.55
Deutsche Fixed Maturity Plan - Series 28	10	25,000,000	27.22	25,000,000	25.01
Deutsche Fixed Maturity Plan - Series 30	10	60,000,000	65.25	60,000,000	60.00
Deutsche Fixed Maturity Plan - Series 6 - IP	10	-	-	25,000,000	27.69
Deutsche Fixed Maturity Plan - Series 7 - IP	10	-	-	50,000,000	55.43
Deutsche Fixed Maturity Plan - Series 9 - IP	10	-	-	45,000,000	49.83
Deutsche Interval Fund Annual Series 1	10	45,000,000	47.70	-	-
DSP BlackRock - FMP Series 105 -12 M	10	65,000,000	69.31	-	-
DSP BlackRock - FMP Series 109 -12 M - Direct	10	35,000,000	37.38	-	-
DSP BlackRock - FMP Series 117 -12 M	10	20,000,000	21.13	-	-
DSP BlackRock - FTP Series 33 -24 M	10	15,000,000	15.51	-	-
DSP Blackrock FMP Series 103 - 12 M	10	75,000,000	79.29	-	-
DSP BlackRock FMP- Series 104 -12M	10	200,000,000	212.43	-	-
DSP BlackRock FMP- Series 130 -12M	10	35,000,000	35.90	-	-
DSP BlackRock FMP- Series 144 -12M	10	38,000,000	38.66	-	-
DSP BlackRock FMP- Series 146 -12M	10	150,000,000	152.20	-	-
DSP BlackRock FMP- Series 152 - 12.5M	10	60,000,000	60.46	-	-
DSP Blackrock FMP Series 37 - 13M - IP	10	-	-	81,000,000	89.83
DSP Blackrock FMP Series 43 - 12 M - IP	10	-	-	70,000,000	77.08
DSP Blackrock FMP Series 81 - 12 M - IP	10	-	-	30,000,000	30.72
DSP Blackrock FMP Series 84 - 12 M - IP	10	-	-	140,000,000	141.92
DSP Blackrock FMP Series 86 - 12 M	10	-	-	110,000,000	111.17
DSP Blackrock FMP Series 87 - 12 M	10	-	-	125,000,000	126.12
DSP Blackrock FMP Series 88 - 12.5 M	10	115,000,000	126.08	115,000,000	115.89
DSP Blackrock FMP Series 89 - 12 M	10	175,000,000	191.23	175,000,000	175.58
DSP Blackrock FMP Series 91 - 12 M	10	40,000,000	43.54	40,000,000	40.06
DSP Blackrock FMP Series 93 - 12 M	10	65,000,000	70.71	65,000,000	65.00
DSP Blackrock FMP Series 95 - 12 M	10	50,000,000	54.09	-	-
DWS Fixed Maturity Plan - Series 34	10	30,000,000	31.93	-	-
DWS Fixed Maturity Plan - Series 36	10	35,000,000	37.05	-	-
DWS Fixed Maturity Plan - Series 39	10	15,000,000	15.65	-	-
DWS Fixed Maturity Plan - Series 42	10	20,000,000	20.35	-	-
DWS Fixed Maturity Plan - Series 43	10	33,000,000	33.95	-	-
DWS Fixed Maturity Plan - Series 45	10	25,000,000	25.44	-	-
DWS Fixed Maturity Plan - Series 46	10	20,000,000	20.33	-	-
DWS Fixed Maturity Plan - Series 49	10	42,000,000	42.58	-	-
DWS Fixed Maturity Plan - Series 50	10	38,000,000	38.51	-	-
DWS Fixed Maturity Plan - Series 52	10	70,000,000	70.93	-	-
DWS Fixed Maturity Plan - Series 53	10	20,000,000	20.17	-	-
DWS Fixed Maturity Plan Series 54	10	40,000,000	40.30	-	-
DWS Short Maturity Fund Regular Plan Annual Bonus	10	81,772,262	123.70	-	-
DWS Ultra Short Term Fund Direct Plan Annual Bonus Option	10	33,545,565	34.24	-	-
HDFC Annual Interval Fund Series -1 - Plan A	10	-	-	20,000,000	20.17
HDFC Floating Rate Income Fund - LTP	10	24,482,921	54.63	24,482,921	50.08
HDFC FMP 366D April 2013 (1)	10	50,000,000	54.18	-	-
HDFC FMP 369 D - December 2012 - 1	10	-	-	30,000,000	30.58
HDFC FMP 369D January 2014 (1)	10	110,000,000	112.17	-	-
HDFC FMP 369D June 2013 (1)	10	70,000,000	74.23	-	-
HDFC FMP 370D April 2013 (2)	10	37,000,000	39.94	-	-
HDFC FMP 370D August 2013 (2) - Direct Plan	10	40,000,000	42.75	-	-
HDFC FMP 370D January 2014 (1)	10	90,000,000	91.60	-	-
HDFC FMP 370D July 2013 (1)	10	25,000,000	26.39	-	-
HDFC FMP 370D July 2013 (3)	10	50,000,000	53.33	-	-
HDFC FMP 370D October 2013 (1)	10	25,000,000	26.15	-	-
HDFC FMP 370D September 2013 (2) - Direct Growth	10	55,000,000	58.23	-	-
HDFC FMP 370D September 2013 (3) - Direct Growth	10	28,000,000	29.59	-	-
HDFC FMP 371 D - December 2012 - 1	10	-	-	28,000,000	28.42
HDFC FMP 371 D - February 2013 - 1	10	-	-	40,000,000	40.50
HDFC FMP 371D December 2013 (2)	10	45,000,000	46.27	-	-
HDFC FMP 371D January 2014 (1)	10	37,000,000	37.80	-	-
HDFC FMP 371D January 2014 (2)	10	80,000,000	81.49	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

Investment in mutual funds-unquoted (Contd.)

Particulars	Face value (in ₹)	Total number of Units	2014	Total number of Units	2013
HDFC FMP 371D July 2013 (1)	10	100,000,000	106.94	-	-
HDFC FMP 372 D - February 2013 - 1	10	-	-	65,000,000	65.73
HDFC FMP 372 D - January 2013 - 2	10	-	-	20,000,000	20.25
HDFC FMP 372 D - January 2013 - 3	10	-	-	20,000,000	20.27
HDFC FMP 372D December 2013 (1)	10	58,000,000	59.43	-	-
HDFC FMP 372D February 2014 (1)	10	38,000,000	38.66	-	-
HDFC FMP 372D January 2014 (1)	10	40,000,000	40.72	-	-
HDFC FMP 372D October 2013 (1)	10	21,000,000	21.87	-	-
HDFC FMP 384D March 2013 (1)	10	75,000,000	81.70	75,000,000	75.03
HDFC FMP 390 D - March 2012 - 1 - IP	10	-	-	50,000,000	55.02
HDFC FMP 398D March 2013 (1)	10	30,000,000	32.91	30,000,000	30.22
HDFC FMP 400D March 2014 (1)	10	50,000,000	50.42	-	-
HDFC FMP 434D February 2014 (1)	10	55,000,000	55.64	-	-
HDFC FMP 435D March 2014 (1) - Series 29	10	80,000,000	80.74	-	-
HDFC FMP 441D February 2014 (1)	10	70,000,000	70.95	-	-
HDFC FMP 491D January 2014 (1) - Series 29	10	40,000,000	40.89	-	-
HDFC FMP 566 D - December 2012 - 1	10	60,000,000	67.01	60,000,000	61.53
HDFC FMP 572D October 2013 (1)	10	24,000,000	25.04	-	-
HDFC Short Term Opportunities Fund	10	77,740,549	107.42	-	-
ICICI Interval Annual Plan - IV	10	17,918,530	27.99	-	-
ICICI Prudential Fixed Maturity Plan Series 63 - 3 Years Plan M	10	35,000,000	40.24	35,000,000	37.27
ICICI Prudential Fixed Maturity Plan Series 64 - 3 Years Plan I	10	15,000,000	17.13	15,000,000	15.83
ICICI Prudential Fixed Maturity Plan Series 65 366 Days Plan I	10	-	-	25,000,000	25.36
ICICI Prudential Fixed Maturity Plan Series 65 488 Days Plan D	10	50,000,000	55.61	50,000,000	51.09
ICICI Prudential Fixed Maturity Plan Series 65 502 Days Plan C	10	75,000,000	83.68	75,000,000	76.98
ICICI Prudential Fixed Maturity Plan Series 65 505 Days Plan J	10	50,000,000	55.21	50,000,000	50.78
ICICI Prudential Fixed Maturity Plan Series 66 - 368 Days Plan B	10	-	-	60,000,000	60.83
ICICI Prudential Fixed Maturity Plan Series 66 - 420 Days Plan A	10	200,000,000	220.76	200,000,000	202.83
ICICI Prudential FMP Series 62- 396 Days - Plan F - IP	10	-	-	125,000,000	138.59
ICICI Prudential FMP Series 63 - 1 year - Plan E - IP	10	-	-	100,000,000	109.92
ICICI Prudential FMP Series 63 - 376 Days - Plan J - IP	10	-	-	70,000,000	77.46
ICICI Prudential FMP Series 63 - 378 Days - Plan I - IP	10	-	-	100,000,000	110.61
ICICI Prudential FMP Series 63- 384 Days - Plan A - IP	10	-	-	120,000,000	133.17
ICICI Prudential FMP Series 66 366 Days Plan D	10	-	-	25,000,000	25.23
ICICI Prudential FMP Series 66 366 Days Plan F	10	-	-	50,000,000	50.58
ICICI Prudential FMP Series 66 407 Days Plan C	10	115,000,000	126.80	115,000,000	116.47
ICICI Prudential FMP Series 66 407 Days Plan I	10	80,000,000	87.91	80,000,000	80.63
ICICI Prudential FMP Series 66 412 Days Plan E	10	45,000,000	49.52	45,000,000	45.39
ICICI Prudential FMP Series 67 366 Days Plan G	10	40,000,000	43.44	-	-
ICICI Prudential FMP Series 67 371 Days Plan C	10	50,000,000	54.36	50,000,000	50.00
ICICI Prudential FMP Series 67 371 Days Plan E	10	75,000,000	81.56	75,000,000	75.00
ICICI Prudential FMP Series 67 378 Days Plan A	10	50,000,000	54.47	50,000,000	50.07
ICICI Prudential FMP Series 68 368 Days Plan G	10	80,000,000	85.27	-	-
ICICI Prudential FMP Series 68 368 Days Plan I	10	75,000,000	80.42	-	-
ICICI Prudential FMP Series 68 369 Days Plan E	10	35,000,000	37.12	-	-
ICICI Prudential FMP Series 68 745 Days Plan J Direct Growth	10	65,000,000	69.80	-	-
ICICI Prudential FMP Series 69 - 372 Days Plan K Direct Growth	10	30,000,000	31.93	-	-
ICICI Prudential FMP Series 69 366 Days Plan G Direct Growth	10	75,000,000	80.07	-	-
ICICI Prudential FMP Series 70 - 367 Days Plan N	10	25,000,000	26.04	-	-
ICICI Prudential FMP Series 70 - 368 Days Plan K	10	25,000,000	26.20	-	-
ICICI Prudential FMP Series 70 - 369 Days Plan O	10	18,000,000	18.73	-	-
ICICI Prudential FMP Series 70 - 372 Days Plan L	10	30,000,000	31.40	-	-
ICICI Prudential FMP Series 70 - 540 Days Plan S	10	15,000,000	15.60	-	-
ICICI Prudential FMP Series 70 - 367 Days Plan C	10	60,000,000	63.47	-	-
ICICI Prudential FMP Series 70 - 369 Days Plan E Direct Growth	10	15,000,000	15.89	-	-
ICICI Prudential FMP Series 71 - 366 Days Plan C	10	35,000,000	36.15	-	-
ICICI Prudential FMP Series 71 - 368 Days Plan K	10	16,000,000	16.41	-	-
ICICI Prudential FMP Series 71 - 371 Days Plan M	10	35,000,000	35.88	-	-
ICICI Prudential FMP Series 71 - 480 Days Plan L	10	35,000,000	35.89	-	-
ICICI Prudential FMP Series 71 - 505 Days Plan H	10	25,000,000	25.72	-	-
ICICI Prudential FMP Series 71 - 547 Days Plan B	10	16,000,000	16.63	-	-
ICICI Prudential FMP Series 71 - 367 Days Plan G	10	20,000,000	20.57	-	-
ICICI Prudential FMP Series 71 - 369 Days Plan E	10	37,000,000	38.15	-	-
ICICI Prudential FMP Series 72 - 368 Days Plan A	10	32,000,000	32.67	-	-
ICICI Prudential FMP Series 72 - 368 Days Plan D	10	49,000,000	50.01	-	-
ICICI Prudential FMP Series 72 - 409 Days Plan S	10	66,000,000	66.99	-	-
ICICI Prudential FMP Series 72 - 366 Days Plan I	10	31,000,000	31.58	-	-
ICICI Prudential FMP Series 72 - 370 Days Plan G	10	28,000,000	28.55	-	-
ICICI Prudential FMP Series 72 - 483 Days Plan J	10	60,000,000	61.15	-	-
ICICI Prudential FMP Series 72 - 500 Days Plan E	10	25,000,000	25.49	-	-
ICICI Prudential FMP Series 72 -366 Days Plan C	10	57,000,000	58.10	-	-
ICICI Prudential FMP Series 72 -525 Days Plan B	10	20,000,000	20.43	-	-
ICICI Prudential FMP Series 73 - 376 Days Plan Q	10	68,000,000	68.07	-	-
ICICI Prudential FMP Series 73 - 391 Days Plan G	10	106,000,000	106.87	-	-

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for the year ended March 31, 2014

Investment in mutual funds-unquoted (Contd.)

Particulars	Face value (in ₹)	Total number of Units	2014	Total number of Units	2013
ICICI Prudential FMP Series 73 - 392 Days Plan F	10	56,000,000	56.52	-	-
ICICI Prudential FMP Series 73 - 407 Days Plan C	10	81,000,000	81.92	-	-
ICICI Prudential Income Plan	10	41,778,773	156.18	41,778,773	155.04
ICICI Prudential Interval Fund - Series 6 - Annual Interval Plan F	10	45,000,000	47.51	-	-
ICICI Prudential Interval Fund - Series VI - Annual Interval Plan C	10	25,000,000	27.54	25,000,000	25.17
ICICI Prudential Interval Fund- Annual Interval Plan I - IP	10	27,354,859	37.52	27,354,860	33.94
ICICI Prudential Long Term Plan - Premium Plus	10	-	-	62,885,414	80.23
ICICI Prudential Series 71 - 525 Days Plan D	10	15,000,000	15.49	-	-
ICICI Prudential Short Term Plan	10	-	-	63,840,654	157.05
IDFC Dynamic Bond Fund-Regular Plan	10	72,233,821	105.38	72,233,821	101.67
IDFC Fixed Maturity Plan - Thirteen Months Series 7 - IP	10	-	-	75,000,000	83.16
IDFC Fixed Maturity Plan 366 days Series 82	10	-	-	20,000,000	20.47
IDFC Fixed Maturity Plan Yearly Series 65 -IP	10	-	-	25,000,000	27.61
IDFC Fixed Term Plan - Series 7	10	-	-	15,000,000	15.22
IDFC Fixed Term Plan Series - 74	10	25,000,000	25.35	-	-
IDFC Fixed Term Plan Series - 75	10	30,000,000	30.39	-	-
IDFC Fixed Term Plan Series - 77	10	30,000,000	30.32	-	-
IDFC Fixed Term Plan Series - 84	10	25,000,000	25.20	-	-
IDFC Fixed Term Plan Series 10	10	38,000,000	41.87	38,000,000	38.45
IDFC Fixed Term Plan Series 11	10	40,000,000	43.99	40,000,000	40.36
IDFC Fixed Term Plan Series 12	10	-	-	47,000,000	47.39
IDFC Fixed Term Plan Series 13	10	-	-	125,000,000	125.44
IDFC Fixed Term Plan Series 14	10	35,000,000	38.37	35,000,000	35.15
IDFC Fixed Term Plan Series 2	10	25,000,000	28.78	25,000,000	26.44
IDFC Fixed Term Plan Series 20	10	35,000,000	37.16	-	-
IDFC Fixed Term Plan Series 21 (727 Days)	10	30,000,000	31.69	-	-
IDFC Fixed Term Plan Series 23 Growth Direct	10	35,000,000	37.62	-	-
IDFC Fixed Term Plan Series 27 Growth Direct	10	100,000,000	106.68	-	-
IDFC Fixed Term Plan- Series 34 - Direct Growth	10	15,000,000	15.88	-	-
IDFC Fixed Term Plan- Series 49	10	38,000,000	39.21	-	-
IDFC Fixed Term Plan- Series 50	10	25,000,000	25.73	-	-
IDFC Fixed Term Plan- Series 51	10	27,000,000	27.83	-	-
IDFC Fixed Term Plan- Series 54	10	18,000,000	18.48	-	-
IDFC Fixed Term Plan- Series 57	10	20,000,000	20.51	-	-
IDFC Fixed Term Plan- Series 59	10	25,000,000	25.58	-	-
IDFC Fixed Term Plan- Series 60	10	20,000,000	20.46	-	-
IDFC Fixed Term Plan- Series 64	10	20,000,000	20.40	-	-
IDFC Fixed Term Plan- Series 65	10	110,000,000	112.01	-	-
IDFC Fixed Term Plan- Series 67	10	25,000,000	25.41	-	-
IDFC Fixed Term Plan Series 9	10	32,000,000	35.25	32,000,000	32.39
IDFC FTP Series-33 - Direct Growth	10	26,000,000	27.54	-	-
IDFC FTP Series-48 - Direct Growth	10	20,000,000	20.80	-	-
IDFC Money Manager Fund - Investment Plan	10	27,532,888	54.65	27,532,888	50.16
IDFC Yearly Series Interval Fund - Series I	10	49,976,083	55.28	50,000,000	50.66
IDFC Yearly Series Interval Fund - Series II	10	-	-	60,000,000	60.87
IDFC Yearly Series Interval Fund - Series III	10	25,000,000	27.73	25,000,000	25.31
JP Morgan India Fixed Maturity Plan - Series 12	10	130,000,000	144.21	130,000,000	132.57
JP Morgan India Fixed Maturity Plan - Series 13	10	85,000,000	93.90	85,000,000	86.28
JP Morgan India FMP - Series 6 - IP	10	-	-	150,000,000	166.21
JP Morgan India Income Fund - Series 301	10	105,000,000	119.81	105,000,000	110.81
JP Morgan India Income Fund - Series 302	10	27,000,000	30.40	27,000,000	28.21
JPMorgan India Active Bond Fund	10	283,642,301	351.18	283,642,301	336.87
JPMorgan India FMP - Series 15 (412 days)	10	51,000,000	56.21	51,000,000	51.42
JPMorgan India FMP - Series 16	10	90,000,000	98.57	90,000,000	90.34
JPMorgan India FMP - Series 17	10	-	-	65,000,000	65.24
JPMorgan India FMP - Series 18	10	35,000,000	38.17	35,000,000	35.06
JPMorgan India FMP - Series 21 (369 days)	10	75,000,000	79.81	-	-
JPMorgan India FMP Series - 30 (427 Days)	10	36,000,000	36.55	-	-
JPMorgan India FMP Series - 33 (398 Days)	10	25,000,000	25.25	-	-
JPMorgan India Short Term Income Fund	10	-	-	225,630,216	288.73
JPMorgan India Treasury Fund	10	325,275,021	364.20	328,707,326	505.28
Kotak FMP Series 100 - 373 Days	10	75,000,000	81.75	75,000,000	75.12
Kotak FMP Series 101 - 371 Days	10	25,000,000	27.22	25,000,000	25.00
Kotak FMP Series 102 - 374 Days	10	30,000,000	32.62	30,000,000	30.00
Kotak FMP Series 104 - 370 Days	10	45,000,000	47.88	-	-
Kotak FMP Series 105 - 370 Days	10	100,000,000	107.07	-	-
Kotak FMP Series 106 - 370 Days	10	30,000,000	32.07	-	-
Kotak FMP Series 107	10	35,000,000	37.47	-	-
Kotak FMP Series 112 - Direct	10	25,000,000	26.66	-	-
Kotak FMP Series 117 - Direct	10	42,000,000	44.52	-	-
Kotak FMP Series 118 - 370 Days - Direct	10	25,000,000	26.45	-	-
Kotak FMP Series 119 - 370 Days	10	25,000,000	26.44	-	-
Kotak FMP Series 122 - 370 Days	10	25,000,000	26.07	-	-
Kotak FMP Series 132 - 546 Days	10	30,000,000	30.66	-	-



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Particulars	Face value (in ₹)	Total number of Units	2014	Total number of Units	2013
Kotak FMP Series 141 - 454 Days	10	55,000,000	55.76	-	-
Kotak FMP Series 142 - 420 Days	10	55,000,000	55.63	-	-
Kotak FMP Series 145 - 390 Days	10	90,000,000	90.58	-	-
Kotak FMP Series 151	10	30,000,000	30.03	-	-
Kotak FMP Series 76 - IP	10	-	-	100,000,000	110.63
Kotak FMP Series 80 - IP	10	-	-	100,000,000	110.97
Kotak FMP Series 82 - IP	10	-	-	25,000,000	27.68
Kotak FMP Series 84 - IP	10	-	-	100,000,000	109.95
Kotak FMP Series 94 - 370 Days	10	-	-	50,000,000	50.67
Kotak FMP Series 95 - 400 Days	10	50,000,000	55.13	50,000,000	50.62
Kotak FMP Series 96 - 370 Days	10	-	-	25,000,000	25.25
Kotak FMP Series 97 - 395 Days	10	110,000,000	120.74	110,000,000	110.79
Kotak FMP Series 98	10	40,000,000	44.47	40,000,000	40.85
Kotak FMP Series 99 - 18 Months	10	45,000,000	49.72	45,000,000	45.63
L & T Cash Fund Direct Growth	1,000	196,948	20.52	-	-
L&T FMP - Series IX - Plan D - Direct Growth	10	25,000,000	25.85	-	-
L&T FMP - Series IX - Plan E - Direct Growth	10	20,000,000	20.72	-	-
L&T FMP - Series IX - Plan G - Direct Growth	10	30,000,000	30.93	-	-
L&T FMP - Series IX - Plan J - Direct Growth	10	20,000,000	20.57	-	-
L&T FMP - Series VIII - Plan J - Direct Growth	10	30,000,000	31.75	-	-
L&T FMP - Series X - Plan A (368 Days) - Direct Growth	10	20,000,000	20.47	-	-
L&T FMP - Series X - Plan B	10	20,000,000	20.43	-	-
L&T FMP - Series X - Plan D	10	20,000,000	20.34	-	-
L&T FMP - Series X - Plan L	10	30,000,000	30.39	-	-
L&T FMP - Series X - Plan M	10	25,000,000	25.25	-	-
L&T FMP - VII - (January 507DA)	10	40,000,000	44.16	40,000,000	40.59
L&T FMP - VII - March 13M A	10	40,000,000	43.97	40,000,000	40.31
L&T FMP - VII - March 381D A	10	25,000,000	27.26	25,000,000	25.04
L&T FMP Series 8 Plan A	10	20,000,000	21.28	-	-
L&T FMP Series VIII Plan I	10	18,000,000	19.17	-	-
L&T Triple Ace Fund	10	161,281,652	198.18	-	-
Reliance Dynamic Bond Fund	10	397,901,595	654.18	-	-
Reliance Fixed Horizon Fund - XXIII Series 10	10	25,000,000	26.86	-	-
Reliance Fixed Horizon Fund - XXIII Series 5	10	350,000,000	383.50	350,000,000	352.27
Reliance Fixed Horizon Fund - XXIII Series 7	10	25,000,000	27.24	25,000,000	25.05
Reliance Fixed Horizon Fund - XXIII Series 9	10	100,000,000	108.76	100,000,000	100.00
Reliance Fixed Horizon Fund - XXIV - Series 17	10	20,000,000	21.20	-	-
Reliance Fixed Horizon Fund - XXIV - Series 18	10	40,000,000	42.35	-	-
Reliance Fixed Horizon Fund - XXIV - Series 25	10	26,000,000	26.94	-	-
Reliance Fixed Horizon Fund - XXV - Series 14	10	50,000,000	50.97	-	-
Reliance Fixed Horizon Fund - XXV - Series 16	10	25,000,000	25.48	-	-
Reliance Fixed Horizon Fund - XXV - Series 17	10	75,000,000	76.37	-	-
Reliance Fixed Horizon Fund - XXV - Series 21	10	35,000,000	35.47	-	-
Reliance Fixed Horizon Fund - XXV Series 13	10	20,000,000	20.43	-	-
Reliance Fixed Horizon Fund 26 - Series 6	10	30,000,000	30.00	-	-
Reliance Fixed Horizon Fund XXI - Series 11 Super IP	10	-	-	110,000,000	121.51
Reliance Fixed Horizon Fund XXI - Series 18 Super IP	10	-	-	180,000,000	199.65
Reliance Fixed Horizon Fund XXI - Series 21	10	32,000,000	36.94	32,000,000	33.90
Reliance Fixed Horizon Fund XXII - Series 26	10	30,000,000	34.42	30,000,000	31.58
Reliance Fixed Horizon Fund XXII - Series 33	10	50,000,000	55.73	50,000,000	51.31
Reliance Fixed Horizon Fund XXII - Series 35	10	-	-	35,000,000	35.69
Reliance Fixed Horizon Fund XXII - Series 37	10	25,000,000	27.75	25,000,000	25.49
Reliance Fixed Horizon Fund XXII - Series 38	10	25,000,000	27.64	25,000,000	25.42
Reliance Fixed Horizon Fund XXII - Series 39	10	30,000,000	33.13	30,000,000	30.46
Reliance Fixed Horizon Fund XXIII - Series 1	10	55,000,000	60.67	55,000,000	55.74
Reliance Fixed Horizon Fund XXIII - Series 2	10	60,000,000	66.21	60,000,000	60.77
Reliance Fixed Horizon Fund XXIV Series 1	10	40,000,000	42.25	-	-
Reliance Fixed Horizon Fund XXIV Series 11 (369 days) Growth Direct	10	100,000,000	106.72	-	-
Reliance Fixed Horizon Fund XXIV Series 16 367 Days Growth Direct	10	25,000,000	26.46	-	-
Reliance Fixed Horizon Fund XXIV Series 22	10	25,000,000	26.10	-	-
Reliance Fixed Horizon Fund XXIV Series 3 (368 days)	10	100,000,000	106.93	-	-
Reliance Fixed Horizon Fund XXV - Series 11	10	15,000,000	15.41	-	-
Reliance Fixed Horizon Fund XXV - Series 2	10	40,000,000	41.34	-	-
Reliance Fixed Horizon Fund XXV Series 1	10	20,000,000	20.76	-	-
Reliance Fixed Horizon Fund XXV Series 27	10	80,000,000	80.99	-	-
Reliance Fixed Horizon Fund XXV Series 28	10	30,000,000	30.40	-	-
Reliance Fixed Horizon Fund XXV Series 30	10	75,000,000	75.61	-	-
Reliance Fixed Horizon Fund XXV Series 31	10	95,000,000	96.02	-	-
Reliance Fixed Horizon Fund XXV Series 4	10	25,000,000	25.78	-	-
Reliance Fixed Horizon Fund XXV Series 6	10	15,000,000	15.48	-	-
Reliance Floating Rate Fund ST Plan	10	143,560,851	289.10	-	-
Reliance Income Fund	10	-	-	34,258,112	38.97
Reliance Interval Fund - Annual Interval Fund - Series I	10	49,501,683	63.98	90,791,887	108.24
Reliance Interval Fund II Series 1	10	51,000,000	53.34	-	-

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Particulars	Face value (in ₹)	Total number of Units	2014	Total number of Units	2013
Reliance Interval Fund II Series-3	10	35,000,000	36.38	-	-
Reliance Interval Fund II Series-4	10	20,000,000	20.75	-	-
Reliance Money Manager Fund	1,000	424,550	43.53	-	-
Reliance Short Term Fund	10	179,031,536	422.52	35,804,650	78.29
Reliance Yearly Interval Fund - Series 6	10	130,000,000	141.13	-	-
Reliance Yearly Interval Fund - Series 8	10	100,000,000	106.45	-	-
Reliance Yearly Interval Fund - Series I	10	249,885,056	276.81	250,000,000	253.32
Reliance Yearly Interval Fund - Series II	10	275,088,028	304.96	290,000,000	294.00
Reliance Yearly Interval Fund - Series III	10	47,000,000	52.12	47,000,000	47.55
Reliance Yearly Interval Fund - Series IV	10	50,000,000	55.17	50,000,000	50.45
Reliance Yearly Interval Fund - Series V	10	-	-	25,000,000	25.05
Religare Active Income Fund - Plan A	1,000	1,834,193	268.73	183,419,308	256.76
Religare FMP Series XIII - Plan C - 13 Months - IP	10	-	-	20,000,000	22.18
Religare FMP Series XIII - Plan D - 386 Days - IP	10	-	-	15,000,000	16.65
Religare FMP Series XIII - Plan F - 385 Days - IP	10	-	-	30,000,000	33.23
Religare FMP Series XIV - Plan A - 373 Days - IP	10	-	-	38,000,000	42.01
Religare FMP Series XIV - Plan B - 378 Days - IP	10	-	-	34,000,000	37.38
Religare FMP Series XVI - Plan C - 367 Days - IP	10	-	-	25,000,000	25.61
Religare FMP Series XVI - Plan D - 370 Days	10	-	-	25,000,000	25.58
Religare FMP Series XVII - Plan A - 17 Months	10	20,000,000	22.08	20,000,000	20.24
Religare FMP Series XVII - Plan D	10	55,000,000	60.40	55,000,000	55.52
Religare FMP Series XVII - Plan E	10	-	-	50,000,000	50.45
Religare FMP Series XVIII - Plan A	10	-	-	25,000,000	25.14
Religare FMP Series XVIII - Plan B	10	20,000,000	21.81	20,000,000	20.04
Religare Invesco FMP - Series XXI - Plan E	10	50,000,000	51.61	-	-
Religare Invesco FMP - Series XXII - Plan A	10	25,000,000	25.72	-	-
Religare Invesco FMP - Series XXII - Plan G	10	43,000,000	43.79	-	-
Religare Invesco FMP - Series XXII - Plan H	10	20,000,000	20.33	-	-
Religare Invesco FMP - Series XXII - Plan L	10	15,000,000	15.19	-	-
SBI Debt Fund Series - 51	10	20,000,000	20.35	-	-
SBI Debt Fund Series A1 15 Months	10	40,000,000	40.93	-	-
SBI Dynamic Bond Fund	10	65,173,753	98.38	-	-
SBI SDFS 13 Months 12 - IP	10	-	-	50,000,000	55.52
SBI SDFS 13 Months Series 14	10	100,000,000	109.78	100,000,000	100.72
SBI SDFS 17 Months - 1	10	32,000,000	32.95	-	-
SBI SDFS 366 - 46	10	30,000,000	30.95	-	-
SBI SDFS 366 - 49	10	33,000,000	33.87	-	-
SBI SDFS 366 Days - 32	10	75,000,000	79.13	-	-
SBI SDFS 366 Days - 48	10	45,000,000	46.24	-	-
SBI SDFS 366 Days Series 20	10	-	-	50,000,000	50.93
SBI SDFS 366 Days Series 22	10	-	-	90,000,000	91.15
SBI SDFS 366 Days Series 23	10	-	-	75,000,000	75.28
SBI SDFS 366 Days Series 25	10	75,000,000	81.43	75,000,000	75.00
SBI SDFS 366 Days Series 29	10	100,000,000	106.71	-	-
SBI SDFS 366 Days Series 30	10	60,000,000	63.73	-	-
SBI SDFS 366 Days Series 31	10	50,000,000	53.08	-	-
SBI SDFS 366 Days Series 33	10	75,000,000	79.68	-	-
SBI SDFS 366 Days Series 39	10	72,000,000	76.17	-	-
SBI SDFS 366 Days Series 40	10	35,000,000	36.93	-	-
SBI SDFS 366 Days Series 44	10	16,000,000	16.56	-	-
SDFS 16 Months - 1	10	40,000,000	40.78	-	-
SDFS 18 Months - 13	10	50,000,000	51.82	-	-
SDFS 366 Days - 45	10	30,000,000	31.01	-	-
SDFS 366 Days - 47	10	60,000,000	61.89	-	-
SDFS A - 10	10	50,000,000	50.36	-	-
SDFS A - 2	10	40,000,000	40.66	-	-
SDFS A - 5	10	50,000,000	50.65	-	-
TATA Fixed Maturity Plan Series 39 - Scheme G - 386 Days	10	-	-	50,000,000	55.44
TATA Fixed Maturity Plan Series 39 - Scheme H	10	-	-	30,000,000	33.24
TATA Fixed Maturity Plan Series 40 - Scheme A	10	-	-	25,000,000	27.62
Tata Fixed Maturity Plan Series 42 Scheme A	10	-	-	30,000,000	30.34
Tata Fixed Maturity Plan Series 42 Scheme B	10	30,000,000	32.86	30,000,000	30.14
Tata Fixed Maturity Plan Series 42 Scheme C	10	25,000,000	27.24	25,000,000	25.03
Tata Fixed Maturity Plan Series 42 Scheme G	10	140,000,000	154.17	140,000,000	141.98
Tata Fixed Maturity Plan Series 42 Scheme H	10	40,000,000	43.95	40,000,000	40.36
Tata Fixed Maturity Plan Series 42 Scheme I	10	22,000,000	23.31	-	-
Tata Fixed Maturity Plan Series 44 Scheme A	10	48,000,000	50.76	-	-
TATA Fixed Maturity Plan Series 44 Scheme B	10	30,000,000	31.53	-	-
Tata Fixed Maturity Plan Series 45 Scheme C	10	60,000,000	61.97	-	-
TATA Fixed Maturity Plan Series 45 Scheme D	10	25,000,000	25.52	-	-
Tata Fixed Maturity Plan Series 46 Scheme A	10	60,000,000	61.78	-	-
Tata Fixed Maturity Plan Series 46 Scheme B	10	20,000,000	20.56	-	-
TATA Fixed Maturity Plan Series 46 Scheme K	10	18,000,000	18.32	-	-
TATA Fixed Maturity Plan Series 46 Scheme M	10	45,000,000	45.62	-	-



NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

Investment in mutual funds-unquoted (Contd.)

Particulars	Face value (in ₹)	Total number of Units	2014	Total number of Units	2013
Tata Fixed Maturity Plan Series 46 Scheme N	10	20,000,000	20.20	-	-
Tata Fixed Maturity Plan Series 46 Scheme O	10	49,000,000	49.65	-	-
Tata Fixed Maturity Plan Series 46 Scheme Q	10	20,000,000	20.16	-	-
Tata Fixed Maturity Plan Series 46 Scheme T	10	35,000,000	35.45	-	-
Tata Income Fund – Bonus	10	-	-	94,824,280	103.52
UTI FIIF - Annual Interval Plan - II	10	12,724,959	22.18	-	-
UTI Fixed Income Interval Fund - Annual Interval Plan III	10	-	-	17,705,132	28.41
UTI Fixed Income Interval Fund - Annual Interval Plan IV - IP	10	15,402,150	20.54	36,741,405	44.94
UTI Fixed Term Income Fund - Series XVII - V (366 days)	10	20,000,000	20.44	-	-
UTI Fixed Term Income Fund - Series XVII - VII (465 days)	10	41,000,000	41.72	-	-
UTI Fixed Term Income Fund - Series XVII - XIII (369 days)	10	50,000,000	50.78	-	-
UTI Fixed Term Income Fund Series XIII - I (368 Days)	10	-	-	30,000,000	30.69
UTI Fixed Term Income Fund Series XIV - I (366 days)	10	-	-	100,000,000	101.45
UTI Fixed Term Income Fund Series XIV - II (366 days)	10	-	-	100,000,000	101.20
UTI Fixed Term Income Fund Series XIV - IV (408 days)	10	25,000,000	27.52	25,000,000	25.18
UTI Fixed Term Income Fund Series XV - I (368 days)	10	50,000,000	53.96	-	-
UTI Fixed Term Income Fund Series XV - V (366 days)	10	65,000,000	69.18	-	-
UTI Fixed Term Income Fund Series XV - VI (368 days)	10	70,000,000	74.22	-	-
UTI Fixed Term Income Fund Series XV - VII (369 days)	10	42,000,000	44.38	-	-
UTI Fixed Term Income Fund Series XVI - IV (369 days)	10	37,000,000	39.13	-	-
UTI Fixed Term Income Fund Series XVII - I	10	40,000,000	41.84	-	-
UTI Fixed Term Income Fund Series XVII - I (369 days)	10	60,000,000	61.86	-	-
UTI Fixed Term Income Fund Series XVII - II (369 days)	10	40,000,000	41.16	-	-
Unquoted investments-A			20,526.51		12,276.03
Investment in Equity Instruments:					
Investment in Andhra Pradesh Gas Power Corporation (APGPCL) (Trade, Unquoted and Available for sale) (refer note 13B)	10	-	-	5,928,160	110
Unquoted investments-B					110.00
Aggregate of quoted and unquoted investments			22,503.58		14,537.18

13B. Towards the previous year end, on March 30, 2013, the Company had entered into a share purchase agreement with a buyer for the sale of its entire equity investments in Andhra Pradesh Gas Power Corporation Limited (APGPCL) for an aggregate consideration of ₹ 110 Crores, subject to the approval of the Board of APGPCL. Pursuant to the said agreement, Investments aggregating to ₹ 98.41 Crores which were hitherto reflected as intangible assets at cost and amortised, were reclassified as at the previous year end as Current Investments -Available for sale at fair value, with the gain on fair valuation aggregating to ₹ 11.59 Crores taken to the investment revaluation reserve, and the cumulative amortisation charge aggregating to ₹ 56.39 Crores adjusted in depreciation and amortisation expenses in the Statement of Profit and Loss. The said transfer of investments were approved by APGPCL during the year on April 10, 2013 and the sale has been concluded as on that date.

NOTE 14 INVENTORIES

(₹ in Crores)

Particulars	As at March 31, 2014	As at March 31, 2013
At lower of cost and net realisable value		
Raw materials - Zinc and Lead Mined Metal	60.88	196.09
Work-in-progress		
Ore	43.98	17.50
Mined Metal	60.74	119.00
Others	422.27	249.46
Finished goods	54.97	40.84
Stores and spares (including goods in transit ₹ 107.06 Crore : FY 2013 ₹ 26.91 Crores)	555.40	488.20
Total	1,198.24	1,111.09

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2014

NOTE 15 TRADE RECEIVABLES

(₹ in Crores)

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	2.64	10.98
Trade receivables outstanding for a period less than six months from the date they were due for payment	396.87	391.89
Total	399.51	402.87

NOTE 16 CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	As at March 31, 2014	As at March 31, 2013
Cash on hand	0.02	0.02
Balances with banks		
Current accounts (Refer note 2 below)	9.21	47.16
Deposit accounts (Refer note 1 below)	3,020.27	6,893.27
Unpaid dividend accounts	1.92	1.65
Total	3,031.42	6,942.10
Of the above the balance that meet the definition of cash and cash equivalents as per Accounting Standard 3: Cash flow statement .	228.45	290.18
Note -		
1. Balances with banks include deposits with remaining maturity of more than 12 months from the balance sheet date.	0.27	3,200.27
2. Balance with Banks - Current Accounts include ₹ 0.78 Crores (As at 31 March 2013 ₹ nil) which have restriction on repatriation		

NOTE 17 SHORT TERM LOANS AND ADVANCES

(₹ in Crores)

Particulars	As at March 31, 2014	As at March 31, 2013
Unsecured and considered good		
Prepaid expenses	23.35	18.79
Loans to employees	2.16	2.74
Balance with central excise and other Government authorities	89.94	48.02
Other advance (includes advances to suppliers and contractors etc.)	213.16	300.00
Derivative assets	6.32	3.77
Total	334.93	373.32

NOTE 18 OTHER CURRENT ASSETS

(₹ in Crores)

Particulars	As at March 31, 2014	As at March 31, 2013
Interest accrued on deposit	519.79	347.01
Interest accrued on Investment in Bond	58.84	46.07
Total	578.63	393.08



NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

NOTE 19 REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Sale of products (gross)	14,702.92	13,423.57
Export benefits	53.04	60.42
	14,755.96	13,483.99
Other operating revenues:		
Sale of Scrap and Residuals	134.43	121.53
Rent	2.65	2.46
Claim received	4.06	16.18
Liquidated damages and penalties	14.78	9.34
Carbon credit and generation based incentive	12.49	20.11
Others (unclaimed amount, etc.)	8.68	4.53
Revenue from operations (gross)	14,933.05	13,658.14
Less: Excise duty	(1,297.01)	(958.30)
Revenue from operations (net)	13,636.04	12,699.84
Detail of products sold		
Zinc metals	10,719.56	8,504.66
Lead metals	1,946.04	1,690.36
Zinc and Lead Mined Metal	-	454.53
Silver metals	1,600.01	2,101.60
Wind Energy	177.90	201.57
Others	259.41	470.85
Total	14,702.92	13,423.57

NOTE 20 OTHER INCOME

(₹ in Crores)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Gain(Loss) on mark to market of current Investments	1,324.28	535.78
Interest Income		
Deposits	502.93	696.30
Investment in Bonds	172.59	136.09
Others (interest from customers, staff loans, etc.)	57.96	35.56
Net gain on sale of current investments	(171.03)	570.62
Net gain on foreign currency transactions	12.66	28.84
Total	1,899.39	2,003.19

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2014

NOTE 21 COST OF MATERIALS CONSUMED

(₹ in Crores)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
(i) Cost of materials consumed		
Opening Stock	196.09	24.22
Add: Purchases	366.05	938.21
Less: Closing Stock	(60.88)	(196.09)
Total	501.26	766.34
(ii) Details of materials consumed		
(a) Zinc & Lead Mined Metal	431.06	659.84
(b) Bulk Mined Metal	70.20	106.50
Total	501.26	766.34

NOTE 22 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crores)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening Stock		
Finished goods	40.84	26.96
Work in progress		
Ore	17.50	19.62
Mined Metal	119.00	79.46
Others	249.46	188.22
	426.80	314.26
Closing Stock		
Finished goods	54.97	40.84
Work in progress		
Ore	43.98	17.50
Mined Metal	60.74	119.00
Others	422.27	249.46
	581.96	426.80
Net (increase) / decrease	(155.16)	(112.54)

NOTE 23 EMPLOYEE BENEFITS EXPENSE

(₹ in Crores)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Salaries and wages	575.25	531.04
Contributions to provident and other funds	36.34	52.56
Staff welfare expenses	68.47	66.31
Total	680.06	649.91



NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

NOTE 24 FINANCE COST

(₹ in Crores)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Borrowings	-	5.29
Bill discounting charges	27.64	17.06
Bank charges	1.13	1.75
Interest on delayed / deferred payment of advance tax	-	0.72
Others	16.17	2.04
Total	44.94	26.86

NOTE 25 OTHER EXPENSES

(₹ in Crores)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Consumption of stores and spare parts	1,333.55	1,175.07
Power, fuel & water	1,155.13	1,070.46
Machinery repairs	816.95	666.32
Building repairs	30.67	27.55
Other repairs	1.58	1.66
Carriage inward	188.46	139.47
Mine expenses	304.92	199.49
Excise duty*	(1.57)	8.04
Royalty (net)	1,027.25	919.94
Other manufacturing and operating expenses	216.00	161.68
Rent	1.47	1.58
Rates and taxes	1.61	12.56
Insurance	23.09	25.38
Conveyance and travelling expenses	33.03	23.00
Directors' sitting fees	0.57	0.41
Miscellaneous expenses	145.52	141.38
Payment to statutory auditors		
For audit	0.78	0.78
For taxation matters	0.15	0.15
For other services	0.85	0.76
Reimbursement of expenses	0.11	0.07
Watch and ward	21.87	20.72
Grass root exploration expense	71.14	55.11
Research and development expenses	3.27	3.12
Donation	4.68	4.99
Carriage outward	219.84	206.91
Other selling expenses	28.56	1.91
Loss on sale of fixed assets (net)	18.88	19.26
Total	5,648.36	4,887.77

* Represents excise duty on difference between closing and opening stock

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2014

NOTE 26 CONTINGENT LIABILITY

(₹ in Crores)

Particulars	As at March 31, 2014	As at March 31, 2013
Claims against the company not acknowledged as debts (matters pending in court / arbitration. No cash outflow is expected in future)		
- Suppliers and contractors	101.80	68.92
- Employees, ex-employees and others	123.55	108.15
- Mining cases	333.90	333.90
Guarantees issued by the banks (bank guarantees are provided under legal / contractual obligations. No cash outflow is expected in future)	63.83	65.90
Sales tax demands (this pertains to disputes in respect of tax rate difference / classification, stock transfer matters. No cash outflow is expected in future)	64.63	68.79
Entry tax demands (this pertains to disputes in respect of entry tax on goods. No cash outflow is expected in future)	48.06	27.42
Income tax demands (this pertains to deduction and allowances claimed under Chapter VIA, etc. No cash outflow is expected in future)	1129.18	1,090.35
Excise Duty demands (this pertains to Cenvat credit availed on inputs, capital goods, alleged duty demands on captive use of the goods. No cash outflow is expected in future)	142.54	102.34

NOTE 27 COMMITMENTS

- a. Estimated amount of contracts remaining to be executed on capital account not provided for ₹ 2684.93 Crores (2013: ₹ 2,777.67 Crores)
- b. The Company had export obligations of ₹ 2,060.73 Crores (2013: ₹ 1,676.21 Crores) on account of concessional rates of import duties paid on capital goods under the Export Promotion Capital Goods Scheme enacted by the Government of India which is to be fulfilled over the next eight years from purchase. If the Company is unable to meet these obligations, its liabilities currently un-provided would be ₹ 337.38 Crores (2013: ₹ 247.24 Crores) reduced in proportion to actual export. This liability is backed by the bonds executed in favour of customs department amounting to ₹ 1,067.78 Crores (2013: ₹ 1,133.96 Crores).

NOTE 28

- a. The title deeds are still to be executed in respect of 10.63 acres of freehold land at Vishakhapatnam.
- b. During the year, the Company has commenced dismantling its assets at Vishakhapatnam Smelter plant post closure of its operations at that location for use, at other units/locations of the Company or for disposal.

NOTE 29 JOINT VENTURE

- a. The Company has access upto 31.5 million tonnes of coal as a partner in the joint venture "Madanpur South Coal Company Limited" where it holds 18.05% of ownership interest (2013: 18.05%).



NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

b. Interest in joint venture :

Name	Country of incorporation	Percentage of ownership Interests as at March 31, 2014	Percentage of ownership Interests as at March 31, 2013
Madanpur South Coal Company Limited	India	18.05 %	18.05 %

The Company's interest in the joint venture is reported as non-current investments (Note 10) and stated at cost. The Company's share of each of the assets, liabilities, income and expenses etc. (each without elimination of the effect of transactions between the Company and the joint venture) related to its interests in these joint ventures are:

(₹ in Crores)

	As at March 31, 2014	As at March 31, 2013
I. Assets		
1. Fixed assets	1.26	1.26
2. Current investments	0.61	0.64
Other current assets	0.02	0.03
Cash and Bank Balances	0.24	0.23
3. Loss being excess of expenses over income	0.70	0.66
II. Liabilities		
1. Shareholders' funds	2.81	2.70
2. Share application monies	-	0.11
3. Unsecured Loan	0.02	0.01

(₹ in Crores)

	FY 2013-14	FY 2012-13
III. Income	-	-
IV. Expenses	0.04	0.11

- c. During the year, Madanpur South Coal Block has been de-allocated by the Ministry of Coal. The Joint venture Company has filed a petition against the Order before the Hon'ble High court of Bilaspur, Chhattisgarh which has stayed the Order. In view thereof, the Company is of the view that there is no diminution in the value of its investment of ₹ 2.81 Crore in the Joint Venture Company.

NOTE 30

Matured fixed deposits of ₹ 0.08 Crores (2013: ₹ 0.08 Crores) due for transfer to Investor Education and Protection Fund have not been transferred in view of pending legal litigation between the beneficiaries.

NOTE 31

VEDANTA RESOURCES LONG TERM INCENTIVE PLAN (LTIP) AND EMPLOYEE SHARE OWNERSHIP PLAN (ESOP)

The Company offers equity-based award plans to its employees, officers and Directors through its parent, Vedanta Resources Plc (The Vedanta Resources Long-Term Incentive Plan ("LTIP") and Employee Share Ownership Plan ("ESOP").

The LTIP is the primary arrangement under which share-based incentives are provided to the defined management group. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2014

to the balance of basic salary and share-based remuneration consistent with local market practice. The performance condition attaching to outstanding awards under the LTIP is that of Vedanta's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three year period with the performance of the companies as defined in the scheme from the date of grant.

Under this scheme, initial awards under the LTIP were granted in February 2004 and subsequently further awards were granted in the respective years. The awards are indexed to and settled by Vedanta shares. The awards provide for a fixed exercise price denominated in Vedanta's functional currency at 10 US cents per share, the performance period of each award is three years and the same is exercisable within a period of six months from the date of vesting beyond which the option lapse. Vedanta has also granted a ESOP schemes that shall vest based on the achievement of business performance in the performance period. The vesting schedule is staggered over a period of three years. During the year, Vedanta has granted ESOP schemes that shall vest based on the achievement of business performance in the performance period. The vesting schedule is staggered over a period of three years from the date of grant with 70% vesting based on the achievement of business performance and the remaining 30% based on continued employment with the group till the end of third year. Under this scheme, Vedanta is obligated to issue the shares.

Further, in accordance with the terms of agreement between Vedanta and Sesa Sterlite Ltd, on the grant date, the fair value of the awards is recovered by Vedanta from Sesa Sterlite Ltd.

Amount recovered by Vedanta and recognised by the Company in the Statement of Profit and Loss for the financial year ended March 31, 2014 was ₹ 56.45 Crores (2013: ₹ 37.36 Crores). The Company considers these amounts as not material and accordingly has not provided further disclosures.

NOTE 32 EMPLOYEE BENEFITS

Long term

(a) Defined Contribution Plans : Provident Fund and Family Pension Scheme

The Company offers its employees benefits under defined contribution plans in the form of provident fund and family pension scheme. Provident fund and family pension scheme covers all employees on roll. Contributions are paid during the year into separate funds under certain statutory or fiduciary type arrangements. While both the employees

and the Company pay predetermined contributions into the provident fund, the contribution to family pension fund is made only by the Company based on prescribed rules of family pension scheme. The contributions are based on a fixed percentage of the employee's salary prescribed in the respective scheme.

A sum of ₹ 26.76 Crores (2013: ₹ 26.94 Crores) has been charged to the Statement of Profit and Loss in this respect, the components of which are tabulated below:

	(₹ in Crores)	
Defined contribution plan	FY 2013-14	FY 2012-13
Provident fund	23.18	22.70
Family Pension Scheme	3.58	4.24

The Company's provident fund is exempted under Section 17 of Employees Provident Fund Act, 1952. The Conditions for grant of exemption stipulate that the employer shall make good the deficiency, if any, between the return guaranteed by the statute and actual earning of the Fund. Based on a Guidance Note from The Institute of Actuaries - Valuation of Interest Guarantees on Exempt Provident Funds under AS 15 (Revised 2005) - for actuarially ascertaining such interest liability, there is no interest shortfall that is required to be met by the Company as of March 31, 2013 and March 31, 2014. Having regard to the assets of the Fund and the return in the investments, the Company also does not expect any deficiency in the foreseeable future and hence operates the Provident Fund Scheme as a defined contribution plan.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

(b) Defined benefit plans : Gratuity

The Company offers its employees, defined benefit plans in the form of gratuity. Gratuity Scheme covers all employees as statutorily required under Payment of Gratuity Act 1972. The Company has constituted a trust recognised by Income Tax authorities for gratuity to employees. The Company contributes funds to Life Insurance Corporation of India. Commitments are actuarially determined at the year-end. The actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the Statement of Profit and Loss under the head Employee benefits expense.

(i) Movement in the present value of defined benefit obligation

(₹ in Crores)		
Particulars	FY 2013-14	FY 2012-13
Obligation at the beginning of the year	191.82	182.30
Current service cost	7.63	8.22
Past service cost	-	-
Interest cost	15.35	14.58
Actuarial losses and (gains)	2.83	18.35
Benefits paid	(41.08)	(31.63)
Obligation at the end of the year	176.55	191.82

(ii) Movement in the fair value of plan assets

(₹ in Crores)		
Particulars	FY 2013-14	FY 2012-13
Fair value at the beginning of the year	166.66	165.58
Expected return on the plan assets	15.00	15.73
Actuarial gains / (losses)	1.92	0.26
Employers' contribution	25.16	16.72
Benefits paid	(41.08)	(31.63)
Fair value at the end of the year	167.66	166.66

(iii) Amount recognised in the Balance Sheet

(₹ in Crores)		
Particulars	FY 2013-14	FY 2012-13
Present value of the obligation at the end of the year	176.55	191.82
Fair value of the plan assets at the end of the year	167.66	166.66
(Unfunded status) / Excess of funding over obligation	(8.89)	(25.16)
Excess of actual over estimated	1.92	0.26
Net (liability) / asset recognised in the Balance Sheet	(8.89)	(25.16)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2014

(iv) Expense / Income recognised in the Statement of Profit and Loss

(₹ in Crores)

Particulars	FY 2013-14	FY 2012-13
Current service cost	7.63	8.22
Past service cost	-	-
Interest cost	15.35	14.58
Expected return on plan assets	(15.00)	(15.73)
Actuarial losses and (gains)	0.91	18.09
Total expense / income recognised in the Statement of Profit and Loss.	8.89	25.16

(v) The plan assets of the Company are managed by the Life Insurance Corporation of India, the details of investment relating to these assets is not available with the Company. Hence the composition of each major category of plan assets, the percentage or amount that each major category constitutes to the fair value of the total plan assets has not been disclosed.

(vi) Actual return on plan assets

(₹ in Crores)

Particulars	FY 2013-14	FY 2012-13
Expected return on plan assets	9.00 %	9.50 %
Actuarial losses and (gains)	1.92	0.26

(vii) Actuarial assumptions

The actuarial assumptions used to estimate defined benefit obligations and fair value of plan assets are based on the following assumptions which if changed, would affect the defined benefit obligation's size and funding requirements.

(₹ in Crores)

Particulars	FY 2013-14	FY 2012-13
Discount rates	9.00 %	8.00 %
Expected return on plan assets	9.00 %	9.50 %
Salary escalations	5.50 %	5.50 %
Mortality	IALM (2006 -08)	LIC (1994-96) Ultimate

The estimates of future salary increases considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is actuarially determined upon which reliance is placed by the auditors.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2014

(viii) Experience adjustments

(₹ in Crores)

Particulars	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10
Present value of the obligation	176.55	191.82	182.30	172.10	123.93
Fair value of plan assets	167.66	166.66	165.58	115.29	103.42
Surplus / deficit in the plan	(8.89)	(25.16)	(16.72)	(56.81)	(20.51)
Experience adjustment on plan liabilities	(2.83)	(18.35)	(9.55)	(3.65)	(16.12)
Experience adjustment on plan assets	1.92	0.26	3.49	1.28	-

The details of experience adjustments arising on account of plan assets and plan liabilities as required by paragraph 120(n) (ii) of AS 15 (Revised) on "Employee Benefits" are not available in the valuation report and hence not furnished.

(ix) The contributions expected to be made by the Company during the financial year 2014-15 are ₹ 11.98 Crores.

(c) Other long term benefit plan -Compensated absences

The Company has provided for the liability on the basis of actuarial valuation as at the year end.

NOTE 33 EARNINGS PER SHARE (EPS)

Particulars	FY 2013-14	FY 2012-13
Net profit after taxation for the year (₹ in Crores)	6,904.62	6,899.48
Weighted average number of ordinary shares for Basic / Diluted EPS	422,53,19,000	422,53,19,000
Nominal value of ordinary shares (in ₹)	2	2
Basic / Diluted earnings per ordinary shares (in ₹)	16.34	16.33

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2014

NOTE 34 SEGMENT REPORTING

(i) Segment Information for the year ended March 31, 2014

(₹ in Crores)

Particulars	March 31, 2014				March 31, 2013			
	Zinc, Lead and Silver	Wind energy	Unallocated	Total	Zinc, Lead and Silver	Wind energy	Unallocated	Total
REVENUE								
External Sales								
Zinc and Lead	11,778.26	-	-	11,778.26	10,231.46	-	-	10,231.46
Silver Metal	1,502.79	-	-	1,502.79	2,092.66	-	-	2,092.66
Wind Energy	-	177.90	-	177.90	-	201.57	-	201.57
Total external sales	13,281.05	177.90	-	13,458.95	12,324.12	201.57	-	12,525.69
Inter Segment Sales	-	-	-	-	-	-	-	-
Total Segment Revenue	13,281.05	177.90	-	13,458.95	12,324.12	201.57	-	12,525.69
RESULTS								
Segment result								
Zinc and Lead	5,038.34	-	-	-	4,367.77	-	-	-
Silver Metal	1,131.81	-	-	-	1,472.58	-	-	-
Total	6,170.15	19.78	-	6,189.93	5,840.35	57.31	-	5,897.66
Unallocated Corporate Income net of unallocated Expenses				1,886.39				1,966.85
Finance Costs				(44.94)				(26.86)
Profit before exceptional items				8,031.38				7,837.65
Exceptional items (Note 38)				(61.67)				(17.53)
Profit before tax				7,969.71				7,820.12
Tax expenses				(1,065.09)				(920.64)
Profit for the year				6,904.62				6,899.48
OTHER INFORMATION								
Segment Assets	12,313.28	832.58	28,530.81	41,676.67	10893.66	1,004.43	23,567.32	35,465.41
Segment Liabilities	1,569.83	13.34	1,736.64	3,319.81	1,076.43	6.39	2,106.85	3,189.67
Capital Expenditure	2,036.58	-	-	2,036.58	1,564.37	-	-	1,564.37
Depreciation	634.28	149.97	0.34	784.59	496.78	149.92	0.34	647.04



NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

(ii) Information about Secondary Business Segments

(₹ in Crores)

	March 31, 2014			March 31, 2013		
	India	Outside India	Total	India	Outside India	Total
Revenue by geographical market	10,936.10	2,522.85	13,458.95	9,741.16	2,784.53	12,525.69
Inter-Segment	-	-	-	-	-	-
TOTAL	10,936.10	2,522.85	13,458.95	9,741.16	2,784.53	12,525.69
Carrying amount of segment assets	13,145.86	-	13,145.86	11,898.09	-	11,898.09
Additions to Fixed Assets	2,036.58	-	2,036.58	1,564.37	-	1,564.37

Reconciliation between segment revenue and enterprise revenue

(₹ in Crores)

Particulars	FY 2013-14	FY 2012-13
Segment Revenue		
Zinc and Lead	11,778.26	10,231.46
Silver Metal	1,502.79	2,092.66
Wind Energy	177.90	201.57
Total Segment revenue	13,458.95	12,525.69
Enterprise revenue		
Sale of products	14,755.96	13,483.99
Less: - Excise duty	(1,297.01)	(958.30)
Total enterprise revenue	13,458.95	12,525.69

(iii) Note:

a) Business Segment

The Company has identified the following business segments:

- Mining and smelting of Zinc, Lead and Silver.
- Wind energy.

Additional intra segment information of revenues and results for the Silver metal have been provided to enhance understanding of segment business. Silver occurs in Zinc & Lead and is recovered in the smelting and refining process.

b) Geographical Segment

The Geographical segments considered for disclosure are as follows:

- Revenue within India includes sales to customers located within India and earnings in India.
- Revenue outside India includes sales to customers located outside India and earnings outside India and export incentive benefits.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2014

NOTE 35 RELATED PARTY DISCLOSURES

a. Names of related parties and description of relation:

(i) Holding companies:	Immediate & Ultimate in India: Sesa Sterlite Limited Ultimate in U. K: Vedanta Resources Plc. U. K.
(ii) Fellow subsidiaries	Bharat Aluminium Company Limited MALCO Energy Limited (Earlier Vedanta Aluminium Limited) Monte Cello BV* Copper Mines of Tasmania Pty Limited Thalanga Copper Mines Pty Limited* Sterlite Infra Limited (SIL)* Konkola Copper Mines Plc Sterlite (USA) Inc.* Fujairah Gold* Talwandi Sabo Power Limited THL Zinc Ventures Limited* THL Zinc Limited* THL Zinc Holding BV* THL Zinc Namibia Holdings (pty) Limited* Skorpion Zinc (Proprietary) Limited* Skorpion Mining Company (Proprietary) Limited* Namzinc (Proprietary) Limited* Amica Guesthouse (Proprietary) Limited* Rosh Pinah Health Care (Proprietary) Limited* Black Mountain Mining (Proprietary) Limited Vedanta Lisheen Holdings Limited* Vedanta Lisheen Mining Limited Killoran Lisheen Mining Limited* Killoran Lisheen Finance Limited* Sterlite Ports Limited* Sesa Mining Corporation Private Limited Sesa Resources Limited Sterlite Infraventures Limited* Paradip Multi Cargo Berth Private Limited* Pecvest 17 Proprietary Limited* Lisheen Mine Partnership* Vizag General Cargo Berth Private Limited.* Lakomasko BV.* Lisheen Milling Limited Bloom Fountain Limited* Western Clusters Limited* Goa Energy Limited* Twin Star Energy Holdings Limited* Twin Star Mauritius Holdings Limited * Vedanta Exploration Ireland Limited (Date of Incorporation - 16.05.2013)* Maritime Ventures Private Limited* Cairn India Limited*
(iii) Joint Venture -Jointly controlled entity	Madanpur South Coal Company Limited
(iv) Key Managerial Personnel	Mr. Akhilesh Joshi**
(v) Others	Vedanta Foundation

* No transactions during the year.

** Appointed as CEO & Whole-time Director effective February 1, 2012



NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

Nature of transactions	Holding company ¹		Fellow subsidiaries		Associate companies		Key personnel		Joint Venture		Others		Total amount		
	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13	FY 2013-14
Purchase of goods & others²	1.71	2.00	19.86	10.90										21.57	12.90
Sale of goods & others	96.92	1.15												96.92	1.15
Dividend	850.38	685.79												850.38	685.79
Personnel Services (net)³	79.38	56.29	(0.77)	0.44										78.61	56.73
Apportionment of common group expenses	77.27	64.07												77.27	64.07
Admin Expenses and other reimbursements⁴	4.90	15.21	(0.78)	0.54										4.13	15.76
Remuneration – Key personnel					3.22	2.77								3.22	2.77
Donation⁵							2.88	4.28						2.88	4.28
Investment in Joint Venture-									0.11	0.11				0.11	0.11
Madanpur South Coal Company Limited															
Balances outstanding at the end of the year	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013	As at 31.03.2013
Debtors balance:															
Madanpur South Coal Company Limited									0.11	0.11					0.11
Konkola Copper Mines Plc			0.09	0.03										0.09	0.03
Black Mountain Mining (Pty) Limited			0.84											0.84	
Talwandi Sabo Power Limited				0.01											0.01
Sterilite Technologies Limited			0.06	0.04										0.06	0.04
Copper Mines of Tasmania			0.02											0.02	
Creditors balance:															
Sesa Resources limited			0.03	0.14										0.03	0.14
Talwandi Sabo Power Limited			0.03											0.03	
Sesa Mining Corporation Private Limited			0.01	0.06										0.01	0.06
Bharat Aluminium Company Limited			2.97	2.40										2.97	2.40
Sesa Sterilite Limited	18.46	7.50												18.46	7.50

Note:

- Holding company represents Sesa Sterilite Limited.
- Represents transaction with Bharat Aluminium Company Limited (₹ 19.86 Crores, 2013 ₹ 10.90 Crores)
- Represents transaction with Bharat Aluminium Company Limited (₹ 0.004 Crores, 2013 ₹ -0.02 Crores), Talwandi Sabo Power Limited (₹ 0.03 Crores, 2013 ₹ Nil), Sesa Mining Corporation Pvt. Limited (₹ 0.01 Crores, 2013 ₹ 0.18 Crores), Sesa Resources Ltd. (₹ 0.06 Crores, 2013 ₹ 0.28 Crores), Copper Mines of Tasmania (₹ -0.05 Crores, 2013 ₹ Nil), Black Mountain Mining (₹ -0.83 Crores, 2013 ₹ Nil)
- Represents transaction with Bharat Aluminium Company Limited (₹ -0.05 Crores, 2013 ₹ -0.19 Crores), Talwandi Sabo Power Limited (₹ -0.003 Crores, 2013 ₹ -0.04 Crores), Sesa Mining Corporation Pvt. Limited (₹ Nil Crores, 2013 ₹ 0.004 Crores), Sesa Resources Ltd. (₹ Nil Crores, 2013 ₹ 0.003 Crores), Copper Mines of Tasmania (₹ -0.03 Crores, 2013 ₹ 0.194 Crores), Black Mountain Mining (₹ -0.47 Crores, 2013 ₹ 1.07 Crores), Konkola Copper Mines (₹ -0.27 Crores, 2013 ₹ 0.11 Crores) and Lisheen Milling Limited (₹ 0.05 Crores, 2013 ₹ Nil)
- Represents transactions with Vedanta Foundation

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2014

NOTE 36 FINANCIAL AND DERIVATIVE INSTRUMENTS DISCLOSURE

a) The following are the outstanding Forward Exchange Contracts entered into by the Company as at March 31, 2014.

Currency	March 31, 2014				March 31, 2013				
	Foreign currency in Crores	₹ in Crores	Buy / Sell	Cross Currency	Currency	Foreign currency in Crores	₹ in Crores	Buy / Sell	Cross Currency
AUD	0.04	2.25	Buy	₹	Euro	1.72	121.57	Buy	USD
EUR	0.95	78.34	Buy	₹	USD	4.05	221.59	Sell	₹
SEK	0.01	0.13	Buy	₹	AUD	0.30	17.04	Buy	USD
USD	10.91	655.56	Buy	₹	JPY	18.65	11.09	Buy	USD
USD	1.46	87.77	Sell	₹	GBP	0.02	1.57	Buy	USD
AUD	0.12	6.71	Buy	USD	SEK	0.27	2.26	Buy	USD
EUR	3.48	287.47	Buy	USD	NOK	0.02	0.23	Buy	USD
JPY	0.74	0.44	Buy	USD	-	-	-	-	-
SEK	0.15	1.41	Buy	USD	-	-	-	-	-

b) For hedging commodity related risks :-

Zinc forwards/futures sale for 1,400 MT (2013: 10,350 MT)

Lead forwards/futures sale for 3,525 MT (2013: 9,300 MT)

Silver forwards / futures sale for 884,626 Oz (2013: 571,407 Oz)

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

d) Un-hedged foreign currency exposure

(₹ in Crores)

	As at March 31, 2014	As at March 31, 2013
Debtors	133.25	103.69
Creditors	10.58	43.36

NOTE 37

Arising from the announcement of ICAI on March 29, 2008, the Company has, since 2008, chosen to early adopt Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement. Coterminous with this, in the spirit of complete adoption, the Company has also implemented the consequential limited revisions as have been announced by the ICAI in view of AS 30 to certain Accounting Standards. Accordingly, current investments which under AS-13 Accounting for Investments would have been carried at lower of cost and fair value, have been accounted for at fair value in accordance with AS-30, resulting in investments being valued as at March 31, 2014 at ₹ 1486.10 Crores (as at March 31, 2013 - ₹ 550.66 Crores) above their cost and, consequently, the profit after tax for the year is higher by ₹ 806.14 Crores (2013: higher by ₹ 178.65 Crores).



NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

NOTE 38

Exceptional item represents the amount incurred on Voluntary Retirement Scheme in respect of Zinc, Lead and Silver segment.

NOTE 39

No borrowing costs are required to be capitalised during the year.

NOTE 40 PARTICULARS OF CONSUMPTION OF MINED METAL, STORES ETC.

(₹ In Crores)

Particulars	FY 2013-14		FY 2012-13	
	Value	%	Value	%
Bought out Mined Metal				
i. Indigenous	13.98	2.79	13.57	1.77
ii. Imported	487.28	97.21	752.77	98.23
Total	501.26	100.00	766.34	100.00
Stores, spares and components consumed				
Direct consumables				
i. Indigenous	1,236.91	92.75	1,045.05	88.94
ii. Imported	96.64	7.25	130.02	11.06
Total	1,333.55	100.00	1,175.07	100.00
Other consumables				
i. Indigenous	671.94	45.23	814.83	53.74
ii. Imported	813.80	54.77	701.37	46.26
Total	1,485.74	100.00	1,516.20	100.00
i. Indigenous	1,908.85	67.71	1,859.88	69.11
ii. Imported	910.44	32.29	831.39	30.89
Total	2,819.29	100.00	2,691.27	100.00

NOTE 41 CIF VALUE OF IMPORTS

Particulars	FY 2013-14	FY 2012-13
Raw Material	342.82	913.24
Components, stores and spare parts	730.36	737.07
Capital goods	471.90	325.19
Total	1,545.08	1,975.5

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2014

NOTE 42 EXPENDITURE IN FOREIGN CURRENCY

Particulars	FY 2013-14	FY 2012-13
Consultancy	87.57	54.94
Travelling Expenses	0.89	0.52

NOTE 43 EARNINGS IN FOREIGN EXCHANGE

Particulars	FY 2013-14	FY 2012-13
Export of goods on F.O.B. basis	2,857.61	2,711.90

NOTE 44

The disclosures relating to Micro, Small and Medium Enterprises has been furnished to the extent such parties have been identified on the basis of the intimation received from the suppliers regarding their status under the Micro, Small and Medium Development Act, 2006 (the Act). There is no interest paid/payable as at March 31, 2014

(₹ In Crores)

S. No.	Particulars	FY 2013-14	FY 2012-13
i.	Amount Outstanding	2.07	2.39
ii.	Interest Outstanding	-	-

NOTE 45

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Akhilesh Joshi
CEO & Whole-time Director

A. R. Narayanaswamy
Director

Date: April 21, 2014
Place: Udaipur

Amitabh Gupta
Chief Financial Officer

R. Pandwal
Company Secretary

Empowering family
and nation

Rural women entrepreneurs

Hindustan Zinc is transforming lives of rural and tribal women by organising them into self help groups, changing their socio-economic lives through imparting professional training to develop them as rural entrepreneurs.

The campaign "SAKHI" launched by Hindustan Zinc is a symbol of belongingness, commitment, teamwork, associations and progress with dignity for these rural and tribal women.

Sakhi
सखी

Recognizing the Success
of Rural and Tribal Women

**'SAKHI' is a voice of millions of
rural and tribal women and narrates
their success stories.**

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HINDUSTAN ZINC

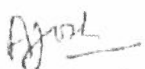
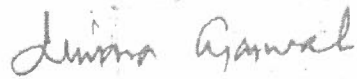
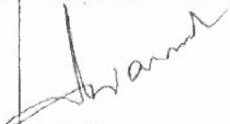
Hindustan Zinc Limited
Yashad Bhawan
Udaipur-313004, Rajasthan
Tel: +91 294 6604000-02

www.hzlindia.com



Form A

Format of covering letter of the annual report to be filed with the stock exchange

Name of the Company	Hindustan Zinc Limited
Annual Financial statements for the year ended	March 31, 2014
Type of Audit observation	Unqualified
Frequency of observation	Not applicable
To be signed by	
CEO	 Akhilesh Joshi 21.04.2014
CFO	 Amitabh Gupta 21.04.2014
Auditor of the Company	Refer our Audit Report dated April 21, 2014 of the financial statements of the company. For Deloitte Haskins & Sells LLP Chartered Accounts (Firm Registration Number 117366WW 100018)  (Jitendra Agarwal) (Partner) (Membership No.87104) New Delhi 21.04.2014
Audit Committee Chairman	 A R Narayanaswamy 21.04.2014