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HINDUSTAN ZINC
Zinc & Silver of India

HZL/2020-SECY/

July 15, 2022

Bombay Stock Exchange Ltd.
P.J. Towers, Dalal Street,
Mumbai - 400001

Kind Attn: - General Manager,
Dept. of Corporate Services

Scrip Code: 500188

National Stock Exchange of (India) Ltd.
"Exchange Plaza"
Bandra-Kurla Complex,
Mumbai – 400051
Kind Attn:- Head - Listing & Corporate Communications

Trading Symbol: HINDZINC-EQ

Dear Sir(s),

Sub: - Integrated Annual Report for the financial year 2021-22 including notice of 56th Annual General Meeting

The Integrated Annual Report for the financial year 2021-22, including the Notice convening 56th Annual General Meeting, being sent to the members through electronic mode on July 15, 2022 via NSDL platform, is attached.

The Integrated Annual Report including Notice is also uploaded on the Company's website and can be accessed at https://www.hzlindia.com/home/

This is for your information and records.

Thanking You,

Yours Faithfully,

For **Hindustan Zinc Limited,**

(R Pandwal)
Company Secretary
Encl: As above

HINDUSTAN ZINC LTD. UDAIPUR

Copy to:

National Securities Depository Ltd.
Trade World, A Wing, 4th & 5th Floors,
Kamala Mills Compound,
Lower Parel, Mumbai – 13

Central Depository Services (India) Limited
Marathon Futurex, A-Wing,
25th Floor, NM Joshi Marg,
Lower Parel, Mumbai – 13

KFin Technologies Private Limited
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad –32

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HINDUSTAN ZINC
Zinc & Silver of India

Many Reasons to Celebrate

Many More to Look Forward to

Integrated Annual Report **2021-22**

Quick Facts

India's largest & only integrated producer of zinc, lead and silver

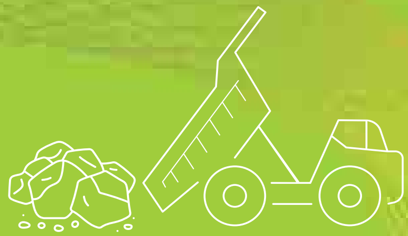
25+ Years Mine Life*

World's Largest Underground zinc mining operations at Rampura Agucha

#1 in Metals & Mining sector (Asia-Pacific) in Dow Jones Sustainability Index 2021 for the 5th consecutive year

(As on March 31, 2022, Source: Wood Mackenzie for global mine/smelter rankings for zinc-lead mine and cost, World Silver Institute for silver producer rankings, S&P & RobecoSAM for DJSI ranking)

* Reserves & Resources (R&R) at current rate of metal production



World's 2^{nd} largest integrated zinc producer and one of the lowest-cost producers of zinc globally

#1 Globally

in the Metals & Mining sector for the Environment Dimension in the Dow Jones Sustainability Index 2021

6^{th} largest silver producer globally

Won the 1^{st} Bronze Medal and has been featured in the prestigious Sustainability Yearbook for the fifth year in a row by S&P Global

(As on March 31, 2022, Source: Wood Mackenzie for global mine/smelter rankings for zinc-lead mine and cost, World Silver Institute for silver producer rankings, S&P & RobecoSAM for DJSI ranking)

HINDUSTAN ZINC
Zinc & Silver of India

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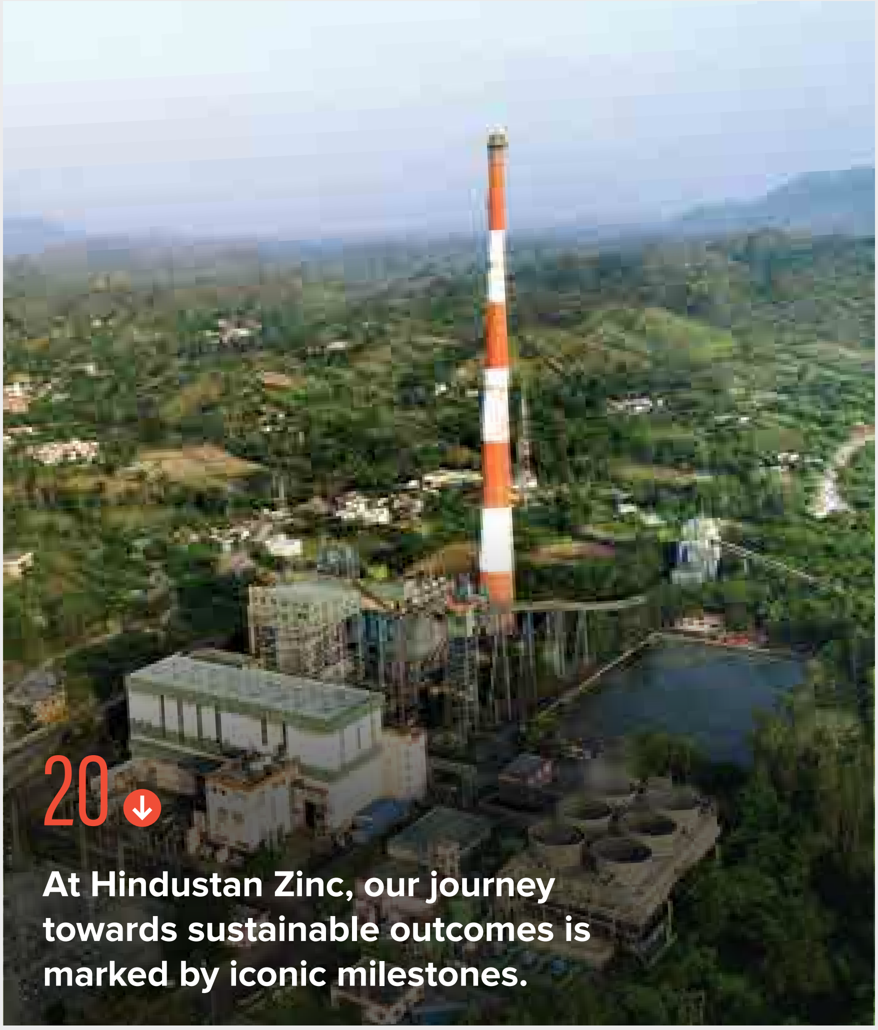

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FY 2021-22 marked a major milestone in terms of our BEST-EVER MINED METAL PRODUCTION OF 1,017 KT, up 4.6% year-on-year.

Our Approach to Integrated Reporting

ABOUT THE REPORT

This third integrated report of Hindustan Zinc Limited (Hindustan Zinc) provides detailed disclosures on our strategy, governance and prospects, through which we have brought in greater transparency in sharing information on our material issues and strategic performance. It contains information and disclosures that are aimed at enabling investors to make an informed assessment of the Company's ability to create and deliver holistic value.

REPORTING SCOPE AND BOUNDARY

The information covered in the report is for the period of April 1, 2021 - March 31, 2022, and encompasses all key facets of Hindustan Zinc's primary operations, including the five mining locations, three smelting locations and one refinery. The key material aspects identified and discussed are relevant to the operations of the Company, as well as its value chain partners, customers, communities and other stakeholders. We have detailed the Company's performance trend over a five-year period, wherever relevant, to give investors a clear understanding about the Key Performance Indicators (KPIs) that are contributing to the value creation.

REPORTING PRINCIPLES

As in the previous year, this Integrated Report is guided by the <IR> framework of the International Integrated Reporting Council (IIRC). Some data related to <IR> might be management estimates. Other statutory reports, including the Board's Report, Corporate Governance Report and Business Responsibility and Sustainability Report are as per the Companies Act, 2013; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and the prescribed Secretarial Standards. This Integrated Report should be read in conjunction with our Sustainability Review report, where we share more details on the key non-financial aspects of our business value. You may access the Sustainability Review report on our website www.hzlindia.com.

APPROACH TO MATERIALITY

We have applied the principles of materiality in assessing what information is of interest to our stakeholders and should be included in our Integrated Report. We have thus focussed in this report on the issues, opportunities and challenges that have a material impact on our business, and our ability to deliver sustained value to our shareholders and key stakeholders. We consider an issue to be material if it can substantively affect the organisation's ability to create value over the short, medium and long term.

The Company's material matters influence its strategic approach and priorities.

Material matters communicate Hindustan Zinc's long-term business strategies and goals, as well as its short-medium term business plans. We take inputs from all our business units and key stakeholders to identify the potential material matters, and accordingly rank the material issues in order of their relevance and potential impact. It is the Company's endeavour to ensure that its strategy remains relevant in the evolving operating environment.

Pg. 44 and 231

BOARD AND MANAGEMENT ASSURANCE

The Board of Directors and the Company's Management acknowledge their responsibility to ensure the integrity of this report. They believe the report addresses all the key material issues and presents the integrated performance of Hindustan Zinc and its impact in a fair and accurate manner.

FORWARD-LOOKING STATEMENTS

In this Integrated Report, we have disclosed information to enable investors and shareholders to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain information 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 all projections will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should any known or unknown risk or uncertainty 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.

Holistic & Progressive Reporting Practices

We are committed to uncompromising compliance to the highest standards of corporate governance and transparent corporate reporting. We have voluntarily adopted the best global reporting practices to build a culture of transparent reporting to facilitate long-term, open and transparent communication channels with all our stakeholders.

OUR REPORTING SUITE

Integrated Report

Our voluntary transition to Integrated Reporting three years ago added new layers to transparency into our annual reporting. As early adopters of integrated report, we have made our annual report more experiential and impactful in terms of both written and visual communication.

https://www.hzlindia.com/wp-content/uploads/Integrated-Annual-Report-2021-22.pdf

Digital Report

Since FY 2020-21, we have made our digital Annual Integrated Report even more dynamic and immersive by giving a differentiated edge to it. The e-report took investor messaging to new, more engaging levels, through video-led, animated-driven and infographics-laden communication. Almost every section was anchored with video bytes, making it refreshingly distinctive and riveting, and setting benchmarks in transparent, informative and interactive digital reports.

https://www.hzlindia.com/E-Annual-Report/2020-21/

Sustainability Review Report

We have also been publishing our Sustainable Development Report since FY 2015-16 following the Global Reporting Initiative (GRI) Standards. We have retained this practice by including our Sustainability Review Report as an annexure to our Integrated Annual Report to detail our Environmental, Social and Governance (ESG) performance. The report underlines our strong commitment to furthering our ESG agenda and realising our Sustainability Goals 2025.

https://www.hzlindia.com/wp-content/uploads/Sustainability-Review-Report-2020-21-1.pdf

TCFD Report

We published our first Climate Change report in FY 2020-21, in line with the recommendations of the Financial Services Board's (FSB) Task Force on Climate-related Financial Disclosures (TCFD). The report is aimed at fostering future dialogue and action towards climate change mitigation plans, besides providing insights into the Company's resilience to climate-related risks & opportunities as we transition to a clean energy future.

https://www.hzlindia.com/wp-content/uploads/HZL-TCFD-Report-20-21.pdf

Tax Transparency Report

We have, for the past five years, been voluntarily publishing our annual Tax Transparency Report (TTR), providing a clear overview of our tax strategy and governance as well as our contributions to public finances.

https://www.hzlindia.com/wp-content/uploads/Tax-Transparency-Report-FY-21-1.pdf

BRSR

Our Business Responsibility and Sustainability Report (BRSR) is another important initiative towards giving investors access to relevant and standardised disclosures on ESG parameters. With its sharp communication, our BRSR takes our ethos of our sustainable development focus to the stakeholder groups whom we are proactively working to align with our vision and goals.

AWARD-WINNING REPORTS

Our reporting transparency and quality is endorsed by the awards received by the Company for its various reports.

LACP Spotlight 2021

Our Integrated Annual Report for FY 2020-21 secured the Gold for Excellence within the report's competition class, as well as the 56th rank worldwide among Top 100 Communication Materials in the League of American Communications Professionals (LACP) 2021 Spotlight Awards.

Asia Integrated Reporting Awards (AIRA)

Hindustan Zinc has been ranked among the top 10 finalists in Asia's Best Integrated Report (Large Company) category in AIRA - the most prestigious international recognition for integrated reporting.

PRSI National Awards 2021

We won the third place in the annual report category at the PRSI National Awards, considered the highest recognition in the industry over the years. The awards have been instituted by the Public Relations Society of India (PRSI) – the national body of Public Relations and Communication professionals.

AVA Digital Awards 2021

Hindustan Zinc was the winner of Platinum Award (Category: E-Annual Report), Gold Award (Category: Microsite) and Gold Award (Category: Manufacturing) at the AVA Digital Awards 2021 – an international competition that recognises excellence by creative professionals responsible for the planning, concept, direction, design, and production of digital communication. The Platinum Award recognised Hindustan Zinc E-Annual report as a smart, interactive and next-generation mobile-optimised publication, harnessing the full potential of digitalised communication.

HZL - An entity designed to celebrate the future

Hindustan Zinc currently holds ~80% market share in India's primary zinc market

Hindustan Zinc Limited (HZL) is a fully integrated player, focussed on driving sustainable future growth. Led by a strong core of experience and expertise, the Company remains holistically focussed on creating accretive value for its stakeholders across its business fabric. Its strategic approach is centred around a balanced mix of corporate growth and social responsibility, backed by sustained performance excellence to propel its futuristic business proposition.

We are...

- A subsidiary of Vedanta Limited, which owns 64.9% stake in the Company, while the Government of India holds a 29.5% stake
- Listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE)
- Headquartered in Udaipur (Rajasthan), with mining facilities spread across the state

India's largest

Zinc-Lead miner

World's 2nd largest

Integrated Zinc Producer and one of the lowest-cost producers of zinc globally*

World's largest

Underground zinc mining operations at Rampura Agucha*

6th largest

Silver producer globally

Among India's largest

Wind power producers with a generation capacity of 273.5 MW in 5 states

Key Highlights

- Historic-high ore production at 16.3 Mt in FY 2021-22, up 6% from 15.5 Mt in FY 2020-21
- Highest-ever mined metal production, crossing the one million tonne mark at 1,017 kt
- Best-ever refined metal production at 967 kt in FY 2021-22, up 4% from FY 2020-21
- Silver production at 647 MT in FY 2021-22, down 8% from FY 2020-21
- Record-high Revenue at ₹29,440 crore in FY 2021-22, up 30% from FY 2020-21
- Historic-high EBITDA at ₹16,289 crore, up 39% from FY 2020-21
- Highest-ever PAT at ₹9,629 crore, up 21% from FY 2020-21
- Exited the financial year with 100% auction sales of silver by leveraging a digital platform (transparent sales model)
- Commissioned a RO ZLD plant at our Debari location
- Women professionals in night shift in the laboratory and security functions
- Total Productive Maintenance launched across the organisation
- Advanced Process Controllers helped to improve metal recovery and optimise energy consumption
- Cell house revamp and improvement in Current Efficiency at Debari
- All operating units are certified ISO 50001 - Energy Management System

(Source: Wood Mackenzie for global mine/smelter rankings for zinc-lead mine and cost; World Silver Institute for silver producer rankings)

Business Snapshot

Our integrated business operations span the synergistic areas of Mines (Zinc-Lead Mines); Smelters (Hydrometallurgical Zinc Smelters, Lead Smelters, Pyro Metallurgical Zinc-Lead Smelter); and Captive Power Plants (CPP).

Mines

ORE PRODUCTION

16.34 Mt

LOCATION

Rampura Agucha, Sindesar Khurd, Rajpura Dariba, Zawar and Kayad (all in Rajasthan)

STRATEGIC EDGE

- World-class operations
- Best mining practices
- High safety standards
- Trained workforce

STRATEGIC FOCUS

- Capacity expansion and sustaining UG operations
- Cost optimisation

Exploration (Reserve & Resource)

TOTAL R&R

447.9 Mt

LOCATION

Technology and Innovation thrust

STRATEGIC EDGE

- Mine life of 25+ years
- Continuous efforts to delineate & upgrade

STRATEGIC FOCUS

- Augmentation of R&R base to 500+ Mt
- Enhancement of ore reserve to 200 Mt

Smelters & Refineries

METAL CAPACITY

1.123 Mt

LOCATION

Smelters in Chanderiya, Dariba and Debari in Rajasthan

Zinc-Lead-Silver metal refineries at Pantnagar in Uttarakhand

STRATEGIC EDGE

- Fully integrated
- Strategically situated close to mines
- Optimised operations supported by captive power

STRATEGIC FOCUS

- Debottlenecking of smelters
- Increase in value-added products' supply
- Better utilisation of waste

Captive Power Plants (CPPs)

TOTAL CAPTIVE CAPACITY

586.59 MW

LOCATION

Captive thermal, solar and waste heat recycling power plants

STRATEGIC EDGE

- Assured supply of low-cost & reliable power to Company's operations
- Streamlined demand pattern analysis

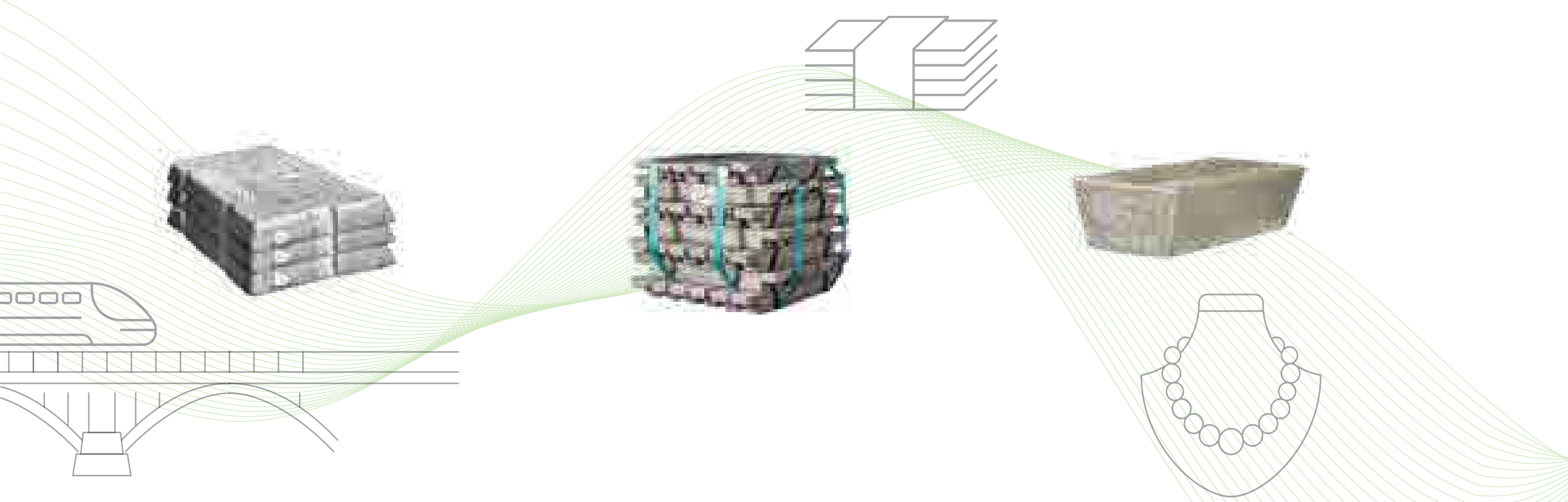
STRATEGIC FOCUS

- Continued enhancement of solar power capacity to combat climate change
- Thrust on innovation to increase thermal power capacity (more energy with same amount of fuel)

THE HINDUSTAN ZINC PRODUCT PROPOSITION

PRINCIPAL PRODUCTS
- Refined Zinc Metal
- Refined Lead Metal

BY-PRODUCTS
- Silver
- Sulphuric Acid



REFINED ZINC

776 kt
Production Volume

₹20,299 crore
Revenue

APPLICATIONS
- Roadways and bridges
- Power generation and transmission
- Renewable energy
- Construction
- Railway infrastructure
- Automotive
- Chemicals
- Telecom Towers

VALUE-ADDED PRODUCTS
- Continuous Galvanising Grade
- Die-cast alloys
- SHG Jumbos

REFINED LEAD

191 kt
Production Volume

₹3,550 crore
Revenue

APPLICATIONS
- Lead Acid batteries
- Construction
- Defence Applications
- Electrical Cables

REFINED SILVER

647 MT
Production Volume

₹4,206 crore
Revenue

APPLICATIONS
- Jewellery
- Tableware
- Electrical contacts
- Investments

VALUE-ADDED PRODUCTS
- 1 kg silver bars
- Silver powder
- Silver nitrate

Strong Operational Asset Base

FY 2021-22 witnessed a significant scaling up of our operational asset base, resulting in exceptional performance that provided Hindustan Zinc with one more reason to celebrate.

MINES

Mines	Key Stats			
	Reserve (Mt)	Resource (Mt)	Reserve Grade Zinc (%)	Reserve Grade Pb (%)
Rampura Agucha Mine	47.0	28.0	11.8	1.3
Sindesar Khurd Mine	45.4	59.3	3.0	2.0
Rajpura Dariba Mine	28.9	38.9	4.9	1.6
Bamnia Kalan	-	39.5	-	-
Kayad Mine	1.9	5.0	7.6	0.9
Zawar Mines	37.9	116.1	2.8	1.2

R&R SUMMARY

Category	Key Stats			
	Tonnage (Mt)	Zn (%)	Pb (%)	Ag (%)
Reserve	161.2	5.9	1.5	58.0
Mineral Resource – Measured and Indicated	118.8	4.9	1.9	66.0
Mineral Resource – Inferred	168.0	4.4	2.1	60.0

SMELTERS

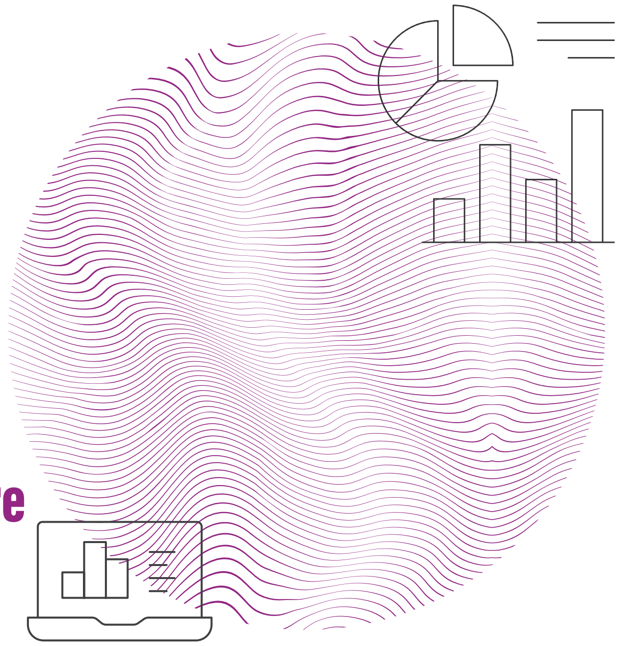
Smelters	Key Stats			
	Pyrometallurgical Zinc Smelter (TPA)	Pyrometallurgical Lead Smelter (TPA)	Hydrometallurgical Zinc Smelter (TPA)	Lead Smelter (TPA)
Chanderiya Lead-Zinc Smelter	1,05,000	90,000	4,80,000	-
Dariba Smelting Complex	-	-	2,40,000	1,20,000
Debari Zinc Smelter	-	-	88,000	-

SMELTING AND POWER SUMMARY

Category	Key Stats
Zinc Smelting	9,13,000 TPA
Lead Smelting	2,10,000 TPA
Silver Refining	800 TPA
Thermal Power	505.5 MW

Category	Key Stats
Wind Power	273.5 MW
Solar Power	40.42 MW
WHRB Power	40.67 MW

Introducing our Capitals



FINANCIAL CAPITAL

Financial capital is defined by financial resources such as cash, credit lines etc. We deploy this capital optimally in our business and make the right investments to provide the Company a higher internal rate of return (IRR). Equity and internal accruals are our key financial resources and by adopting a judicious approach to capital allocation across our business, we strive to minimise financial risks and create value for our shareholders.

56%
Return on net funds for business operations*

55%
EBITDA margin

₹ 12,691 crore
Operating cash flow

*Read more under financial KPIs on page 22

MANUFACTURED CAPITAL

The major physical infrastructure available to us includes our mines and manufacturing assets like smelters, refinery, and power plants, which enable us to create and deliver value. Our integrated operations are a key differentiator that not only empower us to generate strong and sustainable cash flows, but also provide protection against any downturn over the medium to long term.

To stay ahead, our manufacturing assets are continually upgraded to maintain high quality and ensure low cost of production.

Key contributors to our manufactured capital strength include 25+ years of mine life, robust reserve and resource base, high safety standards, environment-friendly sustainable operations, and use of best-in-class technology.

Read more on page 66-93

1.2 Mt
Mined metal capacity (per annum)[#]

800 tonnes
Silver refining capacity[#]

1.123 Mt
Zinc-lead smelting capacity (per annum)[#]

586.59 MW
Captive power generation capacity[#]

447.9 Mt
Reserves and Resources[#]

[#]As on March 31, 2022

INTELLECTUAL CAPITAL

Our intellectual capital includes the knowhow available to us for running successful mining operations, particularly underground mining. Over the years, we have developed a sustainability advantage, which differentiates us from the competition. We have increasingly invested in the world's best available technology and trained our people for ever-evolving world-class mining practices, all of which together constitutes our innovation prowess. We have maintained our reputation of being a fast-growing, future-ready mining company that leads from the front and has digitalised mine operations. We leverage the best-in-class technologies, backed by automation and analytics, to create an enabling environment for our business growth. This focussed approach to improve capabilities such as research and development and collaborations, has resulted in the creation of vast intellectual property over the years.

NorthStar
Award* winning in-House Data Dashboard (30+ live dashboards with 100+ live reports)

12
Different Product Offerings

20%
Value-Added Products

***Recognised at The Economic Times DataCon Awards 2022 & Data World Summit and Awards**

Read more on page 28

HUMAN CAPITAL

People are the drivers of our progressive strategy as we continually work towards creating a congenial environment for nurturing their talent and expertise. Learning and skill development of our people, along with their holistic growth, safety, and well-being, is vital to us. Keeping our people engaged and motivated is central to our ethos, which has contributed immensely to customer and stakeholder satisfaction. We invest in their inclusive growth and remain committed to providing them with an engaging work culture, imbued with a value system centred on collective growth. Diversity of the workforce, especially at the executive level (given the scale and nature of our operations), is maintained through a focussed hiring process, as we constantly work to promote employee retention as a goal across the organisation.

22,914

Total Employees, including Contractors#

1,12,947

Learning and Development hours for Executives*

18.6%

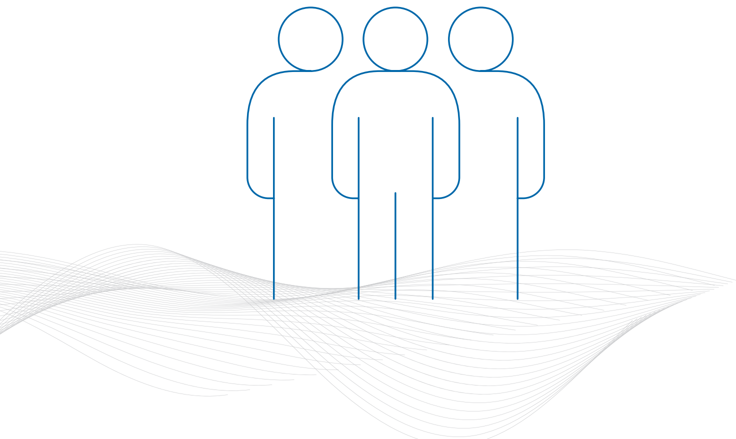
Diversity Ratio for Executives#

99

Six Sigma Projects undertaken by Graduate Engineering Trainees inducted*

#As on March 31, 2022
*During FY 2021-22

Read more on page 140



SOCIAL & RELATIONSHIP CAPITAL

We consider stakeholder relationships integral to our business plans and work closely with customers, communities, people, suppliers/vendors, government, and regulators, to drive sustainable value accretion for all. The quality of these relationships is crucial for a positive business environment and responsible for the evolution of an organisation. A deep-rooted and regular engagement with our stakeholders helps us to make an informed assessment of their needs and aspirations. We are accordingly able to formulate and align our strategies with stakeholder expectations. The predominant areas of our social and stakeholder relationships cover education, sustainable livelihood, women empowerment, health, water and sanitation, sports and culture, environment, and safety.

1.4 million+

Beneficiaries

234

Villages Benefited

5

Farmer Producer Organisations (FPO) with 30,000+ Farmers

7

Women Federations with 27,000+ Sakhi Women

Read more on page 122 and 152

NATURAL CAPITAL

Natural resources being critical to the success of our business and the economic progress of the nation, we have committed ourselves to their judicious utilisation, recycling, and conservation of the same. We have set for ourselves 'Sustainability Goals 2025' with the aim of strengthening our natural capital to promote sustainable performance. With these clearly defined goals & milestones, we are focussed to reduce our GHG emissions, remain water positive, recycle waste, foster biodiversity, ensure safety and diversity at workplace and enable inclusive growth of the communities surrounding our operations. Renewable energy use is promoted through innovative interventions, while technology is extensively employed to expand the ambit of our waste recycling operations.

Read more on page 110

2.41x
Water Positive#

31.11%
Waste Recycled*

43.76%
Water Recycled*

2.58 MGJ
Units of Renewable Power Generated*

#As on March 31, 2022
*During FY 2021-22

Message from the Chairman

Dear Stakeholders,

At Hindustan Zinc, amidst heartening optimism, there is, a strong sense of buoyancy that drives us towards new horizons of greater growth and inclusive value creation. The journey of the past one year, which saw us successfully negotiate a multitude of challenges, has left us enthused about the future. It has encouraged us to surge proactively ahead towards realising our vision and delivering on our promises and goals.

In a tough macro environment, FY 2021-22 proved to be an exceptional year for Hindustan Zinc. We set many new operational benchmarks and notched up new milestones. I am pleased to share that we posted unprecedented numbers across both operational and financial metrics during the year, touching historically high production volumes, and record annual revenue, EBIDTA and net profit.

This was no small feat and was made possible by the dedication and hard work of our people. I would like to take a moment here to thank them all for standing by us through the turmoil of the times. I credit them for giving us many reasons to celebrate and for shaping Hindustan Zinc's journey of excellence. We continue to steer the trajectory of our targeted initiatives to nurture a culture of high performance and inclusiveness in our workforce, which finds endorsement in the various awards and accolades we receive year-on-year and validates our people-centric policies and programmes.

In FY 2021-22, too, we earned several awards and recognitions that underscored the quality and strength of our pro-employee initiatives. These included Hindustan Zinc's certification as 'Great Place to Work 2021' for the 4^{th} consecutive year, 'Company with Great Managers 2022' by People Business for the 2^{nd} year in a row and 'Prize for Leadership in HR Excellence' by CII National HR Excellence Awards. Going forward, it shall be our focussed endeavour to drive even greater employee-centricity, to generate more opportunities for our people, across genders, demographics, and communities, to grow and progress.

We shall simultaneously continue to work concertedly towards augmenting the safety environment at our mines and sites. Given the nature of our operations, we are cognisant of the inherent risk involved in our business. It is with deep sorrow that I must inform you that despite best efforts to keep our people safe, three unfortunate incidents at our sites led to the tragic loss of four precious lives during the year. We share the grief of the bereaved families and will continue to support them in every possible way in these difficult times. We have also launched thorough investigations into all the incidents and will take corrective actions after a comprehensive root cause analysis. Let me assure you that every single life is dear to us, and we will not compromise on the safety of our people under any circumstances. Our continual investments in strengthening our safety framework through digitalisation and automation are aimed at propelling our Zero Injury vision, and we will not rest till we have achieved this goal.

We have made the 2025 Sustainability Goals an intrinsic part of our strategic approach and remain committed to surging ahead aggressively towards the realisation of these objectives. The formation of our Board level Sustainability and ESG Committee during FY 2021-22 is aligned with this commitment and facilitates our efforts towards the accomplishment of our 2025 goals and Environmental, Social and Governance priorities. The Sustainability and ESG Committee will help accelerate our transition towards 50% renewable energy in our operations – a voyage on which we have embarked as a responsible corporate citizen striving to decarbonise our mining operations.

From introduction of electric vehicles in our mines to reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) framework, we have initiated a host of focussed measures to help us achieve our ESG targets. We have also undertaken a 3-year engagement with the International Union for Conservation of Nature (IUCN) for development of a Biodiversity Management Plan from no net loss approach. Our participation in the British High Commission Conference of the Parties (COP26), and the fact that Hindustan Zinc has joined the Taskforce on Nature-related Financial Disclosure (TNFD) to tackle nature-related risks proactively, further underscores our commitment to deliver on our Net-Zero goal by 2050.

Our concerted efforts on the ESG front found resonance in the various accolades and awards earned during the year. These honours make us confident that we are on the right track of delivering on our ESG vision, which encompasses many futuristic goals, including achievement of 5x water positivity by 2025.

Most of you may be aware that the sustainability thrust at Hindustan Zinc goes beyond the organisational framework and encompasses the communities around our operations. We sustained our CSR focus during FY 2021-22 through coordinated efforts to ensure continuity of our support programmes for community livelihood, skill development and education, even while extending urgent and immediate relief to the people impacted by the COVID-19 pandemic. To facilitate remote learning amidst the pandemic, we designed subject-wise learning materials and practice papers, and arranged regular classes through online platforms as well as home visits by teachers to ensure learning outcomes, among other measures.

I am happy to share that Hindustan Zinc has received the 'BRICS Solution for SDG Awards 2021', for intensively promoting sustainable livelihood for 30,000 farmers, and for establishing five farmer-led producer companies.

The Company has also won the CSR Leadership Award 2021, presented by World CSR Day for transforming the lives of nearby communities. It was further honoured with 'Leaders for Social Change' award by the Social Story Foundation for its Sakhi Women Empowerment initiatives – another endorsement of our deep-rooted commitment to community enrichment and empowerment in line with our ESG ethos. We focussed extensively during the year on creating strong institutional structures on the ground. Some of these included federating seven new micro finance legal entities and the aforementioned constitution of five farmer-led producer companies. We also facilitated the formation of over 3,000 Anganwadi Management Committees to strengthen community ownership, with focus on children, pregnant women and new mothers.

While sustainability continues to be integral to our strategic approach, we are concurrently expanding into new markets of opportunity to steer our growth plans. At the same time, we continue to focus on augmenting our production to meet the emerging market demand. We shall continue to step up our output, efficiency, and productivity across business segments to raise the bar of performance, growth, and value delivery to all our stakeholders. In doing so, we shall follow a transparent and ethical approach, which is an integral component of our business strategy. With the ISO 37301:2021 certification received for the Company's compliance management during the year, we have reinforced our commitment to strong corporate governance principles.

We are well positioned and fully geared to execute our plans and attain our short and long term goals. Over the past few years, we have humbly accepted the thought leadership role entrusted to us by

Hindustan Zinc was honoured with 'Leaders for Social Change' award by the Social Story Foundation for its Sakhi Women Empowerment initiatives.

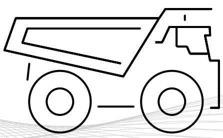
the industry. The responsibility is an endorsement of our capability and capacity to bring about meaningful transformation in the difficult and complex business of mining, to make it more relevant to the contemporary needs of the international zinc market. The election of our CEO, Mr. Arun Misra, as the new acting Chairman of the International Zinc Association (IZA) gives us another opportunity to represent the industry constructively on the global platform. His appointment is a matter of great pride as he is the first Indian and Asian to hold this prestigious position. Hindustan Zinc is well positioned to deliver on the important responsibility that has come with this honour.

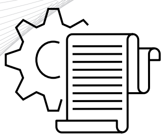
Before I conclude, I would like to congratulate all our partners, shareholders, investors, and others on the remarkable accomplishments which will pave the way for Hindustan Zinc to steer its future with greater confidence and strength. We expect to see FY 2022-23 provide us many more reasons to celebrate in terms of both, operational excellence, and financial performance, as we strategically shift our focus towards pushing up the production of metal at our smelters. I am confident that we will continue to deliver on our goals, across every aspect of our business, with your continued cooperation, the sustained support of our people, and a focussed digitalisation drive across all our mines.

Sincerely,
Kiran Agarwal

CEO's Message

At Hindustan Zinc, we have set our Big, Hairy, Audacious Goals (BHAGs) for the future by looking beyond the myopic lens of business profitability. We have mapped our BHAG journey from a holistic perspective, guided by our ambition to deliver inclusive growth for all our stakeholders. We have strategised an all-encompassing, sustainability-led approach, centred on volume expansion with zero injury and 100% renewable energy (RE) utilisation in our operations. We shall continue to leverage the most advanced technologies to create a better environment for an enhanced quality of life, with more diversity and inclusion. We remain committed to bringing a meaningful change in the lives we touch.





Dear Shareholders,

At Hindustan Zinc, our journey towards sustainable outcomes is marked by iconic milestones. FY 2021-22 was a year of celebrating many such landmark moments, each of which inspired us to become even more courageous in our approach. Events encouraged us to become more ambitious about our plans and optimistic about our prospects. We were motivated to embark on the next phase of our journey to achieve every big, hairy, audacious goal that we set for ourselves to scale higher and more sustainable growth, balanced with greater value creation.

We drive ahead into FY 2022-23 with both pride and humility at the enormous achievements we made during the year, which have given us the confidence to find more reasons to celebrate our excellence-driven voyage at Hindustan Zinc.

SCALING THE NEXT LEVEL OF GROWTH

Notably, FY 2021-22 was the year when we surpassed the one million tonne production mark, to touch a historic 1,017 kt in mined metal production. We are also pleased to report a record-breaking annual refined metal production of 972 kt and the highest-ever mine development of 107 kilometres. What is remarkable is that we recorded these feats while maintaining our mine life at 25 years – a significant achievement given the complex backdrop in which we largely operate.

As you may be aware, when we embarked on our production expansion journey, we were looking at renewed positivity in the external environment. While we were hoping that the worst of the pandemic was behind us, the second and more deadly Delta wave put roadblocks in the way of realisation of our ambitions. And yet, despite these challenges, I am happy to say that, led by our inherent resilience, we moved with agility to get back on track with our futuristic growth plans.

Sadly, however, we were soon confronted by another hurdle in the form of persistent commodity pressure and energy uncertainty. Though these concerns had been putting a squeeze on our margins even earlier, the geopolitical tensions triggered by the Russia-Ukraine situation further exacerbated them. Faced with these aggravated stresses, we once again moved deftly and intently towards implementation of our plans through prompt and impactful initiatives. We put our best foot forward to strengthen our efforts on operational efficiencies, volume delivery and cost rationalisation for expanding our production volumes and driving financial excellence.

CELEBRATING THE FUTURE

These efforts have given us the confidence to strive and aim to grow volume to 1.5 million tonnes, while maintaining grades and improving efficiencies. As we surge ahead towards the fulfilment of our ambitions, we are also looking at expanding our footprint in the production of zinc alloys and have obtained the Consent to Establish (CTE) a 30 kt plant for Hindustan Zinc Alloys Private Limited (HZAPL). This will pave the way for production of value-added zinc alloy products and enable us to deliver international quality in the domestic market.

At the same time, we remain committed to our vision to be amongst the top-3 primary silver producers globally, from our current 6th position. With current silver production at around 700 tonnes and production capacity of 800 tonnes, we are confident to march ahead with our production growth over the medium-term.

We believe in creating value that goes beyond numbers, to encompass benefit that we create for our stakeholders and the long-term positive impact of our business on the environment.

The commissioning of our fumer plant will further equip us to achieve our big, bold new targets across silver and other minor metals.

To power these ambitious plans, we shall continue to focus on enhancing our digital outreach to further scale our value proposition for stakeholders. I am pleased to share that our focussed automation and technology-centric efforts during FY 2021-22 were recognised by the Confederation of Indian Industry, which awarded us with the CII-Dx award for 'Best Practice in Digital Transformation 2021'. We were also honoured with the 'Most Innovative Best Practice – Supply Chain & Logistics Innovations' award during the year.

BECOMING MORE AUDACIOUS IN OUR GREEN JOURNEY

It is important to point out here that the ambitious goals we have mapped for ourselves are part of our larger vision for the future, which is rooted in our strong sustainability ethos. We believe in creating value that goes beyond numbers, to encompass benefit that we create for our stakeholders and the long-term positive impact of our business on the environment.

Our unwavering commitment to the creation of a greener tomorrow is integral to this vision, which finds resonance in our top rankings and awards on the sustainability front. I am happy to share that while maintaining our first rank for the fifth consecutive year in Asia Pacific in the Dow Jones Sustainability Index (DJSI) amongst metal and mining peers, we are #1 globally in the environment dimension. Winning the prestigious 'Outstanding Accomplishment in Corporate Excellence' and the recognition of Dariba smelter for 'Excellence in Environment Management' at the 16th CII-ITC Sustainability Award 2021 are achievements that reinforce our focussed environmental strategic approach, along with our ranking in the Top 100 Global Companies by the Global Sustainability Magazine.

Another notable feather in our cap is the presentation of the 'Most Sustainable Company in the Mining Industry – 2021' award from the World Finance Sustainability Award 2021. It is also a matter of pride for us that Hindustan Zinc continues to be certified as a Water Positive Company, a member of the FTSE4Good Index for ethical stock market investments, an intrinsic part of the S&P Global Sustainability Yearbook 2022 and a Bronze Medal winner at the S&P Global Sustainability Awards. The CII 'Best Application & Use of Renewable Energy' award received by Rampura Agucha Mine at the 5th Edition CII National Energy Efficiency Circle-2021 further validates the importance we accord to carbon neutrality. All these exhilarating feats give us the confidence to move proactively forward to deliver on our ESG vision and our commitment to net-zero by 2050.

We are also committed to invest US$ 1 billion over the next five years in our climate change initiatives, which will further enhance our ESG value proposition.

I would also like to share here that the Company has received the Board's approval to undertake a long-term captive renewable power development plan – up to a capacity of 200 MW – in furtherance of its net-zero goal. The move is in line with our strategic purpose of reducing dependence on thermal power by scaling up our renewable energy to cover 50% of our energy requirement in the next three years and reduce the GHG emissions from our operations. During FY 2021-22, we also signed an MoU with CDP science-based incubator programme for setting targets for our net-zero commitment.

Additionally, we inked two key MoUs to introduce battery-powered equipment and vehicles in underground mining. The MoUs with Finland's Normet Group and Sweden's Sandvik AB will aid our efforts to achieve our aim of inducting electric and battery-operated equipment against equipment that goes for replacement five years from now. We have already launched passenger EVs to reduce our carbon footprint. We are also working on plans to charge our electric fleet using our own solar power thus completing the end-to-end environment-friendly cycle. We are also committed to invest US$ 1 billion over the next five years in our climate change initiatives, which will further enhance our ESG value proposition.

ENERGISING OUR PEOPLE WITH OUR BHAG VISION

It is important to note that our audacious goals are not only designed to drive Hindustan Zinc's sustainability targets, but also inspire our people to dream big, both for the organisation and for themselves. We truly recognise their contribution, and continue to invest in their holistic growth, welfare and well-being. We reaffirmed this

commitment during FY 2021-22 with a host of medical and other support measures, which were extended to our employees and business partners amidst the pandemic.

The people-centric awards we received during the year endorses the success of our efforts while motivating us to expand the ambit of our HR vision and programmes. It also propels us towards our goal of achieving 30% diversity in an inclusive and diverse workforce by 2025. Having broken several glass ceilings for the mining industry in terms of women's employment in many critical roles in the organisation, Hindustan Zinc remains dedicated to further promoting gender equality through targeted initiatives. Our focus on safety is a non-negotiable as we continue to work concertedly towards ensuring a 'zero injury' work environment.

LEADING TO A BETTER TOMORROW

As we accelerate towards a better and brighter tomorrow, we look back at the journey of the past year as an inspiring narrative that has augmented our confidence in our ability to aim higher, to achieve bigger goals.

We see the acknowledgement of this ability in the chairmanship role that has been vested in the organisation by the International Zinc Association (IZA). We will work closely with the global community to grow the international demand for zinc and promote its essentiality to human health, crop nutrition, sustainable development, and modern life. We shall continue to align ourselves with the industry body and work closely as thought partners to co-create a world vision for the industry.

Our strong conviction in our potential to create and deliver long-lasting value for all our stakeholders, including the communities around us, will lead us towards accomplishing even bigger goals and more remarkable celebrations. Fiscal discipline and its management, backed by investment in sustainability and CSR, will be the key priorities of our onward journey, synced with further improvement in equipment reliability and availability. Together, these will empower us to effectively capitalise on the growth opportunities ahead, to create a better world for all.

Sincerely,
Arun Misra

Key Performance Indicators

> "Stringent cost and cash conversion discipline powered a historic performance for Hindustan Zinc during FY 2021-22. Our efforts to deliver sustainable growth were further aided by our operational excellence and targeted investments, which contributed to the generation of industry-leading returns for our shareholders. We remain committed to protecting our margins, while generating robust free cash flow and investing towards the realisation of our ESG goals. We believe that our sustained focus on cost leadership and profitability, while building a sustainable business, will ensure long-lasting value for all our stakeholders."
>
> **Sandeep Modi**
> Interim Chief Finance Officer

Our commitment to value creation and delivery for all stakeholders is the driving force underlying the excellent KPIs we have reported, year-on-year.

BUSINESS ACTIVITIES

Revenue from Operations#

(₹ crore) (including other operating income)

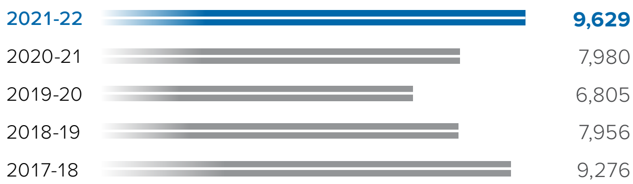
	2017-18	2018-19	2019-20	2020-21	**2021-22**
(US$ Mn)	3,426	3,022	2,619	3,054	**3,954**

Revenue Mix (%)

	2017-18	2018-19	2019-20	2020-21	**2021-22**
Zinc and Lead	88	85	84	78	**81**
Silver	10	12	13	20	**14**
Wind Energy	1	1	1	1	**1**
Others	1	2	2	1	**4**

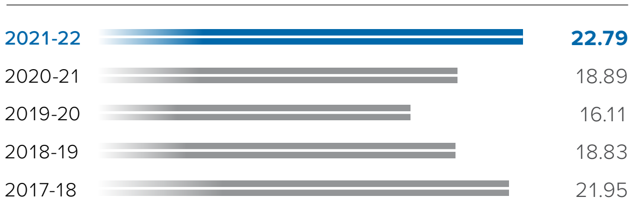
EBITDA (₹ crore)

PAT (₹ crore)

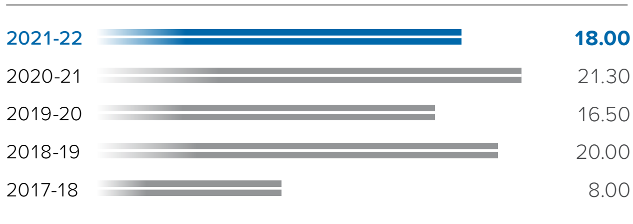


Net of excise duty till FY 2017-18

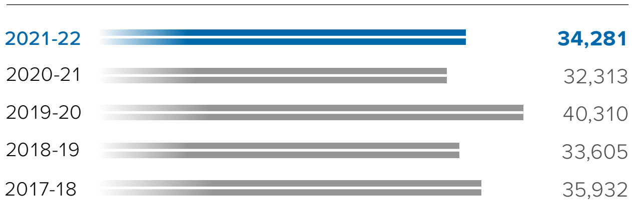
Earnings Per Share (₹)



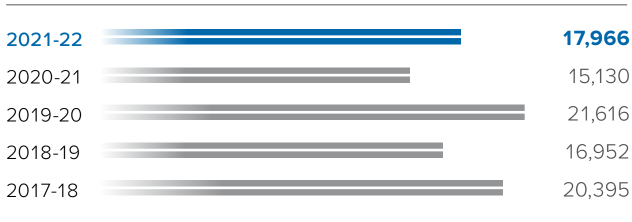
Dividend Per Share (₹)



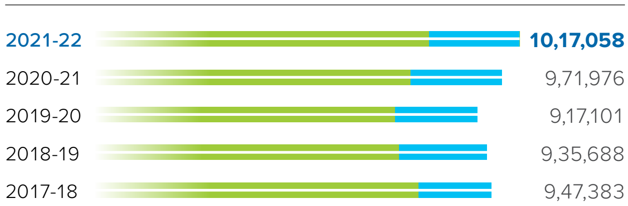
Networth (₹ crore)



Cash and Cash Equivalent** (₹ crore)

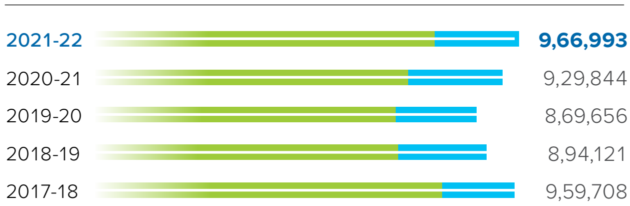


Mined Metal (tonnes)



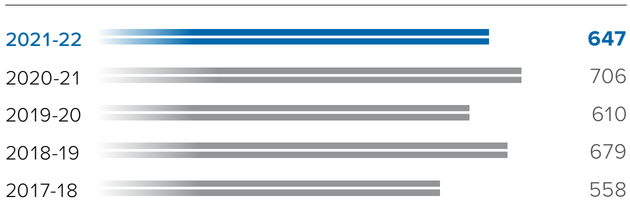
	2017-18	2018-19	2019-20	2020-21	2021-22
Zinc	7,73,015	7,28,498	7,20,060	7,55,849	**8,01,035**
Lead	1,74,368	2,07,190	1,97,041	2,16,127	**2,16,023**

Total Refined Metal*** (tonnes)



	2017-18	2018-19	2019-20	2020-21	2021-22
Zinc	7,91,461	6,96,283	6,88,286	7,15,445	**7,75,808**
Lead	1,68,247	1,97,838	1,81,370	2,14,399	**1,91,185**

Refined Silver*** (tonnes)



** Includes cash and cash equivalents, other bank balances excluding dividend account balance, borrowings and current investments as applicable

*** Excludes captive consumption

KEY PERFORMANCE RATIOS

EBITDA Margin (%)

2021-22	**55**
2020-21	52
2019-20	48
2018-19	51
2017-18	56

Description

Earnings before interest, tax, depreciation, and amortisation (EBITDA) is a factor of volume, prices, and cost of production. This measure is calculated by adjusting operating profit for special items and adding depreciation and amortisation and dividing it by revenue from operations.

Management Statement

EBITDA margin increased from 52% in FY 2020-21 to 55% in FY 2021-22 primarily due to increase in revenue from operations on account of higher LME prices offset by higher power fuel cost and mining development cost.

Net Profit Margin (%)

2021-22	**33**
2020-21	35
2019-20	37
2018-19	38
2017-18	41

Description

This is a measure of the profitability of a company. It is calculated as a ratio of net profit (before exceptional items) to total income.

Management Statement

Net profit margin is lower on account of higher ETR due to expiry of certain tax holidays apart from higher cost of production due to higher coal prices and input commodity inflation, partially offset by higher volumes and higher metal prices.

Return on Net funds for Business Operations (%)

2021-22	**56**
2020-21	41
2019-20	29
2018-19	41
2017-18	52

Description

This is calculated on the basis of operating profit net of tax expenses, as a ratio of net funds for business operations. The objective is to earn a post-tax return consistently above the weighted average cost of capital.

Management Statement

Increase in Return on Net funds for Business Operations is mainly on account of higher operating profit net of taxes.

Debtor Turnover Ratio (in times)

2021-22	**52**
2020-21	58
2019-20	65
2018-19	111
2017-18	138

Description

The debtors' turnover ratio is an accounting measure used to quantify a company's effectiveness in collecting its receivables. This is calculated as a ratio of revenue from operation to average trade receivables.

Management Statement

Reduction in debtor turnover is on account of higher average trade receivables (due to higher sales) in FY 2021-22 as compared with the previous financial year.

Inventory Turnover Ratio (in times)

2021-22	**8**
2020-21	7
2019-20	6
2018-19	7
2017-18	6

Description

The inventory turnover ratio is an efficiency ratio that shows how effectively inventory is managed. This is calculated as a ratio of cost of goods sold to average inventory.

Management Statement

Inventory turnover ratio was marginally higher on account of higher cost of goods sold.

Current Ratio (in times)

2021-22	**4**
2020-21	3
2019-20	5
2018-19	3
2017-18	4

Description

The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. This is calculated as a ratio of current assets to current liabilities.

Management Statement

Current ratio is higher mainly on account of repayment of short-term borrowings during the year.

Interest Coverage Ratio (in times)

2021-22	**66**
2020-21	34
2019-20	87
2018-19	79
2017-18	55

Description
The interest coverage ratio is a representation of the ability of the Company to service its debt. It is computed as a ratio of EBITDA divided by finance costs.

Management Statement
The interest coverage is higher on account of higher EBITDA and lower finance cost due to decrease in short-term and long-term borrowings.

Return on Net Worth (%)

2021-22	**29**
2020-21	22
2019-20	18
2018-19	23
2017-18	28

Description
Return on Net Worth is a measure of the profitability of the Company. This is calculated as a ratio of net profit (before exceptional items) to net worth (share capital + reserves).

Management Statement
Return on Net Worth is higher mainly on account of higher Net profits after tax during the year.

Debt Equity Ratio (in times)

2021-22	**0.08**
2020-21	0.22
2019-20	0.02
2018-19	0.08
2017-18	Nil

Description
The Debt-to-Equity ratio reflects the Company's ability to meet its short-term and long-term obligations in proportion to the net worth of the Company.

Management Statement
The Debt-to-Equity ratio is lower mainly on account of higher repayment of short-term and long-term borrowing during the year. Net debt is nil.

ESG OUTCOMES

Our Environmental, Safety and Governance (ESG) focus has enabled us to deliver sustained performance and growth across key ESG metrics. We are continually working towards reducing our carbon footprint and lowering the impact of our business on the environment. These efforts are aimed to improve operational efficiencies, ensure optimal utilisation of natural resources, and increase the use of renewable energy in our plants and processes. The safety and health of our workforce, and our workplace, is central to our ESG strategy.

Metal Recovery Performance

Mill Recovery (%)

	Zinc	Lead
2021-22	**90.62**	**80.21**
2020-21	89.71	78.87
2019-20	88.28	76.97
2018-19	87.72	75.96
2017-18	89.04	74.92

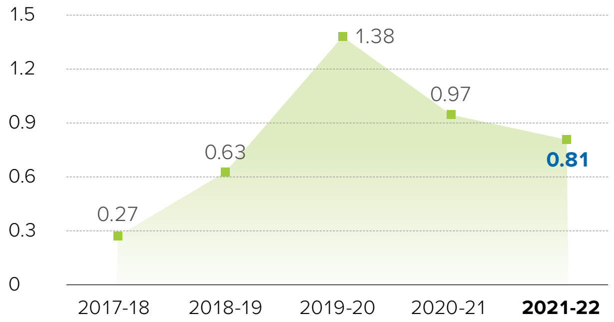
Zinc Lead

Smelter Recovery (%)

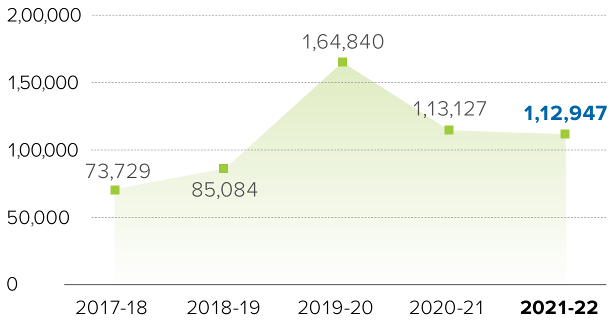
	Zinc	Lead
2021-22	**96.12**	**96.47**
2020-21	95.96	96.75
2019-20	96.19	96.63
2018-19	95.62	96.91
2017-18	95.94	96.80

Zinc Lead

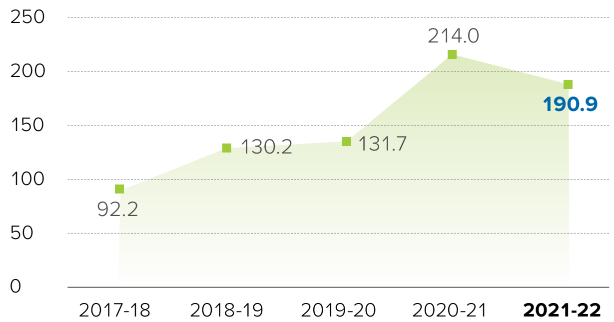
Lost Time Injury Frequency Rate (LTIFR)
(number per million hours worked)



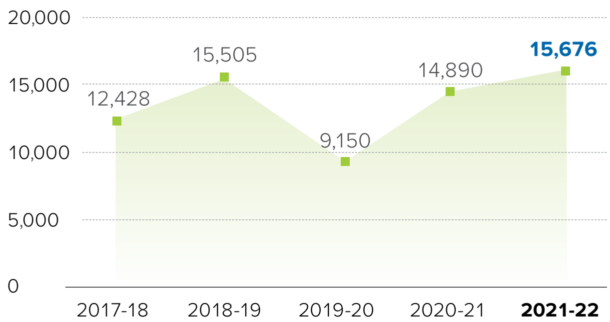
Employee Trainings
(man-hours)



CSR Spend (₹ crore)

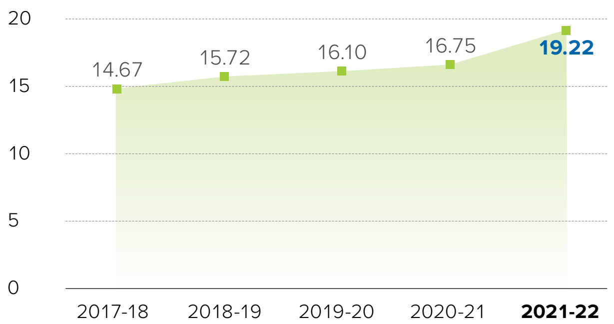


Contribution to Exchequer* (₹ crore)

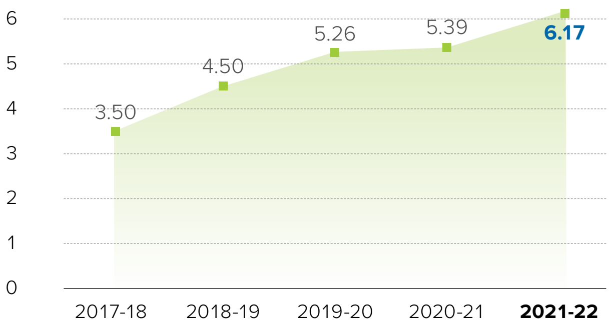


* on gross basis

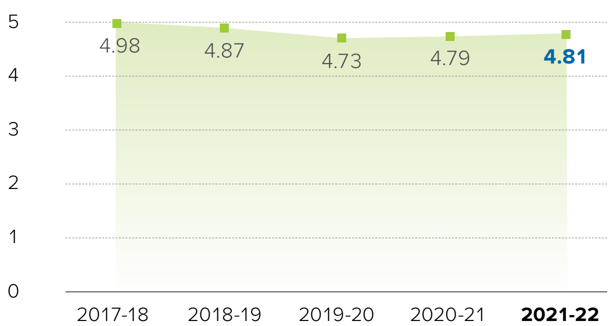
Water Recycled (Mn m³)



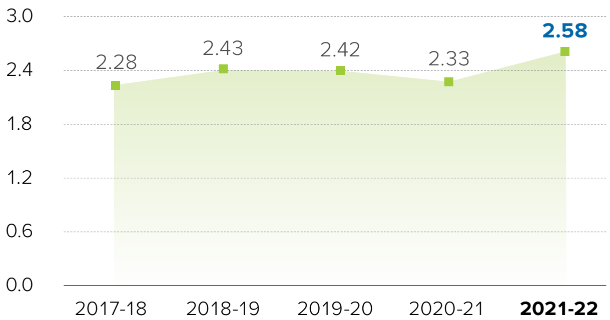
Waste Recycled (Mn MT)



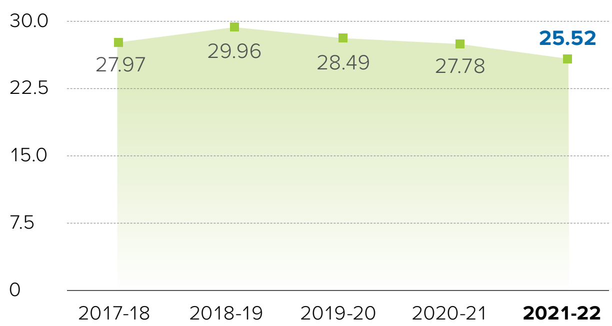
GHG Emission: Scope1 + Scope2 (Mn TCO_2e)



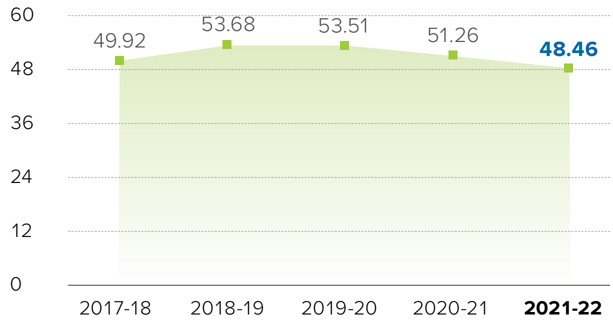
Renewable Power (Wind+WHRB+Solar) (MGJ)



Specific Water Consumption (m^3 per tonne of metal)*



Specific Energy Consumption (GJ per tonne of metal)*



*During the reporting period, aligned with the principles of completeness and accuracy in reporting, we have revised our accounting methodology while estimating water and energy intensity. The revised water and energy intensity accounting methodology includes the following amendments respectively:

1. Inclusion of water consumption in our Captive Power Plants (CPPs) and
2. Estimation of direct energy from fossil fuel (coal) consumed in our CPPs in lieu of, estimation of direct energy from electricity generated.

ECONOMIC VALUE ADDED

Economic value added (EVA) is a measure of a company's financial performance based on income generated post charging for the cost of capital provided by lenders and shareholders. It represents the value added for shareholders by generating operating profits in excess of the cost of capital employed in the business.

(₹ in crore)

	2021-22	2020-21	2019-20	2018-19	2017-18
Equity	**34,281**	32,313	40,310	33,605	35,932
Capital Employed	**16,315**	17,183	18,694	16,653	15,537
Average Capital Employed	**16,749**	17,939	17,674	16,095	15,139
Economic Value Added					
Net Operating Profit After Taxes (NOPAT)	**9,205**	7,031	5,408	6,774	8,140
Cost of Capital (CoC)	**1,950**	2,129	2,441	2,504	2,000
Economic Value Added (EVA)	**7,255**	4,901	2,967	4,270	6,140
NOPAT/Average Capital Employed (%)	**54.96%**	39.19%	30.60%	42.09%	53.77%
Weighted Average CoC (%)	**11.64%**	11.87%	13.81%	15.56%	13.22%
EVA / Average Capital Employed (%)	**43.32%**	27.32%	16.79%	26.53%	40.56%

Additional Information

NOPAT: Net operating profit after tax (NOPAT) is a financial measure that shows how well a company performed through its core operations, net of taxes. Calculated as profits after depreciation and taxes, but before interests.

Cost of Capital: Cost of Capital is the return expected by investors to compensate them for the variability in returns caused by fluctuating earnings and share prices.

Capital Employed: Capital employed in the business is exclusive of net cash and cash equivalents.

Expanding Our Digital Footprint

DRISHTI

Our Drishti programme is running successfully and provides targeted benefits. This year, we have added many modules into this programme, including integration of different systems, advanced process controls, AI/ML based data analytics, use of IoT technologies, and remote monitoring and control.

Use of AI/ML based analytical modules

Use of image processing technologies enabled us to identify any unsafe act or conditions on the shop floor

Developed this model to check the physical quality of FG, and detect defects to take timely corrective action

Integration of shaft system with integrated data platform

Real-time visibility of operations, cycle time analysis, fill factor monitoring, and improvement

Use of IoT technologies to deploy smart sensors on remote equipment

Real-time monitoring and control of remote assets, like steam trap health, vibration of critical drives, water ponds level and UG fleet utilisation etc.

Condition-based monitoring and Real-time Reliability Health Index (RHI) of critical assets

Using real-time data of critical assets, we have developed CBM and RHI which have helped in improvement of availability, reliability, and efficiency of equipment

Integration of ventilation fans and sub-stations in UG mines

Real-time assets health and performance monitoring, faster troubleshooting, and increased UG fleet utilisation

Deployment of advanced process control at mills

1% increase in metal recovery and optimised concentrate grade control with the help of APC. Tighter process control with reduced standard deviation

Smoke hours drilling using automation features

~10% additional production drilling by utilising automation features and tele-remote operations of drills during shift change over

Integration of laboratories with integrated data platform

Real-time visibility of analytical data to operational team to enable timely action. Lab data is integrated with DCS to improve operational efficiency and product quality

Utilisation of 3-D mine visualisation for assets tracking

Real-time visibility of underground fleet has helped us to reduce the ramp jam incidents and duration and improve asset utilisation

Automated process data analysis: Real-time process score card, CpK analysis and SPC charts, automated process deviation alert, and SAP notification

Real-time access of process analytics enabling process optimisation by quick response

Key Actions Taken   Benefits

CASE STUDY

Improving Recovery through APC

MAXIMISING THROUGHPUT AND OPTIMISING ENERGY CONSUMPTION

The Advanced Process Controller (APC) is used at Hindustan Zinc in the grinding and flotation processes. It is meant to improve recovery of metals and optimise energy consumption in the beneficiation process. APC is a control system that operates on the principle of 'Stabilise & Optimise' that helps to attain optimal throughput and optimise metal recovery balancing. It also helps to keep the concentrate grade within acceptable limits.

As part of the Initiative

- APCs were implemented for grinding & flotation operations (lead and zinc) in RA and SK mills
- APC was used to maximise the throughput and improve recovery of metal
- It was also concurrently used to maintain optimum levels of concentrate grade

Benefits

- Stabilisation of process parameters across milling plants
- Significant reduction in standard deviation of key process parameters
- >1% improvement in Zn & Pb recovery, resulting in additional volume
- Significant improvement in grade control of the concentrate and reduction in its variability

NORTHSTAR

NorthStar/Hexa is our in-house reporting, visualisation and data analytics tool assisting teams across departments. It provides us with real-time data to enable sophisticated data-driven decision-making. NorthStar/Hexa has empowered both business functions and on-site teams to effectively leverage data to streamline operations. It has facilitated stakeholders in taking important business decisions independently through process automation across locations.

NorthStar was conceptualised and implemented to build a single source of truth to enhance data governance, visualisation, and reporting. It was envisioned to engage with different departments/functions by analysing their working and implementing digital transformation to derive maximum business value. In our efforts to digitally transform the organisation through an end-to-end trusted data governance tool, insights from NorthStar have helped streamline processes and reporting in several departments, including Operations, Commercial, Finance, and HR. These insights have led to improvement in efficiency and enhanced performance.

Since its inception in 2020, NorthStar has assisted more than 500 employees across multiple locations. It supports employees with more than 30 live dashboards and over 100 live reports with varied frequency of circulation ranging, from twice a day to once a month. It has, over the past two years, evolved into a single repository of data, originating from more than six data sources. Business stakeholders at all levels, including top management, have reposed their faith in the dashboards and reports, which have facilitated the accomplishment of crucial business goals, and has helped us achieve one milestone after another.

The journey of NorthStar's evolution has not been easy. In the early days of implementation, it was an onerous task to enable departments to realise the business value of automated reports and dynamic dashboards. Creating awareness among functions, by targeting low hanging fruits to highlight output and further scope, was the most important step for the implementation of this system. Further, integration of various data sources onto a single platform needed co-ordination and co-operation among different functions. Building a bridge of trust between the owners and users of the dashboards and reports, to create a trustworthy and engaging ecosystem to derive maximum business value, was indeed a challenge. Creating a framework to evaluate user requirements, feasibility parameters, and business impact was a crucial step on this journey to ensure the success of this project.

Many Reasons to Celebrate

Many More to Look Forward To

Sometimes, events happen to change the course of history. And at others, history scripts events that redefine the journey itself. FY 2021-22 was such a defining year, a year that saw organisations worldwide charting a new, more cautious course for the future.

But at Hindustan Zinc, it was not a year of taking a pause or changing the future course. Rather it was a year of accelerating the pace of our efforts to surge aggressively forward on the roadmap of our strategic plans and goals. It was a year of transforming moments into milestones and events into celebrations.

FY 2021-22 was for us a year of rejoicing in the multitude of awards and rankings we won for our innovative initiatives, operational excellence, technological scale-up, people-centric policies and strong sustainability ethos. More importantly, however, it was a year of celebrating the spirit of our people who made it possible for us to accomplish exceptional feats in the most testing of times.

It was a year of revelling in the success of our internal policies, programmes and efforts, which helped us navigate the external challenges and complexities seamlessly and efficaciously. It was a year of cherishing our collective hopes and nurturing our shared vision of leaving indelible footprints in the sands of time.

Today, as we look back at those imprints, we see in them hopes of notching even more memorable moments and milestones in our onward journey. They inspire us not just to celebrate our wins of the past year but celebrate to win even bigger and better, going forward!

Celebrating Awards & Recognitions

At Hindustan Zinc, FY 2021-22 was a year of celebrating many exceptional accolades that recognised the Company's strong focus on delivering excellence across every facet of its business value chain.

MAKING GLOBAL STRIDES IN SUSTAINABILITY

- **Dow Jones Sustainability Index in 2021 -** Ranked #1 in Asia-Pacific and #5 globally amongst Mining & Metal companies; #1 in Environment Dimension in the sector globally
- **S&P Global -** Won the 1st Bronze Medal and featured in the prestigious Sustainability Yearbook for 5th year in a row

EARNING INTERNATIONAL HONOUR

- **Sword of Honour 2021 -** From the British Safety Council for CLZS CPP and Debari Zinc Smelter for excellence in the management of health and safety risks at work

RAISING THE BAR ON ESG METRICS

- **Green Leaf Platinum Award in Energy Efficiency** From Apex Green India Foundation for Zawar Mines for reducing carbon emission and achieving ESG common goal
- **'5 STAR RATED MINES' Award -** From the Ministry of Mines, Government of India, for Rampura Agucha and Kayad Mines for efforts towards sustainable mining
- **'FIMI Award of Excellence in Environment', Safety & Health -** To Kayad Mine for best practices in economics, social, environmental, quality and safety in mining sector
- **'Rajasthan Energy Conservation Awards - 2021'** Rampura Agucha becomes the only mine in the industry to win this accolade

INNOVATING TO OUTPERFORM

- **CII DX award -** Among recipients of award for 'Most Innovative Best Practice in Supply Chain & Logistics'

Great Place to Work

Hindustan Zinc has been certified as a 'Great Place to Work' by Great Place to Work® Institute for the 4th time for building a high-trust, high-performance culture within the organisation. Hindustan Zinc nurtures employee welfare, wellbeing, learning and development, besides promoting gender diversity, enabling women to work safely and securely even in night shifts.

EXCELLING IN CORPORATE GOVERNANCE

- **ISO 37301:2021 certification for compliance management -** Underscoring Hindustan Zinc's culture of compliance and the robustness of our compliance framework
- **'Master of Risk in Fraud Prevention & Ethics Management' -** Received at 8th India Risk Managements awards by ICICI Lombard & CNBC TV18 for excellence and commitment as leaders in assessing and mitigating organisational risks

APPRECIATION FOR OUR CSR ETHOS

- **19th FICCI CSR Awards -** Appreciation Plaque - Food security and Agriculture for 'Project Samadhan'
- **BRICS Solution for SDGs Awards 2021 -** For working towards 'Zero Hunger'
- **The CSR Journal Excellence Awards 2021 -** For the promotion of Sports and Women & Child Welfare

RECOGNISING OUR PEOPLE-FIRST PROPOSITION

- **12th CII National HR Excellence Award 2021-22 -** Leadership in HR Excellence, as per the scoring in the 600+ Band Barrier on a rigorous CII Assessment
- **Skillsoft Perspectives 2021 Awards -** Won the 'Digital Dexterity' prize for leveraging technology to become a future-ready company

SETTING NEW BENCHMARKS IN MINING OPERATIONS & SAFETY

- **National Award for Manufacturing Competitiveness - 2021 -** 'Gold Medal' for SK Mine from International Research Institute for Manufacturing, India
- **National Safety Award -** For Kayad Mine for FY 2019-20 and FY 2020-21 from the Ministry of Labour and Employment, Government of India
- **46th International Convention on Quality Control Circles (ICQCC) - 2021 -** Two awards for Rampura Agucha Mine in 'Par Excellence at ICQCC' and 'Excellence at ICQCC' categories, organised by Quality Circle Forum of India (QCFI)

Global Leadership for Hindustan Zinc

In a notable first for India, Hindustan Zinc's CEO/Full Time Director, Mr. Arun Misra, has been appointed the acting IZA (International Zinc Association) Chair. He is the first Indian and the first Asian to hold this distinctive position. The nomination acknowledges the Company's vision and its leadership position on the global zinc industry landscape.

"Arun Misra has been a key supporter of IZA's activities globally and especially in India. His leadership and experience will be a great resource for us, and I look forward to working with him on guiding IZA and the zinc industry through the opportunities and challenges ahead on the global stage."

- Dr. Andrew Green,
Executive Director, IZA

"It is a privilege for me to take on the role of IZA Chair and continue the tradition of excellence of those who came before me. The IZA has an exceptional team of professionals and I look forward to working together to grow global demand for zinc and promoting its essentiality to human health, crop nutrition, sustainable development, and modern life."

- Arun Misra,
CEO, HZL

Investment Case

A culture of excellence and innovation helps us to uphold world-class standards of integrated mining operations, digitalised mines, and first quartile position in the global zinc cost curve, all of which together differentiate us from the competition in the industry. We are also proud to maintain our 6th position globally as a primary silver producer. Our robust execution discipline and tight control on cost, driven by higher operational efficiencies and digitalisation helps us cater to markets profitably. We have maintained our dominant domestic market share (~80%) in the primary zinc segment by offering a wide range of high-quality products. Our strategic focus to further enhance our value-added products portfolio, with sustained efforts and sharp focus on holistic and sustainable growth helps to deliver industry leading returns for our investors.

UNDERSTANDING OUR INVESTMENT PROPOSITION WELL-ESTABLISHED

PRODUCTION CAPACITIES WITH SUSTAINABLE MINING OPERATIONS

A key metric of our value proposition is our ability to deliver steady operational performance regardless of various internal and external factors at play. Amid the challenging COVID-19 crisis, we progressed on various fronts.

- Moved with agility to adapt to the fast-transforming business environment led by our deep understanding of the markets and market leadership position
- Leveraged our digital and automation capabilities, and robust portfolio of operational assets, with low cost of production to stay ahead of the curve
- We have proven ore deposits with above average zinc-lead grades
- Continued our investment in new-age operational methods and tools to accelerate mine development rate, improve productivity and optimise cost
- Progressing well on our transition to a low-carbon economy
- Optimising our water, waste and land footprint through innovation and technology
- Effectively harnessing the power of technology and digitalisation to ensure on-time delivery of volumes
- Beneficial collaboration with globally renowned execution experts further enhances our capabilities and capacities for efficient project execution
- Trained teams for meticulous planning of projects, while rationalisation of operating processes promotes execution discipline

We remain resolutely focussed on sustainable growth across our mining operations and further raise the bar of operational excellence in the years ahead.

1.123 Mtpa
Integrated metal capacity#

1.2 Mtpa
Mined metal capacity#

800 tonnes
Silver refining capacity#

1,017 kt
Milestone mined metal production crossing the one million mark

967 kt
Best-ever refined metal production

5.8%
Increase in ore production*

PORTFOLIO OF MINES WITH LONG LIFE

We have in place a well-articulated strategic roadmap to steer short and long-term business growth and value delivery to our stakeholders.

- Growing R&R through continuous efforts on exploration (agile miner)
- Replenish every tonne of the mined metal to sustain mine life above 25 years at current rate of production
- Adopting new and innovative technologies to run robust exploration programme for delineation and upgradation of Reserves and Resources (R&R) within our licence areas

We are fully geared to maximise returns on the opportunities catalysed by these campaigns in the years to come.

25+ years
mine life (R&R) at current rate of metal production

448 Mt
Reserves and Resources

*During FY 2021-22
#As on March 31, 2022

GLOBAL ZINC COST LEADERSHIP (FIRST QUARTILE OF GLOBAL ZINC COST CURVE)

Fiscal prudence is vital for our ability to deliver value-accretive returns to all our shareholders.

- Consistently remain as one of the lowest cost producers of zinc-lead globally, despite transition to UG mining. Maintained our leadership position in the first quartile of the global zinc cost curve
- Follow resilient capital deployment strategies, as evident in our robust credit rating, strong balance sheet and high EBITDA margin
- Steadfast focus to manage our cost efficiencies, with well rationalised cost structure
- Continually ramp-up volume and deploy automation technologies to further improve ore-to-metal index
- Boost asset productivity, optimise power and generation of superior value from waste

We shall continue to augment our efforts to drive growth and improve profitability through concerted efforts on all fronts to maintain our cost leadership.

₹ 29,440 crore
Revenue

US$ 1,122 per MT
Zinc CoP

52%
3-year average EBITDA margin#

₹ 17,966 crore
Net cash#

DIVERSIFIED PRODUCT PORTFOLIO

Our focussed approach is centred to meet ever-evolving customer needs and quality expectations through innovative products and tailor-made solutions, tools and platforms.

- Growing alloys portfolio: On-track to establish 30 kt alloys plant under Hindustan Zinc Alloys Private Limited (HZAPL) to enhance our Value Added Product portfolio as a go-to-market strategy
- Collaborate with customers to develop products designed to meet specific requirements
- Large-scale distribution network helps us remain close to our customers and service them effectively
- Long-term customer connect ensures timely redressal of grievances, just-in-time inventory for our long-term partners, and need-based visits by our in-house and external subject matter experts to our customers' facilities

Constant endeavour to scale up customer engagement initiatives and deliver a par-excellence experience to our customers at every stage of their journey with Hindustan Zinc.

80%+
Domestic primary zinc market share

12
Product offerings

20%
Proportion of value-added products

#As on March 31, 2022

SUSTAINABLE BUSINESS WITH CORE FOCUS ON ESG (LEADING AMONGST PEERS)

We have always stayed at the forefront of sustainability amongst our global and domestic peers.

- Committed to optimal use of natural resources, reduction in carbon footprint, safe operations, and renewable energy utilisation, as part of our 2025 Sustainability Goals
- Ranked 5th Globally in Metal and Mining Sector in DJSI & 1st in Asia-Pacific region
- Ranked 1st in Environment Dimension in the Metal and Mining Sector globally
- In the Sustainability Yearbook 2022 (5th year in a row)
- Ranked in top 100 global companies by Global Sustainability Magazine
- Positive progress on our ESG roadmap, with a US$ 1 billion investment allocated towards climate change initiatives including EV deployment in our operations, RE Power (to reduce and eventually eliminate thermal power dependence)

We will continue to invest and strengthen our sustainability focus by delivering on our well-defined goals and progress on our sustainable value-accretive journey.

2.41x
Water Positive Certified by DNV-GL

1st
in India Dry Tailings Plant

354.59 MW
Renewable Energy Portfolio (Wind - 273.5 MW, Solar - 40.42 MW, WHRB - 40.67 MW)

SUPERIOR RETURNS TO SHAREHOLDERS (DIVIDENDS, HIGH ROI PROJECTS)

Our robust balance sheet, with strong free cash flow from operations, facilitates in delivering excellent return on investment to our shareholders.

- Helps us to embark and evaluate new projects for investment with above average Internal Rate of Returns (IRRs)
- Strong cost optimisation measures, operational excellence, and targeted sustainability strategies, further help to create and deliver value to our shareholders
- Demonstrated ability to grow production, optimise cost and implement sustainability strategies effectively
- Strong resolute to growth and to maintain a strong balance sheet sustainably will aid our value creation journey

We shall always strive to invest in our assets profitably and enhance shareholder value throughout the economic lifecycles of our projects.

87%
5-year average dividend payout

16%
5-year CAGR in mined metal production at underground mines

7%
5-year CAGR in silver production volume

"We share an open and transparent relationship with our investors, analysts and other stakeholders. It is our constant endeavour to strengthen our communication channels to secure their feedback and steadily deliver on their evolving expectations. In line with this strategy, we are focussed on progressively and proactively aligning our reporting and disclosures with global standards. Investment in sustainability and ESG is another priority area for us, where we commit ourselves to increasingly engage with investors and enable an inclusive, long-term growth for all our stakeholders."

Shweta Arora
Head, Investor Relations

Celebrating Success through Value Creation

We believe that celebration of business success is directly linked with the value we create and sustainably deliver to our stakeholders. We strive to ensure value creation, through investment across each of our six capitals, which is designed to achieve value-led growth for our stakeholders in a safe and sustainable environment.

HOW WE CREATE, SUSTAIN & DELIVER LONG-TERM VALUE

We remain firmly committed to create value for our stakeholders in an environment of sustainable and equitable growth. We continually work to create long-lasting value taking all our stakeholders along in this progressive journey.

WE CREATE VALUE THROUGH

- Core assets and activities which generate direct and indirect employment and economic progress for the nation
- Robust mineral resources and reserves which help in the country's journey to metal related self-sufficiency
- Long-term mining lease agreements and progressing investments to develop mining assets
- Multiple mine licenses to ensure smooth continuity
- Seamless logistics and transportation

WE DELIVER VALUE THROUGH

- Integrated business approach
- Agility in execution
- Technological and digital advancements
- Customer-centricity
- Consistent fiscal growth
- Waste minimisation
- Contribution to national progress

WE SUSTAIN VALUE THROUGH

- Operational efficiencies
- Capital efficiencies
- Optimal utilisation of natural resources
- Sustainability and CSR focus
- Ethics and governance framework
- Effective risk management and opportunities
- Continual stakeholder engagement
- Nurturing people and talent development

Distribution of Generated Value

We follow a collaborative approach in value distribution to all our stakeholders, which includes our shareholders, investors, business partners, employees, government, and community. Understanding their aspirations and concerns and taking right steps to address the same, is a key commitment in our growth strategy. We take an inclusive and integrated approach with our steadfast focus on delivering profitable and long-term value-led outcomes to every member of our stakeholder fraternity.

FY 2020-21

VALUE CREATED
₹ **26,831** crore
Gross Income (including GST)

VALUE RETAINED
₹ **21,084** crore
Retained Earnings^

₹ **760** crore
Employees

₹ **214** crore
Community

₹ **8,225** crore
Taxes&

₹ **6,856** crore
Suppliers

₹ **9,000** crore
Shareholders

& Gross contribution to exchequer ₹15,008 crore including dividend of ₹4,717 crore

^ As on March 31, 2021

FY 2021-22

VALUE CREATED
₹ **33,988** crore
Gross Income (including GST)

VALUE RETAINED
₹ **23,052** crore
Retained Earnings^

₹ **718** crore
Employees

₹ **191** crore
Community

₹ **11,422** crore
Taxes&

₹ **8,955** crore
Suppliers

₹ **7,606** crore
Shareholders

& Gross contribution to exchequer ₹15,676 crore including dividend of ₹2,246 crore

^ As on March 31, 2022

HINDUSTAN ZINC
Zinc & Silver of India

Business Model

Our business model is structured for value creation across the stakeholder fabric. It is aligned with the production of excellent outcomes at every step of the business value chain – from extraction of the raw material to delivery of quality finished products to customers.

INPUTS

CAPITAL

Financial
- Equity Capital **₹845** crore
- Net Cash **₹17,966** crore
- Reserves & Surplus **₹33,436** crore

Manufactured
- Zinc Cost of Production **US$ 1,122 per MT**
- Fixed Assets **₹37,453** crore

Intellectual
- Collaborations/memberships with technical institutes **10**
- Patents filed **1 (India)**

Human
- Employee Benefit Expenses **₹718** crore
- Learning & Development hours **1,12,947**

Social & Relationship
CSR Spends **₹191** crore

Natural
- R&R: **447.9** Mt
  Zinc-Lead metal: **31.06** Mt
  Silver: **874.7** Moz
- Energy consumption **4,426.27** MU

Our Process Chain

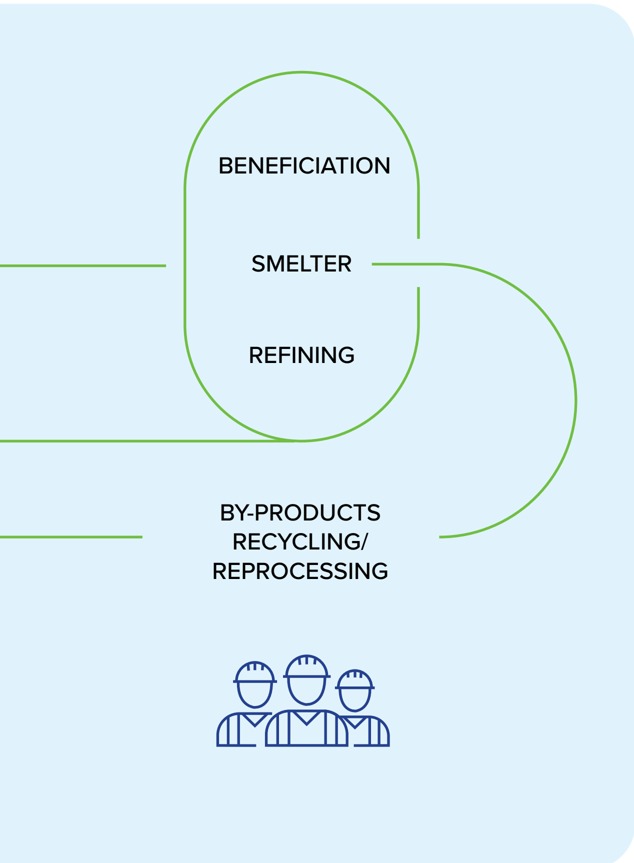
Our Strategic Priorities

- **S1** Expansion of Capacities
- **S2** Maintaining a Portfolio of Mines with Long Life
- **S3** Strengthen Cost Leadership
- **S4** Expansion of Product Portfolio through Customer Centricity
- **S5** Progressing Towards a Sustainable Future

Outputs Production Volume

7,75,808
tonnes Zinc

With our integrated approach to business, we have in place robust end-to-end processes that cater to both inbound and outbound logistics, while ensuring efficient management of our warehousing functions. With our eyes set on unlocking potential far greater than mere optimisation of operations, we remain steadfastly focussed on ensuring sustainable growth through effective risk management that is mapped to the external environment. Our Vision, Values and Mission provide the framework within which we operate, to deliver consistent value to our customers, and eventually to all our stakeholders.



1,91,185
tonnes Lead

647
tonnes Silver

OUTCOMES

SDGs IMPACTED

CAPITAL

Financial
- Revenues **₹29,440** crore
- EBITDA **₹16,289** crore
- Interim Dividend Per Share **₹18**

SDGs: 8 Decent Work and Economic Growth

Manufactured
- Mine life (average) **25** years+
- Among the world's lowest cost producers of zinc
- Highest ever mined metal production at **1,017** kt

SDGs: 9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production

Intellectual
- **12** different product offerings
- In-house award-winning dashboard
- Minor metal extraction capabilities
- Top-of-the-mind recall among customers

SDGs: 9 Industry, Innovation and Infrastructure; 17 Partnerships for the Goals; 12 Responsible Consumption and Production

Human
- Revenue per employee **₹8** crore
- Women in the executive workforce **15.7**%

SDGs: 3 Good Health and Well-Being; 8 Decent Work and Economic Growth; 5 Gender Equality

Social & Relationship
Beneficiaries from CSR initiatives **1.4** million+

SDGs: 1 No Poverty; 2 Zero Hunger; 3 Good Health and Well-Being; 4 Quality Education; 5 Gender Equality; 6 Clean Water and Sanitation; 7 Affordable and Clean Energy; 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 10 Reduced Inequalities; 11 Sustainable Cities and Communities; 17 Partnerships for the Goals

Natural
- All operating units are certified to **ISO 50001** – Energy Management System
- GHG emissions **4.81** Mn TCO_2e
- Waste recycled **6.17** Mt
- Water recycled **19.22** Mn m^3

SDGs: 6 Clean Water and Sanitation; 7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action; 15 Life on Land

Stakeholder Engagement

Our dialogue with stakeholders guides our strategic planning, helps to reimagine business purpose, and allows us to monitor operations and outcomes across each stakeholder group. The process of stakeholder engagement is at the heart of what we do, bringing in profound awareness of relevant issues, and guiding the implementation of initiatives for positive change. It is our belief that bringing various relevant stakeholders onboard for an open and productive dialogue is critical for long-term sustainability of the organisation and helps to uphold values of responsible business.

At Hindustan Zinc, proactive engagement with our stakeholders has made way for mutually beneficial sustainable outcomes and accelerated the implementation of all our strategic interventions. Initiatives range from driving sustainable consumption patterns to mitigating environmental impact, incorporating, and implementing human rights principles, instilling values via codes of conduct for upliftment of communities, besides meaningful contribution to the nation's growth and development, all of which have required active participation of stakeholders including customers, suppliers/vendors, business partners, local people, government etc.

For effective stakeholder engagement, we have established the Stakeholder Engagement Standard. The process is streamlined at all sites where identification and analysis of each stakeholder is conducted. This exercise ensures smooth dialogue as a channel to enable a two-way engagement between the organisation and stakeholders.

We identify stakeholders as those individuals or groups that have interests or are directly or indirectly affected by the impact of our business activities and decisions. At an organisational level, specific teams help to identify stakeholders who may have been otherwise overlooked or gone unnoticed due to a position of disadvantage. The actual and predicted impact for each stakeholder group is identified based on locally-gathered information. From this, Stakeholder Engagement Plans (SEPs) are derived, and periodically reviewed and updated as needed.

Stakeholder identification helps us understand:

- Positive and negative impacts of our business activities
- Risks and opportunities for our business and stakeholders due to business activities
- Managing impacts due to conduct of business in a responsible and effective manner
- Recognise the implied value of our management actions

OUR STAKEHOLDER ECOSYSTEM

STAKEHOLDER ECOSYSTEM

SHAREHOLDERS
- Support and feedback on business operations to ensure shareholder value is maximised

EMPLOYEES
- Achieve business goals by collective efforts, experience, and best practices
- Drive business performance and create sustainable value

GOVERNMENT
- Contributes in the form of taxes, products, and royalties
- Supporting through CSR for ground-level activities

CUSTOMERS
- Determining product quality & pricing
- Product innovation development

COMMUNITIES
- Contributes to macro environment for business growth and national progress
- Improving quality of life and wellbeing by positive impacts

SUPPLIERS
- Operational efficiency through timely supplies & logistical efficiency
- Responsible sourcing critical to reach sustainability goals

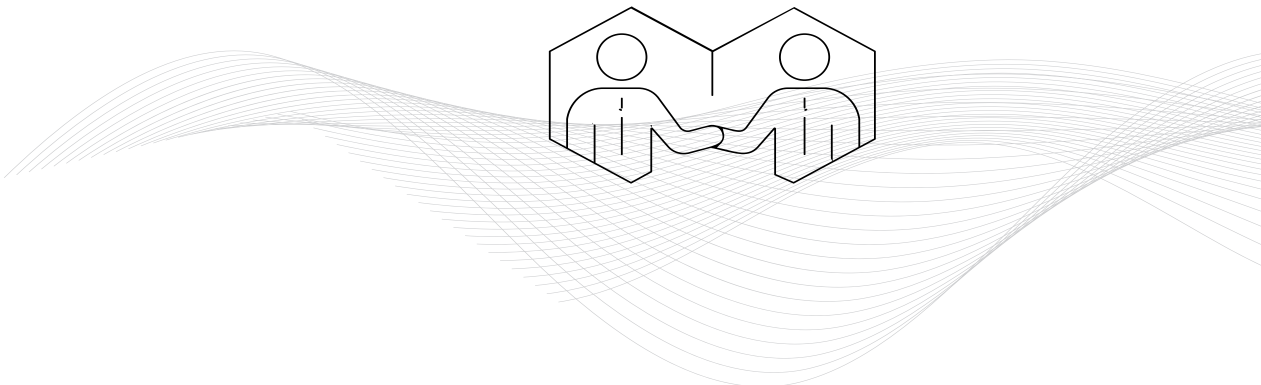
STAKEHOLDER GRIEVANCE REDRESSAL MECHANISM

Hindustan Zinc identifies grievances as an expression of dissatisfaction by any stakeholder caused by factual or perceived incidents. The Company regularly engages relevant stakeholders to allow the Company to gain a holistic view of its business. A Grievance Committee, chaired by the respective unit heads is in place to address and resolve grievances. An apex committee, chaired by the location head, meets every quarter and the unit level committee meets every month and is apprised of the grievances received and action taken by the respective committees. As leaders of industry, we ensure that all grievances are acknowledged, assessed and a satisfactory response is communicated to the complainant in a time-bound manner.

HOW WE ARE ENGAGING WITH OUR STAKEHOLDERS

To facilitate effective stakeholder engagement, the Company reaches out on multiple stakeholder-specific platforms that encompasses all relevant stakeholders. This process helps minimise reputational risk and protect brand image, while strengthening our bond with stakeholders by keeping open all channels of communication to reach wider audiences.

To monitor and measure progress, we have in place a well-formulated review mechanism that tracks stakeholder interactions and the outcomes achieved.



Please refer page 251 of our Business Responsibility and Sustainability Report (BRSR) for details of our stakeholder engagement and grievances.

Looking Forward to Next Level of Growth By Effectively Addressing Material Issues

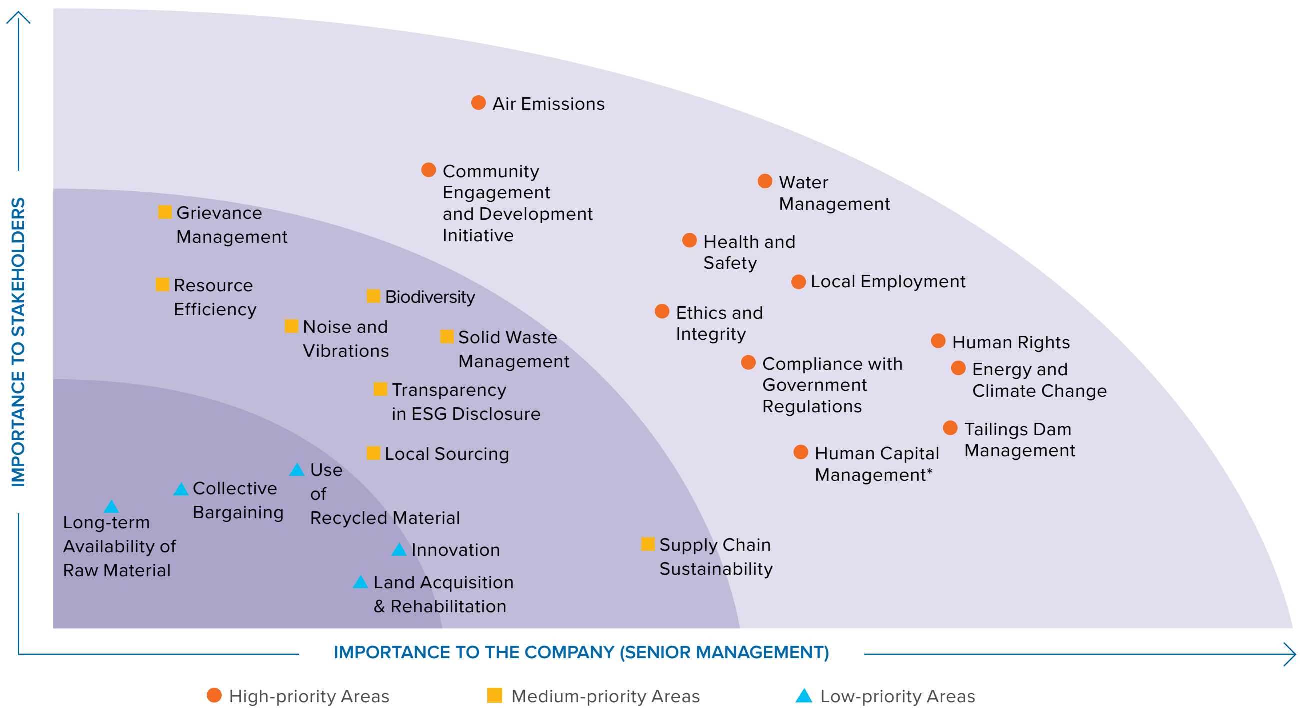
Materiality assessment enables Hindustan Zinc to identify topics of relevance to stakeholders, like sectoral outlook, megatrends, and risk perspectives with relevant mitigation strategies. We are convinced that companies that grow must do so responsibly, and openness to continually collaborate and improve can be effective in building reputation and trust among stakeholders, which in turn supports growth.

The last extensive review of our materiality analysis was carried out in FY 2018-19. This comprised reaching out to relevant stakeholders about the most important sustainability issues for Hindustan Zinc. We additionally consulted subject specialists, brainstormed with all business function heads, and mapped out relevant potential issues. Particular attention was paid to positive and negative financial impact due to emerging ESG risks and opportunities. We have established an enterprise risk management framework that enables the Company to identify strategic, financial, and operational ESG risks. The ESG risks occupy a central place in our assessment process as they can have a significant impact on the Company's business model and value drivers, such as revenue growth, margins, and required capital.

Although, a formal process of consultation could not be conducted in FY 2021-22, the top management did review material issues for consistency and relevance with the prevailing situation. Key material topics that featured predominantly at most locations were prioritised for strategising, management, and execution.

The illustration below shows the feedback of our senior leadership and business strategy on the most important sustainability topics.

Materiality Matrix



*Two material issues – Diversity and Equal opportunity and Learning and Development – were clubbed and combined with Human Capital Management.

MATERIALITY TOPICS IMPORTANT FOR STAKEHOLDERS

Water Management
Stakeholders
Community, Regulators, Customers

Health and Safety
Stakeholders
Investors, Employees, Regulators

Human Capital Management
Stakeholders
Employees

Community Engagement and Development
Stakeholders
Regulators, Employees & Workforce, Community

Air Emissions
Stakeholders
Investors, Community, Regulators, Civil Society, Customers

Energy and Climate Change
Stakeholders
Investors, Regulators, Customers

Tailings Dam Management
Stakeholders
Investors, Regulators, Community

Human Rights
Stakeholders
Investors, Regulators, Community, Suppliers

Ethics and Integrity
Stakeholders
Investors, Regulators, Community, Suppliers, Customers

Compliance with Government Regulations
Stakeholders
Investors, Regulators, Suppliers, Customers

Please refer page 231 of our Business Responsibility and Sustainability Report (BRSR) for details of our material issues and our approach to mitigate the risk from identified material issues.

Paving the Way for Greater Growth By Investing in our Strategic Priorities

At Hindustan Zinc, we have identified, and remain consistently focussed on investing in our Strategic Priorities. Our efforts to strengthen these priorities are driven by our future targets and goals. They are crafted to pave the way for increased growth and value creation across key metrics, to give the Company and its stakeholders many more reasons to celebrate their collective journey.

OUR STRATEGIC PRIORITIES

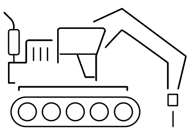
S1 Expansion of Capacities

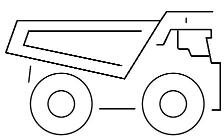
S2 Maintaining a Portfolio of Mines with Long Life

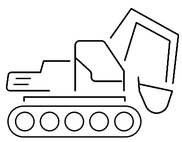
S3 Strengthen Cost Leadership

S4 Expansion of Product Portfolio through Customer Centricity

S5 Progressing Towards a Sustainable Future





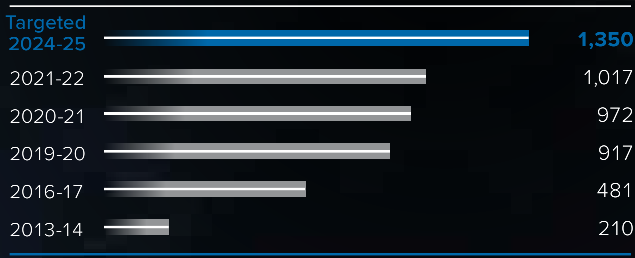


S1 EXPANSION OF CAPACITIES

To leverage the emerging global opportunities, we are continually investing in expanding our production capacities. We have established 1.2 Mtpa of mined metal capacity and are now working on further expanding the same. Going forward, we are aiming to further ramp-up our underground mines to deliver on the designed capacity of 1.2 Mtpa. A new beneficiation plant is also planned at Rajpura Dariba Mines to increase treatment capacity from 1.1 Mtpa to 1.5 Mtpa. Also in the future, we plan to commission a new ZLD plant at Rampura Agucha and Zawar. In addition, at Balaria, which is part of Zawar group of mines, new production centre is under consideration. Further, with the supporting mined metal flow, smelters are geared to touch approx. 1,000 – 1,025 kt. We are also planning to include one more roaster in our smelting operations, followed by expansion of our leaching and cell house capacity (currently under Board approval). The commissioning of Fumer is also proposed to be completed in FY 2022-23.

By FY 2024-25, we expect to further ramp-up capacity of underground mines to 1.35 Mtpa capacity. With commissioning of new zinc smelter of 150 kt capacity, zinc metal production will increase and contribute to achieve the envisioned refined metal capacity. We also target to scale-up silver production to 800 MT and gradually to 1,000 MT in line with our vision to be in top 3 global primary silver producers from the 6th position currently.

Underground (UG) Production (MIC production, kt)



S2 MAINTAINING A PORTFOLIO OF MINES WITH LONG LIFE

Exclusive Mineral Resource totalled 286.73 million tonnes at the end of FY 2021-22, while the combined R&R was estimated to be 448 million tonnes, including 31.1 million tonnes of zinc-lead metal and 874.7 million ounces of silver. The overall mine life continues to be over 25 years.

In the next phase of our growth, we are targeting ore generation at Kayad and Rampura Agucha Mines by integrating application of artificial intelligence & machine learning with existing geological data in FY 2022-23. We are also looking at increased exploration to enhance our Mineral Resource by 20 Mt Ore (with contained metal of 1.0 Mt), which we aim to further augment by another 40 Mt Ore by FY 2024-25 (with contained metal of 2.0 Mt).

It is estimated that ore reserves upgradation of 28 Mt will translate into a total R&R of 470 Mt in FY 2022-23. We shall also seek to secure SK north / SK south PL and other new tenements for R&R growth which will further increase total R&R to 500+ Mt, with ~35 Mt Metal by FY 2024-25. Going forward, we shall focus on application of advance geophysics techniques for target generation in strike/down dip extension of mineralisation.

Ramping up R&R (total R&R Mt)

We remain concertedly focussed on increasing the longevity of our mines to drive future growth and value. As of March 31, 2022, our total ore reserves stands at 161.2 million tonnes (net of depletion of FY 2021-22 production of 16.3 million tonnes), as against 150.3 million tonnes at the end of FY 2020-21. The increase was on account of our heightened focus on resource to reserve conversion. Our

S3 STRENGTHEN COST LEADERSHIP

Prudent cost management is important to deliver value-led, sustainable growth. Led by this belief, we successfully maintained our focus on improving cost efficiencies during the year.

Despite disruptions triggered by COVID-19, we posted record ore production of 16.3 million tonnes, while mined metal production stood at 1,017 kt and refined zinc-lead production at 967 kt. The Dariba Zinc Smelter posted its highest ever production, with 92% efficiency. The production increased was facilitated by our focussed initiatives to promote operational and cost excellence. These included completion of the cell house revamp at Zinc Smelter Debari (ZSD), commissioning of Advanced Process Controllers (APCs) at the beneficiation plants of Rampura Agucha and Sindesar Khurd Mines, and commencement of Zinc Oxide treatment at Fumer Circuit CLZS for additional FG production. Digitisation and automation, along with power optimisation and innovative transportation and shaft hauling processes, further helped promote cost excellence.

During FY 2022-23, we shall strive to maintain cost of production between US$ 1,125 - US$ 1,175 per tonne through efficient ore hauling, higher volume and grades, as well as higher productivity, through our automation and digitalisation initiatives. We shall work towards maintaining all cell house operations at their currently efficiency levels of 92% without any interruption of MIC. We plan to run Pyro on Lead mode to reduce the Zinc COP, and also to improve Lead and Silver production.

Further ahead, by FY 2024-25, through our continued focus on delivering volumes, keeping a tight watch on cost rationalisation and operational efficiencies, we aim to reduce cost of production to below US$ 1,000 per tonne. We shall further undertake automation and mechanisation of the Dariba Lead cell house and Debari cell house to reduce cost and concurrently increase efficiency and recovery.

S4 EXPANSION OF PRODUCT PORTFOLIO THROUGH CUSTOMER CENTRICITY

We are also continuously scaling up Value Added Product (VAP) production in our primary metals portfolio. We produce two types of VAP – 1) Continuous Galvanising Grade (CGG), which is used by Steel Galvanizing companies, with the final product finding use in construction, and 2) Hindustan Zinc Die Casting Alloy (HZDA), which is used by Die Casting companies, with the final product being utilised by the automobile and architectural sector.

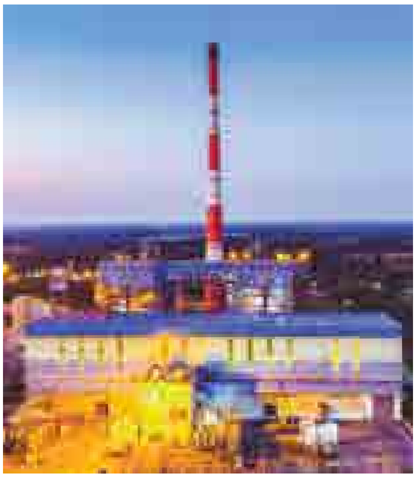
With both the construction and auto sector picking up along with renewed focus on smart city and infrastructure projects is generating high demand for customised products. Through our subsidiary HZAPL, we are increasingly focussing on meeting domestic demand for zinc alloy products to enhance our VAP portfolio as a go-to-market strategy.

Thereby, our share of VAP increased to 20.0% in FY 2021-22 from 15.5% in the previous year and target to increase it to 24% by FY 2024-25.

To cater to the increasing minor metal demand, we are looking at scaling up our capacities for minor metal recovery, going forward. We are also investing in the development of new products through downstream applications. Our key focus area in this context is innovation of new products in lead alloys and increased penetration of zinc alloys.

Share of VAP in Our Sales (%)

S5 PROGRESSING TOWARDS A SUSTAINABLE FUTURE



Hindustan Zinc has consciously adopted a strategic approach that is crafted to drive its efforts to progressively reduce its carbon footprint. Our audacious Sustainability Goals 2025, as well as voluntary & progressive ESG-related disclosures in line with global best-practices, underline our commitment to responsible growth. They underscore our concerted efforts towards reduction in GHG emissions reduction, along with water stewardship, circular economy, biodiversity conservation and waste management. Innovation is central to our 3R (Reduce-Reuse-Recycle) waste approach and adoption of greener technologies to the maximum possible extent.

The constitution of a Board-level ESG Committee is a major step forward in steering us towards the realisation of our Sustainability Goals. We are continuously striving to promote conservation of natural resources and restore the natural land and water systems to drive our transition to a circular economy. Responsible local sourcing is another key facet of our focus on powering a circular economy. Introduction of battery-electric vehicles (BEVs) in underground mines is a major step taken by the Company, a COP26 business leader, to drive it closer to achieving carbon neutrality.

In FY 2022-23, we are looking at migration to 100% mechanised charging at Zawar for improved safety, faster charging and increased pull per blast. Cognisant of our ESG and Net-Zero goals, we are also looking at establishment of 200 MW green power to reduce COP, besides modification of the existing circuits to enable waste management through Jarosite utilisation.

354.59 MW

Renewable energy generation portfolio

2.58 MGJ

Renewable Power generation (Wind+WHRB+Solar)

19.22 Mn m^3

Water Recycle

Giving Stakeholders Many Reasons to Celebrate By Managing Capital Trade-Offs Effectively

Effective management of the capital trade-offs is critical for enablement of the Company's strategic business priorities, and the realisation of its short and long-term goals. This helps in balancing the strategic priorities with the potential risks to prevent any adverse impact of the latter on the business capitals.

Here is how we, at Hindustan Zinc, manage our capital trade-offs with respect to our strategic priorities.

	S1 EXPANSION OF CAPACITIES	S2 MAINTAINING A PORTFOLIO OF MINES WITH LONG LIFE
FINANCIAL CAPITAL	• Investing in value-accretive projects by leveraging our strong balance sheet • Increased profits in mid and long-term	• Higher spending on R&R additions and new tenements • Sustained production growth
MANUFACTURED CAPITAL	• Automated and digitally integrated value chain • Improved ore-to-metal ratio through higher recoveries & efficiency	• Enhance the Mineral Resource by 40 Mt Ore with contained metal of 2.0 Mt and upgrade Ore Reserves to 42 Mt which will lead to total R&R of +500 Mt with ~35 Mt Metal • New tenements will create new mines in the long term
INTELLECTUAL CAPITAL	• Innovation around metal recovery • Digital best practices replicated across sites • Enhanced market position	• Automation of litho-structural data collection through Acoustic Televiewer (ATV)/ Optical Televiewer (OTV) tools of surface boreholes • Use of Subject Matter Experts (SME) for designing and executing exploration programmes
HUMAN CAPITAL	• Training and skill development • Optimal manpower • Higher productivity	• Trained pool of geologists, geophysicists and analysts • Deploy outsourced services from global exploration experts
SOCIAL & RELATIONSHIP CAPITAL	• Local employment and sourcing • Increased social spending • Higher contribution to the exchequer	• Resource sufficiency for the nation • Sustained livelihood for communities
NATURAL CAPITAL	• Higher usage of earth resources • Leveraging renewable resources, including recycled water and green energy	• Identification of new mineral resources • Restoring biodiversity at mining sites

S3 STRENGTHEN COST LEADERSHIP	S4 EXPANSION OF PRODUCT PORTFOLIO THROUGH CUSTOMER CENTRICITY	S5 PROGRESSING TOWARDS A SUSTAINABLE FUTURE
• Cost control through consistent efforts on operational efficiencies, volume delivery and cost rationalisation to combat the inflationary input commodity environment • Investment in new-age technologies for enabling cost excellence	• Investment in new business lines, such as minor metals • Higher premiums • Protection from commodity price volatility	• Adoption of advanced technologies to optimise, reuse and recycle water resources • Investments in low-emission technologies and green energy • Deployment of collaborative models for metal reuse and recycling
• Higher equipment effectiveness • Optimised power and logistics • Best-in-class mill and smelter efficiencies	• Modern processing facilities capable of producing a wide range of products	• Tailings dams for water recycling and land reclamation • Efficient management & gainful utilisation of waste • Smart transportation with BEVs in underground mines to reduce GHG emissions • Improved conversion efficiency of CPPs and enhanced solar energy
• Creation of global benchmarks in productivity and efficiency • Deployment of Advanced Process Controllers (APC) to improve recoveries	• Development of new products based on market research and studies • Enhanced market perception	• Patents for processes of reuse of materials like Jarosite • Innovative technologies in underground mining to minimise GHG emissions
• New-gen workforce with differentiated skills of digitisation, AI and best mining practices • Safe and productive workplace	• Attracting industry-best talent	• Development of strong in-house R&D capabilities • Promoting employee engagement in HSE initiatives
• Local supply base • Higher commitment towards community upliftment	• Generation of local employment opportunities through ancillaries • Improved customer relationships	• Facilitating 25% higher freshwater availability for communities • Zero land acquisition for waste storage • Compliance with stricter regulatory community and environmental regulations
• Higher ore-to-metal recovery • Higher cost credits through increasing minor metal recovery, gainful utilisation of waste	• Residue treatment and production of value-added products • Recycling and reprocessing of lead	• Aim for 0.5 Mn TCO_2e GHG emission savings by 2025 in operations • Become 5x water positive by 2025 • Strive for 3x increase in gainful utilisation of waste in smelting by 2025

Risk Management

Robust Systems for Prevention, Early Detection & Mitigation

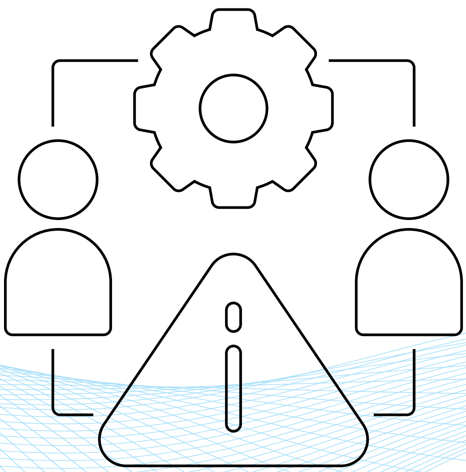
We are cognisant that risk management is critical for realisation of organisation goals. The importance of early identification of probable risks, as well as timely formulation of strategic plans to mitigate the same, is important to be successful on this count. We, therefore, have in place a strong and sustainable risk management framework, supported by risk disclosure through various internal online platforms to allow timely escalations and actions. Risks are clearly defined with specific management targets and indicators, which are in turn mapped across categories, class, and their potential impact, and evaluated on a regular basis.

RISK MANAGEMENT FRAMEWORK, AWARENESS & GOVERNANCE

As per requirement of SEBI (LODR), the Board has formed a Risk Management Committee to oversee the mitigation plan for the risks faced by the Company. Risk Management is led by the Chief Risk Officer (CRO), who is part of the Risk Management Committee. The CRO's roles and responsibilities include keeping the senior management aware of all existing and emerging risks at asset and business levels. The CRO additionally guides strategic business unit (SBU) heads, who are equally responsible for managing risk in their respective business units. Necessary awareness and specific training sessions are conducted periodically across all business units.

To ensure further transparency and critical assessment of risk, we have a group management assurance system that co-ordinates the risk management framework, which is reviewed annually by the Audit Committee on behalf of the Board. These efforts are further supported by a Board Level Risk Management Committee comprising the CEO, CFO and Chairman of the Audit Committee. The Head of our group management assurance, along with CRO, CHRO, CCO, COO Mines and COO Smelters, is a permanent invitee. The Risk Management Committee discusses key events impacting the risk profile and emerging risks, and monitors progress against the planned action.

Hindustan Zinc's risk management system is certified as per ISO 31000:2018



Our risk management framework is well-structured and allows us to identify, assess, categorise, address, and mitigate both positive opportunities and negative consequences associated with our business. These are regularly monitored, tracked, and reviewed through a robust Governance and Process architecture, with roles and responsibilities clearly defined for each stage.

Our Governance Proposition

Board Risk Management Committee Overview

- Mandated to review key risks along with mitigation plan
- Provides guidance on strengthening of overall risk management framework

Quarterly Review by Management Committee

- Senior management undertakes quarterly reviews, which are presented before the Risk Management Committee annually
- Chief Risk Officer is tasked with monitoring and co-ordination

Location - Risk Review Meetings

- Risk along with Impact / livelihood review meetings are held quarterly at Location/Unit and Corporate levels, along with mitigation plans
- Risk Register is updated regularly

Our Process Architecture

Risk Owner Mapping

- Risks & mitigation plans are mapped in Risk Matrix with KRAs
- Risk Owner is assigned to each risk for its monitoring on ongoing basis

Risks Categorisation

- High Impact Risk – Category 4 and 5 Significant and Critical along with likelihood resultant into multiplication factor of more than 10 to be classified as Principal Risk
- Other Risks

Digital Dashboard Tracking

- Well-organised digitalised repository containing information on all risks across business locations
- Provides live and swift overview of Risk Register

RISK MANAGEMENT CULTURE

We believe it is important for an organisation to be imbued with a culture of proactive risk management. At Hindustan Zinc, we foster such a culture through continuous and sustained initiatives aimed at creating awareness, discussing mitigation and encouraging discussion across the hierarchy.

Some of the key elements and policies that further propagate risk-awareness. These include:

Financial Incentives

- Risk management and mitigation linked to KPIs of senior management; other employees encouraged to commit to and participate in risk management activities
- Annual financial incentives related to outcome of KPIs and active participation criteria
- Any breach deemed non-negotiable

Risk Education & Training

- Regular training and education sessions conducted for senior management on identification, resilience planning & mitigation of various risks the Board may deem neccessary for attention
- Regular meetings & workshops held on risk management topics at various levels (specific teams, units, corporate) to strengthen risk intelligence across the organisation
- Specific risk-related awareness material disseminated through dedicated emailers

HR Review Process

- Large part of employee's individual performance linked to key sustainability factors, safety, risk and compliance with assessment criteria, including proactive reporting of risks and timely completion of risk management/action plans on digital portal, etc.
- Employees also given recognition based on innovative risk management solutions identified and implemented

Risk Identification & Disclosure

- Risk reporting considered each individual's responsibility and Risk Officers at each facility/location easily accessible for any risks that need to be reported
- Risk Officers identify and assess risks at the facility level
- Risks compiled and uploaded onto a digital platform where proactive identification and reporting of risk triggers/risks is maintained

Vendor and Supplier Related Risk Identification

- Robust process in place to identify and mitigate vendor amd supplier-related risks, to ensure that production process is not impacted
- Regular reviews of KPIs and regular vendor/supplier engagements undertaken to discuss emerging or potential risks

Periodic Improvements in Risk Mitigation and Management

- Yearly improvement in risk mitigation and management through open communication
- Quarterly meetings organised by Unit Risk Officers to ascertain and improve on the risk areas for various stakeholders; helps identify best practices and lessons learnt
- Teams across hierarchies encouraged to report any type/category of risk through online reporting platforms (including escalation windows) accessible to them

To ensure continual strengthening of our risk mitigation and management framework, we clearly define risk management targets and indicators as part of our risk scorecard. Further, performance evaluation is undertaken at the management and higher levels on a regular basis.

RISKS & MITIGATION

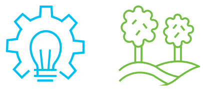
In the dynamically changing external environment, we keep a close eye on evolving risks to which our business may be exposed. We have identified the key risks that may impact our business and have a well-formulated risk mitigation strategy for its effective management.

Risks	Mitigation	Risk Class	Key Capitals Impacted
External Macro Risk High inflation in a stressed geopolitical environment, demand-supply disruptions, technological transformations and changing customer preferences can catalyse the need to relook organisational strategy.	• Strong brand reputation with regular investments in brand building and strengthening of the marketing franchise • Hiring specialised manpower in niche areas such as AI, intelligent automation, marketing, distribution etc. • Continual exploration of new mining related digital solutions, integrated databases and systems for informed and agile decision-making *(Read more on External Environment and Digitalisation sections on Pages 64 and 28)*		
Regulatory Risks Changes in the local/ regional political, legal, and environmental regulatory framework may impact our operations. Failure to comply with regulatory requirements can affect our reputation besides leading to stiff penalties.	• Constant monitoring of the regulatory framework • Zero tolerance to non-compliance • Strong awareness mechanisms to keep workforce aligned with regulations • Robust team of professionally qualified experts oversees and ensures legal compliance • In-built systems of checks and balances to monitor compliance through technology • Proactive engagement with all government functionaries to ensure the Company's views and industry's suggestions are heard before formulation of policies that impact the mining industry and business, particularly for zinc *(Read more on External Environment on Page 64)*		

Risk with medium probability and medium negative impact on financials

Risk with low probability and medium impact on financials or high probability, but negligible impact on financials

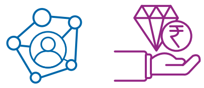
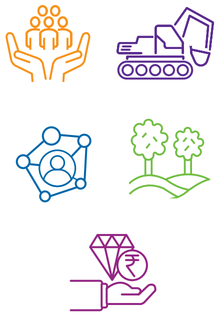
Risk with high probability and high negative impact on financials

Risks	Mitigation	Risk Class	Key Capitals Impacted
 **Climate Change / Sustainability Risks** Climate change events can lead to non-availability of, or inadequate natural resources, which are essential for our business continuity.	• Adherence to Sustainability Goals 2025 and Science Based Targets (SBTi) with Board level oversight to ensure alignment of renewable energy portfolio and decarbonisation with Sustainability • Review of climate change vulnerability risk assessment • Well-defined processes to monitor and control pollution, dust suppression, vibrations, effluent discharge and waste management • Committed to judicious use of natural resources and focussed investment and innovation in clean technologies • Maintain several water sources in conjunction with government, sustainable water source ensured through network of Sewage Treatment Plants (STPs) in Udaipur • Plan to set up Dry Tailing Plants at all mining sites, strengthen wastewater recycling system • Investment in renewable power sources while maintaining self-sufficiency through coal-based captive power generation • Work towards zero waste to secured landfill, elimination of land requirement for landfills *(Read more in our ESG section and Sustainability Review Report FY 2021-22)*		
 **Information Security Risks** Any cybersecurity failure or breach can cause loss of critical data for the Company. The possibility of cyber-attacks and data breaches has increased in the new remote working environment. The Company is also exposed to the risk of business disruption and penalties in case of failure to adhere to IT regulations.	• Hired expert agencies to periodically review the Company's IT security framework • Ongoing investment to upgrade and strengthen system, if required, to mitigate newer threats & risks • Deployed ISO standards for Information Security Management • Accredited with ISO 27001 certification		


Risk with medium probability and medium negative impact on financials


Risk with low probability and medium impact on financials or high probability, but negligible impact on financials


Risk with high probability and high negative impact on financials

Risks	Mitigation	Risk Class	Key Capitals Impacted
Community Risks The local communities in the areas of our operations give us the licence to operate and the Company needs to maintain good relations with these communities to ensure business continuity.	• Maintain close links and engage actively with communities around all our mines and in the state • Focussed skill enhancement projects are helping local youth increase their employment prospects • Actively supporting community water requirements • Launching clean environment initiatives and protecting the biodiversity of the area • Providing healthcare support and educational empowerment • Building community infrastructure and assets *(Read more in our ESG section on Page 102 and Sustainability Review Report FY 2021-22)*		
Safety Risks Failure to adhere to safety requirements at our sites and for our workforce, including external contractors, or non-compliance with safety laws and regulations can endanger our operations and our people.	• Sustainability framework aligned to globally accepted international practices, such as International Finance Corporation (IFC), International Council on Mining and Metals (ICMM) and the Organisation for Economic Co-operation and Development (OECD) standards • Stringent monitoring and continual upgradation as part of the safety culture • Transparent reporting of all incidents, along with root cause investigation and analysis to eliminate recurrence • Identify any potential hazards and incorporate analysis in all critical operations • Commitment to zero-harm culture, with continual efforts to boost safety of underground operations through technological initiatives and regular trainings *(Read more on our Health & Safety Initiatives on Page 160)* Implementing recommendations from global experts to mitigate tailing dam risks, setting up more dry plants at mining locations *(Read more on the Tailing Dam in our Sustainability Review Report FY 2021-22)*		

Risk with medium probability and medium negative impact on financials

Risk with low probability and medium impact on financials or high probability, but negligible impact on financials

Risk with high probability and high negative impact on financials

Risks	Mitigation	Risk Class	Key Capitals Impacted
Black Swan / Pandemic Risks Unexpected events can catch us unawares and our lack of preparedness for the same can disrupt our operations and hamper business continuity.	• Preparation, review and implementation of a well-formulated business continuity plan to prepare for such events in the future • Identification of critical processes, operations and functions, and key dependencies and other areas that could possibly affect operations • Prepare for remote working and timely response to medical emergencies • Strict adherence to WHO health safety protocols, government & local regulations, awareness creation, effective vaccination programme, restricted travelling *(Read more on COVID-19 initiatives on Pages 93, 136, 147, 163)*		
Commodity Risk Raw material shortages and volatility in prices can impact input costs. Commodity prices can be affected by geopolitical events, climate change events or black swan events like the pandemic.	• Well-defined policy framework, which is regularly reviewed as it is integral to our business • Decisions taken within this framework while reviewing national and international economic and geopolitical movement • Robust hedging policy • Indigenous sourcing of raw material and ensuring security of supply for continuity of operations *(Read more on External Environment on Page 64)*		
Operational Risk Any disruption to our operations due to equipment breakdown, systems failure, external events can adversely affect our business.	• Focussed productivity-improvement processes, new-age equipment, well-drafted drilling/exploration plans • Continual innovation, investment in tools and technologies and working with right-fit business partners • Active portfolio of tenements with preferential rights under MMDR Act, 2015 at different stages of approval • Active participation in government mineral auctions *(Read more on Mining and Operations Page 62 onwards)*		

Risk with medium probability and medium negative impact on financials

Risk with low probability and medium impact on financials or high probability, but negligible impact on financials

Risk with high probability and high negative impact on financials

ENSURING CYBERSECURITY

Cybersecurity is vital in the digital age that characterises the increasingly connected world we live in. The COVID-19 pandemic, and the consequent rapid shift to remote working for employees, presented significant technological challenges across industries. At Hindustan Zinc, with our consistent investment in technology and stringent processes, we experienced no significant disruptions.

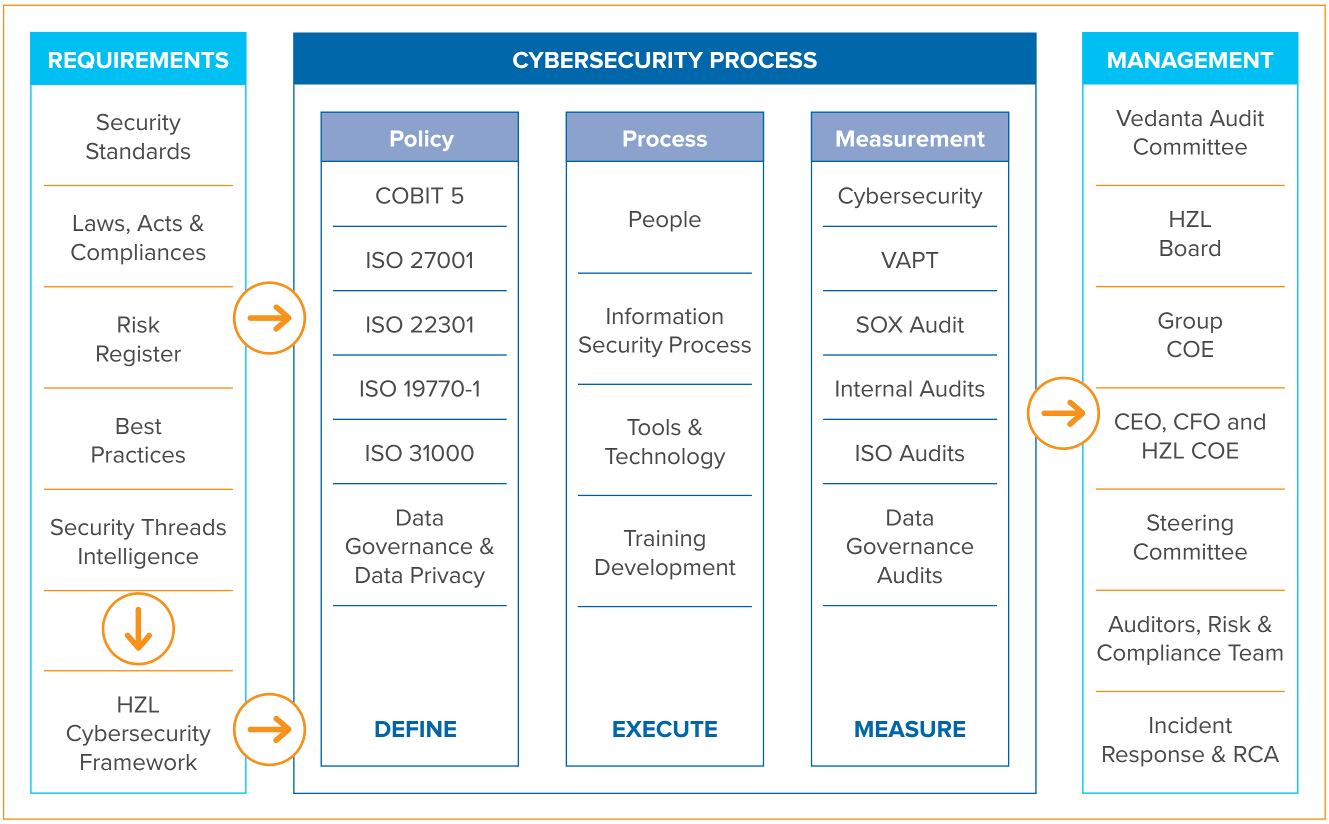
The operating and control systems at our mines increasingly leverage high-tech solutions. These systems, although crucial for operating the mines safely and efficiently, are vulnerable to evolving cyber threats and security breaches. Consequently, cybersecurity has emerged as one of our most significant business risks.

Cyber-related threats will continue to grow, with malicious actors targeting organisations with extortion through ransomware. Maintaining cybersecurity across our operations is an ongoing process, and we remain committed to ensure that our technology is protected from attacks, confidential information is safe, data integrity is protected, and business continuity is maintained through any disastrous events.

LEADERSHIP & GOVERNANCE STRUCTURE

- As part of Hindustan Zinc's enterprise risk management framework, the responsibility of overseeing cybersecurity governance is delegated to the **Audit and Risk Committee** of the Board. The committee reports to the Board and is responsible for all business risks, including cyber risk. It is chaired by an independent director with sound knowledge and experience of the cybersecurity domain
- The **HZL Executive Committee (HZL EXCO)** has overall responsibility and accountability for setting up expectations, providing direction and support, besides reviewing and monitoring the progress and maturity of the cybersecurity posture of the organisation in line with its vision and strategy. This committee, chaired by the CEO, consists of leaders from all business functions, including COO, CFO, CCO
- The **Chief Information Officer (CIO)** is responsible for setting up cybersecurity vision and strategy, defining cybersecurity governance framework, and executing programmes to ensure that confidentiality, integrity, and availability of all information assets are well protected. The CIO is accountable to HZL EXCO and Audit and Risk Committee of the Board for cybersecurity related matters
- The **Chief Information Security Officer (CISO)**, reporting to CIO, is responsible for operationally driving cybersecurity programmes to ensure that business objectives are achieved. The CISO is supported by the information technology (IT) team and our partner eco-system
- The **Data Governance & Privacy Officer (DGPO)**, reporting to the CIO, is responsible for establishing the data governance framework and drive data governance and privacy management throughout the data lifecycle
- The **Governance, Risk & Compliance Officer (GRCO)**, reporting to the CIO, is responsible for driving IT Risk Management and overall compliance to adopted governance frameworks, including Sarbanes-Oxley Act (SOX) and Disaster Recovery (DR)/Business Continuity Plan (BCP)
- The **Chief Security Officer (CSO)** is responsible for the physical security of the Company's assets, which include information assets. The CSO is a senior-level executive, reporting to site leadership, who is accountable to the HZL EXCO and works closely with CIO/CISO

Overall Information Security Governance Structure adopted by Hindustan Zinc is depicted below:



MANAGEMENT OF CYBERSECURITY RISKS

Our Cybersecurity Framework details a principle and objective-based approach to protect the confidentiality, integrity, and availability of all technology and data assets, including those we rely on in our operations. The standard is particularly applicable to all assets that are critical for business and operational resilience, as well as stability and regulatory compliance. The framework focusses on the risks and critical controls around our assets.

Additionally, several other standards and guidelines support the framework and govern HZL's information technology and cybersecurity practices. These include the information security management and personal data privacy standards, disaster recovery and business continuity management, and risk management.

Hindustan Zinc received an Integrated ISO Certification, consisting of ISO 27001 (Information Security), ISO 22301 (DR & BCP), ISO 31000 (Risk Management) and ISO 27701 (Privacy Management), during 2021. We are committed to minimising business risks and have incorporated the NIST cybersecurity information framework into our cybersecurity operating model at all levels.

POLICY ENFORCEMENT FRAMEWORK

- All policies and procedures enforced within the Hindustan Zinc environment are comprehensively developed to manage various information security and data governance aspects
- All these policies are reviewed annually by competent personnel in the information security function
- All the approved and enforced policies are made available to employees and business partners on the Company's intranet portal. Communication is also sent to all stakeholders when any change is carried out in any of the policies or procedures
- For assurance, all policies and procedures are reviewed on a regular basis and audited for compliance. Hindustan Zinc conducts and undergoes various assessments during the year to identify vulnerabilities, threats, shortcomings, and associated risk/impact
- Hindustan Zinc has also adopted a proven process of third-party risk management (TPRM) for all its key business partners including vendors, suppliers and service partners

OPERATIONALISING CYBERSECURITY & INFORMATION SECURITY

Our cyber programme focusses on four strategic areas aimed at enhancing cybersecurity capabilities across the business to minimise risks:

1. Vulnerability Management

Risks and vulnerabilities are identified and addressed across the IT, OT, and digital landscape in line with the Company's vulnerability management policy. Internal and external vulnerability assessment and penetrating testing (VAPT) programme, surveillance audit, assessment of IT general controls (ITGC) are carried out by globally reputed and recognised third-party agencies on an annual basis.

2. Information Security Administration

Observations and points emanating from risk controls matrix, review controls and open observations reported through various assessments and actions emerging from the annual IT risk assessment and DR/ BCP reviews are tracked as part of the CIO's monthly review, in addition to the reviews carried out by other internal and external forums.

3. Incident Management & Response (Cyber & Data Incidents)

All security incidents are tracked and monitored till their logical closure, including root cause analysis and action plan to mitigate similar incidents in the future, under the incident management and data breach policy. Every reported incident is investigated by the CISO, and action is taken to address the incident reported through a common e-mail. Hindustan Zinc has also implemented multiple best-in-class tools and technologies (SIEM & DLP) to continually monitor critical IT assets and data movement. Such tools automatically generate incidents based on the rules.

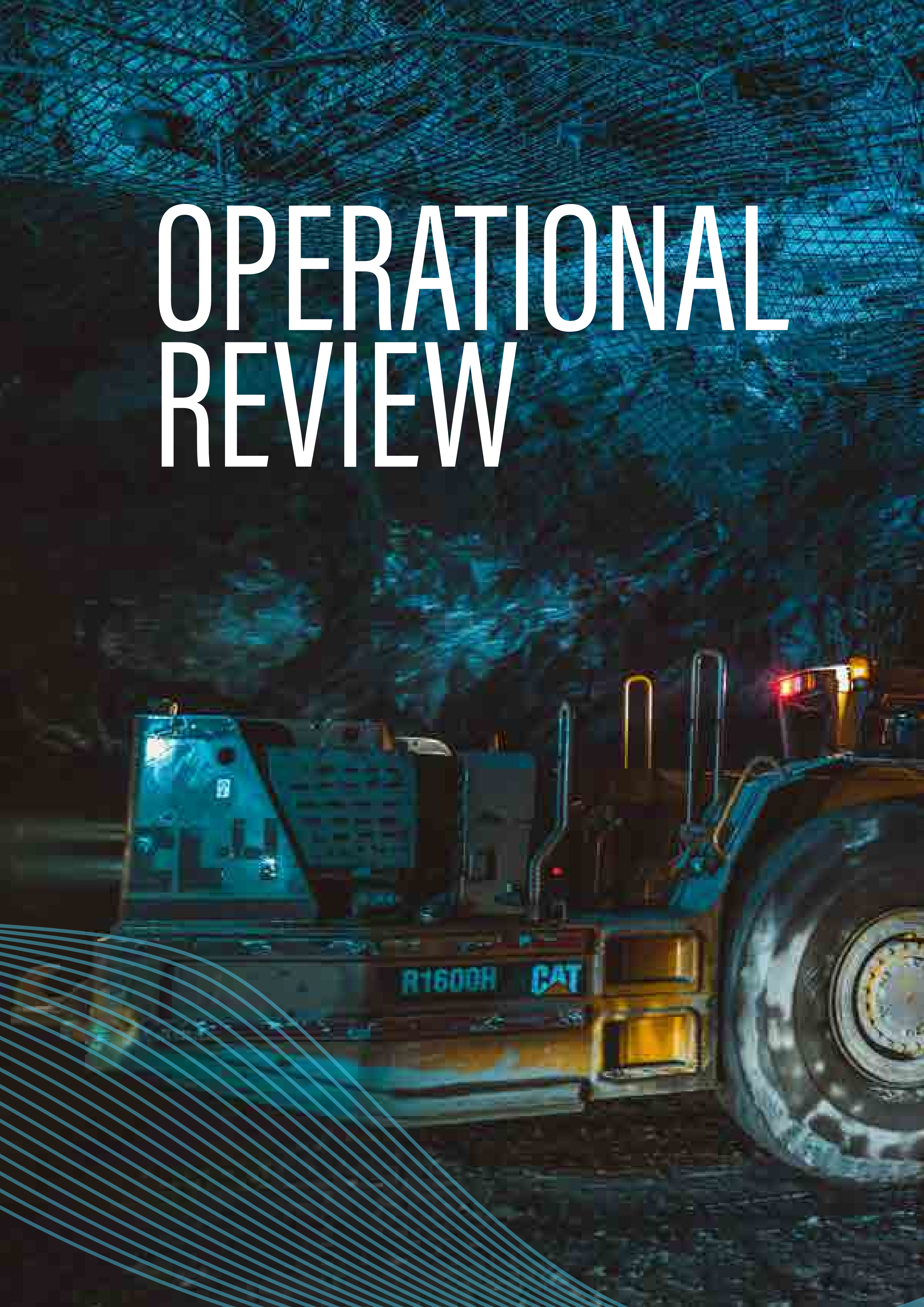
4. Disaster Recovery & Business Continuity

Hindustan Zinc conducted a business impact analysis (BIA) for all critical IT systems and defined RPO and RTO for these systems in collaboration with, and on approval by respective system owners and functional business heads. Our business continuity plan (BCP) considers various risks, including technical, natural disasters and human risks including those related to external partners.

Cybersecurity Awareness Planning & Training

To build the team's capability to identify and report breaches, Hindustan Zinc has prepared a holistic Cybersecurity Awareness Plan, which is executed throughout the year. Awareness areas include all the important domains of IT and OT security and data governance. All new joinees are mandated to attend the cybersecurity training during their on-boarding process. Additionally, an online awareness training capsule on self-service mode is available to all users. The information security function tracks and monitors the status of the self-training conducted by the user, and accordingly carries out periodic follow-ups to propagate the learnings. Periodic trainings are also arranged through virtual classrooms on a voluntary / self-nomination basis. Guidance is circulated periodically to all users on how to classify information as per the information classification policy of the Company.

OPERATIONAL REVIEW



External Environment

GLOBAL ECONOMY GROWS AS BUSINESSES RECOVER FROM PANDEMIC-RELATED SHOCKS

The global economy staged a robust recovery in calendar year (CY) 2021 as vaccination drives were conducted on a war-footing by governments across the world which led to reduced disease transmission. The world adapted to the new normal, which led to resumption of economic activities and unblocking of supply chain. As per the International Monetary Fund, global GDP grew by 6.1% as against a decline of 3.1% during the pandemic-hit CY 2020, which adversely impacted economic activity.

The outlook for the global economy in CY 2022 remains moderate with a 3.6% growth amidst increasing Omicron variant caseloads, rising input prices and wider implications of Ukraine-Russia war. The war led to a surge in crude oil prices to US$ 124 per barrel (bbl) in the first week of March 2022 and is predicted to average US$ 103/bbl in CY 2022 as per the estimates of the US Energy Information Administration (EIA). In FY 2021-22, coal prices witnessed high volatility with Newcastle Index basis 6000 Net Calorific Value Kcal/kg (ARB) of averaging at US$ 181/t for the fiscal year touching a peak of US$ 440/t on March 3, 2022 and closed the year at a high of US$ 326/t as on March 31, 2022.

Indian economy too faced stiff challenges during the second wave of COVID-19 around April-May of CY 2021. However, since then rapid vaccinations, opening up of mobility, enhanced economic activity and upbeat consumer sentiments have led to a positive trajectory. As per the National Statistics Office, India's GDP grew by 8.7% in FY 2021-22 as against a decline of 6.6% in FY 2020-21.

INDIAN GOVERNMENT'S RENEWED FOCUS ON FUELLING GROWTH

The Indian Government infused around US$ 300 billion in the economy in response to the pandemic along with numerous tax, employment, healthcare, social security, credit and other policy level measures. The Lok Sabha and Rajya Sabha passed the Mines and Minerals (Development and Regulation) Amendment Bill, 2021, which aims to reform the mining industry with the intent to eliminate the distinction between captive and non-captive mines. Under the Bill, captive mines would be allowed to sell up to 50% of the minerals excavated. The Bill also permits the Central Government to conduct auctions for those blocks where State Governments face challenges or fail to conduct it.

ADAPTING TO EVOLVING METAL SECTOR DYNAMICS

INCREASING PER CAPITA CONSUMPTION OF ZINC

Hindustan Zinc in collaboration with International Zinc Association (IZA) is working on multiple projects to increase zinc consumption in India. We are creating awareness on use of zinc as an alternate raw material in battery solutions and are in discussion with several experts globally on the availability of technology options for zinc-based batteries. Our galvanised rebar segment is also picking pace and we are working towards increasing consumer awareness alongside IZA. Additionally, our rail track galvanisation initiative is in an advanced stage and we remain optimistic of progress on this front from the Indian Railways.

Another flagship initiative alongside IZA is to address zinc related deficiencies in agricultural soil. Towards this end, we have recently signed a Memorandum of Understanding (MoU) with Maharana Pratap University, Udaipur, a leading university in the Indian state of Rajasthan. The intent is to create awareness amongst the farming community on zinc fortification through field demonstration and capability building.

TRANSITIONING TO TECHNOLOGY-ENABLED SALES AND MARKETING

Led by our ambition to provide best-in-class service to our customers, we expect to deliver our re-invigorated e-commerce portal in 2022 for a seamless and transparent full stack online buying experience for many of our products. With this platform, we intend to provide end-to-end integrated services including channel financing, delivery management and logistics partnering, through our empanelled service providers. We have already launched this platform which is well received and expected to gain traction in the coming financial year.

ENHANCING OUR VAP PORTFOLIO

We have increased the sales of our Value-Added Products to 20% in FY 2021-22 from 16% in FY 2020-21. Through our increased focus on introducing new products like CGG slab, HZDA 5, Zinc aluminium alloys and silver coins, we aim to increase our share of Value-Added Product sales to 24%.

“As a market leader in the zinc and lead industry, we have adopted responsible and sustainable practices to become meaningful partners in India’s journey of metal-related ‘atmanirbharta’ (self-sufficiency). The growth opportunity for the global zinc industry is immense & considering the changing landscape of the domestic market, India is expected to contribute a large portion of this. We will look to capture a share of this market growth through product innovation and development of new technologies. Moreover, our sharp focus on increasing the share of our VAP portfolio to 24% will help us to further capitalise on this opportunity.”

Vijay Murthy
IBU CEO - Silver, Lead and Minor Metals

Zinc Market Review

GLOBAL DEMAND

Calendar year (CY) 2021 saw the COVID-19 pandemic persist, with several economies facing second or third waves with global imposition of lockdowns. Certain sectors like automobile and alloys were badly hit, although industrial activity was not impacted as much as in the first wave. Demand, however, started to pick up from the third quarter of the financial year. Led by expansion in manufacturing activity, zinc markets staged a robust recovery in CY 2021, with consumption growing by 7.1% to 14.15 Mt, one of the highest levels witnessed in the recent past.

The second half of CY 2021 saw smelter disruption in Europe, with high energy prices and carbon emission taxes prompting some smelters to reduce output during times of peak power costs, leading to energy shortages. The energy crisis was further escalated by the Russia-Ukraine war, as Europe is mostly dependent on Russia for energy. The disruption in the commodity market was particularly serious in the month of March 2022, causing the London Metal Exchange (LME) to intervene and halt nickel trading in view of extreme price volatility. This caused a cascading effect on LME prices and witnessed zinc prices touching an all-time high of US$ 4,896/t.

Zinc is mostly consumed by the construction sector, followed by transport and infrastructure sectors. In terms of first use, galvanising dominates, followed by fertiliser, die-casting alloys, brass semis, and casting. India has emerged as one of the stronger growth drivers in Zinc consumption across the world in post pandemic times. Demand in most of the first use applications has been restored back to pre-pandemic times. Further emerging areas of zinc-based application (with potential to replace lithium ion and lead-acid batteries) and renewable energy are likely to provide a push in the medium term. Renewable energy projects will provide an opportunity for use of galvanised steel in plant construction as well as transmission towers.

PRODUCTION

Global zinc mined metal production (metal in concentrate) grew by 7.3% to 13.16 Mt in CY 2021 and predicted to rise further in the medium term as new production comes up. Zinc refined metal production grew marginally to 13.84 Mt in CY 2021. Smelters, however, faced the challenge of high-power costs and some even resorted to production cuts. Concentrate levels, which were impacted due to loss of mine production in CY 2020 and slipped into a deficit, showed an improvement of 1.06 Mt, and came back to a net supply surplus from Q3 CY 2021. It is expected to return to normalcy in CY 2022 and CY 2023. Global refined zinc metal inventory is also expected to normalise.

INDIA DEMAND AND OPPORTUNITY

India's zinc consumption grew by approximately 13% in FY 2021-22 to 630 kt, after witnessing a sharp fall of 15% during COVID-affected FY 2020-21. While demand in the first quarter (April-June 2021) shrank by 20% due to the second wave of the pandemic, it eventually picked up from the second half of FY 2021-22, demonstrating a 'V-shape' recovery. Much of this growth came from the infrastructure sector and huge government projects announced in the second half of the year.

The Indian government's 5 trillion-dollar economy vision, the Steel Ministry's ambition to enhance India's steel production capacity by 2.5x to 300 Mt, 5G roll-out and target for 100% electrification are likely to further boost zinc demand. The Central Government's ₹6 lac crore asset monetisation pipeline during FY 2022-25 is likely to give further impetus to zinc demand. Funds sourced from these initiatives are proposed to be channelised towards roads, railways, power generation and transmission, and telecom projects among others. These projects require significant use of galvanised steel, which will aid zinc demand.

There is also a huge potential for galvanised sheets and various zinc alloys in the government's smart cities project, envisaged with modern real estate. Zinc, as an emerging technology, is also well poised for usage in battery application. Given the abundance of zinc in India, the metal is well-positioned to replace imported lithium in battery applications, and thus further promoting India's self-reliance journey related to metal consumption.

GLOBAL OUTLOOK

As per WoodMac, global zinc consumption is likely to grow by 1.3% in CY 2022 and average 1.7% during CY 2023 and CY 2024, as governments across the world switch focus from job creation to de-carbonisation and infrastructure. Compared with zinc's recent pre-pandemic history, this is a robust growth rate, sufficient to lift consumption to 14.5 Mt, thus surpassing the 2017 all-time high of 14.2 Mt.

Majority of the growth is likely to be driven by investments in infrastructure and other forms of construction in developing regions, especially Asia, as opposed to the matured economies of developed nations. Demand in Asia is expected to grow at an average of 1.8% during this period. China is expected to remain the largest market, contributing to over 70% of the increased global zinc consumption, despite a sharp slowdown in its real estate construction.

BUSINESS OVERVIEW

Hindustan Zinc, with a primary zinc market share of 80% (including alloys) in FY 2021-22, remained India's largest primary zinc producers. Our portfolio includes a range of zinc products including special high grade (SHG), high grade (HG), continuous galvanising grade (CGG), prime western (PW), jumbo SHG and other grades used in die-casting alloys. This makes us an attractive player in India, where over 70% of the demand comes from galvanising steel, used in construction and infrastructure sectors. Our SHG zinc products are registered with LME. We are working closely with customers to enhance the robustness of our zinc product portfolio in terms of value-added products (VAP).

Hindustan Zinc, in collaboration with International Zinc Association (IZA), is working on multiple projects to increase zinc consumption in India. We are creating awareness on use of zinc as an alternative raw material in battery solutions. India's current energy capacity of 60-65 GWh is expected to reach 600-700 GWh as per CRISIL, with zinc-based batteries touching 10-15%. We are in discussion with several experts working globally on technology options for zinc-based batteries.

Our galvanised rebar segment is picking pace and expected to grow by 22.56% CAGR till 2030. We are working on increased consumer awareness alongside IZA. As our rail track galvanisation project is at an advanced stage we are witnessing a positive development, which can increase zinc consumption in the country. We are also working on a flagship initiative alongside IZA on zinc deficiency in soil.

Performance Highlights, FY 2021-22

- Mined zinc production increased 6% to 801 kt
- Refined zinc production increased 8% to 776 kt
- Revenue from zinc sales grew 45% to ₹20,299 crore
- Sales from VAP increased from 16% in FY 2020-21 to 20% in FY 2021-22

2.3%

Zinc consumption expected to grow in CY 2022

Lead Market Review

GLOBAL DEMAND

Global refined consumption increased by 3.8% in CY 2021 reaching 13 Mt after declining to 12.5 Mt in CY 2020. Refined lead consumption is expected to reach 13.7 Mt by CY 2023. The Chinese and Indian automotive sectors are expected to be the main drivers of global demand along with other Asian countries.

PRODUCTION

Lead mined metal output (metal in concentrate) grew 5.8% in CY 2021 to 4.54 Mt after declining by 7.9% in CY 2020 due to pandemic. According to WoodMac, lead mined metal production is expected to grow at a CAGR of 1.4% during CY 2021-26 with lead mined metal production expected to reach 4.9 Mt in CY 2023. Production of secondary lead is expected to grow 2.9% in CY 2022 before normalising and attaining average growth of 1.4% during CY 2022-32.

INDIA DEMAND AND OPPORTUNITY

Lead consumption in India increased marginally from 1 Mt in CY 2020 to 1.11 Mt in CY 2021. Refined lead production increased from 1 Mt in CY 2020 to 1.14 Mt in CY 2021, of which 0.23 Mt was primary and 0.91 Mt secondary production.

The country remains an attractive market for lead with demand likely to increase with an average growth of 6.4% until 2031, as estimated by WoodMac. The growth will be driven by the automotive sector and inverter battery market. Emerging opportunities like energy storage for electricity generated from photovoltaics (PV) will also drive demand, given India's ambitious plan to aggressively expand solar PV capacity by 2030.

Major domestic battery manufacturers continue to grow lead acid battery manufacturing capabilities on account of sustained demand. Apart from automotive, the industrial battery segment catering to data centres, financial institutions and telecom continue to witness strong growth in line with the digitalisation surge in the country.

PRICES

LME started with a price of US$ 1,896/tonne in March 2021 and touched US$ 2,513/tonne in March 2022. Prices of lead have remained stagnant in a range US$ 2,100-2,500/tonne in FY 2021-22 and expected to remain within this range over the next financial year.

GLOBAL OUTLOOK

According to WoodMac, the global demand forecast for the medium term (2022-27) is estimated at 1.6% pa. This growth would be driven mainly by Asian countries. The average demand growth during 2022-32 is expected to be around 1.7%. Restocking of supply chains especially in North America and Europe along with pent-up automotive demand, mostly from China, India and other Southeast Asian countries is likely to ensure sustained demand of lead.

Despite rising development in new battery technologies, mainly for hybrid and battery electric vehicles designed to replace the internal combustion engine, the conventional demand for lead acid batteries is expected to sustain. This includes uses for powering ancillary systems such as engine monitoring, climate control, satellite navigation systems and to maintain stable voltages for vehicle management computers.

A major portion of lead demand is likely to come from developing economies growing at an average of 3.1% until 2031. Rising vehicle production and penetration, infrastructure development and new telecom networks (ongoing 4G and upcoming 5G) will continue to support demand growth.

BUSINESS REVIEW

OVERVIEW

Hindustan Zinc is one of the leading lead producers in India with a market share of 76% in the primary market in FY 2021-22. We produce lead ingots with 99.99% purity, which are registered with LME. Majority of our sales is in the domestic market and the rest is exported to Southeast Asian markets. We continue to be focussed on increasing sales through new customers, e-commerce platforms and introduction of lead alloys in our product portfolio.

Performance Highlights, FY 2021-22

- Mined lead production remained flat at 216 kt
- Refined lead production decreased 11% to 191 kt
- Revenue from lead sales grew 7% to ₹3,550 crore

4.5%

Lead consumption is expected to rebound strongly in CY 2022

Silver Market Review

GLOBAL DEMAND

Global silver demand rose by a healthy 19% last year, surpassing pre-pandemic volumes and achieving its highest level since 2015. Demand gained in all categories of silver, with the largest in volume gains being coin and bar purchases, followed by industrial demand. This trend reflects the recommencement of industrial operations and re-opening of businesses as economies began to recover from the COVID-19 pandemic. Other supportive factors included a boom in consumer electronics, 5G infrastructure investment, inventory build along the supply pipeline and rising end-use in the green economy, chiefly in photovoltaics.

PRODUCTION

In CY 2021, global mine production increased by 5.3% year-on-year (y-o-y). This was the biggest annual rise in silver output since CY 2013 and was largely the result of a recovery in production following significant disruption to mining during the COVID-19 pandemic in CY 2020. Output from primary silver mines increased the most, up 10.2% y-o-y, as these operations were disproportionately impacted by pandemic-related restrictions in CY 2021.

INDIA DEMAND AND OPPORTUNITY

India is currently the world's third largest silver physical investment market after US and Germany. The silver bar market has been extremely successful, with around 15,000 tonnes of silver having been bought cumulatively over the last 10 years. The middle class Indian household regularly buys silver for investment and in the form of tableware and cutlery for household use. Silver purchase is considered a safety net for times of financial distress and hence, domestic consumption on the physical side is sizeable. Although new consumption themes are evolving and there is a growing popularity of e-commerce platforms including Amazon and Flipkart as an alternate destination for buying silver coins/bars, holding physical silver still involves space constraints and security concerns.

The silver investment market is witnessing a slow change, with digital silver and silver ETFs both gaining popularity. The Securities and Exchange Board of India (SEBI) has allowed silver ETFs. Several mutual funds have launched silver ETFs, including Aditya Birla Sun Life, Nippon India and ICICI Prudential. All these factors together bode well for the silver investment market in India.

PRICES

During FY 2021-22, silver moved from trading within a US$ 24-28 range for most of the first half of last year to fluctuating within a US$ 22-26 band during the second half. Still, the full-year 2021 average achieved a 22% y-o-y increase to a nine-year high of US$ 25.14. Russia's invasion of Ukraine in late February 2022, the conflict and its implications on trade and the world economy have become a principal driver of the global market. The price is expected to remain range bound in the US$ 21-US$ 25 band.

**Source: World Silver Survey 2022*

Performance Highlights, FY 2021-22

- Refined silver production decreased 8% to 647 MT
- Revenue from silver sales declined by 4% to ₹4,206 crore

Mining Milestones

At Hindustan Zinc, we remain committed to sustainable mining backed by focussed investments to enhance safety, productivity, and efficiency at our mines. We are leveraging automation and technology to make our mines safer, in line with our Sustainability Goals 2025. Our efforts are also centred on making our mines more environment-friendly to steer our decarbonisation journey.

FY 2021-22 marked a major milestone in terms of our best-ever mined metal production of 1,017 kt, up 4.6% year-on-year. We celebrated the crossing of the one million tonnes production mark on account of higher ore production across most of our mining locations.

“The operational excellence we delivered during the year was the successful manifestation of our diligent and innovative approach. Confronted by various setbacks and hurdles, we gained from our learning experiences to emerge stronger and better through the highs and lows of the year. This translated into improved performance and new highs in MIC delivery, ore hoisting, Zn & Pb recoveries, and other areas. We are well and truly on course to usher in a new era of growth and set global benchmarks through our breakthrough innovations, centre of excellence and digitalisation drive. Our renewed focus on steering safety (zero harm), innovation, quality, automation and optimal operational metrics will help us raise the bar of excellence. It will enable us to push the momentum of growth further as we surge towards enhanced capacities and capabilities.”

Praveen Sharma
COE Mining - Head

KEY NUMBERS

107.30 km
Total Mine Development

1,017 kt
Total Mined Metal

801 kt
Mined Metal - Zinc

216 kt
Mined Metal - Lead

5 Mines with total ore production of

16.34 Mt

Particulars	Ore Mined		Zinc Mined Metal				Lead Mined Metal			
	2020-21	2021-22	2020-21		2021-22		2020-21		2021-22	
	('000 Tonnes)	('000 Tonnes)	('000 Tonnes)	Grade (%)	('000 Tonnes)	Grade (%)	('000 Tonnes)	Grade (%)	('000 Tonnes)	Grade (%)
Rampura Agucha	4,273	**4,511**	415	10.89	**455**	**11.16**	38	1.61	**46**	**1.64**
Sindesar Khurd	4,842	**5,230**	157	3.39	**166**	**3.33**	100	2.20	**97**	**2.02**
Rajpura Dariba	1,215	**1,252**	38	4.60	**41**	**4.78**	8	1.22	**7**	**1.08**
Zawar	3,951	**4,411**	89	2.48	**100**	**2.45**	62	1.86	**61**	**1.55**
Kayad	1,175	**934**	56	5.15	**40**	**4.57**	7	0.80	**5**	**0.66**
Total	**15,456**	**16,339**	**756**	**5.45**	**801**	**5.43**	**216**	**1.78**	**216**	**1.65**

Being the flagship mine of Hindustan Zinc, Rampura Agucha Mine is at the forefront of operational excellence. The mine is one of the most mechanised and digitally-driven underground mining locations. We are continuously endeavouring to scale the mine's operations and remain focussed on sweating the assets effectively.

We are focussed on upgrading the maintenance infrastructure and practices at the mine, concertedly implementing best-in-class operating practices and focussing on improving the skill level of our workforce with the aim of developing the RA location as a Model AO location."

Kishore Kumar S
Chief Executive Officer - Agucha IBU

Having set in motion a well-articulated plan to create a unique digital-enabled mine, we are now focussed on proactively leveraging digital capabilities, including Artificial Intelligence (AI), through targeted initiatives. The focus, going forward, will be not just on improving the operational efficiencies at the mine through acceleration in its digital and technology transformation but also on creating a 100% safe working environment for our workforce and business partners. Building capabilities to detect deviation from our safety standards, using wi-fi to track movement of personnel and equipment in the underground mine, enabling tech-enabled remote operations and powering smoke hour drilling have emerged as some of the key areas of focussed intervention. While improving the safety environment and reducing the operational cost of extraction, these initiatives will also help lower our carbon footprint in line with our strong ESG commitment."

Vinod Jangir
Chief Executive Officer - Dariba IBU

The historic high 1 Mtpa production milestone notched by Hindustan Zinc during FY 2021-22 underscored the success of our efforts towards building a culture of robust mine planning, aligned to global standards. We have designed our planning processes to the organisation's long, medium and short-term goals and vision. Our efforts are now steered towards progressing further on the roadmap for achieving 1.2 Mtpa mine capacity in the near term, at the back of our sustained focus on more seamless mine planning and safety augmentation. We are optimistic about achieving our targets with the help of the best-in-class professionals hired from across the global at our locations and the nurturance of a sustainable culture across the organisation. For long-term mine planning and design, we have prioritised in-house capacity building as a key thrust area, which we shall make strategic investments in strengthening in the months ahead."

Vinod Kumar
Chief Executive Officer - Zawar IBU

RAMPURA AGUCHA MINE PERFORMANCE OVERVIEW

The Rampura Agucha Mine (RAM) is an ISO 9001, ISO 14001, ISO 45001, ISO 50001 and SA-8000 certified underground zinc and lead mine. Located in the Bhilwara district of Rajasthan state, RAM is the largest and richest, lead-zinc deposit in the country and among the world's largest with 75.0 Mt of ore reserves and resources (R&R) with in situ average grade of 10.8% zinc and 2.0% lead on an exclusive basis as on end of FY 2021-22. It is also one of the lowest cost zinc producing mine globally. The mine is equipped with best-in-class infrastructure, operates at high levels of ESG standards, deploys advanced technology for mining activities for better targeting and has some of the best people in the mine's leadership, with extensive community outreach.

PERFORMANCE SNAPSHOT

The Rampura Agucha Mine continued to scale its operations with focussed interventions on operational and technology fronts and new targeted initiatives that led to a 5.6% year-on-year increase in ore production and 10.4% increase in mined metal production over the previous fiscal. RAM is currently producing at 4.5 Mtpa through its underground operations. It is in the process of building infrastructure to support its expansion plan to enhance ore production beyond 4.5 Mtpa.

4.51 Mt
Ore Production

12.80%
Grade

500.49 kt
Mined Metal Production

29.13 kilometres
Mine Development

PERFORMANCE UPDATE

During FY 2021-22, RAM crossed several notable milestones to propel its journey of operational excellence and growth.

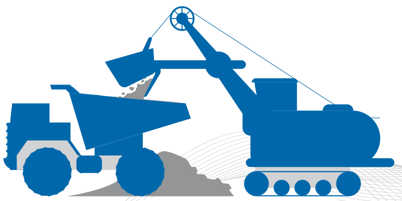
- Commissioning of ventilation infrastructure such as high-capacity fans to enhance mine ventilation capacity from 1,300 m^3/s to 1,600 m^3/s
- Installation and commissioning of Advanced Process Controller (APC) in Ore Beneficiation Plants to boost zinc, lead and silver recovery
- Completion of 9th phase of height raising of Tailing Storage facility
- Installation and commissioning of Metso pump at a depth of 600 metres below surface, to enhance mine dewatering capacity

EXPANSION, UPGRADATION & INFRASTRUCTURE DEVELOPMENT

To create a more enabling environment for future growth, RAM initiated a host of expansion, upgradation and infrastructure development initiatives during the year which are at various stages of completion.

- Life of Mine Plan (LoMP) sump phase-1 will be commissioned to enhance the mine dewatering capacity
- Construction of Underground Maintenance Workshop and facilities is planned which will help to improve equipment efficiency
- Phase-1 diesel filling station will be commissioned as part of the mine infrastructure development plan
- Shotcrete bay commissioning once complete will act as a key enabler to enhance mine development
- South Ventilation Fan will be commissioned which will increase the current ventilation capacity from 1,600 m^3/s to 1,900 m^3/s

Rampura Agucha has successfully commissioned its 2nd underground crusher along with conveyor system enabling full utilisation of 3.75 Mt main shaft hoisting capacity.



EFFICIENCY & PRODUCTIVITY ENHANCEMENT

To boost its operational efficiency and productivity, RAM initiated several concerted measures during the year, particularly in the areas of technical advancement, digitalisation, and automation.

Commissioning of integrated command control centre

This highly digitalised and connected command centre offers end-to-end monitoring and controlling of all mine facilities through a single operator interface for complete operation of mine services

3D visualisation of real-time equipment and personnel monitoring

This will enhance safety, improve productivity of resources, manage traffic and create an advanced technical environment for the workforce

Real-time equipment for health monitoring

It includes use of Optimine, Certiq and OSI PI data visualisation tools, thus increasing utilisation of resources

Proximity warning and anti-collision system installation

This helps to reduce machine to machine and man to machine interaction

Pump automation in underground mine

This will automate the dewatering operations, further creating dashboards to bring real-time updates of drilling water and dewatering status to surface

Training Initiatives

RAM's efficiency and productivity boosting efforts during the year included several new training initiatives. The mine launched the first-of-its-kind virtual reality-based winder simulator in the industry, for ground-mounted Koepe winder system. It also organised a mining mate skill upgradation training programme by a retired DGMS official.

SAFETY INITIATIVES

- Established India's first underground first-aid station with ambulance to enhance safety measures in the underground mine. This first-of-its-kind below-the-ground rescue and aid system is deployed 24x7 at the underground station with a dedicated rescue staff
- Installed fire hydrant lines on the surface and underground to handle any incidents of fire
- Installed sensor-based Auto Ventilation doors underground - Manual Intervention eliminated

SUSTAINABILITY INITIATIVES

Energy Saving

- High density tailing eliminated the requirement of running one disc filter circuit, leading to net annual power savings of 1,526 MWh

Water Conservation

- Recycling and reuse of mine intersection water and tailing dam water undertaken in beneficiation plant
- Treatment and utilisation of domestic waste water done through Sewage Treatment Plants (425 KLD at township and 300 KLD at mine area)
- A Ground Water Recharge project has been undertaken in 84 village ponds in nearby villages with a total potential recharge of 8.7 million cubic metre/annum

Emissions Control

- All engines of new HEMM equipment procured are above Tier-3
- Euro-Stage-V engines introduced in 5 underground production LHDs

Proactive Tailing Management

- Height raising work of tailing dam completed
- Geotechnical instruments installed to monitor stability parameters

Waste Management

- Waste generated from underground mine being used in tailing dam height raising work

CASE STUDY

Real-Time Seismic Monitoring

As RAM is getting deeper, the mine will be associated with seismic activities. To monitor the seismicity, real-time seismic monitoring system has been established in the mine. The system provides real-time information about the exact hypocentre, intensity and frequency of event, which helps in making strategic decisions like stoping sequence and ground support design.

As part of the initiative

Real-time micro-system monitoring system has been installed with 10 sensors covering entire UG working.

Benefits

Based on the monitoring data, stoping sequence can be optimised for minimising seismicity.

Proactive modification of ground support.

As the monitoring system gives exact hypocentre and magnitude of event, the area can be isolated to minimise exposure of men and machine.

CASE STUDY

Installation of fully automated pumping system

The stage pumping network, with frequent pump breakdowns, was causing sump overflow as well as waterlogging at RAM. Further, inefficient slurry handling was leading to gradual mud settlement in the sump. Concerned about this situation, the RAM team sought solutions to enhance the mine dewatering capacity and eliminate stage pumping.

As part of the initiative:

- RAM introduced a mechanised agitation system to eliminate the mud settlement in the sump that also eliminated the requirement of periodic cleaning

Benefits

As a result of installation of this fully automated pumping system:

- Dewatering capacity has been enhanced
- Stage pumping has been minimised, which led to reduced requirement of pumps and better efficiency at lower cost
- Remote parameter monitoring has been enabled from surface control room
- Energy saving has been achieved due to reduction of pumps in the dewatering circuit

AWARDS & ACCOLADES

Won the 'Rajasthan Energy Conservation Awards-2021' to become the only mine to be felicitated with an award by the mining industry

★★★

Received the prestigious '5 Star Rated Mines' award from the Ministry of Mines, Government of India, for sustainable efforts and initiatives at RAM

★★★

Won the 'Best Application & Uses of Renewable Energy' award at the 5th CII National Energy Efficiency Circle Competition 2021

★★★

Won two awards in 'Par Excellence at ICQCC' and 'Excellence at ICQCC' categories, at the 46th International Convention on Quality Control Circles (ICQCC) – 2021, organised by Quality Circle Forum of India (QCFI)

★★★

Rampura Agucha Mine received overall 2nd prize for the mine at the 34th Mines Safety Week function

★★★

SINDESAR KHURD MINE PERFORMANCE OVERVIEW

Sindesar Khurd (SK) Mine is a world-class silver-rich mine with state-of-the-art infrastructure facilities and best-in-class mechanisation. Since it commenced operations in 2006, the mine has undergone several phases of expansions – from 0.3 Mt to its current capacity of 6.0 Mt. SK Mine today stands out as one of the largest underground mine and one of the lowest cost silver producer in India. The deposit at SK Mine has a main lens and multiple standalone auxiliary lenses, creating multiple independent production centres.

PERFORMANCE SNAPSHOT

In FY 2021-22, SK Mine witnessed 8.0% increase in ore production over FY 2020-21. The Mined Metal Production for the period grew 2.4% year-on-year. Powered by focussed exploration, ~22 kilometres of mine development took place during the year, enabling SK Mine to scale up production and boost its future-readiness.

5.23 Mt
Ore Production

263.73 kt
Mined Metal Production

5.35 %
Grade

21.67 kilometres
Mine Development

PERFORMANCE UPDATE

SK Mine witnessed steady progress on various projects undertaken during the last fiscal year.

- Commissioning of 3rd ore-pass for sustainable ore production from shaft
- Installation and commissioning of automated process control in ore beneficiation plants

EXPANSION, UPGRADATION & INFRASTRUCTURE DEVELOPMENT

The focus on expansion, upgradation, and development of new infrastructure at SK Mine was further sharpened during the year.

- Created new global benchmark with over 1,000 hours paste-filling for five consecutive months (October 2021 to February 2022)
- Advanced Process Controller (APC) implemented in ore beneficiation plants aiding in increased recoveries
- Global best 193,000 m^3 paste-fill in a single month
- Mine ventilation capacity enhanced from 950 m^3/s to 1,450 m^3/s with commissioning of 3 X 1,500 kW mechanical ventilators at new return raises
- Reduction in cement consumption norms, with enhanced utilisation of fly ash in paste-fill mix (cement norms from 108 Kg/m^3 to 95 Kg/m^3)
- Established smoke hour drilling of up to 4,000 metres per month with the deployment of technologically advanced drills

EFFICIENCY & PRODUCTIVITY ENHANCEMENT

Various targeted initiatives were implemented during FY 2021-22 to enhance the mine's efficiency and productivity metrics.

Successfully implemented pilot project for Tele-remote drilling with the deployment of technologically advanced drills

Improvement in recovery of zinc in the beneficiation plants

Installation of chiller units (60 m^3/s) at surface for intake air, to provide cooled air at working face in mine's deepest areas; helped improve the ambient working conditions in summers, resulting in enhanced productivity and efficiency

DIGITALISATION AND SMART INITIATIVES

Real-time monitoring of underground vehicles and persons

Underground pumping automation implemented at 3 pumping stations; another 12 pumping stations' automation to be taken up in FY 2022-23

Integration of shaft system with OSI-PI system for improvement in shaft productivity and reliability

Implemented Skip Rope anomaly detection system for early detection of wire rope defects with position and reduction in manual inspection time

Short Interval Control (SIC) established in operational planning to leverage technology in day-to-day activities of planning, scheduling and tracking

SAFETY INITIATIVES

- Radar-based sensors installed in LPDTs to prevent machine-machine and man-machine interaction while reversing
- Introduction of new-age fire fighting vehicles, dedicated to strengthening firefighting below ground; established fire banks at all three gate-checkers to deal with fire emergency in underground operations
- In addition to powder-based auto fire suppression system, foam-based AFSS is also being installed in all underground equipment

SUSTAINABILITY INITIATIVES

SK Mine took a major leap forward in furtherance of Hindustan Zinc's sustainability goals during the year.

Energy Saving

Mill-specific power consumption reduced from 31.9 kWh/MT in FY 2020-21 to 31.0 kWh/MT in FY 2021-22 as a result of Variable Frequency Drive (VFD) installation in water pumps

Water Conservation

Recovery of water from tailing dam increased by 10% over FY 2020-21

Emissions Control

- Introduction of Euro-Stage-V engines in underground production vehicles (loaders and trucks), leading to 30% less emissions and reduction in total carbon emission
- Introduction of Fuel Catalyst in HEMMs for UG mine operation to improve fuel efficiency and reduce exhaust emissions; initiative will help improve production performance and simultaneously reduce the carbon footprint

Green Belt Development

- Plantation of 25,000 saplings in and around the mine for eco-system development

Waste Management

- Tailing utilisation increased from 50% in FY 2020-21 to 59% in FY 2021-22 due to better utilisation of paste-fill plants and consistent operation at more than 1,000 hours per month
- Internal waste rock handling increased 46% in FY 2021-22, reducing the environmental footprint at surface

AWARDS & ACCOLADES

Won Gold Medal in National Award for Manufacturing Excellence – 2021, organised by IRIM (International Research Institute for Manufacturing)

Secured 1st Prize in Intra-zonal Mines Rescue Competition – 2022, hosted by Sindesar Khurd Mine under the aegis of Directorate General of Mines Safety - Northwest Zone

Received the Confederation of Indian Industries (CII) - Water Excellence Award for year 2020-21

CASE STUDY

Strengthening the troubleshooting network

DIGITALISING ELECTRICAL SUBSTATIONS TO SPEED UP POWER RESTORATION

Challenged by delays in power restoration in case of tripping, SK Mine undertook automation of substations across 12 of its electrical substations. The digitalisation initiative involved connecting the HT and LT incomer MFR and On/Off signal to the network, so that the connected substation could be accessible from the surface as well as underground.

What prompted the initiative was the challenge faced by the mine in case of power tripping. SK Mine took a root cause analysis approach to minimise the time taken in troubleshooting. With the aim to improve and optimise energy consumption, the team decided to automate all substations for faster troubleshooting and reduce non-working hours due to power tripping.

As part of the initiative, the following measures were adopted:

- OFC-based networking in all surface and UG substations in ring architecture
- Real-time monitoring of HT and LT breaker status and power flow
- Substation SCADA, trend of electrical parameters like: Voltage, Current, Energy, Power, and Power Factor
- Remote operation of breaker

Benefits

As a result of the digitalisation exercise:

- Connected substations are now accessible from the surface as well as underground
- Troubleshooting has been expedited and power reticulation design has been aided
- Improvement in power quality, voltage sag and swell events and root cause analysis
- Both energy consumption analysis and optimisation have improved
- Collectively, these are helping in faster power resumption, leading to reduced loss of operational hours

CASE STUDY

Expanding drill reserves

UTILISING SMOKE HOURS FOR PRODUCTIVE DRILLING WITH NEW-GEN RIGS

Seeing drilling machines lying idle during smoke hours, SK Mine took the initiative for full-scale implementation of automation in all capable drill rigs, to utilise smoke hours for productive drilling. With the aim of getting extra drilling, SK Mine decided to use the new-generation drill rigs, equipped with the capability of single hole automation (down-hole) and fan automation (up-hole).

The idea behind the project was to productively utilise smoke hours, or the time duration provided for clearance of blasting fumes from the mine before re-entry of persons in shift changeover.

As part of the initiative, the following measures were adopted:

- Establishment of Wi-fi network connectivity in advance, along with sensors functionality
- Utilising production drill telemetry data and publishing of reports for machine performance and machine health
- Condition-based maintenance of machines by using telemetry data
- Planning for operator's availability in control room for tele-remote operation
- Provision of IP phone and video calling for better communication
- Tracking of machine over 3D visualisation

Benefits

As a result of the digitalisation exercise:

- SK Mine achieved a sustainable 8%+ metres per month drilling in smoke hours
- The initiative also led to gradual increase in the mine's drilled reserves, besides faster turnaround of stopes
- This is contributing to sustainable mining on all work fronts

RAJPURA DARIBA MINE PERFORMANCE OVERVIEW

The underground Rajpura Dariba (RD) Mine is one of our oldest mines, which commenced operations in 1983. The lead-zinc mine is accessed via decline, main shaft, and auxiliary shaft. We are in the process of augmenting the production capacity to 2.0 Mtpa >> 4.0 Mtpa. The capacity enhancement will be achieved through the introduction of two new portals for upper east and north lode, through further mechanisation and automation.

PERFORMANCE SNAPSHOT

FY 2021-22 was a stepping-stone for Rajpura Dariba mine's capacity expansion on multiple fronts. Ore production witnessed an increase of 3.1% y-o-y, while mined metal production increased by 2.6% y-o-y.

1.25 Mt
Ore Production

5.87%
Grade

48.06 kt
Mined Metal Production

8.63 kilometres
Mine Development

PERFORMANCE UPDATE

Despite the pandemic situation, RD Mine undertook several major projects during the year, commissioning of separate compressor and drilling water line for north lode, besides sump commissioning for M5 block.

- 2nd phase of shaft shutdown, for augmenting the hoisting capacity from 0.9 Mtpa to 1.35 Mtpa
- Commissioned indigenously designed steel structure man-pass – the first-of-its-kind in India
- Commissioned 1.5 Mtpa paste-fill plant

EXPANSION, UPGRADATION & INFRASTRUCTURE DEVELOPMENT

FY 2021-22 saw RD Mine post many new milestones in terms of expansion, upgradation, and infrastructure development.

- Commissioned fully automatic Simba drill machine with CERTIK and RCS facility
- Strengthened the shaft structure by replacing old steel structure & buntons and installing penthouse at inset levels
- Established a benchmark by completing 1,100 metres ramp stripping in record time of 45 days, with strategic implementation and adaptation of open pit bench blasting technique in underground
- Established smoke hour drilling with deployment of technologically advanced drills

EFFICIENCY & PRODUCTIVITY ENHANCEMENT INITIATIVES

A slew of projects enabled RDM to improve efficiency and productivity during the year.

1,100 metres ramp stripping done to incorporate 45T LPDT, leaky feeder infrastructure, and to reduce equipment damage incidents

Expat operator and trainers brought in to operate fully automatic Simba drill machine to improve drilling capacity

Single backfill line installed from surface to 11 mRL, replacing staggered old line

Infrastructural strengthening of mill done to improve operational efficiency and throughput

Replaced main-shaft old cage with new fully enclosed designed cage to improve person safety and skip run hour

SAFETY INITIATIVES

- Introduced underground ambulance by converting LMV
- Old and worn-out penthouse and steel structure replaced at all inset stations
- Replaced main shaft cage with fully enclosed design, improved structural stability and safety

SUSTAINABILITY INITIATIVES

Air Emissions

Installed and commissioned continuous ambient air quality monitoring system to help establish and improve over baseline ambient air quality

Tailing Dam

Introduction of dry tailings and paste-fill plant for optimum utilisation of tailing, reducing tailing discharge to tailing dam (step towards ZLD), and to improve mining condition by reducing overall water intake for underground mining

CASE STUDY

Improving stability & safety metrics

AUGMENTING HOISTING CAPACITY THROUGH INFRASTRUCTURAL UPGRADATION

To strengthen the overall shaft structural stability and safety, and augment the hoisting capacity of the mine, RD Mine initiated infrastructural upgradation and development during the year. A key feature of the project was its Zero Harm execution. The project was supervised by a specialised female expat officer to ensure safe implementation.

The move was triggered by RD mine's decision to enhance its ore production capacity to 1.3 Mtpa in FY 2021-22. RD Mine further plans to ramp-up capacity to 2.0 Mtpa in the next fiscal by increasing the ore hoisting capacity of the shaft from the current 0.9 Mtpa to 1.35 Mtpa, through augmentation of skip speed, payload and running hours.

As part of the initiative, the following measures were adopted:

- Third-party validation of all drawings and designs, and 3D Modelling
- Bolting as part of the structural work, with no welding works
- Exhaustive risk assessment - From design stage to final execution
- Hydraulic torquing in all major foundations
- Upgradation of underground conveyor
- Upgradation of main shaft cage

Benefits

As a result of the structural upgradation exercise:

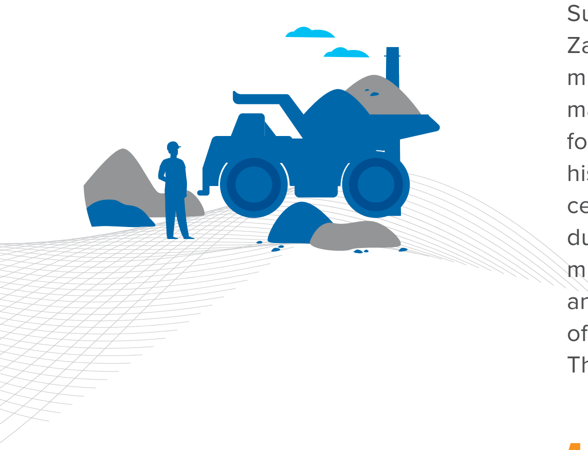
- Hoisting capacity improved from 0.9 to 1.35 Mtpa
- Pneumatic to hydraulic operation of skip loading station
- UG conveyor output enhanced from 375 to 506 TPH
- Crusher output enhanced from 200 to 440 TPH
- Structural stability and safety in main shaft cage improved

AWARDS & ACCOLADES

Received the CII (Confederation of Indian Industries) - Environmental Best practices award for year 2020-21

CII recognised the development of Biodiversity park at RD Mine as Innovative Environmental Project for the year 2020-21

Won 1st Prize for COVID-19 Awareness at 44th and 45th Mine Safety Week



ZAWAR MINES PERFORMANCE OVERVIEW

Surging ahead on its growth journey, Zawar Mines (ZM) crossed the major milestone of 4 Mt ore production mark in FY 2021-22. This group of four heritage mines, with mining history spanning over 2,000 years, celebrated many iconic achievements during the year. The four underground mines – Mochia, Balaria, Zawarmala and Baroi, also scaled new levels of mechanisation and digitisation. The mines, located 40 kilometres southeast of Udaipur in the state of Rajasthan, successfully harnessed various technological advancements to report exemplary performance during the year.

PERFORMANCE SNAPSHOT

The Zawar Mines touched new frontiers of growth and expansion during FY 2021-22, discovering new lenses and achieving overall milling recovery of 90.80%.

4.41 Mt
Ore Production

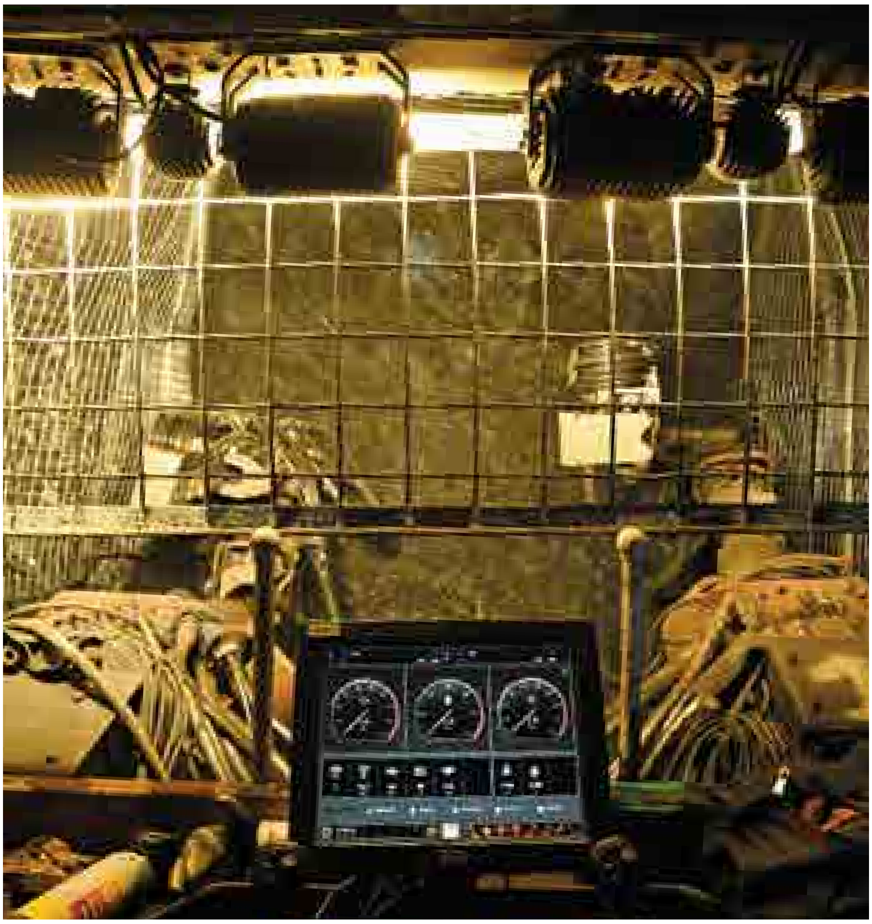
160.51 kt
Mined Metal Production

4.00%
Grade

40.52 kilometres
Mine Development

ZAWAR MINES LAUNCHED SEVERAL NEW INITIATIVES AND CROSSED MANY MILESTONES DURING FY 2021-22:

- Highest ever surface and underground exploration of 210 kilometres
- Conducted successful public hearing for mine expansion from 4.8 Mtpa ore production & ore treatment to 6.5 Mtpa ore production and 7.3 Mtpa ore treatment
- Introduced use of bulk emulsion explosive for blast optimisation, thereby reducing charging time and improving progress in every round of development blast
- Completed Balaria Mine decline to connect lower levels to provide decline access for 63 LPDTs and thereby enhancing mine capacity
- Eliminated track mining at Mochia through decline connection and truck hauling
- Introduction of leaky feeder communication system in all the four mines



Mochia Mine, Baroi Mine and Balaria Mine crossed the highest ever figures for production, development, drilling and MIC during the year.

EXPANSION, UPGRADATION & INFRASTRUCTURE DEVELOPMENT

Zawar Mines continued its efforts to strengthen mine infrastructure during the year.

- Commenced underground back filling operations at Mochia and Zawarmala

EFFICIENCY & PRODUCTIVITY ENHANCEMENT

To further boost efficiency and productivity of the mines, a series of initiatives were undertaken during FY 2021-22.

Establishment of centralised control room at Balaria

Digital enablement of visibility of equipment utilisation for identifying and minimising idling in Mochia and Baroi

Installation of Mine Communication System using Leaky Feeder in Mochia, Balaria & Zawarmala

SAFETY INITIATIVES

- Surface parking infrastructure created at Balaria Mine to eliminate man-machine interaction
- Redesigning of ITMS, mill gate and surface roundabout to avoid traffic related incidents
- Additional maintenance infrastructure created at all mines to ensure availability of safe maintenance area
- Interconnected the underground raise bore at Mochia and Balaria Mines for improving underground environmental conditions
- Mine Fatigue System installed in Baroi

SUSTAINABILITY INITIATIVES

Zawar Mines initiated many significant projects programmes to propel its sustainability agenda.

Introduced first surface and underground electric vehicle

Initiated establishment of 4 MLD Zero Liquid Discharge (ZLD) Plant

CASE STUDY

Digitally-enabled equipment visibility and utilisation
IMPROVING UTILISATION TO MINIMISE IDLING

The losses resulting from sub-optimal utilisation of transportation systems was a cause for concern at Zawar Mines. It was significantly affecting the mine's operating costs and leading to delays in delivery of necessary materials. Poor optimisation of material hauling, and triaging was further resulting in under-utilisation of the trucks and vehicles at the mining site.

Zawar Mines decided to undertake digitisation to enhance the visibility of equipment utilisation, with the aim to minimise the idle time of LPDTs underground.

As part of the initiative, the following measures were undertaken:

- Installation of Vibration Sensors in LPDTs for tracking their activity
- Monitoring of the idle time and performance of LPDTs through a central control room
- Training of control room operator
- Awareness creation among LPDT operators about their performance at the end of every shift

The benefits

- Tracking of different activities (Idle, Off, Active) of LPDTs
- CPH and diesel cost saving through reduction in idle utilisation

AWARDS & ACCOLADES

Zawar is the first mine across Hindustan Zinc to become an ISO 50001 certified location

Presented with Gold Category Award in National Award for Manufacturing Competitiveness (NAMC-21)

Won Platinum Award in Energy Efficiency by Apex India Greenleaf Foundation

5 teams of Zawar Mines won the Par Excellence Award in National Convention in Quality Circle (NCQC)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KAYAD MINE PERFORMANCE OVERVIEW

Located in Kayad, Ajmer (Rajasthan), this underground mine has been delivering a consistent 1.2 Mt of ore with approximately 60 kt of metal in concentrate over the past five years. Our youngest mine, which started operations in 2011, has produced more than 6 lac tonnes of metal content in the past eight years at the back of high level of mechanisation and digitalisation. Ore produced from mine is transported to RA Mine mill, Bhilwara, for beneficiation. Operations are vertically integrated and supported by continuous and integrated surface and underground exploration.

PERFORMANCE SNAPSHOT

In FY 2021-22, Kayad Mine (KM) produced 934 kt of ore, with 44.3 kt of metal in concentrate. With 7.4 kilometres of development in existing and upcoming blocks, it is poised to maintain its current production rate in the coming years.

934 kt
Ore Production

5.23%
Grade

44.27 kt
Mined Metal Production

7.36 kilometres
Mine Development

PERFORMANCE UPDATE

While investing in new infrastructure and development, Kayad Mine also commenced operations on the projects initiated in FY 2021-22 and reported:

- Near surface mining (37 metres) of K1 Block
- Commissioning of electrical substation for auxiliary lens
- Establishment of ventilation circuit in auxiliary lens Section using 3 Vent Raises

EXPANSION, UPGRADATION & INFRASTRUCTURE DEVELOPMENT

During the year, KM successfully established infrastructure and ventilation in auxiliary lens for next year's production. This included:

- Establishment of 3 Raises of 600 metres in auxiliary lens for ventilation
- Development of main sump for auxiliary lens section

EFFICIENCY & PRODUCTIVITY ENHANCEMENT

A slew of innovative measures were undertaken at Kayad Mine to boost efficiency and productivity.

Kayad has successfully shifted to the Mine Development Operator modality, keeping a single stakeholder responsible for core operations

Mine planning teams continually monitor ore yields and methods to further enhance the same through digitalisation and use of advanced technologies to improve operational efficiency. Operations are focussed on ensuring high recovery of ore and minimise the loss of metal, while maintaining operating costs at the lowest possible levels

INSTALLATION OF LEVEL TRANSMITTER AND DIFFERENTIAL PRESSURE TRANSMITTER (DPT) FOR CEMENTED ROCKFILL (CRF) SILOS AND DATA FETCHING IN MINI SCADA

Kayad Mine has installed a Level Transmitter to determine the level to which the silos are filled with cement, that helps to estimate the quantity of cement in each silo. DPT is further being used to measure the flow of cement.

SAFETY INITIATIVES

Kayad Mine implemented a series of new initiatives during the year to augment its safety proposition.

To improve the safety of those travelling underground:

- The braking system of LMVs has been strengthened through installation of positive braking, neutral braking and door parking system
- LVS Type AFDSS and Emergency Stop switches installed on external sides of both passenger compartments (PCs)
- Deadman switches and door parking interlock have been installed in PCs and RBOs
- Stretchers have been provided in both PCs
- Joint rescue operations conducted by Kayad Rescue team alongside National Disaster Rescue Force that helped to save one precious life at Opencast, Talc Quarry

To increase the life of LHD bucket, the DMAIC methodology has been implemented with the aim to reduce the overall COP of KYM.

This has enabled:

- Consumption optimisation
- Minimisation of bucket repairing and fabrication cost

TRAINING INITIATIVES

Skill Assessment

To identify areas for improvement, a robust skill assessment exercise of Kayad mine's executive employees was undertaken during the year under review. Based on the assessment, a training calendar was prepared to ensure skill gap mitigation for all manpower at the site. Further, to boost productivity, and to assess the safety and operational improvement areas, a skill mapping and assessment exercise was also carried out for contract workers.

Special Training

A special training programme on Cracking FCMM Certifications was held with the support of an expert former government official. Barring two, all participants passed the exam, aimed at building a robust talent pipeline.

6-day Extensive Training Programme for mining mates

This was conducted by ex DDG, DGMS, to improve the competency levels of mining mates with respect to their roles, responsibility, hazard identification and risk assessment.

SUSTAINABILITY INITIATIVES

In line with its concerted focus on sustainable development, Kayad Mine took various measures during the year to ensure the following:

- Maintenance of Zero Liquid Discharge
- Specific water consumption at 0.027 m^3/MT against target of 0.030 m^3/MT
- Treatment of wet/food related waste in organic compost machine
- Control of fugitive emissions with road sweeping machine and water spray

Solar Panel Online Data Monitoring via SCADA

Kayad Mine is monitoring real-time power generation and consumption metrics, along with other critical working parameters of all inverters. Solar site monitoring is done using a specialised camera to assess the physical conditions at the site, besides ensuring upkeep to avoid any interruption to the operations.

AWARDS & ACCOLADES

Won the 'National Safety Award' for FY 2019-20 and FY 2020-21 from the Ministry of Labour and Employment, Government of India

Received '5 STAR RATED MINES' Award from the Ministry of Mines, Government of India

Conferred with the 'Golden Peacock Environment Management Award-2021'

Achieved 'FIMI Award of Excellence in Environment', Safety & Health

Received 'Par Excellence' category award in ICQC-2021 Six Sigma project on Improvement of Fill Factor

Received 'Par Excellence' category award in NCQC-2021 for 5S & Six Sigma projects

Received 7 awards in different categories in '34th Mine Safety Week, 2021'

SECURING THE WORKFORCE AMID COVID-19

In line with our people-centric philosophy, we, at Hindustan Zinc, have put in place several protective measures to keep our employees and business partners safe and secure amid the COVID-19 crisis. We had launched a host of programmes and initiatives when the pandemic first broke out in India. During FY 2021-22, we further strengthened the safety network and expanded the ambit of our initiatives.

- We implemented a well-articulated COVID-19 Management Plan with the help of a Special Task Force (STF), which ensured field execution and helped organise awareness sessions
- A COVID-19 helpline centre was developed for connecting infected employees and business partners with their families
- A team was deployed 24x7 with a well-established control room at colony premises
- For smooth running of mine operations, special arrangements were made for dedicated isolation centres at hospital with 30-bed capacity and at DAV school with 100-bed capacity
- A mega COVID vaccination drive was carried out for our employees, business partners, family members and villagers in the eligible age group
- We tied up with a private lab for COVID-19 RTPCR testing with home collection of samples, and with a hospital for handling exigencies
- A thermographic camera and mask detection system was installed at the biometric gate to ensure regular temperature screening and adherence to the mask mandate; face masks, face shields and hand sanitisers were distributed among employees and in the community
- A 24x7 medical facility is in place for regular check-ups at first-aid stations and hospitals
- Periodic disinfection and sanitisation of offices, workplaces and the surrounding community areas was undertaken during the year
- Vaccination certificate is made mandatory for all consultants and service engineers for entry onto Hindustan Zinc premises
- During the peak of infections, provisions were made for social distancing, with all meetings and discussions managed through virtual platforms. There was no outside travel, restricted entry to mine, immunity boosting doses and regular sanitisation
- To support all COVID-19 recovered employees, we organised management classes and virtual breathing sessions

LOOKING AHEAD

- Enhance Reserves and Resources to sustain ore production with the use of advanced technology, including Artificial Intelligence and Machine Learning. The same is deployed to identify new ore blocks and improve the detail of existing blocks thereby leading to better targeting
- Enable growth in operations by investing in development of newly discovered lenses; establish the required infrastructure to boost ore production; and overall secure better grades and higher metal in concentrate production in the years ahead
- Sharp focus on reducing energy consumption and augmenting renewable energy generation
- With the vision to reduce our environmental footprint, our focus will be to further progress on our journey of dry tailings project
- Deploy Battery Electric Vehicles (BEVs) for underground operations to facilitate underground services such as Shotcreting Equipment and Explosive Charging as well as production equipment such as loaders and trucks. This will support our vision to reduce carbon emissions, improve ventilation and thereby provide a better working ambience
- Strive to migrate all production vehicles to Euro-Stage-V Engines by 2025
- Sustain efforts to further reduce cost with increased use of digitalisation and mechanisation, thus leading to better operational efficiencies
- Progress on digitalisation efforts across the mines, including laying of optical fibre network to set-up a high bandwidth underground Wi-fi network, enable Smart equipment to communicate with the mine control room and monitor all equipment health parameters directly from mine control room, all of these will help to augment productivity and reduce cost

Journey of Mineral Resource Addition and Upgradation of Resources to Reserves

Exploration

Performance Overview

Given the importance of mine life to our strategic growth agenda, our exploration teams remain consistently focussed on upgradation of our resources to reserves. We strive to replenish every tonne of the mined metal to ensure a sustained mine life of over 25 years at the current rate of metal production. Besides adopting new and innovative technologies, backed by our Zero Harm policy, we have put in place a robust exploration programme for adding mineral resource and delineation/upgradation of Resource to Reserves within our licence areas.

23
Exploration team strength
(geologists, geophysicists, analysts)

The team comprising of subject matter experts (SME) and field geologists is responsible for designing and executing exploration programmes with the support of outsourced service providers. The programmes actively embrace technology and innovation to propel the exploration journey.

IN FY 2021-22, IMPLEMENTATION OF MANY INNOVATIVE AND ADVANCED NEW TECHNOLOGIES HELPED TO SCALE OUR EXPLORATION EFFORTS.

Establishing an in-house state-of-the-art hi-tech lab at Zawar Mines in collaboration with our strategic business partner for sample preparation, analysis and report generation. The high-tech lab is equipped with a first-of-its-kind Sample Handling system in India for acid mixing, normalisation, and dilution, thus ensuring zero human intervention. Equipped with a Microwave Digester, it will lead to a significant reduction in sample analysis cost and turnaround time.

Enabled automation of litho-structural data collection through Acoustic Televiewer (ATV)/ Optical Televiewer (OTV) tools of surface boreholes across all our sites. The data collection and analysis of geological structure (faults & folds) will support exploration for target generation, mine planning and geo-tech to locate and address shear zone problems ahead of mining development. The Gyro tool was also used for surveying and full wave sonic. Induced polarisation, resistivity, natural gamma, inductive conductivity, caliper, density, magnetic susceptibility and spectral gamma tools were used to develop petrophysical properties library of ore bodies and host sequences for all deposits of Hindustan Zinc. A pilot project was initiated on machine learning algorithms to predict the lithology and grade of mineralisation based on petrophysical properties.

Geophysical assessment was undertaken with Gravity and Magnetic survey of a new target area in Zawar mining lease. Integration of geochemical and geological inputs with this survey will lead to new exploration drilling targets.

Synthetic modelling and assessment of advanced technologies (passive seismic and mobile MT) was done with technology experts for deeper exploration in and around Rampura Agucha mining lease for discovery of new ore body.

Mobile Carrier Rig (MCR) modification was conducted in an innovative manner to enable drilling of shallow holes at surface location, where traditional surface drilling could not be undertaken due to technical constraints and unfavourable terrain conditions. The in-house innovation proved fruitful and the MCR rig was able to hit exploration targets successfully.

Partnership with Windfall-Geotek, Canada, was forged to leverage the latest technology based on Machine Learning and Artificial Intelligence, integrated with geological, geochemical and geophysical datasets to generate potential exploration targets within the licence areas.

As in previous years, SRK Consulting (UK) Limited ("SRK") has audited the Mineral Resources and Ore Reserves for Hindustan Zinc Limited ("HZL"), with an effective date of March 31, 2022. Presented below are the Mineral Resource and Ore Reserve statements, reported in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code, 2012 Edition ("JORC").

ORE RESERVES

As on March 31, 2022, Hindustan Zinc's Ore Reserves are estimated to be 161.21 Mt of material, grading 5.9% Zn, 1.5% Pb and 58g/t Ag, which contains 9.57 Mt Zn, 2.45 Mt Pb and 298.4 Moz Ag.

MINERAL RESOURCES

As on March 31, 2022, Hindustan Zinc's Exclusive Mineral Resources are estimated to be 286.73 Mt of material, grading 4.6% Zn, 2.0% Pb and 63g/t Ag, which contains 13.18 Mt Zn, 5.86 Mt Pb and 576.3 Moz Ag.

At current mining rates, the R&R underpins metal production for more than 25 years.

With an overall brownfield exploration success rate of 91%, the team successfully added 25 Mt of gross addition to mineral resources as part of Hindustan Zinc's R&R inventory during FY 2021-22. This opened opportunities for sustained mine life and production growth. All the Company's deposits remain 'open' and the exploration team identified several new targets on mining leases having potential to increase R&R over the next 12 months. Across all the sites, we executed surface drilling of ~202 kilometres and ~298 kilometres of underground drilling, thereby totalling ~500 kilometres of drilling during the year. The extensive drilling supported in adding new Mineral Resources and upgrading Mineral Resource to Ore Reserves thereby sustaining Life of Mine of 10 years.

ORE RESERVES AND MINERAL RESOURCES (R&R), AS ON MARCH 31, 2022

(based on Annual R&R audit by SRK (UK))

Hindustan Zinc Assets	Total Reserves				M&I				Inferred				Total R&R	Total Metal
	Mt	Zn%	Pb%	Ag g/t	Mt	Zn%	Pb%	Ag g/t	Mt	Zn%	Pb%	Ag g/t	Mt	Mt
Rampura Agucha	47.0	11.8	1.3	44	10.3	14.7	2.2	64	17.6	6.0	3.6	97	75.0	9.6
Rajpura Dariba	28.9	4.9	1.6	60	5.3	7.1	2.2	71	33.6	6.3	1.9	96	67.8	5.1
Sindesar Khurd	45.4	3.0	2.0	100	43.8	4.0	2.2	111	15.5	3.4	1.9	96	104.7	5.8
Bamnia Kalan					20.0	3.3	1.1	41	19.5	3.5	1.5	47	39.5	1.9
Zawar	37.9	2.8	1.2	23	36.8	3.4	2.0	28	79.3	3.6	2.1	34	154.0	8.0
Kayad	1.9	7.6	0.9	18	2.6	8.0	1.1	21	2.4	6.6	0.9	14	6.9	0.6
Total	**161.2**	**5.9**	**1.5**	**58**	**118.8**	**4.9**	**1.9**	**66**	**168.0**	**4.4**	**2.1**	**60**	**447.9**	**31.1**

Mineral resources reported exclusive of ore reserves, reported at variable cut-off grade per mineral asset

"Hindustan Zinc has consistently focussed on replenishing every tonne of ore mined, while ensuring zero harm. Digital intervention and deployment of state-of-the-art technology have emerged as the key propellers of our exploration journey. The success of our efforts is endorsed by the sustained 25+ years of mine life we have achieved, and we shall continue to move aggressively forward on our exploration programme to upgrade the Reserves and Resources (R&R) in our licence areas.

Kuldeep Singh Solanki
Director – Exploration

Touching New Milestones & Celebrating Sustainable Growth

Smelters and Captive Power Plant (CPP)

Smelters Performance Overview

Despite operational challenges in the form of extended maintenance shutdown at one of our roasters, the Hindustan Zinc Smelter business successfully delivered historically high refined metal production of 967 kt. While successfully navigating our way through various challenges, we have reset the system with a strong foundation to deliver stellar production performance in FY 2022-23. With continued focus on cost reduction and output quality, our teams are geared to stay ahead in the global metal production curve.

ON COURSE WITH DEBOTTLENECKING

FY 2021-22 witnessed delivery of some key milestone projects for our smelter business. We undertook Debari Smelter revamping to replace damaged concrete cells with poly concrete cells, which are more efficient and have better shelf life, and lower need for repairing and maintenance. This was achieved without any adverse impact on our stripping operations at the cell house.

With steady supply of concentrate from our mining operations, we are successfully targeting production of 1 million tonnes of high-quality metal along with value added products.

SUSTAINABLE OPERATIONS WITH HIGH EFFICIENCIES AND CULTURE OF INNOVATION

A 3,000 KLD capacity RO ZLD plant has been successfully commissioned at our Debari unit, marking a key step to fulfil our ESG commitment. We are also exploring in-house consumption of the produced sodium salt to replace sodium sulphate.

Chanderiya Lead-Zinc Smelter is certified for ISO 50001-Energy management.

Celebrating New Milestones

We scaled up our achievement from the previous fiscal year into FY 2021-22 and yet again celebrated new milestones for both our Chanderiya Lead-Zinc (CLZS) Hydro Smelter and DSC Zinc:

- Highest ever throughput
- Best ever utilisation of melting capacity
- Largest ever production of Hindustan Zinc die-cast alloy

CASE STUDY

Vital Step on ESG Journey
USABLE JAROSITE PRODUCTION FOR CEMENT INDUSTRIES

In Zinc hydrometallurgy process, Jarosite is produced during the leaching process. It is further treated with lime and cement to produce Jarofix. Cement industries can use Jarosite as replacement for gypsum in their final clinker grinding process. For this purpose, the moisture content in the jarosite should be less than 30-35%. The Jarosite produced during our operations has a 50% moisture content that can traditionally be reduced through an expensive process of Filter press, which requires significant capex outflow and time for erection and commissioning.

Our in-house team found a cost-effective method of using quick dry lime in the jarosite to bring it to the desired moisture levels. Later, the same method was successfully trialed at a cement plant. Going forward, the same practice will be continued on a sustainable basis as a permanent solution to gainful utilisation of waste.

Benefits

- Huge capex savings on estimated filter press installation
- Annual savings on consumables and O&M
- Annual capital cost saving on storage area development
- Elimination of land requirements with fewer environmental and social concerns

CASE STUDY

Marking another historic milestone
IMPROVING ZINC SMELTER DEBARI CELL HOUSE PRODUCTIVITY & EFFICIENCY

Improving productivity and efficiency levels of the Zinc Smelter Debari (ZSD) Cell House without suspending operations or compromising safety was no mean task. The challenge lay in replacement of the cells without EOT cranes, in a running plant. A key area of priority was to ensure the safety of the people, the plant building and other plant structures. What aggravated the challenge was the completion of the tasks of handling, lifting, and shifting of approximately 8,000 MT material within four months.

The team explored and worked out options to develop a method to mechanise the removal and replacement of cells. After two months of detailed deliberation, vendor selection and finalisation, it opted for the Mechanised Gantry System as a safe and suitable option for the replacement.

The Revamp Project

- Damaged concrete electrolytic cells were replaced with the latest poly concrete cells, having better shelf-life and efficiency levels, besides zero repair and maintenance requirements
- The project, which commenced on June 8, 2021, was successfully completed on October 16, 2021
- Smooth commissioning of cell house and completion of the revamp was achieved without any injury

CPP Performance Overview

Hindustan Zinc's power business is geared towards achievement of carbon neutrality and reduction in Greenhouse Gas (GHG) emissions, while being focussed on boosting the operational excellence of our thermal plants. With efficiency enhancement central to our strategic proposition, we continued to invest in expanding our green energy footprint during FY 2021-22. Our CPP journey during the year was marked by several milestone achievements, giving us so many reasons to celebrate our sustainability-led performance and growth.

POWER BUSINESS AT A GLANCE

354.59 MW + **505.5 MW** = **860.09 MW**

Renewable Power | Captive Thermal Power | **Total Power Capacity**

A 'Power'ful Vision

To supply reliable, efficient, and sustainable power for Hindustan Zinc with zero harm and at lowest cost.

OUR GREEN FOOTPRINT

We expanded our renewable capacity during the year with the addition of 5.4 MW to our Waste Heat energy capacity.

Solar Power

80.92 million units produced in FY 2021-22 for captive consumption

40.42 MW

Captive Solar Power

Waste Heat Energy

211.79 million units produced in FY 2021-22

Waste heat recovery plants registered with Rajasthan Renewable Energy Corporation as a source of renewable energy

40.67 MW

Captive WHRB

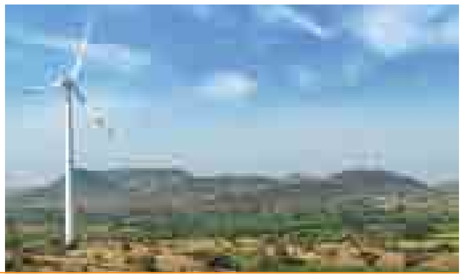
Wind Power

427.5 million units produced in FY 2021-22

Wind energy plants located in 5 states, with long-term power purchase agreements with distribution companies

273.5 MW

Wind Power IPP



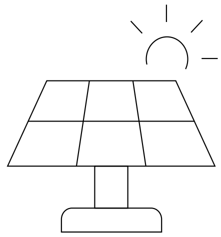
Our efforts to reduce our carbon footprint is validated by our successful avoidance of 6.13 lac tonnes of CO_2 emissions during FY 2021-22 as against 5.52 lac tonnes in FY 2020-21.

OUR NET-ZERO ROADMAP

As a responsible corporate, we are committed to achieving our goal of Net-Zero by 2050. In line with this commitment, we are targeting a series of new projects to be commissioned in FY 2022-23.

- Utilisation of more than 5% biomass in coal blend to replace coal
- Revamp of 0.8 MW backpressure turbine in Debari
- Commissioning of 8.6 MW Waste Heat Recovery Boiler (WHRB) at Fumer project
- Use of electrical HEMM vehicles in underground mines in place of HSD-based HEMM
- Installation of MV Drive VFD for FD & PA fans
- ESP upgradation in remaining 5 units for increasing indigenous coal consumption (carbon emission reduction in Scope 3)

These targeted initiatives have the potential to further enable us to avoid 2.41 lac tonnes of CO_2 in the next fiscal.



Improving our Conventional Power Metrics

THERMAL POWER BUSINESS – FY 2021-22 A YEAR OF ACHIEVEMENTS

Our power business showed remarkable progress during the year due its operational excellence, despite the challenges posed by the pandemic.

435 gm/kWh
Best Specific Coal Consumption (SCC) achieved

7.92%
Lowest ever auxiliary power consumption attained

2.39 m^3/MWHr
Best specific water consumption

747.9 MU
Highest-ever power generation achieved by Zawar CPP

211.797 Mn units
Best-ever generation by Waste Heat Recovery Boiler (WHRB) STG

THERMAL POWER GENERATION AT OUR 6 POWER PLANTS IN FY 2021-22

During the year, Hindustan Zinc CPP generated 3,891 million units of power.

	PLF (%)	APC (%)	SCC (Gms/kWh)
Chanderiya	79	7.92	431
Dariba	87	8.04	447
Zawar	93	7.54	421

SCALING SAFETY & SUSTAINABILITY

- Successful completion of 5S recertification from Union of Japanese Scientists and Engineers (JUSE)
- Installation of bottom ash hopper camera by in-house team to regularly monitor the bottom ash build-up and enable the operator to take timely actions without any risk to self
- Successful installation of in-house designed sprinkler system in coal yard for dust suppression
- Replacement of traditional porcelain type of lightning arrestor with polymer type to avoid blasts and subsequent risk of injuries
- Installation of rear door interlocking arrangement in all HT feeders

Chanderiya Lead-Zinc Smelter CPP received 5-star rating and Sword of Honour from the British Safety Council for Safety and Well-being during the year.

GETTING MORE RELIABLE & EFFICIENT

- Replacement of boiler tubes
- Conducted Residual Life Assessment (RLA) study for CLZS CPP
- 9.4 MW STG AVR (Automatic Voltage Regulator) upgradation for reliable twin channel operation
- Carbon fibre blades replacement in cooling tower fans for reduction in auxiliary power consumption
- Initiated graphene coating in structures and piping present in a high corrosive environment to improve shelf life

BOOSTING EFFICIENCIES THROUGH COST REDUCTION

- Agile inventory management system based on Just-in-Time philosophy
- Due to high coal prices in the international market, domestic coal utilisation and off-spec coal utilisation were increased to maintain the COP; monthly carbonaceous shale utilisation improved in Zawar
- Biomass utilisation also improved at Dariba

INVESTING IN THE FUTURE

To ensure sustainable development and growth in our CPP segment, we made several strategic CAPEX investments during the year, one of them being:

- ESP (Electrostatic Precipitator) transformer and field upgradation in one unit of CLZS CPP to handle higher ash load, enabling the unit to consume high ash coal

CELEBRATING AWARDS

ICQCC AWARDS 2021

13 awards won by smelters and CPP teams across various categories

SEEM NATIONAL ENERGY MANAGEMENT AWARD 2020

All three CPPs won Gold award

OCCUPATIONAL HEALTH & SAFETY BY APEX INDIA FOUNDATION AWARDS 2021

Dariba CPP won Gold

Zawar CPP won Platinum

BRITISH SAFETY COUNCIL'S SWORD OF HONOUR 2021

Awarded to Zinc Smelters in Chanderiya and Debari

FAME EXCELLENCE AWARD 2021

Chanderiya CPP won Gold in safety excellence and Dariba CPP water stewardship & 3R (reduce / reuse / recycle)

ZM CPP received Platinum Award in Safety Excellence

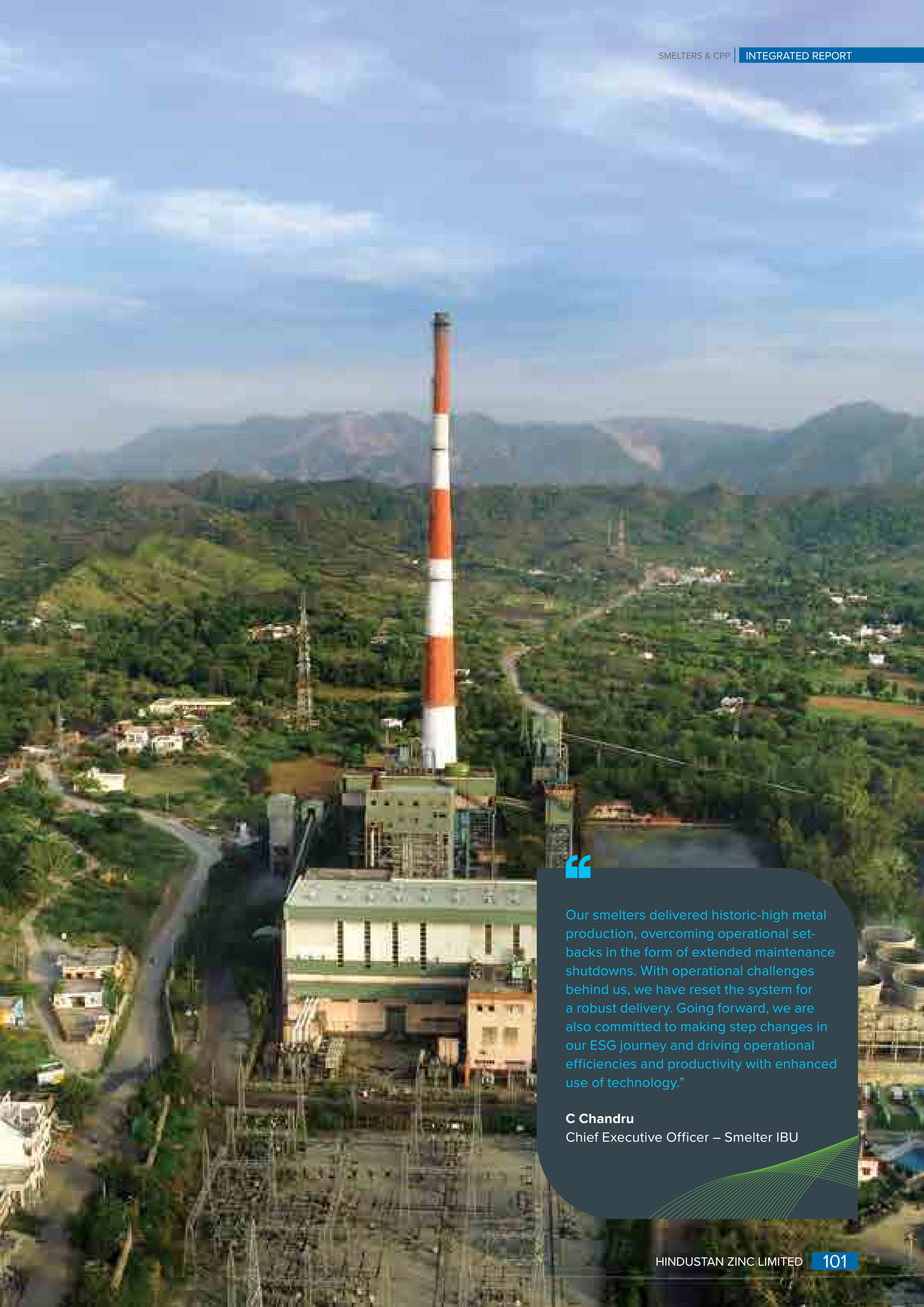
All 3 CPPs won Platinum Award in Energy Efficiency

COUNCIL OF ENVIRO EXCELLENCEE

Dariba and Zawar CPP received runner-up award under 'Excellence in energy efficiency' in the category <250 MW power plant and >50 MW power plant respectively

CII NATIONAL AWARD FOR ENVIRONMENTAL BEST PRACTICES

For the restoration of Jarofix yard at Chanderiya Smelter



"Our smelters delivered historic-high metal production, overcoming operational set-backs in the form of extended maintenance shutdowns. With operational challenges behind us, we have reset the system for a robust delivery. Going forward, we are also committed to making step changes in our ESG journey and driving operational efficiencies and productivity with enhanced use of technology."

C Chandru
Chief Executive Officer – Smelter IBU

ESG

Celebrating Progress on our Sustainability Journey

A sustainable business is one that serves an enduring purpose in society, and considers, in all its decision-making, the varied forms of value it can deliver to all stakeholders, including the natural environment. We, at Hindustan Zinc, have made sustainability central to our growth and value-creation journey, and remain focussed on ensuring safe operations with minimum environmental impact of our business across the lifecycle. We have ingrained into the organisational fabric a strong sense of respect for human rights, and the ethos of sharing the benefits of business with our stakeholders. Our strategic approach is aligned with national and international standards, Sustainable Development Goals, and driven by the vision of the Company's leadership.

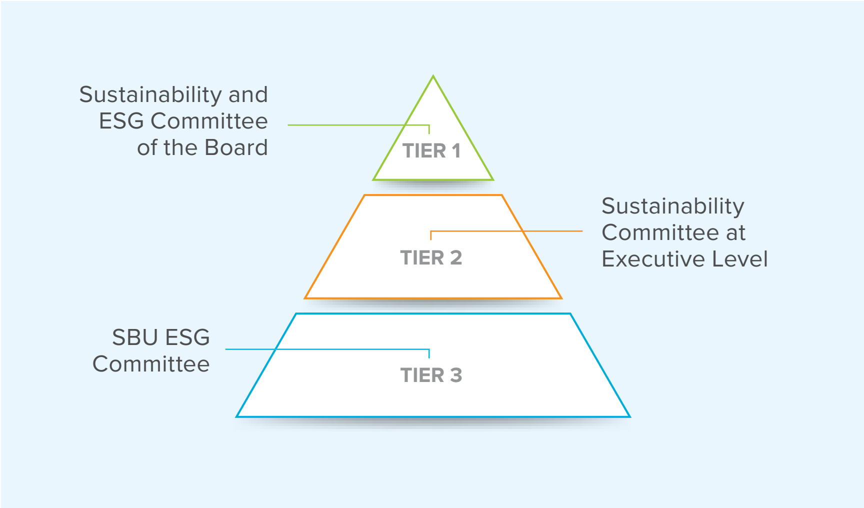
In the year 2020, we set out a series of goals, spanning the full breadth of Environmental (E), Social (S) and Governance (G), in the shape of our Sustainability Goals 2025. While we have made good progress towards the delivery of those goals, we recognise that as the world changes, society's expectations from us also evolve. Our commitments must be relevant and capable of bridging any gaps, to help the business expand. Just as financial performance presents an opportunity for differentiation, we see sustainability no differently – it is integral to our work, and business performance.

BEING AMBITIOUS, BEING AUDACIOUS

Our sustainability vision is centred on **'ZERO HARM, ZERO DISCHARGE, ZERO WASTE'**, and our ambitious sustainability journey is steered by our Sustainability Goals 2025. For us, these goals constitute an action agenda to achieve our long-term ambition of creation and delivery of value to our stakeholders, across the value chain. We strongly believe that these goals will enable us to address the expectations of our stakeholders, while giving us many reasons to celebrate our journey of inclusive and holistic growth, and value creation.

OUR SUSTAINABILITY GOVERNANCE FRAMEWORK

At Hindustan Zinc, we have implemented a three-tiered sustainability governance framework to organise our thoughts and ideas, undertake informed planning, evaluate activities, and ensure accountability on all aspects of environmental, social, and governance issues. The framework also enables us to set short-term and long-term goals and monitor performance systematically in alignment with our sustainability priorities at every level of the organisation.



TIER 1

SUSTAINABILITY AND ESG COMMITTEE OF THE BOARD

During the year, we enhanced our focus on sustainability and ESG by constituting a separate Sustainability and ESG Committee at the Board level. The committee consists of four members, and its meeting for FY 2021-22 was held on December 27, 2021. The role of the Sustainability and ESG Committee is to assist the Board in meeting its responsibilities in ESG matters and to ensure strong governance for sustainability. It is responsible for providing guidance to ensure continual improvement in our sustainability performance and the implementation of appropriate processes and policies across the Company. The committee is responsible for structuring our sustainability strategy, and long-term goals and targets. It also plays a key strategic role in business decisions to ensure workplace safety, eliminate potential damage to the environment, enhance our commitment towards stakeholders, and maintain the Company's reputation as a leader in the sustainable metal and mining sector.

COMMITTEE COMPOSITION

Mr. Akhilesh Joshi
Non-Executive - Independent Director - Chairperson

Mr. Arun Misra
Executive Director - Member

Ms. Nirupama Kotru
Non-Executive - Nominee Director - Member

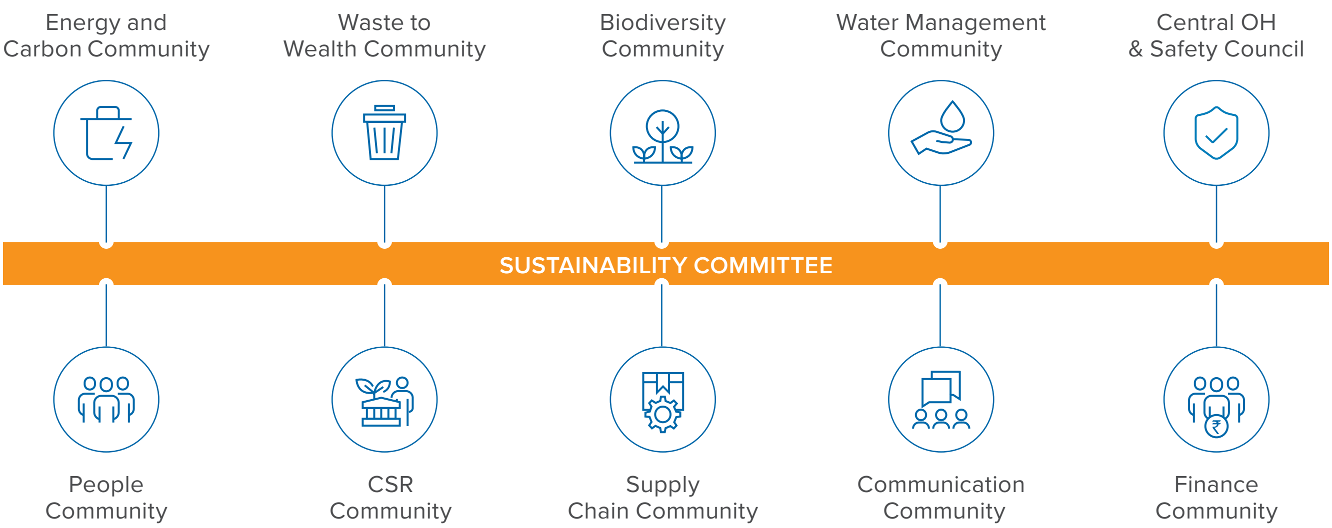
Ms. Veena Kumari Dermal
Non-Executive - Nominee Director - Member

TIER 2

SUSTAINABILITY COMMITTEE AT EXECUTIVE LEVEL

We have established an Executive Sustainability Committee, chaired by the Company's CEO and involving all the 10-communities heads and executive committee members. The committee meets monthly to review the progress on all Sustainability Goals 2025. It is responsible for formulating the sustainability strategy, and the long-term goals and targets of the Company. It plays a strategic role in all business decisions for ensuring workplace safety. The focus is on eliminating any potential damage to the environment, in line with the Company's stakeholder commitment and maintaining its reputation.

To drive the Sustainability Goals 2025, we have established the following sustainability communities to review progress against their respective goals. These committees that comprise the champions of all the units, meet once a month.



TIER 3

SBU ESG COMMITTEE

We continually identify, assess, and mitigate risks arising out of internal and external factors. To ensure an internal formal monitoring process at the Company level, new risks are identified, categorised as per impact and likelihood, and mapped to key responsibilities of certain managers. More than 100-line managers are aligned within a structural governance set-up across all SBUs to manage risks with an appropriate mitigation plan and to drive the ESG agenda.

OUR SUSTAINABILITY GOALS 2025

1. Climate Change
2. Water Stewardship
3. Circular Economy
4. Social Impact
5. Biodiversity Conservation
6. Diversity In Workforce
7. Ensuring Zero Harm
8. Responsible Sourcing

Various sub-goals and action plans have been identified for the implementation of planned goals and their effective monitoring. These action-plans have been discussed in detail in our Sustainability Review Report.

OUR SUSTAINABILITY GOALS 2025

1. CLIMATE CHANGE

0.5 Mn TCO_2e **GHG emission savings** in our operations from base year 2017

- Focus on renewable energy
- Electrification of vehicles
- Efficiency improvements

2. WATER STEWARDSHIP

Become 5x water positive company and achieve **25% reduction in freshwater**

- Exploring alternative water sources
- Reduction in fresh water through technological interventions
- Rainwater harvesting

3. CIRCULAR ECONOMY

3x Increase in gainful **utilisation of smelting process waste**

- Eliminate generation of landfill waste
- Gainful utilisation of waste in other industries
- Metal recovery from residue

4. SOCIAL IMPACT

Positively impacting 1 million lives through social, economic, and environmental initiatives

- Strengthening the local economy
- Promoting skilling and education in the region
- Improving quality of life of communities around us

5. BIODIVERSITY CONSERVATION

Protect and enhance biodiversity throughout the life cycle

- Reassessment of biodiversity and development of biodiversity management plan
- Implementation of critical/ endangered species conservation plan
- One million plantation drives

6. DIVERSITY IN WORKFORCE

Inclusive and diverse workplace with **30% diversity**

- Improve diversity in the organisation (Gender, LGBTQ, Special Ability)
- Review of current policies and framing of new conducive policies
- Developing/grooming high potential diversity employees through various programmes

7. ENSURING ZERO HARM

Zero Work-related fatalities and 50% reduction in Total Recordable Injury Frequency Rate (TRIFR)

- Safety culture transformation
- Visible felt leadership
- Critical risk management
- Process safety management
- Business partner skill enhancement
- Technology and innovation

8. RESPONSIBLE SOURCING

100% Responsible Sourcing in the supply chain

- Implementation of LME responsible sourcing guidelines and OECD framework
- Supplier sustainability assessment
- Human rights training and awareness
- Ensuring local procurement

In addition to specific initiatives, we also continued, during the year, to drive our ongoing technological and operational initiatives towards the realisation of our circular economy goals.

Please refer our Sustainability Review Report for more details on the performance of these goals.

CIRCULAR ECONOMY – A KEY STRATEGIC PRIORITY

The circular economy entails elimination of waste throughout our entire value chain and works to establish a net-positive system to ultimately protect the Earth's finite supply of natural resources. As a leading organisation, we promote responsible production of materials. We comply with all regulatory requirements and have the necessary permits for treating and recycling waste at our operation site.

Our waste to wealth community is continually working on optimising use of raw materials and exploring ways to reuse/recycle the waste products created during the manufacturing process. It regularly monitors and reviews the progress on this front and formulates relevant strategies to achieve **'Increase in 3x gainful utilisation of smelting process waste'** – one of the Company's Sustainability Goals 2025.

During the year, we took several innovative initiatives to steer the shift from traditional manufacturing approach of 'produce-use-dispose' to a more efficient, sustainable, and environment-friendly methodology.

These include:

RO REJECT SALTS

The Sodium Sulphate Recovery Plant at Dariba Smelting Complex is operational and the quality of salt generated is suitable for jarosite precipitation, a procedure for removal of iron and lead impurities during zinc extraction. This has reduced hazardous mixed salt generation by ~10%.

We conducted a detailed analysis of RO rejects mixed salt generated at Debari and Dariba smelter. Mixed salts generated from Dariba Zinc smelter, were found suitable for use by the soap industry, targeting utilisation of 1,500 tonnes of mixed salt in the manufacture of soap and detergent instead of being disposed in a Secured Landfill Facility (SLF).

DISRUPTIVE TECHNOLOGIES

We are working in collaboration with various national and international institutes and technology providers for metal recovery and utilisation of tailing and jarosite. There are ongoing laboratory trials to evaluate the techno-economic feasibility of metal recovery from Rampura Agucha Mine tailing and jarosite/jarofix generated in our smelters.

JAROSITE UTILISATION

During the year, 93,778 tonnes of Jarosite has been gainfully utilised in cement manufacturing. To further enhance Jarosite utilisation in cement manufacturing, we have been able to control the moisture content in Jarosite by optimum use of reagents, with this successful trial. We are targeting nearly 2 lac tonnes of Jarosite utilisation in FY 2022-23.

WAY FORWARD FOR JAROFIX UTILISATION

The Company has been granted permission by Rajasthan State Pollution Control Board for gainful utilisation of jarofix waste in the construction of roads and highways, including embankments.

We have partnered with some government agencies like NCCBM, NEERI and CRRI for the utilisation of jarosite in cement and road construction.

R&D, DIGITISATION AND CIRCULAR ECONOMY

Our Research and Development (R&D) capabilities are playing an important role in propelling our circular economy goals. We are exploring various technologies for metal recovery from various residues and waste. R&D has taken up the challenge to increase metal recoveries and improve the process efficiency by implementing geo-metallurgy at mills and tracking of losses in tailing through an automated minerology setup. On smelting R&D is developing sustainable technologies in-house and in collaboration with institutes and technology providers.

The Company has been able to improve its metal recovery from beneficiation plants through digitalisation.

ADVANCED CONTROL OPPORTUNITY FOR GRINDING AND FLOTATION CIRCUIT

To address the difficulty in flotation process plants coming from the constantly changing feed characteristics.

An Advanced Process Control (APC) System was introduced to stabilise circuit operations while optimising the process performance to maximise metal recovery. Three APCs were implemented for grinding and flotation operations (Lead and Zinc) in mills at Rampura Agucha and SK Mines.

Consequently,

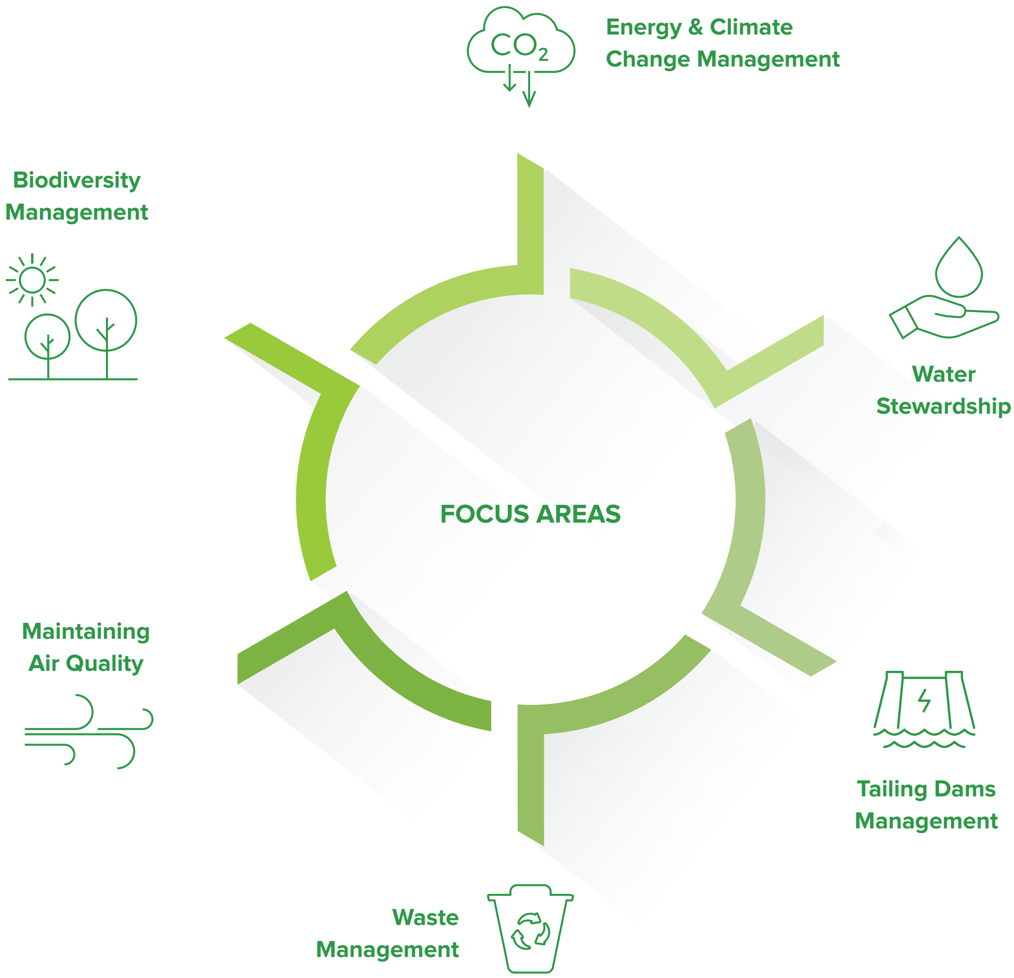
- Pb Recovery Improved by 0.9% while moving concentrate grade distribution on higher side
- Zinc Recovery improved by 0.9% while narrowing concentrate grade distribution around target

ENVIRONMENTAL

Crossing New Milestones in Environment Protection

Given that our operations are dependent on the effective management of natural resources, we, at Hindustan Zinc, have prioritised environment protection as a key tenet of our ESG ethos. We are committed to mitigate the risks and impacts of our operations across the business value chain – right from the start of an operation to its closure and even beyond.

In the immediate term, we are focussed on accelerating actions to lower carbon emissions generated during our operations. Our environment conservation efforts are driven by a strategic thrust on minimising and mitigating our impact on water, land, air quality, climate, and biodiversity. We are also committed to building harmonious relations with our stakeholders, to reduce the environmental footprint of our operations by deploying resource management systems and controls.



ENERGY AND CLIMATE CHANGE MANAGEMENT

The transition to net-zero carbon emissions will create additional demand opportunity for our products – zinc, lead and silver, with expected growth in solar PV panels and energy storage solutions.

ALIGNMENT WITH 1.5°C

At Hindustan Zinc, we have already embarked on several ambitious goals and action plans to steer our net-zero journey and mitigate the catastrophic effects of climate change. As a COP26 Business Leader, the Company has always been actively working towards tackling the repercussions of climate change. From setting steep targets to achieve business sustainability, we have established a stronger governance structure for the realisation of these goals. **We have committed ourselves to the long-term target to reach net-zero emission by 2050, in line with the Business Ambition for 1.5 degrees Celsius campaign led by the Science-Based Targets initiative (SBTi)** in partnership with the UN Global Compact and the 'We Mean Business' coalition.

In the near-term, our 2025 targets include reducing GHG emissions, extending the implementation of our sustainability standards to our suppliers, reducing dependency on freshwater, besides moving towards zero waste to landfill, among others. Under Sustainability Goal 2025, we aim to achieve 0.5 Mn TCO_2e GHG emission savings in our operations since the base year – 2017 – as part of our climate risk mitigation efforts.

Hindustan Zinc has a green power capacity of around 354.59 MW, which includes 273.5 MW of wind power (non-captive), 40.42 MW (captive) solar power and 40.67 MW of Waste Heat Recovery Power. All our wind and solar projects are registered under Gold Standard (GS), which is the most rigorous certification standard globally for carbon offset projects. The Gold Standard is an independent certification standard for carbon credits generated from CDM or VER projects. Our Captive Thermal, Solar and Waste Heat Recovery Power plants provide low-cost and reliable power to our operations. Our climate change risk assessment is aligned with guidelines by the Task Force on Climate-Related Financial Disclosures (TCFD), and we strive to continually expand our renewable power under our greenhouse gases reduction goals. In alignment with our vision, we are entering into a power purchase agreement with a company for supplying 200 megawatts of renewable power. With this collaboration, about 40% of our thermal power capacity will be taken over by renewable power by 2025. By 2030, about 80% to 90% of our thermal power will be replaced by renewable power.

Technology and digitalisation are key to strengthening our ESG footprint and creating a net-zero future. It is our ambition to convert all our mining equipment to battery-operated Electric Vehicles (EVs). To make our mining operations environment-friendly, we plan to invest US$ 1 billion over the next five years to induct electric and battery-operated equipment against that going for replacement and new purchase.

Electric Vehicles (EVs) are a globally recognised means to alleviate dependence on petroleum products and reduce CO_2 emissions. Therefore, Hindustan Zinc signed a Memorandum of Understanding (MoU) with Epiroc Rock Drills AB, Normet Group Oy and Sandvik AB to introduce battery electric vehicles (BEV) in its underground mining operations. This makes Hindustan Zinc the first company in India to introduce battery-operated vehicles in underground mines. This partnership will allow the Company to replace diesel-powered equipment with electric vehicles, thus enabling safer and cleaner mining operations.

Along with Memorandums of Understanding signed with leading equipment manufacturers, the Company has also deployed passenger EV vehicles, EV forklifts and EV light motor vehicles in its operations.

To align our target with SBTi, we have partnered with CDP India under the SBTi Incubator programme to help accelerate our transition to a low-carbon economy. The incubator aims to achieve reduction of GHG emissions through the uptake of Science-based targets in the long-term, and to set corporates on the path of climate science-based emission reduction targets.

Meeting science-based targets in the context of a growing business can be difficult. Responding to this challenge, we have implemented a range of measures to reduce our Scope 1 and 2 emissions throughout the life cycle. We have made dedicated investments in enabling efficient use of energy and work on gainful utilisation of wastes using environment-friendly methods. This helps the Company steer its efforts towards the achievement of a circular economy in the lifecycle of its operations with the aim of enabling decarbonisation.

Our focus is on reprocessing tailing material for extracting left-over minerals, utilisation and sale of by-products for beneficial use, and collaboration with various corporations and industrial sectors for inter-usage of waste/by-products. The reduction in the quantum of waste that needs to be recycled or sent to landfills/incinerators leads to lesser energy consumption. By re-using the recycled material, the Company can save on emissions from production of virgin material.

During the year, the Company produced solar power of 80.92 million units, waste heat energy of 211.79 million units and wind power of 427.52 million units, leading to avoidance of 6.13 lac tonnes of GHG emission through green power. We achieved our highest green power (WHRB + wind + solar) in FY 2021-22 and the highest ever CERs through green power.

Our Commitment to Climate Change

- Strong governance system to drive the low-carbon economy strategy

Tier-1
Board-level ESG committee

Tier-2
Executive sustainability committee

Tier-3
Energy and carbon community

- Commitment to set long-term target to reach net-zero emission by 2050, in line with Business Ambition for 1.5°C campaign led by SBTi
- Became a supporter of TCFD in February 2021 and published 1st TCFD Report in July 2021
- All operating units are certified as ISO 50001 – Energy Management System
- Commitment to invest US$ 1 billion in electrification of underground fleet over the next five years
- Exploring new technologies to diversify our energy portfolio and lower our GHG emissions

PERFORMANCE

Scope1 +2 (Absolute Emission) (In Mn TCO_2e)

GHG Intensity (Scope1 & 2)/MT

MAKING STRIDES IN OUR ENVIRONMENT PROTECTION JOURNEY

Our environmental ethos is embedded in the organisational fabric, as we continue to take major strides in our journey to achieve the net-zero goal.

ISO 50001 CERTIFICATION ACROSS LOCATIONS

The Mine and Metal industry is energy intensive. As a leading player in this sector, we are investing in the latest technologies and processes – recognised as industry benchmarks – to scale energy efficiencies. We remain committed to efficient usage of energy and diversification of our energy portfolio to the extent possible. In line with this commitment, we are reducing our overall energy consumption, improving energy efficiency, and using green energy to help mitigate the impact of climate change. All our units are ISO 50001 certified.

200 MW RENEWABLE ENERGY SOURCING

To achieve our 2050 goal, we are taking regular initiatives to drive the transition towards renewable energy. We have approved a proposal for entering a long-term group captive renewable power development plan, up to a capacity of 200 MW. The project will be built under group captive norms on Build-Own-Operate (BOO) basis, through a special purpose vehicle (SPV). Hindustan Zinc will own 26% equity in the SPV. This project will constitute ~25% of our total power consumption, resulting in 1.2 million MT of carbon emission reduction.

CASE STUDY

Cleaner Fuel for Power Generation

Our target to achieve net-zero by 2050 is aligned with our emissions control journey that started with revamping of turbine followed by use of biomass as an alternative fuel in our captive power plant (CPP). It was a critical time when fossil fuel prices went abruptly high due to high demand in international industries coupled with lack of production due to local strictures and restriction on coal import by the government. It was during this time that the team at Hindustan Zinc started researching alternatives to sustain the business and reduce emission levels. With incremental increase in biomass consumption from 1% to 5%, we were able to reduce the coal consumption, its associated GHG emission and costs to move a step closer to our ESG goal.

Benefits

- Reduction in coal consumption (~15,000 MT reduction) by using biomass as alternative fuel
- 17,732 TCO_2e reduction in FY 2021-22
- Potential for reduction of 2.41 lacs TCO_2e in FY 2022-23

ASSOCIATING WITH INDUSTRY ON CLIMATE ACTION

Our environmental ethos is embedded in the organisational fabric, as we continue to take major strides in our journey to achieve the net-zero goal.

COP26 BUSINESS LEADERS WORKING GROUP

Hindustan Zinc has actively participated in COP26 Business Working Group. The partnership underscores our firm commitment to working with trade associations to formulate a new set of guidelines for effective transition to a low-emissions and climate-resilient future.

INTERNATIONAL ZINC ASSOCIATION (IZA) CLIMATE CHANGE TASK FORCE

Hindustan Zinc joined the IZA Climate Change Task Force, actively participating in characterising the carbon footprint of recycled content in SHG zinc production. The partnership is also aimed to drive societal benefits of increased resource recovery in a circular economy.

RACE TO ZERO

Hindustan Zinc has partnered with CII's Working Group on Driving Accelerated Climate Action by Indian Businesses and with Confederation of Indian Industry (CII) on webinar series 'Race to Zero' structured around sessions on EP 100 (Energy Productivity), SME Climate Hub, RE 100 (Renewable Energy), EV 100 (Electric vehicles) and Technology Transfer. Around 200 participants from different industries took part in each of these sessions.

STEWARDING WATER POSITIVITY

A growing population and the increase in extreme weather events due to climate change, underscores the urgency of managing our water impact more efficiently. This mandate assumes even greater criticality while operating in a water scarce area.

We believe that water is a shared resource, vital to sustaining biodiversity, populations and their economic prosperity. We believe that by cutting down on freshwater intake across our operations, and protecting water quality, we can reduce our environmental footprint and ensure sustained community and stakeholder support.

Our commitment to water stewardship is manifest in our efforts to use water prudently, maintain water quality, and engage with communities to collaboratively manage a shared water resource.

COMMITMENT TO SUSTAINABLE WATER STEWARDSHIP

Development of sustainable resources is central to our ESG strategy. As part of our long-term commitment to water stewardship, we are focussed on:
a) improving water efficiency and
b) exploring alternative water resources.

- We have in place a long-term target to be a 5 times Water Positive company and achieve 25% reduction in freshwater consumption by 2025 from base year 2020. Currently, we are certified as a 2.41 times water positive company
- We are focussed on completing actions that align with Sustainable Development Goal 6 – 'Clean water and sanitation for all'
- We are committed to the UN Global Compact Water Action Platform (CEO Water Mandate) for adoption and implementation of the mandate's strategic framework and its six core elements for water management

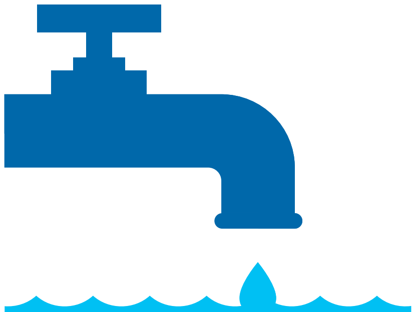
WATER RISK ASSESSMENT

To manage our water impacts efficiently, we first need to understand the specific risks at our operating sites, as well as our overall impact on water resources. To this end, we have conducted a detailed water risk assessment across Hindustan Zinc. The objective of this study was to conduct a sensitivity analysis and stress testing for water-related risks and calculate an apt water pricing structure for the Company. There are various tools available for undertaking such an assessment from which we have used WBCSD's India Water Tool, WRI Aqueduct and GEMI local water tools, among others, for our study.

Using these tools, we have identified and assessed risks and worked out a management strategy. An analysis of the futuristic scenario by Aqueduct Water Risk Atlas showed that the indicators for water stress are high in most of our locations. Regardless of the level, however, we apply rigorous standards and processes to manage risks.

MANAGEMENT OF WATER STRESS RISK

With our operations located in areas with varying degrees of water stress, we follow a four-way approach to manage our water resources and reducing our dependencies on fresh water. Led by our strong focus on water consumption and management, we have adopted a water management policy that commits us to recognise the social, economic, and environmental value of water, in the context of the global concern of water scarcity.



Approach

1 Minimising the use of water in operations

2 Increasing the use recycled water

3 Developing rainwater harvesting system to replenish groundwater

4 Exploring alternatives

Strengthening Zero Liquid Discharge

We are committed to zero liquid discharge across our locations. During the year, the Debari zinc smelter successfully commissioned a 3,000 kilolitre per day (KLD) zero liquid discharge ZLD plant. The move is aligned with our vision of 'Zero Harm – Zero Waste – Zero Discharge'. We are striving to develop sustainable social solutions for a greener future by strengthening our zero discharge.

The newly installed RO-ZLD plant recycles processed water, which is then reused in operations, enabling complete utilisation of the wastewater, which ensures that there is no discharge. The salt generated can also be reused in the leaching process in place of the commercial sodium sulphate being used currently.

We plan to commission ZLD plants at all our units and remain committed to principles of water conservation and zero discharge. Expansion of 3,200 KLD ZLD plant at Dariba Smelter is under progress and shall be commissioned by Q2 of FY 2022-23. At Zawar Mines (ZM) and Rampura Agucha Mine (RAM) too, ZLD projects of 4,000 KLD capacity each have been initiated to improve recycling and strengthen the zero discharge. Like ZM, a dry tailing plant at Rajpura Dariba Mine (RDM) is also in the final stage of commissioning. It will result in significant amount of water recovery from the tailing.

With these RO-ZLD Plants, we will be able to increase water recycling and minimise fresh water usage, as this waste water is evaporated in solar evaporation pond so far to maintain Zero Liquid Discharge status.

Our ZLD projects and dry tailing plants helped us scale our water recycling by 44% in FY 2021-22 from 39% in the previous fiscal.

Rampura Agucha Mine Groundwater Recharge Structures

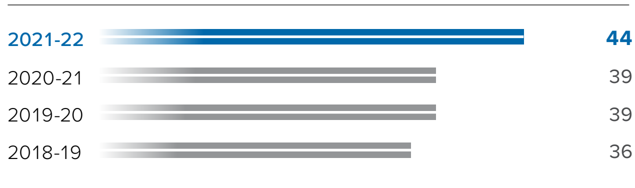
In consonance with our focus on enhancing ground water recharge through rainwater harvesting projects, we have created an estimated recharge potential of 8.7 million cubic metres per annum of rainwater, covering 84 ponds in 43 villages near the Rampura Agucha Mine location. Through 358 recharge structures, it is expected to increase the availability of good-quality groundwater in the area, resulting in sustainable water availability for various purposes, besides securing the livelihood of villagers.

The initiative is estimated to benefit 70,000-75,000 people living in this area. As a result of the project, crop patterns and yields will also increase.

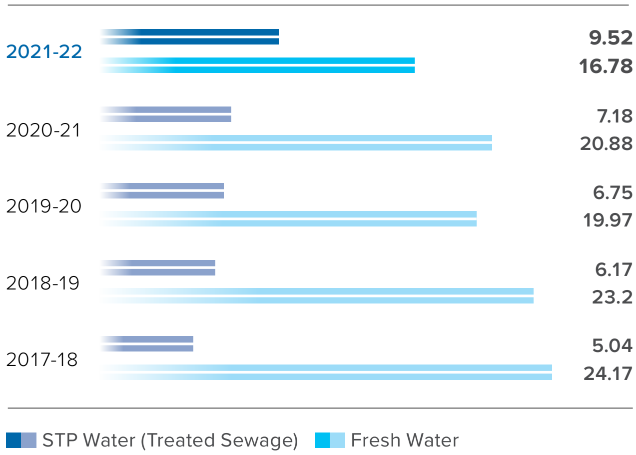
We are also committed to build rainwater harvesting structures in nearby villages, to make them water sufficient. These efforts are targeted to multiply the benefits of our operations in society and put Hindustan Zinc on track to become 5 times water positive by 2025.

WATER PERFORMANCE FOR FY 2021-22

Water Recycled (%)



Water Consumption (Million m³)



CASE STUDY

Tackling Excess Water Consumption

Undertaking real-time water mapping

Often, certain processes at the plant may have an abnormally high-water consumption. To avoid delay in implementation of corrective action in such cases, we have brought transparency into our water monitoring systems.

As part of the Initiative:

- We have put in place a real-time water mapping system to ensure timely corrective action in case of excess water consumption
- We are using the system to also ensure appropriate action for reducing water loss

Benefits

- Reduction in water loss to the tune of ~10 -30 m³/day
- On-time corrective action and nearly 15 m³/ day reduction in water loss

This is a pilot project that is being implemented in one unit only.

MANAGING TAILINGS DAMS EFFECTIVELY

Responsibly managing waste from mining operations is crucial to ensure business sustainability. Any failure in tailing management can result in disaster, and hence, it is essential to communicate to stakeholders' details of our tailing storage facilities and how we manage them.

Hindustan Zinc has implemented global leading practices in tailing dam management, and we are associating with renowned global experts to provide long-term monitoring and advice on the design, construction, and operation of our three tailing storage facilities. Overall good construction quality, along with upgradation of tailing slurry transport and discharge lines through installation of piezometers (and inclinometer) with automated data collection and web-based monitoring, make it world-class.

EXISTING TAILING DAMS AT THE MINES

We recognise the impact of mine tailing and tailing facilities on the environment, nearby communities, and other stakeholders. We are taking extensive measures for construction, operation, maintenance, and closure of facilities that mitigate the risk of tailing dam failure. We incorporate the best available technologies as guided by Vedanta's Tailing Management Facility Standard. Wherever possible, we repurpose tailing materials and waste rock as backfill to stabilise our underground mining operations. Remaining tailing are then placed in a specially designed tailing storage to minimise the environmental, social, and economic risks.

TAILING MANAGEMENT PLAN

Tailing management plans are an essential prerequisite for sound storage practice, as most failures of tailing storages around the world result from inadequate management of the storages. Effective implementation of a management plan not only results in a safer tailing storage facility (TSF) but will frequently reduce overall costs associated with operation and closure of the facility.

All our operating mines have a Tailing Management Plan – an Operations, Maintenance and Surveillance (OMS) manual. It describes

- Roles and responsibilities of TSF Committee (Governing Tailing Management)
- Engineering and design of the tailing facilities
- Procedures and processes for operation and maintenance, construction, surveillance of the facility, monitoring of the components and their parameters
- Emergency procedures

INCORPORATING BEST PRACTICES

Safe and responsible management of TSF is central to our mining activities to ensure that a high standard of care is applied at the design, construction, operation, and closure stages of mining. Additionally, we are committed to continually improve the management of our facilities by developing and incorporating best practices like:

- Adopting a clear policy on tailing management backed by a strong commitment by the management for safe and responsible management of TSF
- Establishing TSF Committee of in-house experts to strengthen compliance to Vedanta TSF standard
- Selecting reputed engineering firms for the design of these facilities
- Conducting periodic TSF risk assessment and developing mitigation plans to minimise associated risks
- Tailing utilisation in back filling through paste fill/hydro fill
- Replacement of wet tailing disposal system with dry tailing disposal
- Collection and recycling of supernatant water in process
- Construction of Garland Drains around Tailing Dam, maintaining zero liquid discharge from tailing dam
- In 2021, Hindustan Zinc introduced a novel, satellite-based Interferometric Synthetic Aperture Radar (InSAR) monitoring technique to provide early warning of surface ground movements

GEOTECH MONITORING OF TAILING DAM

- Pillar-prism-total station data for measurement of slope displacement
- Piezometer for measurement of pore water pressure
- Inclinometer for measurement of sub-surface deformation
- Cameras placed for monitoring security of these structures

Our facilities are regulated, permitted, and have been managed for many years to comply with local laws, regulations, permits, licenses, and other requirements. Our internal assurance processes verify that our managed TSFs operate in accordance with the Vedanta standard and also in alignment with Global Industry Standard on Tailing Management. Our operational TSFs have emergency response plans – tested through training exercises in collaboration with stakeholders. They follow strict business resilience and communication protocols.

MAINTAINING AIR QUALITY DRIVES ENVIRONMENTAL SUSTAINABILITY

Clean air is critical to health. Across the business, we continue to pursue improvements to air quality management for our host communities and of surrounding ecosystems. We have focussed on reduction of emissions of particulate matter, as well as gases emitted by our operational activities, including mining, materials handling, processing, and transportation.

Hindustan Zinc is committed to measure, control, and reduce air emissions at each of its sites. We have implemented systems and procedures to address the concerns of local communities besides complying with the conditions of environmental licence. Through advanced mitigation, measurement, and management strategies, we continue to identify, reduce and, wherever possible, eliminate potential impact to air quality by improving operational processes and increasing awareness. We have installed online emission monitoring systems, connected directly to the servers of the Pollution Control Board.

Our emphasis is on prevention and management of air quality through operational discipline and process improvement.

PROTECTING BIODIVERSITY TO DEVELOP SUSTAINABLY

As part of our sustainable development focus, we continue to invest in the protection and enhancement of the biodiversity around our operations. There is in place a unique and exclusive Biodiversity Management Plan (BMP) for all our operations. Our dedicated Biodiversity Policy and Management Standard advises on ways to avoid, minimise, and compensate for disruption to flora and fauna, from project scoping to site closure and beyond.

We are working towards a minimum of No Net Loss (NNL) of biodiversity and Net Positive Gain (NPG) of biodiversity (for a critical habitat) at all our operations. Our biodiversity management initiatives include an afforestation programme, Biodiversity Risk Assessment, restoration of exhausted waste dump, conservation of schedule-1 fauna species, awareness, and partnership.

WORKING WITH BIODIVERSITY LEADERS (TNFD, IUCN)

We are working in partnership with NGOs, international institutions, and governments to advance our biodiversity agenda and gain expert insights. We have joined the Taskforce on Nature related Financial Disclosures (TNFD), which is committed to facilitate action and reporting on evolving nature-related risks.

To integrate conservation of biodiversity and ecosystem services into Hindustan Zinc and enhance the Company's performance in biodiversity conservation and management, we have engaged with International Union for Conservation of Nature (IUCN) for three years with the following objectives:

- Reframing of Biodiversity Policy/ Technical Standard and Guidance Note for Hindustan Zinc towards achieving immediate goal of No Net Loss and to work in line with global standards
- Review current biodiversity management plan and practices, develop site-specific biodiversity & ecosystem services management protocols for the Company, considering global best practices with a mission to achieve No Net Loss
- Development of Annual Action Plan with reference to BMP and Biodiversity Policy, and support in the implementation of the BMP
- Train and build the capacities of employees in biodiversity and ecosystem services management
- Capacity building workshops through engagement with the government, regulators, industry, and conservation community, to influence policy and promote good practices

"The formation of a Board-level ESG and Sustainability Committee accentuates Hindustan Zinc's aspiration to be a leader in ESG across the key metrics of business operations, community care and employee safety & wellbeing. Coupled with other ESG-centric initiatives undertaken during the year, this underscores our unwavering commitment towards creating a positive environment through a vision of Zero harm, Zero waste and Zero discharge. Our initiatives towards ensuring safe functioning across our operations and facilities are crafted to strengthen the organisation-wide safety framework for critical risk management and improving industrial hygiene. The various ESG-related awards and accolades we received during the year encourage us to move aggressively forward towards achieving our Sustainability Goals 2025 and creating long-term value for our stakeholders. We are pledged to conducting our business in a socially responsible and ethical manner, respecting our employees, our communities, our business partners, and all stakeholders."

Pradeep Singh
Chief HSE Officer

KEY INITIATIVES TAKEN DURING THE YEAR

JAROFIX YARD RESTORATION AT CHANDERIYA LEAD ZINC SMELTER

Hindustan Zinc follows the principle of reducing waste, quantitatively and qualitatively, through recovery and recycle. To ensure recycling of the waste in the landfills, Jarofix Yard phase 2 at CLZS has been partially restored with Mycorrhiza technology in partnership with TERI (The Energy and Resources Institute). The project is aimed at reclamation of 6.25 hectares of wasteland into productive land by increasing the green cover, enhancing biodiversity, controlling fugitive dust emissions, and restoring the site. It also makes plants less vulnerable to environmental stresses through optimum use of water resources.

OUTCOMES

- Development of green belt with 10,000 plants
- Minimise fugitive dust emission
- Overall safety and stability of the waste dump to avoid dump failure due to heavy rains

MIYAWAKI AFFORESTATION

Miyawaki is a technique pioneered by Japanese botanist Akira Miyawaki, which helps build dense, native forests. The approach is supposed to ensure that plant growth is 10 times faster and the resulting plantation is 30 times denser than conventional landscapes and tree plantation. It involves planting dozens of native species in the same area, which becomes maintenance-free after the first three years. These forests, which are full of biodiversity, retain groundwater, thus recharging the groundwater table. They attract more birds, produce native fruits, and improve the aesthetics as well. This technique of growing Miyawaki forests is completely chemical-free and sustains itself while supporting local biodiversity. We have successfully implemented a pilot project at Zinc Smelter Debari and will replicate it across all our units.

OUTCOMES

1 Acre (0.4 hectares) area in Debari colony developed through this technique, with nearly 50 types of native species and 8,000 plantations.

Social Initiatives

EMPOWERING COMMUNITIES

We, at Hindustan Zinc, have prioritised Corporate Social Responsibility (CSR) as a focal point for our inclusive growth strategy. By working to strengthen the local economy and improve the quality of life, in alignment with UN Sustainability Development Goals (SDGs), we have deepened our footprints in the areas of education, sustainable livelihoods, community asset creation, environment & safety, women empowerment, health, water & sanitation and sports & culture. Our CSR framework enables us to respond proactively, and with agility, to the urgent developmental needs of the underserved sections of society in key intervention areas. It helps us stay engaged with communities and other stakeholders across vital areas, identified jointly for their development and progress.

During FY 2021-22, our CSR programmes benefited the local communities in:

184
Villages in Rajasthan

34
Villages in Uttarakhand

16
Villages in Gujarat

234
Total villages

2
Cities - Udaipur & Chittorgarh (through provision of Sewage Treatment & Water availability respectively)

We reached out to 377 villages through COVID-19 initiatives, focussed on life, livelihood, oxygen, and treatment facilities.

Going beyond, our long-term CSR initiative – Khushi Anganwadi Nand Ghar programme is implemented across 2,328 villages beyond 234 villages.

We have benefited over 1.4 million beneficiaries through long-term CSR initiatives and through COVID-19 initiatives in FY 2021-22.

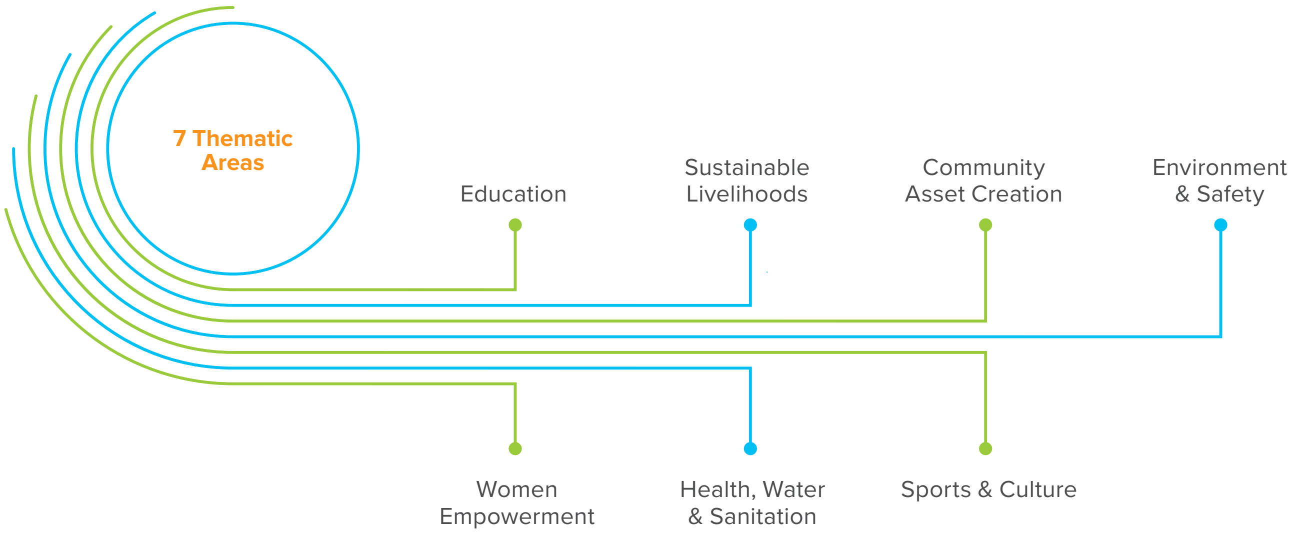
OUR CSR PHILOSOPHY

We believe in strengthening social performance in our areas of operations with a well-rounded focus on sustainability, inclusive growth with positive impact on social life and environmental protection. We received our licence to operate not only from the government but also from communities in our project areas. We are committed to:

- Ushering sustainable development through ownership culture
- Strengthening the communities by creating grassroot institutions
- Empowering through technology & innovation
- Ensuring and promoting social well-being

OUR CSR APPROACH

We have in place a comprehensive policy for the realisation of our CSR philosophy. The policy is structured around seven thematic areas, linked with the most impactful SDGs of social empowerment.



SDGs impacted

STRENGTHENING CSR COMPLIANCES

We have in place robust governance and compliance protocols, designed to align with the evolving CSR framework since the implementation of these initiatives. During FY 2021-22, we aligned our protocols to the latest Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 by redesigning the Company's CSR policy. Thus, we further strengthened implementation of our CSR initiatives and support systems by ensuring that our programmes reach the last mile. We enable this through continual and rigorous efforts for ongoing sustainable development of the community, across our operational areas and beyond.

GOING BEYOND

In terms of statutory compliance, the Company has shown high readiness for the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 by completing Impact Assessment of five CSR flagship programmes, incorporation of a Section 8 Company – the Vedanta Zinc Football & Sports Foundation – for implementing the Zinc Football Academy programme and mapping its programmes as Ongoing and One-time programmes.

We have three modes for the implementation of our CSR initiatives

- Third-Party implementation through partnerships with civil society and community groups, corporations and Section 8 companies
- In-house design and delivery of projects
- Implementation with like-minded organisations

Projects are implemented in various combinations of the above-mentioned modes. The partnership approach is our preferred route for implementation, and we work closely with the government, NGOs, other corporates, and multilateral agencies, etc., to steer our CSR agenda.

GOVERNANCE

With transparency and accountability at the core of our governance approach, we have put in place robust systems/processes and multi-tiered reviews to ensure sustained quality and impact.

COMPANY LEVEL

- CSR Board Subcommittee
- Executive Committee
- Implementation & Monitoring Committee

CSR FUNCTION LEVEL

- CSR Concurrent Audits
- Project Steering Committees (PSC)
- Project Advisory Committees (PAC)

GROUP LEVEL

- Group CSR ManCom
- Governing Documents
- Audits

OUR CSR FRAMEWORK

We have adopted a holistic approach of social performance for strengthening the community connect, and thereby enhancing stakeholder engagement and our effective grievance redressal mechanism. Our CSR initiatives are focussed on enhancing the local economy and improving the quality of life in the community. We partner with the Government, local communities, and credible NGOs in the execution of these projects. Our CSR policies and systems are framed and implemented efficiently to ensure seamless deployment of resources for accomplishing sustainable impact at the grassroot.

During FY 2021-22, we focussed on strengthening the community ownership by creating grassroot level institutions that are designed to be owned and led by the communities themselves, resulting in the implementation of long-term, impactful, and sustainable CSR initiatives. Our CSR drive is strategically designed to incorporate baseline and endline assessments as a critical component of the programme. Third-party needs and impact assessment is undertaken every three years to chart the roadmap for community intervention measures in carefully implemented programmes. Regular meetings with the community and proactive engagements on different platforms also supports us in identifying the needs of the community.

As a responsible corporate, ESG is key to our business decision-making, which further gets strengthened through alignment with our CSR Framework.

RELATIONSHIP WITH OUR COMMUNITIES

Progress on our Goals

The Company has framed its Vision 2025, which is focussed on strengthening two crucial pillars of the community – improving the quality of life and enhancing the local economy through well-rounded base of education. We have implemented various initiatives in alignment with these objectives in FY 2021-22.

Understanding Our Communities

Understanding the communities is a critical effort that lies at the core of our CSR activities. Before engaging with the communities, we undertake a detailed exercise of baseline, need and impact assessment in our operational areas by engaging with the social stakeholders through independent third party. The Company then ensures establishment of effective stakeholder management systems as well as adherence to these structures. We also conduct independent third-party impact assessment of our initiatives as per the mandate and going beyond we have also conducted Perception study. Five of our CSR flagship programmes – Sakhi, Samadhan, Khushi, Shiksha Sambal and Jeevan Tarang, were reviewed to assess the impact created at the grassroot level.

The key highlights of these impact assessments were:

Study for Sakhi, a women empowered programme, showed that the average saving for every self-help group (SHG) member under the Sakhi programme is more than double that of the SHG members surveyed from the control group. A higher proportion (14.5%) of project SHG members were reported to be involved in income generation activities (IGAs) as compared with members under the control SHG (5%).

Study for Samadhan, a sustainable livelihood programme for enhancing the income of farmers through scientific agricultural and improved livestock management, showed 22% increase in income per unit land for Samadhan farmers and improvement in milk productivity to 7-10 litres/farmer.

Study for Khushi Anganwadi – Nand Ghar, a programme that aims to strengthen the efficacy of the Integrated Child Development Services (ICDS) department and

enhance early childhood intervention across 3,145 Anganwadi centres in five districts of Rajasthan, has had a positive impact. The study showed that 93.9% of the Khushi Aanganwadi workers acknowledge that the Khushi programme impacts children at the AWC positively, as seen in the children's improved learning outcomes – better retention rates and reading abilities. Additionally, 81.8% Khushi Anganwadi workers stated that the intervention programme had impacted the children at the AWC through improved nutrition status. About 65% of the 3,034 children identified with severe acute malnutrition (SAM) during the last two years were cured.

Study for Shiksha Sambal, a flagship educational initiative, showed that schools with pass percentage of 91% had increased from 24% to 43% schools during 2016-19, 74% of SS students had access to extra classes during 2020-21, as compared with only 47% in control schools.

Study for Jeevan Tarang, a programme that helps persons with disabilities to develop and enhance their skills, showed that 100% of the students used technologies like daisy player, screen reading software, screen magnification software and Braille translation software for cheaper and faster access to academic content. Further, 100% of the students reported positive impact on their academic performance, reduction in expenses on learning materials and increased self-confidence as a result of classes on beneficial technologies taken by our VI consultant.

Social Value Creation by each of these projects were assessed basis which one was able to access the investment made by the organisation.

Project	Social Return on Investment
Sakhi	1 : 5.86
Samadhan	1 : 9.22
Khushi	1 : 4.49
Shiksha Sambal	1 : 4.75
Jeevan Tarang	1 : 1.24

KEY CSR INITIATIVES OF FY 2021-22

EDUCATION

Khushi - Nand Ghars (Anganwadi programme)

Aim & Focus Area

- Strengthening the efficacy of the Government's Integrated Child Development Services (ICDS) programme, to improve health and well-being of children below 6 years of age in 3,145 Anganwadis (AWCs), including 314 Nand Ghars across 5 districts of Rajasthan
- Focus is on improving health & nutrition, imparting preschool learning, and community engagement

FY 2021-22 Initiatives

- Undertook health assessments across ICDS centres, scanned 1.90+ lacs children to identify those severely malnourished
- To ensure continuity of Preschool Education during COVID-19 and beyond, videos with preschool education content & teaching learning materials were shared through WhatsApp. Home visits frequency was enhanced to strengthen the community connect
- Carried out dip stick assessment to study the effect of COVID-19 on Anganwadi workers and the community
- 88% of 3,145 AWCs have Sustenance Committees, with 27,510 members. 8,068 kitchen gardens have been established and ₹3.29+ crore have been leveraged from the community or Government

Impact / Outcome

- Reached out to 1,90,000+ children in 0-6 age group and 29,075 mothers
- Worked with identified 2,069 Severe Acute Malnutrition (SAM)/Moderate Acute Malnutrition (MAM) children to move them out of the malnourishment category, through rigorous efforts & follow-ups; 840 of them were thus moved out of the SAM/MAM category
- 450+ Positive Deviance Hearth sessions for behaviour change and rehabilitation of these children were organised with 6,500+ MAM children
- 2,500+ WhatsApp groups were created to share 660 e-learning videos selected to ensure interactive learning during the COVID period

Unchi Udaan Project

Aim & Focus Area

- Preparing young talent from Hindustan Zinc neighbourhood areas, for entry into engineering institutions including IIT and other reputed academic institutions

FY 2021-22 Initiatives

- 22 students of Batch 3 wrote JEE advance paper
- Four batches comprising 133 students are undergoing engineering coaching
- Rigorous academic and engineering support provided to Batch 3rd, 4th, 5th & 6th

Impact / Outcome

- 100% students got admission in reputed engineering colleges
- Three batches passed out till FY 2021-22
- One student was selected in IIT Madras (Chemical Engineering Branch), one in NIT & 17 in other government colleges. In all, 86.36% got admission in government colleges

EDUCATION

Shiksha Sambal Project

Aim & Focus Area

- Aims to strengthen the conceptual knowledge amongst rural students, and thereby improve their learning levels
- Supports 64 Government Secondary & Senior Secondary schools. Also working on pilot basis on early intervention from class 6^{th} onwards

FY 2021-22 Initiatives

- Organised week-long winter camps, targeting Board class students of 64 government schools, providing them with study materials, desk works etc.
- Baseline & Endline tests conducted for class 9^{th} & 10^{th} to assess the learning level post intervention of Shiksha Sambal programme
- Open book assessment and baseline & endline assessments were undertaken to ascertain the learning levels of these students
- Strengthening vocabulary and language ability amongst rural students is the base goal and an important aspect of our work. So, 12 innovative Reading Melas were organised across schools that covered 800+ students
- Career counselling was another focus area for making students aware of the opportunities for higher education & employment. 9 counselling sessions were organised for students. These included 3 online and 6 in-person sessions. Shiksha Sambal (SS) could reach 333 senior secondary level students of 18 schools from 6 locations
- Advisory Committee Meeting, Review meetings with DEO & Principals
- An advisory committee of 6 external members was formed
- Meeting with DEOs and Principals Government agencies is very important as they being key stakeholders and regular connect with them is essential to share the programme achievements and take their inputs for further strengthening the programme

Impact / Outcome

- 13,000 students of classes 6^{th} to 12^{th} availing quality education
- 107% regular classes and 91% online classes were conducted
- More than 1,700 students of Class 10^{th} and 12^{th} participated
- The difference between EL & BL for class 9^{th} is 16%, 11% & 13% for SEM subjects
- For class 10^{th}, the difference is 18%, 23% & 18% respectively for SEM subjects
- Class 10^{th} – Increase of 18%, 24% & 19% points respectively in SEM in EL over BL in overall comparison
- Class 10^{th} – Difference of 22%, 24% & 29% points in SEM subjects respectively, between active & non-active students
- Experts in the field of Education were engaged for taking inputs on strengthening the programme and way forward

CASE STUDY

Soniya Berwa – the walk that changed her life!

It was the time of COVID outbreak and the Shiksha Sambal team was in regular connect with 90% of their students either through online modes or through home visits and thus Shiksha Sambal team kept promoting education in all these 64 earmarked schools. Students were connected to the team and so was Soniya Berwa, girl studying in class 10^{th} of Bheru Kheda school, Agucha Panchayat, Bhilwara District. But, the team observed that Soniya for some reason had got cut off with the Shiksha Sambal team and was not submitting her regular work or attending her online classes. After visiting her home the team got to know that Soniya's father had passed away and that her mother, after Soniya's fathers death, was concerned about her safety as it was a 4 kilometre walk every day for Soniya to go to her school and the economic condition of the family had also deteriorated. Hence, Soniya's mother was no more willing to let her continue her studies and she being the eldest of the siblings expected her to engage in income generating activities. The Shiksha Sambal team, however, convinced Soniya's mother of the need to educate her and persuaded other girls in the neighbourhood to accompany her to school. Regular interactions with the Shiksha Sambal team assured Soniya's mother and led to Soniya taking interest in her studies and learn from the Shiksha Sambal team. Shiksha Sambal effectively plugged the distance between school and home for the young girl.

Jeevan Tarang Programme

Aim & Focus Area

- Mainstreaming and capacity building of people with disabilities
- Support by providing trainers to facilitate learning outcomes

FY 2021-22 Initiatives

- Technology intervention has served as a boon for persons with disability. Virtual as well as in-person sessions were undertaken by trainers of the programme for capacity building of students & teachers
- introduction to 'Environmental Studies' for hearing-impaired students in primary classes
- Self-paced learning software was introduced in teaching (computers) to ensure easy learning for visually impaired students
- Sensitisation session organised on health and socio-economic consequences of global issues; session to promote well-rounded learning on Indian sign language; good touch & bad touch; health & hygiene-related awareness; session on disaster management; life skills training and awareness about precautions against Coronavirus helped promote learning; days of Importance celebrated across Institutions

Impact / Outcome

- Programme for persons with disability, has impacted the lives of 600 children & 29 teachers through online classes & capacity building
- More than 100+ students were part of environmental studies
- 40 visually impaired students were benefited through introduction of Self-paced learning software
- Students were groomed on the rights and well-being of persons with disabilities in all spheres of society

Support for Higher Education

Aim & Focus Area

- Promoting girls from our earmarked locations to pursue higher education

FY 2021-22 Initiatives

- Across operational areas of Hindustan Zinc, girls facing concerns in pursuing higher education were identified and are being provided comprehensive scholarship to further pursue their higher education at Vedanta P.G. Girls college at Sikar, Rajasthan
- Selected girls were invited, post completion of their education to contribute towards educating other students in their villages
- Periodic engagements with the parents of the selected girls across 3 years of graduation

Impact / Outcome

- 70 such girls were sponsored for higher studies

SUSTAINABLE LIVELIHOOD

Samadhan Programme

Aim & Focus Area

- Ensure sustainable livelihoods for earmarked families through integrated farming systems and through livestock development in 184 villages

FY 2021-22 Initiatives

- Incorporation of 5 Farmer Producer Companies under the Companies Act 2013 to develop a business value chain, promote commodities with potential, capacity building, SME and agriculture infrastructure development
- Forged formal understanding with Maharana Pratap Agriculture University as our knowledge partners, to bring in their technical expertise
- Partnership with State Bhilwara Dairy for promoting improved cattle breeds through sorted semen insemination across 20+ additional villages in the district of Bhilwara
- 180 Animal Health Camps, 78k+ animals benefited
- For safety of stray animals, reflective bands tied across 1,000 animals as a pilot project
- Incremental innovation – Hi-tech vegetable farming, UHDP orchard, trellis farming, low-tunnel farming, sorted semen AI, goat AI
- 2 micro-enterprises – Mineral Mixture & Dairy enterprise established as livelihood enhancement opportunities for farmers linked to their FPOs
- Initiation of poultry farming
- Sorted Semen insemination propagated for both large & small ruminants
- Sustaining Wadis, promoting package of practices etc.
- Exposure visits of farmers across various successful projects and FPOs in the country
- Propagation of women FIGs

Impact / Outcome

- 30,000 farmers in 5 districts covered
- Ensuring participation of at least 2 women farmers as Board members in each registered company
- Coverage of more than 20,000 acres of land through agricultural intervention
- Through the project, 30% increase in crop productivity has been achieved
- 32,000+ conventional AI, 6,000 sorted semen AI undertaken, 1,000+ goat AI, 7,555 female calves born with a total ₹37 crore of asset value
- 33% increase in milk production
- In addition, sold ₹26 lacs worth milk in FY 2021-22
- ₹19,000 average income increases from milk yield per farmer basis
- 22% overall increase in income per bigha for farmers
- 12 poultry farms established at Zawar cluster with 600 chicks of Kadaknath and Pratapdhan breed

Zinc Kaushal: Skill Development

Aim & Focus Area

- Skills were imparted to youth on 15 trades including General Duty Assistant, Unarmed Security Guard, Micro Finance Executive, Domestic Electrician, Data Entry Operator, Retail Sales Executive, BPO etc.

FY 2021-22 Initiatives

- Four skilling centres continued to impart training & placements through online platforms
- Three new centers initiated (one at each location), taking the total number of Zinc Kaushal centers to 07
- The placement pool was strengthened by including some of the bigger brands for placements beyond the state. Major placement companies - Pantaloons, Airtel, Satya Microfinance Ltd, Muthoot Finance, Trends, Dominos, Lenskart, HDFC Bank, Maruti Suzuki etc.
- Leadership session including by HZL CEO Mr. Arun Misra
- Celebration of important days – World Youth Skills Day, International Youth Day and National Youth Day, World Water Day etc., for mass awareness
- 80+ exposure visits were organised for the trainees, for enhancing practical knowledge
- Initiation of SEDI Newsletter and Coffee Table book curated for strengthening the visibility of the project
- Zinc Kaushal was awarded 'Indira Mahila Shakti Protsahan Avam Samman' by Hon'ble Chief Minister, Shri Ashok Gehlot. Felicitated by Women & Child Development Department, Rajasthan Government, on International Women's Day
- Appreciation to HZ-SEDI - Agucha by Additional District Collector, Bhilwara
- Zinc Kaushal Kendra was appreciated by PRI members and government officials
- Imparted coaching for government competitive exams to rural youth at Dariba, Agucha and Chanderiya
- Project work undertaken by students such as Sensor based hand sanitisers etc., prepared by students

Impact / Outcome

- No. of youth trained - 1,488
- No. of youth placed or have become self-entrepreneurs - 1,117
- Female participation - 35%
- Average salary - ₹11,500 per month per student
- 300 rural youth provided coaching for government exams

CASE STUDY

Pooja Regar – a story of extraordinary grit

Pooja Regar from village Dhaneriyagarh, in Rajsamand District, is today working as General Duty staff member at a hospital in Udaipur, Rajasthan. It has not been an easy journey for her who was married off in her early teens - in Class 10th - to a man who did not support her in pursuing her studies. Despite the hardships and with exemplary grit, Pooja managed to complete her schooling. The persistent abuse and mental suffering caused her eventually to leave her husband's home and return to her father's place.

Soon thereafter, she enrolled herself in BA 1st year to continue her studies. And then came the discovery that changed her life. She explored and figured "Zinc Kaushal" and got oriented on different Skilling trades and their free-of-cost training programme. She visited the centre, and got herself registered in the General Duty Assistant training batch. The path was tough as she had no support from her husband and had to take care of her new-born child too.

Her father's support, coupled with that of her trainers and batchmates, however, gave Pooja the confidence and courage to pursue her dream. She went on to complete her OJT from GBH American Hospital Udaipur, where she was retained as a permanent staff member with a yearly package of approximately ₹1 lacs. Since then, she has received a pay hike and also handles home-care patients after duty hours, thus taking home an annual package of ₹2 lacs.

Pooja is immensely grateful to **Hindustan Zinc and the Skilling team** for guiding and **supporting her to achieve her dream**, also enabling her with the opportunity to serve the nation during the pandemic crisis.

WOMEN EMPOWERMENT

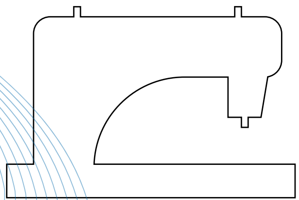
Sakhi

Aim & Focus Area

- Flagship project for mobilising rural women into self-help groups (SHGs) and developing capacities around leadership, skill development, savings, and entrepreneurship

FY 2021-22 Initiatives

- Established 7 women-led Sustained Federations as legal entities
- Campaign to envision gender equality – Uthori: A solidarity movement to advocate the message of gender equality
- To achieve gender equality, training programme was organised to develop GENDER SAKHI - a cadre who are expected to create awareness among SHG members and community. The objective of this initiative was to educate women, men and youth about gender equality
- Intense training sessions on continual basis of women has ended up creating skilled task force. This has ensured their engagement in several livelihood activities and are now earning and supporting not only themselves but their families as well. Entrepreneurial training programme organised in partnership with IIM & SCIFI, Lucknow
- Awareness creation regarding Mukhyamantri Chiranjeevi Health Insurance Scheme
- Mask production through Sakhi
- Extensive COVID-related initiatives undertaken by Sakhi's across locations



Impact / Outcome

- Total 2,248 SHGs with membership of 27,517 women from across 7 districts
- Around 107 Sakhis were trained as "GENDER SAKHI"
- In Uthori, total, 127 events were conducted with the active participation of 15,000 SAKHI women
- Training through IIM Lucknow took place every week for two days where around 96 women learnt and developed skills for becoming a successful entrepreneur
- Collective savings – ₹14.28 crore
- Credit generated – ₹53.26 crore
- Grooming 700 women leaders
- 53,000+ Agriculture & Animal Husbandry loans
- 100% awareness on Mukhyamantri Chiranjeevi Health Insurance scheme and more than 4,000 availed the benefit of the scheme
- 5,000+ Sakhi members enrolled in the scheme
- 1.3 lacs masks stitched at our production centres

WOMEN EMPOWERMENT

Microenterprises

Aim & Focus Area

- "Sakhi Utpadan Samiti" is a social enterprise under the "Sakhi" initiative, aims to empower rural women by providing them with a sustainable source of income

FY 2021-22 Initiatives

- 11 micro enterprises engaging 250+ women. Chittorgarh Unit for spices and textile production, Bhilwara Unit for textile and pulses production, Ajmer's Pickle Unit, Dariba's textile unit, Pavor Block & textile unit in Debari in Rajasthan and Rudrapur Textile Unit in (Uttarakhand)
- Two Sakhi Haats launched – one in Chittorgarh on Rajasthan Diwas, and the second at Udaipur Airport under the Avsar scheme
- 55 Business Sakhis
- 1,000+ non-farm ME members
- Upaya Website for e-commerce designed
- Trainings held for Business Sakhis and the Sakhis under the production centres

Impact / Outcome

- Business turnover of 85 lacs products sold across 355 outlets
- E-commerce footprint through Amazon platform
- Orders received from branded stores like FAB India
- The average monthly salary for these women ranges from ₹4,000 to ₹5,000. There are Sakhis, who have honed their skills to the point that they can now earn between ₹3,000 and ₹25,000 per month through working on these production centres

COMMUNITY ASSETS CREATION

Rural Infrastructure

Aim & Focus Area

- Strengthening of rural infrastructure to provide basic facilities to communities to promote the access to improved living conditions

FY 2021-22 Initiatives

- Various rural, education, sanitation and water infrastructure were created or renovated

Impact / Outcome

- 95 villages covered, benefiting more than 1,53,000 people

HEALTH, WATER & SANITATION

Healthcare

Aim & Focus Area

- Doorstep medical facilities through Hindustan Zinc's Mobile health unit including preventive, promotive and curative health care

FY 2021-22 Initiatives

- Formal agreement with Rabindranath Tagore Medical College for providing telemedicine services on no-cost basis
- Telemedicine project is live at two locations - Agucha & Zawar, covering 54 villages across earmarked villages
- Onboarded 3 new Mobile Health vehicles service to ensure 1 at each of the 8 locations with 100% villages covered across all locations
- Conducted 2,621 OPDs, 9 mega health camps, 277 awareness camps, with 17,000+ beneficiaries
- 151 IEC sessions and 30 special events held to sensitise and create awareness
- Important events like World Hypertension Day, World Health Day, World Environment Day and International Yoga Day celebrated at all locations. Created awareness about COVID vaccination
- 1 Rural health post benefited more than 18,000 patients
- Support to RNT Heart hospital by extending services for Cathlab
- 6 Company-run hospitals, with 1,00,000+ treatments undertaken

Impact / Outcome

- 1,00,000+ footfalls at the OPDs
- 196 villages in 8 locations across Rajasthan, Uttarakhand, and Gujarat

Water

Aim & Focus Area

- Undertook focussed water initiative to make the earmarked villages water sufficient

FY 2021-22 Initiatives

- Assessment on "rainwater harvesting and water resource development" was undertaken across 57 operational villages of Hindustan Zinc of which initially **3 villages of Dariba, Rajsamand** district were identified for pilot intervention, wherein more than **72,000 CuM** water storage capacity was increased in Sindesar Khurd, Makhanpuriya & Anjana villages
- 200 bighas land converted into multicrop irrigated agricultural land through community Lift Irrigation, of which 50 bigha barren land converted to agricultural land in Anwalheda village
- **28** water infrastructure strengthening projects were executed in **20 villages** through construction of overhead tank, open well, canal & *Panghat* work
- Potable water supply through RO/ATM continued through 13 RO & 39 ATMs, **covering 52 villages**, benefiting 30,000+ villagers
- Water supplied in **39 villages**, yearly 2 lacs+ KL water supplied

Impact / Outcome

- Outreach across 75 hamlets and villages covering 2,00,000+ villagers

Zinc Football Academy

Aim & Focus Area

- To groom and promote football players from the grassroots

FY 2021-22 Initiatives

- Former Indian Football Team captains Mr. Renedy Singh and Ms. Oinam Bembem Devi, along with President of Football Delhi and Ex-South Central Asia Development Officer for FIFA, Mr. Shaji Prabhakaran, joined Zinc Football as Advisory Board members for the programme. The Advisory Board is co-chaired by Mr. Arun Misra, CEO, Hindustan Zinc Limited, and Mr. Annanya Agarwal, President, Vedanta Football
- Section 8 entity - Vedanta Zinc Football & Sports Foundation incorporated for implementation of Zinc Football Academy programme
- Interaction with former Liverpool coach Gerard Nus. He has also worked in the Indian Super League
- Residential Academy clearly invested in grooming the boys through the year
- Education support to all the student athletes and grooming of the boys for all-round development
- Exposure matches for the players

Impact / Outcome

- Our young footballers and coaches in Zawar were guided by experts
- Roadmap planned for Academy's future by HZL CEO & the Advisory Board in consultation with others
- ZF players represented Udaipur in District School Games, won in both U17 and U19 categories now earn between ₹3,000 and ₹25,000 per month through working on these production centres
- Won the Rajasthan State Men's Football League Championship 2021 & Elite Youth Cup Champions

CASE STUDY

Karan Beniwal – the player who never says die

Karan Beniwal, plays as a mid-fielder. He has represented the Zawar football team in friendly tournaments in Goa, and played a pivotal role in Zinc Football Academy, even contributing in winning the Rajasthan State League in 2021.

Karan's journey as a midfielder started in early 2020, when he was awarded a scholarship by the Zinc Football Scouts. His tryst with the game, however, began much earlier. As a child, Karan would accompany his uncle to the football pitch, where he watched the elders from his Suli Khera village playing. The fact that this farmer's son used to play fearlessly with players older than him resulted in the development of his overall gameplay. It also helped nurture his never-say-die spirit.

One of Karan's favourite childhood memories is of accompanying his uncle to nearby villages and cities to play tournaments. Seeing his immense potential, Karan's uncle recommended to his father that he should be properly trained in an academy. Karan then left his village to study in a school in Ganganagar, where football was a driving force. He became a member of the school team, representing the district and state in various national tournaments.

Karan was selected in 2018 in the U-13 team of Indian Super League Club, Delhi Dynamos, where he trained for eight months before having to exit the club due to the financial constraints of living in a city like Delhi. However, he continued to work hard on his game with the support of his uncle and went on to get the coveted scholarship that would change the course of his life. 16-year-old Karan is a huge admirer of Phil Foden, Manchester City midfielder player from England, and much inspired by him.

VOLUNTEERING

Employee Engagement in CSR

Aim & Focus Area

- Engaged over 600 employees in various skill-based employee engagement activities, such as ‘Science-o-Mania’ under Project Shiksha Sambal, with the aim of promoting ‘learning by doing’. Employees, their families and external volunteers were onboarded for developing the project

FY 2021-22 Initiatives

- The unique initiative provided a platform to engage and undertake innovative projects with students of Class 12th on practical scientific models based on concepts from their syllabus
- Designing teaching and learning materials for Anganwadi children
- Sessions on menstrual hygiene
- 44 external volunteers during Winter Camp in Shiksha Sambal Programme

Impact / Outcome

- 18 engineers and other employees from Hindustan Zinc joined hands with 76 science students of class 12th of 5 Shiksha Sambal Govt schools
- 12 innovative models prepared based on Solar, Smart Village, Vertical farming etc.

Winter Camps

Aim & Focus Area

- To provide dedicated support to Board class students for examinations

FY 2021-22 Initiatives

- Focussed intervention approach adopted

Impact / Outcome

- 44 volunteers onboarded from various universities

Other Initiatives

FY 2021-22 Initiatives

- Engagement with Anganwadi kids through self-made teaching materials, Kisan Mela, floor painting at Anganwadi, self-defence trainings

Impact / Outcome

- 118 events organised, both virtually and in-person, for employee connect

COVID RESPONSE & INTERVENTION

Hindustan Zinc undertook several concerted initiatives during the year to support communities in the battle against COVID-19, and to make them self-sustaining and self-reliant.

IMMEDIATE SUPPORT

- Established 350-bedded COVID-19 hospital by transforming DAV school and built 100-bedded makeshift hospital at Dariba Rajsamand
- Set up 4 PSA Oxygen plants at Government Hospitals – one each at Amethi and Varanasi and two in Bhilwara
- Provided 570 oxygen concentrators to Rajasthan State. Also, 13,861 oxygen cylinders were supplied to the District Administration and 239.34 MT liquid oxygen to MB hospital
- Set up Bottling Plant at Dariba, Rajsamand
- Solidification of health institutions by providing ventilators, RTPCR machines, COVID ambulances, PPE kits, medical kits, vaccine vehicles, etc. COVID-19 kits given to frontline health workers
- Support to community by providing dry ration kits, sanitisers and conducting COVID-awareness sessions
- Support for animal welfare during the pandemic

PROGRAMME STRATEGY

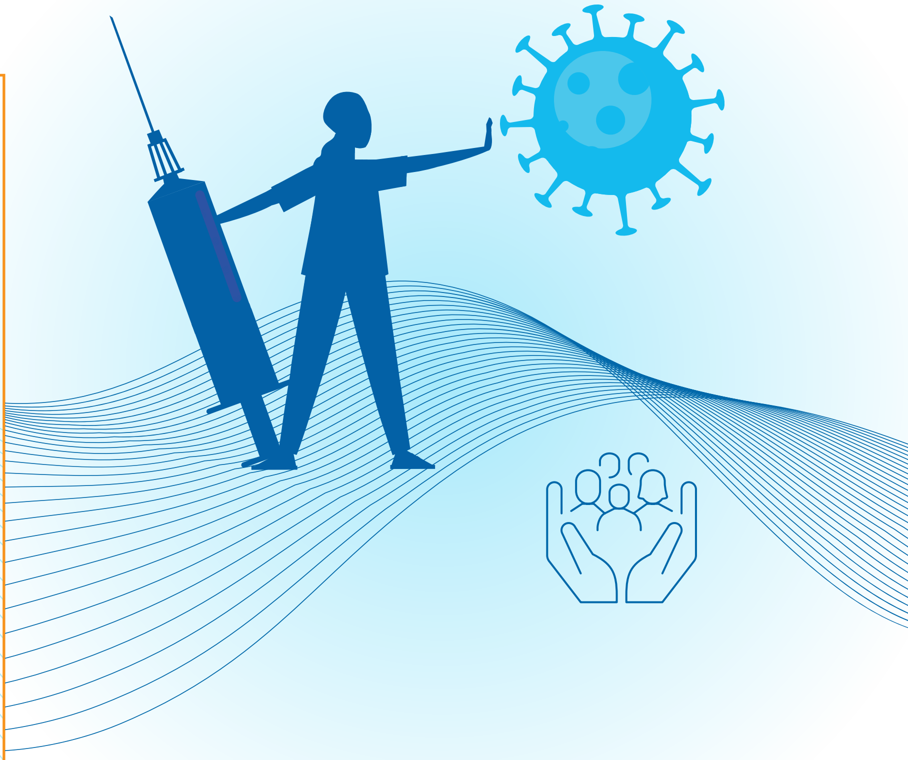
- Carried out assessment through Khushi programme to study the impact of the pandemic on Anganwadi Workers and the community. More than 24,500 beneficiaries were surveyed from across 2,909 AWCs, which showed that 93% of Anganwadi beneficiaries affected by COVID-19 had recovered

AWARENESS & EDUCATION

- CSR initiatives focussed on promoting COVID-appropriate behaviour. These included collaborating with Azim Premji Foundation through 'Chetna Rath' initiative and creating COVID-19 awareness through wall paintings under Sakhi initiative covering 129 villages across 4 locations
- Online platforms were leveraged for imparting education to the students of Shiksha Sambal project. More than 10,000 online classes and 30,000 home visits by professional teachers were undertaken and this also aided in staying in constant connect with the parent. Focussed interventions ensured not only improved learning outcomes for young minds as well relieving them of their anxieties through strengthening of the entire learning eco-system. Softer elements of COVID behaviour were also looked at
- Skill Development as one of the most important initiatives for making the rural youth employable, took COVID-19 outbreak as an exposure for the Security Guard trainees deployed on COVID-19 and REET duty as part of OJT
- Hindustan Zinc Limited extended doorstep medical facilities through its Mobile Health unit by providing preventive, promotive and curative health care services, sessions of awareness on COVID for vaccination were undertaken across 112 villages. Strengthened 11 government health institutions such as District Hospitals, PHCs & CHCs through COVID interventions
- During COVID times, we reached 377 villages benefiting 4 lacs+ population through COVID initiatives – RTPCR machine provided at Chittorgarh District, 2,000 COVID & Medical Kit and other medical equipment provided such as oxymeter, nebulizer, etc. 1,99,000 Cloth masks distributed, 3,000+ Dry Ration packets provided, Mass sanitisation drive, 500 litres of Sanitiser distributed and support for converting argon gas tank into oxygen tank

Building a 'Suraksha Kavaj'

During the continuing pandemic crisis, we undertook various focussed initiatives for communities close to our operations. We regularly provided them support in the form of sanitisation drives, PPE kits and vaccination awareness drives. Our focus was on collaborating with them to create and implement aggressive plans and actions to beat the COVID-19 outbreak in the rural areas by creating a 'Suraksha Kavaj'. On-ground COVID-19 Committees were created to jointly work on various fronts, including promoting awareness on vaccinations, providing COVID-19 safety kits to frontline health workers, and strengthening of existing health set-ups in villages etc. Efforts were made to implement a holistic approach for Life and Livelihood.



AWARDS AND ACCOLADES

In recognition of the various impactful initiatives undertaken at the grassroot level during the year, Hindustan Zinc won a total of eight awards for its CSR activities. These included:

BRICS SOLUTION FOR SDGs AWARDS 2021

Level: International-I

Awarded By: BRICS Business Council and FICCI

Category: Zero Hunger

THE CSR JOURNAL EXCELLENCE AWARDS 2021

Level: National-N

Awarded By: The CSR Journal

Category: Women & Child Welfare, Sports

19TH FICCI CSR AWARDS - APPRECIATION PLAQUE

Level: National-N

Awarded By: FICCI CSR Awards

Category: Food Security and Agriculture

LEADERS FOR SOCIAL CHANGE AWARD

Level: National-I

Awarded By: Socio Story Foundation

Category: Women Empowerment

Strategic Outlook

Going forward, we have envisaged our CSR Vision for 2025, articulated to meet our goals of improving the quality of life and the economic well-being of the community. We are focussed on the overall development of the community as well as villages through the Model Village approach. We are dedicated to building grassroot institutions, initiated and led by the community through strong community ownership focus. We have worked hard to also strengthen our social performance, thereby ensuring the social licence to operate and sustain our stronghold in the community and creating an economy which not only brings in development at the village level but contributes to the larger nation building and our vision of Atmanirbhar Bharat.

"

Hindustan Zinc has always believed in walking the talk with respect to its corporate governance principles. As a socially responsible corporate, it remains committed to boosting the local economy and uplifting the lives in the earmarked communities around its operations. Our focus is on creating self-sustaining on-ground community institutions and promoting ownership within the communities. Our thrust areas encompass targeted interventions in healthcare, nutrition, education, water sufficiency, livelihoods, skills etc., through innovation and introduction of technology. While being all-encompassing, our programmes are designed, in particular, to support rural women. In FY 2021-22, 0.2 million of the 1.4 million lives we touched were women. We aim to further scale up our efforts to nurture rural women as entrepreneurs or agriculturists to empower them to contribute better to the local economy and the development of our targeted villages.

Anupam Nidhi
Head - CSR

Celebrating our People

We strongly believe that our People are our most valuable asset and it is our continuous endeavour to focus on the development of our internal talent pool and attract the best talent available by providing the right opportunities. Guided by our vision of being the most admired employer, we have strived to engage our employees and provide them with the right tools and resources to continually improve and upskill themselves to holistically develop as evolved professionals.

The same is also in line with our group ESG journey that stands on the three core pillars of Transforming the Workplace, Transforming Communities and Transforming the Planet. All our organisational policies and practices are aligned to deliver on these core values.

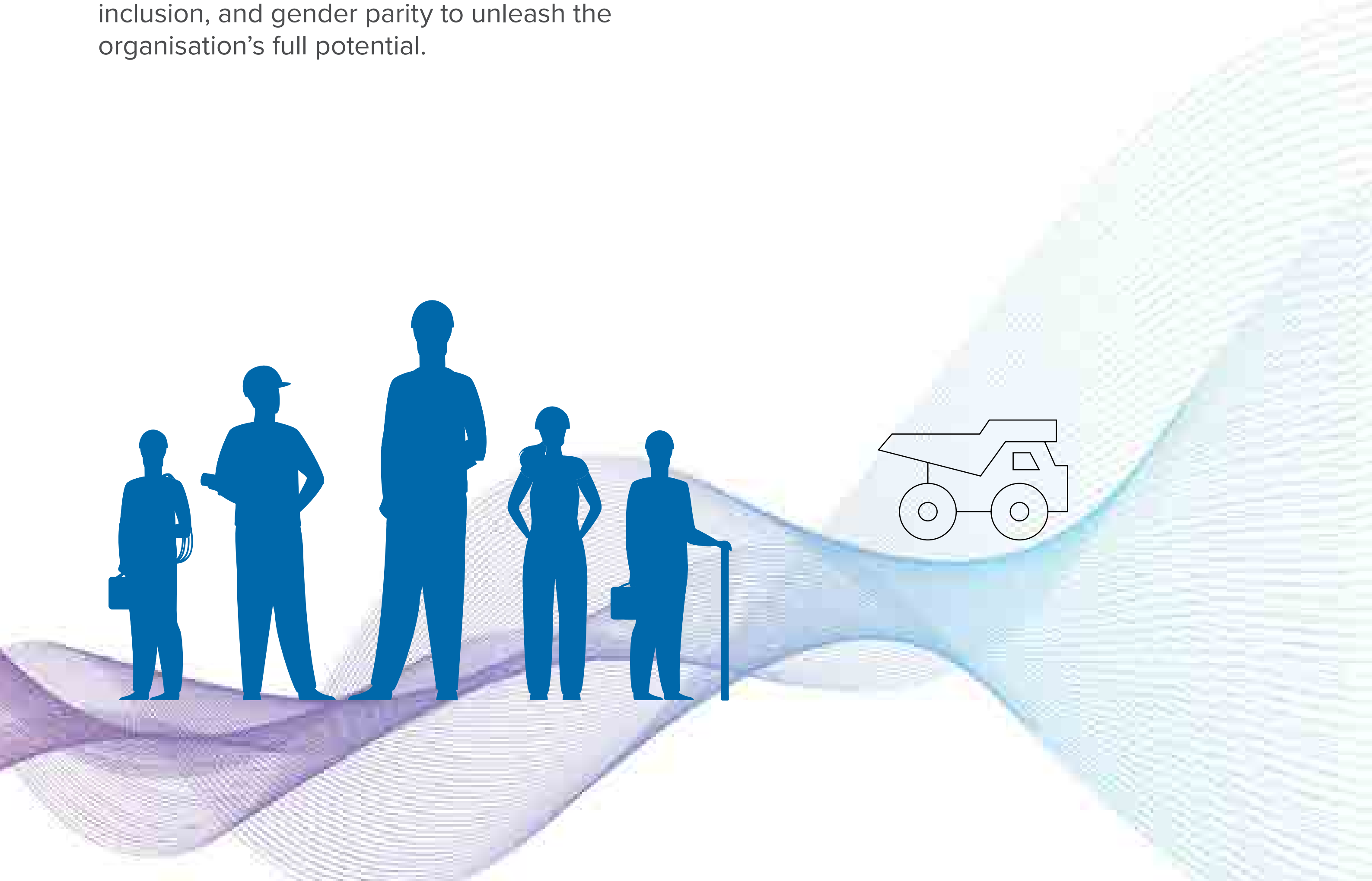
Transforming the Workplace is driven by the principles of promoting diversity, inclusion, and gender parity to unleash the organisation's full potential.

Moreover, we have also adopted an integrated approach when it comes to Human Resources (HR) at Hindustan Zinc and these are closely interlinked with our Sustainability Goals 2025. To ensure the holistic development of our employees, we have developed a mutually inclusive relationship with them to ensure their progress, while effectively propelling our sustainability journey.

Hindustan Zinc has always been a frontrunner in promoting gender, geographical, cultural, and racial diversity. In this journey of promoting gender parity and developing an inclusive culture, we have set a target for ourselves to achieve and maintain 30% diversity among all Executive and Management Committees and ensure that equal opportunities are provided to all without any bias.

This gives us many reasons to celebrate our progress on our strategic priorities and targets.

Our HR Vision is to Develop our PEOPLE, PARTNERSHIPS, and to build a FUTURE-READY organisation.



At Hindustan Zinc, our organisational values are the guiding principles that provide a purpose and direction to each decision. Our values of Integrity, Respect, Entrepreneurship, Care, Innovation, Trust, and Excellence lie at the foundation of our sustainable business.

Trust

We actively foster a culture of mutual trust in interactions with our stakeholders and encourage an open dialogue which ensures mutual respect.

Innovation

We embrace a conducive environment for encouraging innovation that leads to a zero harm environment and exemplifies optimal utilisation of natural resources, improved efficiencies and recoveries of by-products.

Integrity

We place utmost importance in engaging ethically and transparently with all our stakeholders, taking accountability of our actions to maintain the highest standards of professionalism and complying with international policies and procedures.

Respect

We lay consistent emphasis on Human Rights, respect the principle of free, prior, informed consent, while our engagements with stakeholders give local communities the opportunity to voice their opinions and concerns.

Care

As we continue to grow, we are committed to the triple bottom line of People, Planet and Prosperity to create a sustainable future in a zero harm environment for our communities.

Excellence

Our people are our most important assets. We actively encourage their development and support them in pursuing their goals.

Entrepreneurship

Our primary focus is to deliver value of the highest standard to our stakeholders. We are constantly motivated on improving our costs and production quality in each of our businesses through a culture of best practice benchmarking.

BUSINESS STRATEGY | CEO RULEBOOK

Our Group's DNA, philosophy, and ways of working have been precipitated in the CEO Rulebook which provides the guiding light for how we work and deliver.

Our people philosophy revolves around the guidelines from the CEO Rulebook. Business units are directly accountable to lead workforce planning, hiring, retention and reward programmes. The HR team reviews the strategic workforce plan and is responsible for making corrections as necessary, to allow for any deviations.

OUR HR STRATEGY

Our Human Resource strategy over the years has evolved from fulfilling a support function to becoming a strategic partner in our business. This has catalysed a transformation in our HR strategy, which is now aligned with the organisational strategy.

- Formulated on the basis of recognising business requirements and goals for the foreseeable future, and analysing changing workforce trends
- Structured to create a future-ready organisation with a multi-generational workforce and employee-centric policies
- Led by our HR vision, which, coupled with the organisational strategy, paves the way for the meaningful utilisation of our talent pool (executives, non-executives, business partners), our most significant resource

Our HR Policies

- Equal Opportunity Policy
- Diversity & Inclusion Policy
- Whistle Blower Policy
- Employee Award & Reward Scheme
- Productivity Tools Policy
- Prevention of Sexual Harassment

PILLARS OF OUR HR STRATEGY

People | Performance | Processes

These three pillars are interdependent, inextricably linked, and aligned with each other in our HR strategy.

3,500

Total headcount in FY 2021-22

(2,487 Executives, 1,013 Non-Executives)

412

Attrition

(11.8% of total headcount)

Great Place To Work Certified MAY 2022-MAY 2023 INDIA

Great Place to Work

trust score increased to 78% from 74%

OUR HR STRATEGIC FRAMEWORK

Developing our people and our partnerships build a future-ready organisation

PEOPLE PERFORMANCE PROCESSES

Right Management in Place
- HZL Executive Committee
- Independent Business Units
- Business Partners
- Cross Functional Training
- Job Rotations

Organisation Design

Strengthening Talent Pipeline
- Attraction and Acquisition
- Promoting Young Talent
- Capability Building
- Driving Diversity
- Performance Management
- Internal Job Postings

Talent Management

Digital and Automation Maturity
- Enhancing Productivity, Engagement and Teamwork through Digitisation
- Virtual Reality Based Simulator Training

Digitisation and Automation

Aligned Practices to Drive Productivity
- Seamless Operation through Integrated Approach
- Skill Development
- Open dialogue which ensures mutual respect

Industrial Relations

Hindustan Zinc Vision: To be the largest Zinc and Lead producers globally

Vedanta Vision, Values and Pillars

OUR KEY PERFORMANCE INDICATORS

19,414
Total Business Associates

52%
Indigenous Employee Percentage

15
Differently Abled (on-roll Employees)

15.7%
% of Women in the Executive Workforce

99
No. of Six Sigma Projects Initiated in FY 2021-22

1,12,947 Learning Hours
(14,118 Man-days)
Training Man-days

5.68
Average Training Man-days per Executive Employee

<30 years: 48%, 30-50 years: 46%, >50 years: 6%
Age Diversity

11.8%
Attrition Rate

50%
Senior Management / Board Diversity

53%*
Engineers

2%*
CA

5%*
MBA or equivalent

*% of the executive workforce as on March 31, 2022

OUR PEOPLE PERFORMANCE

In an eventful year that tested our perseverance, resilience, and strength, we, at Hindustan Zinc, successfully navigated the various challenges of the rapidly spreading Omicron variant supported by the sheer grit and determination of our people. Despite the numerous odds facing the organisation, our teams rose to the occasion to steer the organisation to the next level, enabling us to achieve the highest-ever milestones in various aspects.

Our focussed approach in implementing the best people practices across the organisation propelled the Company's performance excellence and growth journey through the year. During FY 2021-22, we did exceptionally well in HR and payroll processes as a function and received A-Rating for the second consecutive time – a first in the Group. We also topped the HR scorecard with a score of 77%, which is the highest ever for any Group company. These successes help us to stay motivated and march ahead with confidence towards excellence.

ELEMENTS OF OUR HR STRATEGY

Organisation Design
Ensuring Right Management in Place

Digitisation
Optimising employee productivity, engagement and teamwork through digitisation and automation

Industrial Relations
Ensuring seamless operation through an integrated approach

Talent Empowerment
Strengthening Talent Pipeline by:

- Acquisition of Competent Talent
- Promoting Young Talent
- Capability Building
- Driving Diversity and Inclusion

APPLICATION OF OUR HR STRATEGY

Through focussed interventions in tandem with our HR strategy, we, at Hindustan Zinc:

- Determine the most effective ways to attract, motivate, develop, and retain new and existing talent across the organisation
- Define a set of key people initiatives that enable the organisation to achieve its strategic goals and targets focussed on enhancing safety, innovation, productivity, and cost-effectiveness
- Develop guidelines and procedures for governance, compliance, and risk mitigation

ATTRACTING & NURTURING TALENT

In FY 2021-22,

1. 358 talents were identified through the year under various talent recognition and development initiatives (V-Reach – 127, Business ACT UP – 10, Technical ACT UP – 20, V-Build – 29, V Aspire – 3, V Reach Tech – 63, Functional ACT UP – 106)

2. 724 Employees benefited under various talent development initiatives (Executive Coaching – 8, Lead Programme – 53, DC MEP – 40, Mentoring – 304, V Lead – 10, IDP – 309)
    - Diversity Mentoring: To enable women leaders (168) to transition to the next level in their career
    - Young Talent Mentoring: To groom young leaders (89) in the experience band of 1-5 years

ENABLING LEARNING AND DEVELOPMENT

With a focus on enhancing their learning and development, executives are enrolled through the HZL Work Integrated Learning Platform. Our initiatives during FY 2021-22 covered:

- Post Graduate Diploma in Business Administration from IIM Udaipur: Batch yet to start
- Enrolled 33 employees for an MBA in Business Analytics from BITS Pilani

A glance at some of our training programmes and the number of employees who benefited:

- Theory of Constraint: 210
- Six Sigma Projects: 83 GETs covered in training and 99 projects identified
- Total Quality Management: 69
- HZL Mining Mate Training Competency enhancement: 117
- Contract Management from IIM Udaipur: 28
- Motivational talk, 'Ek Udaan Aur Bharo', by one of the eminent speakers: 1,200+

Building Capacities

During the year, we conducted 'Ankuran', an industrial relations workshop with leaders of Hindustan Zinc Worker's Federation and HR Heads across Hindustan Zinc. This is a proactive step to build harmonious industrial relations for the organisation.

Another programme 'Kshamta' was undertaken to ensure that our team is adept, aligned and imbued with the necessary skills to operate in the prevailing external environment. The 2-day workshop, organised with our HR business partners (HRBPs) across locations, was crafted to make employees agile and flexible to adopt new technologies and concepts.

CASE STUDY

Challenging the Status Quo
PROMOTING GENDER DIVERSITY

As an integrated player with strong focus on holistic value delivery across our stakeholder fabric, we face many challenges with respect to stereotypes of gender, age, regional ethnicity, education etc. These challenges lead to low employee engagement, impacting manpower productivity, leading to lack of organic growth within the organisation, unconscious bias in managers, lower representation of women across levels particularly in leadership roles, and lack of basic facilities for women especially in mining operations.

Acknowledging the need for gender diversity, from the Board level to the mines, we decided to raise the diversity bar through a cohesive project. The project was initiated by creating our vision, strategy, roadmap and implementation plan through brainstorming and ideation with the leadership team. It was focussed on Diversity & Inclusion as a business imperative for the organisation, with the ownership starting from the leadership team and cascading down to the shopfloor.

The Inclusion Project

- The organisation focussed on workforce composition as the first step. The 'Inclusion' lens included gender, regional, educational, physical ability, age, ethnicity, and communities
- A roadmap was developed, and the Company's Equal Employment Opportunity Policy and the Diversity Policy were declared
- The Company revamped the recruitment strategy, anchored the gender diversity, focussed on age diversity, ensured educational heterogeneity, encouraged regional and cultural diversity, focussed on diversity among business partners and inclusion of expats in the workforce, besides involvement of social communities in this drive
- To ensure the safety of women, including those in the night shift, a structured and proactive approach was adopted, with the Company first taking consent from the statutory authority for operating night shift for women employees. We then included access control and a dedicated transportation facility for women. We provided training on the Prevention of Sexual Harassment (PoSH) policy to employees, business partners and general workforce, in addition to gender sensitisation norms. Women were provided self-defence training and safety kits in addition to a SOS App and further steps to aid the process. The night shifts have been successfully initiated at Dariba and Chanderiya smelters

The benefits:

- Multi-fold message disseminated, both internally and externally
- Endorsing Hindustan Zinc's commitment towards being a progressive, safe, and inclusive organisation, where women are challenging the status quo and employees are fostering inclusiveness

CASE STUDY

Transforming the Workplace
COMMITTED TO PEOPLE CARE

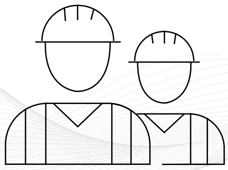
The ESG journey at Hindustan Zinc signifies our commitment towards adopting best practices and policies for the greater good of the planet. As we embark on the next steps, **'Transforming the Workplace'** is one of the key pillars of this framework, which focusses on promoting diversity and inclusion alongside integrity, respect, entrepreneurship, care, innovation, trust, and excellence.

- By leveraging our core value 'Care', we have focussed on the holistic well-being of our employees, families, and extended families of business partners
- We have launched the Employee Well-being and Assistance Programme, aimed to improve productivity through stress management
- Programme focusses on year-round engagement with employees, with thrust on building resilience and mindfulness as strategies for stress management
- It includes round-the-year programmes and app-based stress management learning opportunities to engage multi-generational workforces
- The services include 24x7 psychological counselling for employees and their dependents, which are completely confidential

STAYING CONNECTED WITH OUR PEOPLE

We are cognisant of the importance of bonding with our people to progress on our collective journey to realise the organisation's vision. Our employee engagement strategy is specifically designed to connect with our people by proactively reaching out to them and taking cognisance of their needs.

Hindustan Zinc has partnered with the Great Place To Work Institute to understand the engagement requirements of employees across various levels, functions, and verticals. This enables us to capture feedback from employees on our existing engagement platforms and accordingly revamp and rework our employee engagement methodologies continually.



OUR EMPLOYEE ENGAGEMENT METHODOLOGY

It is founded on:

- Holistic approach to engagement and quality of life
- 5 dimensions of Engagement/Work Culture – Credibility, Respect, Fairness, Care and Camaraderie, with platforms created to foster the same
- 8 dimensions of well-being – emotional, physical, occupational, social, spiritual, intellectual, environmental, financial

CASE STUDY

Providing Equal Employment Opportunities
BUILDING AN LGBTQ+ INCLUSIVE APPROACH

Recognising the value of a diverse workforce, we, at Hindustan Zinc, have committed ourselves to providing equal employment opportunities. We are focussed on creating an inclusive workplace and work culture, in which all employees are treated with respect, care, fairness, sensitivity, and dignity. We believe that workforce diversity is a business imperative and strive to ensure that our workforce represents all sections of society. This open mindset, we believe, will help us deliver better business results. We have hence committed ourselves to providing equal employment opportunities, without any discrimination based on sexual orientation and gender identity.

While it is our endeavour to be inclusive of the LGBTQ+ people, we feel it is essential that non-discrimination and anti-harassment policies in the workplace must additionally include gender-neutral language specifically in addressing sexual orientation and gender identity or expression.

To this end, we have:

- Formulated a well-articulated D&I and LGBTQ Policy
- Partnered with 'The Humsafar Trust', which is a pioneer organisation in India dedicated towards counselling, advocacy, and provision of health care to LGBTQ communities
- Initiated an awareness and sensitisation drive for all employees across Hindustan Zinc during FY 2021-22
- Trained more than 100 managers through virtual sessions as part of the sensitisation drive for the HR team and HZL EXCO leadership team. Trainings included awareness on differences between gender and sex, gender identity, the usage of right pronouns, rights, and reformation of laws for LGBTQ employees
- Planned physical training sessions, going forward

OUR EMPLOYEE ENGAGEMENT PLATFORMS

Based on our employee engagement approach and methodology, we have launched various platforms and initiatives to stay connected with our people.

SAMPARK
CEO Virtual Townhall (Reward & Recognition: HZL Star Award to the employees – 244, Operators from Business Partners – 99)

V Excel
Caters to performance and developmental needs of our new joinees across 4 pillars [Leadership Shadowing, Anchorship for Development, Goal Setting & Performance Delivery, Dipstick Feedback & Action] – Coverage : 150 GETs, 36 MTs, 9 VLDPs & 12 OTs

Workstream Approach
Adopted by HZL HR, along with creation of workstream for each vertical, in a concerted drive towards Excellence in HR. We have 11 workstreams which are working with SMART KPIs and deployment of best-in-class people practices

Project 'Setu
Launched to reboot the organisational structure and align it with our business strategy, enabling the organisation to unlock efficiency and accelerate growth. This critical project, driven by HR in tandem with business leadership, aims at design principles with 'Right person in Right job' concept

Caring during COVID-19

MEGA VACCINATION DRIVE

A COVID-19 mega vaccination campaign was initiated across locations for all on-roll employees, their families and business partners/contract workforce and their families, as part of our guiding principles of care and commitment to guarantee the health and holistic well-being of our people.

CARE FOR COMMUNITIES

We extended help to local panchayats and local health administrations by disinfecting villages, spraying, and fumigating with sodium hypochlorite solution, in 149 villages, and providing medical gear like masks, sanitisers and personal protective equipment.

BREATH OF LIFE

In the fight against COVID-19, we undertook the following measures:

- Imparted and delivered 500 oxygen concentrators to hospitals in Rajasthan state to address the scarcity of oxygen
- Dedicated the entire supply of oxygen from our plant in Dariba (Rajsamand) to Rajasthan Government and local authorities
- Set up an oxygen bottling plant in a record time of 5 days, and supplied over 13,000 cylinders of medical oxygen
- Dedicated 5 mobile health vans and 1 fully insulated vaccine van, to distribute 500 COVID kits and 47,200 masks

GROUP CORONA KAVACH POLICY (insurance policy)

We introduced an insurance policy for our contract workforce across our locations in Rajasthan and Uttarakhand, covering more than 25,800 contractual employees.

FIELD HOSPITAL

We have set up a state-of-the-art 100-bed field hospital in Dariba that includes 80 normal beds and 20 ICU beds, with 24x7 oxygen aid for COVID patients.

DIDYOUKNOW SERIES

We launched a series of knowledge-sharing on a weekly basis on how to boost human immunity against COVID.

COVID YODHA

Through this, we share inspirational stories of our employees and Zinc Parivaar who have won the battle against COVID-19.

PROGRESS ON OUR STRATEGIC PRIORITIES & SUSTAINABILITY GOALS

The progress on HR strategic priorities is on-track. The ESG projects taken up under the sustainability framework are as follows:

30%
Gender Diversity

10%
Diversity Beyond Gender

Human Rights Assessment

PROGRESS IN FY 2021-22

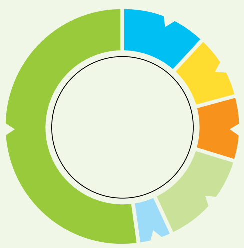
27.4%
Women as percentage of Hires

~7%↑
High-Potential Women Ratio

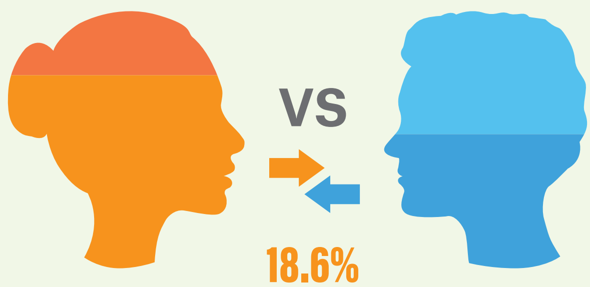
25%
Diversity Ratio in HZL ManCom

19%
Diversity Ratio in HZL EXCO

Regional Diversity (Executives)



Central	12%
East	8.9%
North	8.9%
South	13.1%
West	4.9%
Rajasthan	51.7%



18.6%

Diversity ratio for executives and other employees (Female v/s Male)

Overall gender diversity among executives: ~16%

Dariba Smelter Complex initiated deployment of women in all the three shifts in laboratory and security functions

GRIEVANCES & FEEDBACK MECHANISM

We have automated the procedure of capturing and redressal of grievances. An online query management system is used by employees for raising queries.

543

queries/grievances raised

543

queries/grievances resolved/closed

(During FY 2021-22)

We also capture employee feedback through various interventions including CEO Connect, CHRO Connect, CEO Townhall, LEARN with CEO, Rendezvous with CEO, and engagement with HZL ManCom. We also capture the feedback during exit interviews.

For business partners, grievances and its redressal are taken up on various platforms such as Grievance Redressal Committee, Canteen Committee, Joint Consultation Committee etc.

CORDIAL LABOUR RELATIONS

We have a single union concept since inception. The Company has one union, affiliated to INTUC, and recognised by the Management, across all locations. At the corporate level, there exists the Hindustan Zinc Workers' Federation (HZWF), which was constituted on October 23, 1982, and subsequently recognised by Hindustan Zinc vide letter dated November 27, 1982. HZWF is the sole bargaining agent for workers at the apex level, a body which believes in the dictum that ***'If the company grows, our growth will be taken care of.'*** It consists of core members from the recognised Union across locations.

All matters pertaining to service conditions, wages and benefits, strategic policies in respect of workmen are discussed across the table, at the unit level as well as the corporate level, with the Unions/ Federation. Discussions are driven by the philosophy - ***'to resolve our issues amongst ourselves in our own way jointly'.***

All executive members of the federation are either employees or ex-employees of the Company, and represent the recognised unions in their respective units. They decide the strategy to deal with issues of their employees alongside the Management. There are multiple bipartite forums like ***Joint Consultation Committee, Welfare Committee, House Allotment Committee, Safety Committee, Canteen Committee & Transport Committee*** across locations, to deal with matters of workmen in all facets of life. These committees have equal representation of the Management and the Union.

AWARDS & RECOGNITIONS

GREAT MANAGER'S AWARD

The Economic Times
(Category: Company with Great Managers)

CII HR EXCELLENCE AWARD

(Category: Prize in Leadership in HR Excellence)

PEOPLE FIRST HR EXCELLENCE AWARD

(Category: Leading practices in technology deployment in HR and Champions in Response to COVID-19)

SHRM INDIA HR EXCELLENCE AWARD

(Category: Excellence in Diversity & Inclusion and Significant Contribution in Leveraging HR Technology)

SKILLSOFT PERSPECTIVES 2021 AWARDS

(Category: Digital Dexterity)

5TH CII NATIONAL HR CIRCLE AWARD

(Category: Diversity & Inclusion)

STRATEGIC OUTLOOK

Going forward, we shall look at navigating changing work trends triggered by the pandemic, to increase workforce resilience and effectiveness, while improving employee experience. We shall focus on building critical skills and competencies by creating a more dynamic approach towards sensing the skills required, especially for critical roles. Taking on greater responsibility for driving innovation and executing business transformations in a hybrid work model, we shall strive to support the development of such a model by using human-centric design to offer flexible experiences, enable intentional collaboration and drive empathy-based management.

To foster long-term workforce resilience, we shall reassess the workforce support offerings to drive workforce health, not just performance. We aim to improve workforce health to drive organisational resilience and sustain performance without jeopardising the health and safety of the workforce. We shall work to accelerate progress on our Diversity Equity & Inclusion (DEI) goals by establishing consequential accountability – holding leaders accountable – instead of collective accountability, which does not produce real results on DEI outcomes.

To build a 'fit-for-future' organisation, we shall structure the HR function towards achieving agility, customer centricity and operational efficiency. We shall drive empowerment through a HR operating model that better adapts to changing employee expectations, greater use of technology, and increased cost pressures. It is our endeavour to move to a more dynamic operating model and upskill capabilities.

"

With the pandemic proving to be a watershed moment that triggered a permanent shift in attitudes and work norms, we are strategically focussed on ensuring workforce effectiveness, backed by dynamic management of employee skills. Our efforts, moving forward, will be more sharply centred on preparing the workforce to take greater accountability towards driving innovation and executing business transformations in a hybrid work model. We are committed to fostering long-term workforce resilience, while accelerating progress on our DEI goals. We have identified the creation of a 'fit-for-future' organisation, backed by functional effectiveness, as the overarching agenda of our future strategy.

Ajay Kumar Singhroha
Chief Human Resources Officer

Being Responsible in Our Sourcing Approach

At Hindustan Zinc, we have aligned our responsible sourcing ethos with our Vision to create an efficient supply chain, with focus on total cost of ownership, technology, innovation, and governance. We follow a collaborative partnership approach to drive efficiencies and sustainability, and to create value across our business eco-system. We are proactively focussed on nurturing our relationships with business partners to ensure collective and sustainable long-term value creation.

452
Local Tier 1 Business Partners

243
Critical Tier 1 Business Partners

(As of March 31, 2022)

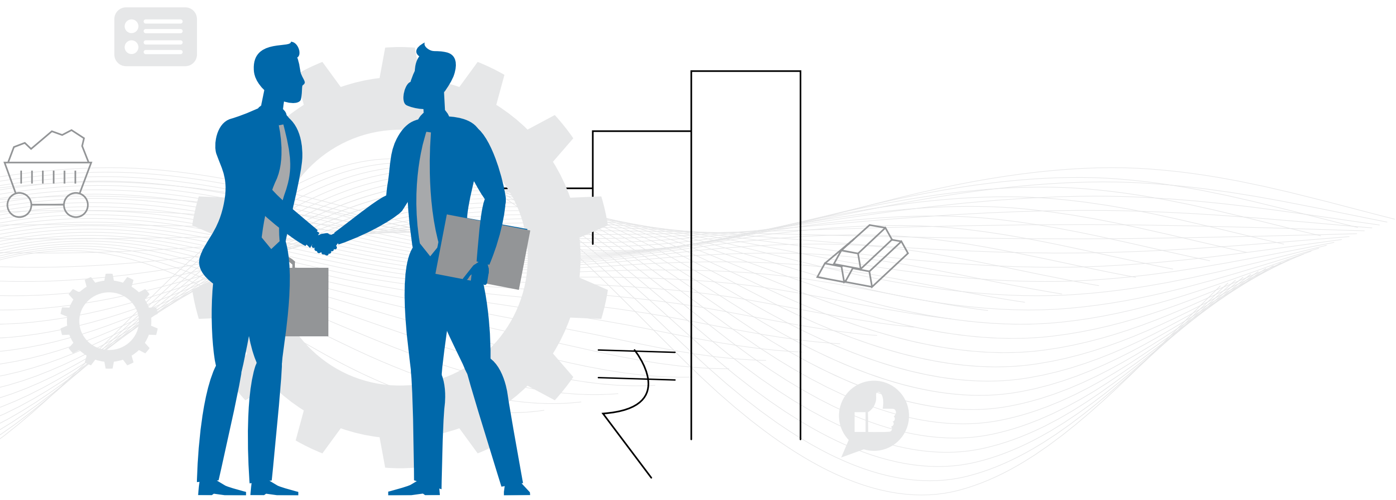
KEY HIGHLIGHTS

- Enabled entire operation with 1,100+ active supplier and service partners throughout the year to deliver business performance
- 25 suppliers, majorly from existing vendor base, developed for alternate sourcing and OEM to OPM conversion for spares, led to significant savings
- 8 new suppliers were identified for critical commodities for supply chain de-risking
- ESG assessment introduced in contract process and business partner collaboration initiated to achieve the goal of responsible sourcing
- Introduced EV equipment in mines and smelters through business partners, new battery electric vehicles (BEV) ordered for mining
- Strong focus on online buying with auction tool to improve governance and price discovery; reached 90%+ adoption of online buying by March 2022 exit
- Strengthened quality management process of incoming supplies through quality due diligence, based on assessment framework

MATERIAL ISSUES ADDRESSED

Through our responsible sourcing focus, we are addressing a host of material issues which have the potential to impact our business operations, to varying degrees.

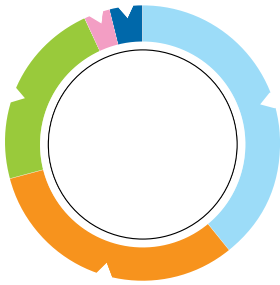
High Priority	Medium Priority
• Compliance with government regulations • Ethics and Integrity • Human Rights • Carbon Footprint Reduction • Enhanced processes towards transparency and governance for sustainable environment	• Supply chain sustainability • Local Sourcing • Energy saving and water saving initiatives



STRENGTHENING BUSINESS PARTNERS RELATIONS

We encourage all our Business Partners to commit to Responsible Sourcing practices, develop long-term action plans and maintain high levels of compliance and performance aligned with Hindustan Zinc's vision. Hindustan Zinc aims to work with top partners basis preferred performance on various responsible sourcing guidelines and parameters. In line with this, to achieve our goal of achieving 100% Responsible Sourcing by 2025, we continue to frequently engage with them through regular discussions, knowledge sharing & cross learning. We hosted webinars to align our Business Partners with our Business Plan and Sustainability Goals. We also engage in due diligence of the Business Partners which includes site visits and on-site engagement with the vendors. Hindustan Zinc believes in awarding and recognising our Business Partners to motivate their workforce and bring innovative solutions. We also host strategic Business Partner engagement sessions with our Senior Leadership to learn from the best practices of our Business Partners and support them in gaps identified. To ensure alignment of Business Partners with our vision of Zero Fatality, we impart regular safety trainings to our Service Business Partners.

SPEND* (₹ crore)



Mines	4,458
Smelters	3,565
Sustenance Capex	2,532
Growth Capex	344
Others	422

*Basis the actual payment made to the Company's Business Partner during FY 2021-22

BUSINESS PARTNERS ENGAGED* (Nos.)

590
Mining

759
Smelting

198
Others

60
Growth Projects

*Basis Purchase Orders released during FY 2021-22

OUR BUSINESS PARTNER MANAGEMENT FRAMEWORK

We have in place a robust business partner management framework, with a clearly defined code of conduct. The code is designed to ensure business partners' compliance with the Company's highest standards of integrity, transparency, and ethics.

CODE OF CONDUCT

Labour & Human Rights	Health, Safety & Environment Sustainability	Business Integrity	Intellectual Property	Third-Party Representation	Prohibition on Insider Trading	Business Partner's Compliance Commitment	Reporting of Unethical Practices & Grievance Addressal Mechanism

ORGANISATION POLICIES, PROCEDURES AND ENGAGEMENT FRAMEWORK

Partner Selection & Onboarding
- Pre-qualification/ Business Partner Questionnaire Response Analysis
- Code of Conduct
- ↓
- Evaluation & Approval Process

Due Diligence
- Financial Health Check-up
- ESG & Quality/ Technical
- Regulatory & Governance
- Risk Identification – Money Laundering, Bribery, Corruption, RBI, MCA/NCLT Default
- **Outcome in Terms of BP Risk Classification, Communication, Risk Mitigation Plan**

Contract Engagement
- RFQ Based Enquiry with Terms of Engagement, ESG, Performance Expectations
- Techno-commercial Bid Evaluation
- Total Cost of Ownership Based Decision-making

Performance Management
- KPI Tracking & Monitoring through Scorecards
- Review & Leadership Engagements
- Partner Feedback & Cross-Learning
- Expectation Setting & Capability Development

Governance
- Technology-enabled Tracking of Process & Performance for Business Partners
- Periodic Reviews & Audits
- Feedback & Grievance Management
- Business Partner De-listing in Consequence Management

OUR BUSINESS PARTNER CODE OF CONDUCT

Our Code of Conduct articulates the basic requirements we expect our business partners to respect and adhere to, when conducting business with Hindustan Zinc. It embodies our commitment to internationally recognised standards, including the core conventions of the International Labour Organisation, United Nations' Universal Declaration of Human Rights, as well as prevalent industry standards, and all other relevant and applicable statutory requirements concerning Environment Protection, Minimum Wages, Child Labour, Anti-Bribery, Anti-Corruption, Health and Safety, with focus on requirements governed by the highest standards of conduct.

- **Labour & Human Rights**
- **Health, Safety & Environment Sustainability**
- **Business Integrity**
- **Intellectual Property**
- **Third-Party Representation**
- **Prohibition on Insider Trading**
- **Business Partners' Compliance Commitment**
- **Reporting of Unethical Practices & Grievance Redressal Mechanism**

BUSINESS PARTNER RISK MANAGEMENT

At Hindustan Zinc, we operate an exhaustive Business Partner monitoring and rationalisation system to ensure robust supply chain risk management. We ensure this through a combination of risk assessment and performance monitoring.

Business Partners are onboarded following detailed evaluation of qualification criteria. Those with issues in performance, in terms of quality and delivery, service KPIs or any other identified risk, are critically reviewed and monitored for performance improvement. In case of no improvement, their registration gets inactivated, and they are excluded from any further sourcing participation.

Business Partners are also subjected to strict desktop-based due diligence along with at-site audits based on various parameters.

An adverse case of a business partner's ethical non-compliance, major quality failure, fraudulent behaviour, false representation, contractual default, breach of safety norms, violation of contractual terms or code of conduct etc., may lead to cancellation of their registration. These business partners are subject to stringent quality management, capability assessments through site visits, as well as audits and performance reviews.

234

No. of Business Partners for whom due diligence was carried out in FY 2021-22

CASE STUDY

Extending the life of equipment

Partnering OEMs on technological interventions

At Hindustan Zinc, we are fully cognisant of the importance of HEMM equipment for extracting ore from our underground mines. It is vital, therefore, to work on continuous enhancement of efficiency of such equipment. During FY 2021-22, we took the initiative to increase the effective life of the equipment.

As part of this initiative:

- We undertook certain technological interventions in partnership with OEMs
- The initiative was aimed at increasing the life of the HEMM equipment

The Benefits

Operational excellence

- The life of the equipment has been extended from the earlier 20,000 hours to a minimum of 32,000 hours
- The overall change will bring down investment on new CAPEX and assets optimisation
- The move will support our ESG goal on better resource utilisation

OUR PARTNERSHIP PROCESS

We have developed a well-defined process for forging and strengthening robust and long-term partnerships to achieve sustainable and responsible sourcing.

BUSINESS PARTNER IDENTIFICATION & ONBOARDING

Multiple methods, including market research & project-specific consulting engagement, Global Expression of Interest (EOI) on digital & print media, electronic marketplaces, online searches, direct approach, are used to identify potential business partners.

Transparent registration is done, through an online registration process on our SAP Ariba System. It involves filling up a detailed registration questionnaire form capturing key information, followed by evaluation and approval by designated authority. The questionnaire enables data collection on parameters like partner financial capabilities, quality, historical business performance, ESG, customer references and experiences.

Smoother experience is facilitated on the Ariba platform through an Ariba Helpdesk Team, which provides 24x7 support to business partners while onboarding and usage of Ariba. Business Partners are classified as Critical Tier-I and Critical Tier-II, based on assessment of supply chain risk, Hindustan Zinc's business dependency, and contract spend across supply and service categories.

BUSINESS PARTNER DUE DILIGENCE

Identification of business partner risk in the value chain is vital to ensuring smooth supply chain operations.

Periodic due diligence, site visits and audits are conducted to identify risks.

As part of the due diligence, partners are subjected to financial health check-up, technical capability assessment, regulatory & governance checks, ESG/Quality compliance at site, risk identification in terms of money laundering, legal and regulatory compliances, fraudulent behaviour, corruption and others.

Due diligence is done through desktop-based data collection and analysis, declarations and on-site audits.

Based on the identified risks, suppliers are classified into different tiers, identified risks are communicated to partners and risk mitigation plans are prepared.

CONTRACT ENGAGEMENT

We have a pool of registered business partners who are eligible to conduct business with Hindustan Zinc.

Sourcing requirements are communicated to our registered partner base through an RFQ-based enquiry, along with clear terms of the engagement and detailed scope of work.

Bids received from business partners are subjected to techno-commercial evaluation.

Contract is finally awarded through reverse auctions based on total cost of ownership (TCO), subject to clearing techno-commercial bid evaluation.

BUSINESS PARTNER PERFORMANCE MANAGEMENT

Monitoring and evaluation of business partners' progress is done in line with contractual KPI delivery, through performance tracker in the form of scorecards.

Periodic performance reviews and leadership engagements are undertaken with business partners to assess performance and enable them with the right support.

Partner feedback is proactively taken through various forums like townhalls, surveys and through other engagements; Engagement process helps ensure that our business partners are an integral part of our transformational initiatives towards EOHS, Quality, Innovation, Resource Efficiency, Operational Excellence and Compliances.

Partners are further engaged with the endeavour of cross-learning, knowledge-sharing, training and capability building, thus aiding in fostering strong long-term relationships with them.

OUR PERFORMANCE ON SUSTAINABLE SOURCING

Commitment to Sustainable Development Goals is a key focus area for Hindustan Zinc. Our Responsible Sourcing initiative is aligned with the organisation's SDG goals.

OUR TARGET & COMMITMENT

We believe in fostering strong and collaborative relationships with business partners on improving Environmental, Social and Governance (ESG) performance – in areas of climate change actions and transitioning to net-zero emission, safer operations and zero harm, resource conservation, diversity and inclusion, community development efforts, and stronger governance and compliance.

OUR STRATEGIC PRIORITIES

Climate Change Action
Facilitating long-term collaboration and cross-learning with business partners to reduce carbon footprint in the entire value chain

Zero Harm
Zero fatality

ESG Governance Framework
Implementation for suppliers and service providers

MAPPING OUR PROGRESS ON SUSTAINABLE SOURCING GOALS

Sustainability Strategy Goal	Status	Progress in FY 2021-22
Sourcing aligned with de-carbonisation target: Reduction in Scope 1 and Scope 2 emission by 18% and Scope 3 emissions by 20% by 2026	On-Track	• ESG expectations in contracting process • Focus on environment-friendly/green product sourcing • Replacement of UG and surface HEMM fleet with BEVs • Replacement of passenger vehicles with EVs • HEMM life extension, capacity increase, engine replacement to reduce emissions
Embedding ESG across the supply chain	On-Track	• Expectation setting with business partners • Understanding ongoing efforts and commitment of partners towards Sustainable Development Goals • Joint action plan discussion, collaboration and knowledge-sharing, training and capability development of Business Partners • Due diligence through desktop and site audits to evaluate compliance at BP site • ESG scoring in proposal evaluation and decision-making
Local Sourcing	On-Track	• Target increase in local sourcing by 10% by FY 2024-25

ESG-RELATED INITIATIVES

In pursuance of ESG goals laid out for our business partners, we have undertaken various initiatives in this regard.

- Shifted to AC unit in LPDTs from diesel engine to battery, which helps reduce the overall diesel consumption by 6% during idle hours
- Replaced TIER-II engines to TIER-III (Stage-V), which causes lesser emissions and improves the overall hygiene inside the mines
- Increased haulage capacity by raising the dump box and bucket capacities in LPDTs and LHDs resulting in reduction of the overall number of trips
- Introduced passenger compartment in service equipment for workers' comfort
- Ordered 3 BEV service equipment units, which will be delivered in FY 2022-23
- Undertook deployment of underground maintenance vehicle TEMBO by GHH in Mochia Mine

EFFECTIVELY MANAGING SUPPLY CHAIN DISRUPTIONS

FY 2021-22 witnessed massive supply chain disruptions, including shortages of coal, critical mining chemicals and operating supplies. Price volatility, inbound and outbound logistical challenges for inland and sea-borne cargo due to lockdowns, post-COVID effects and emerging situation from Russia-Ukraine war further challenged the supply chain at Hindustan Zinc. Water crisis management for smelter operations through logistics infrastructure development was another challenging area for the Company to ensure sustained operations.

We responded as a team to the various crises through meticulous planning.

- Entered long to medium term contracts at the right time to ensure material security
- Ensured continuous tracking and monitoring of the situations
- Implemented alternative sourcing and usage of alternative products, while delivering operational efficiency
- Adequately stocked inputs at our plants and effectively managed working capital to serve both internal and external customers, delivering our best-ever performance
- Continuous communication with Business Partners to mitigate risks during the disruption in supply chain

STRATEGIC OUTLOOK

- Focus on strong Business Partner relation management and shift to end-to-end responsibility driven contract, providing clear outcomes aligned with business growth
- Conduct systematic market research and formulate strategies based on commodity market dynamics. Remain agile, while ensuring material security and supply chain optimisation with overall focus on value optimisation
- Moving to Use and Pay model for spare part management by partner, leveraging better planning and technology
- Moving to 100% online sourcing with price discovery
- Collaboration with business partners on ESG journey for system level change in the ecosystem

Hindustan Zinc was one of the recipients of the CII DX award 'Most Innovative Best Practice in Supply Chain & Logistics' during FY 2021-22.

CASE STUDY

Investing in Sustainable Development
FINDING ENVIRONMENT-FRIENDLY SUBSTITUTE FOR GRAPHITE DISPERSANT

Hindustan Zinc team has been working on alternative products for graphite dispersant, which is a more sustainable product in terms of environment and health perspective.

As part of the product development journey, a cross-functional team, consisting of members from procurement, process, and R&D functions, undertook the following:

- Conducted a research study for alternate reagents for the existing one, where a potential substitute was identified
- Held lab trials on the potential substitute at Hindustan Zinc's NABL accredited research and development laboratory, which yielded promising results in terms of graphite carbon reduction and showed no adverse impact on metal recovery and grade
- Conducted plant trials twice over a period of 6 months
- Replaced existing reagent with the substitute after witnessing remarkable results of lab and plant trials

The Benefits

Operational excellence
Relatively easy reagent preparation process

Graphite reduction
Substitute has reduced the graphitic carbon in concentrate as compared with existing product by approximately 4%, which has significant benefit in terms of throughput in smelter operations

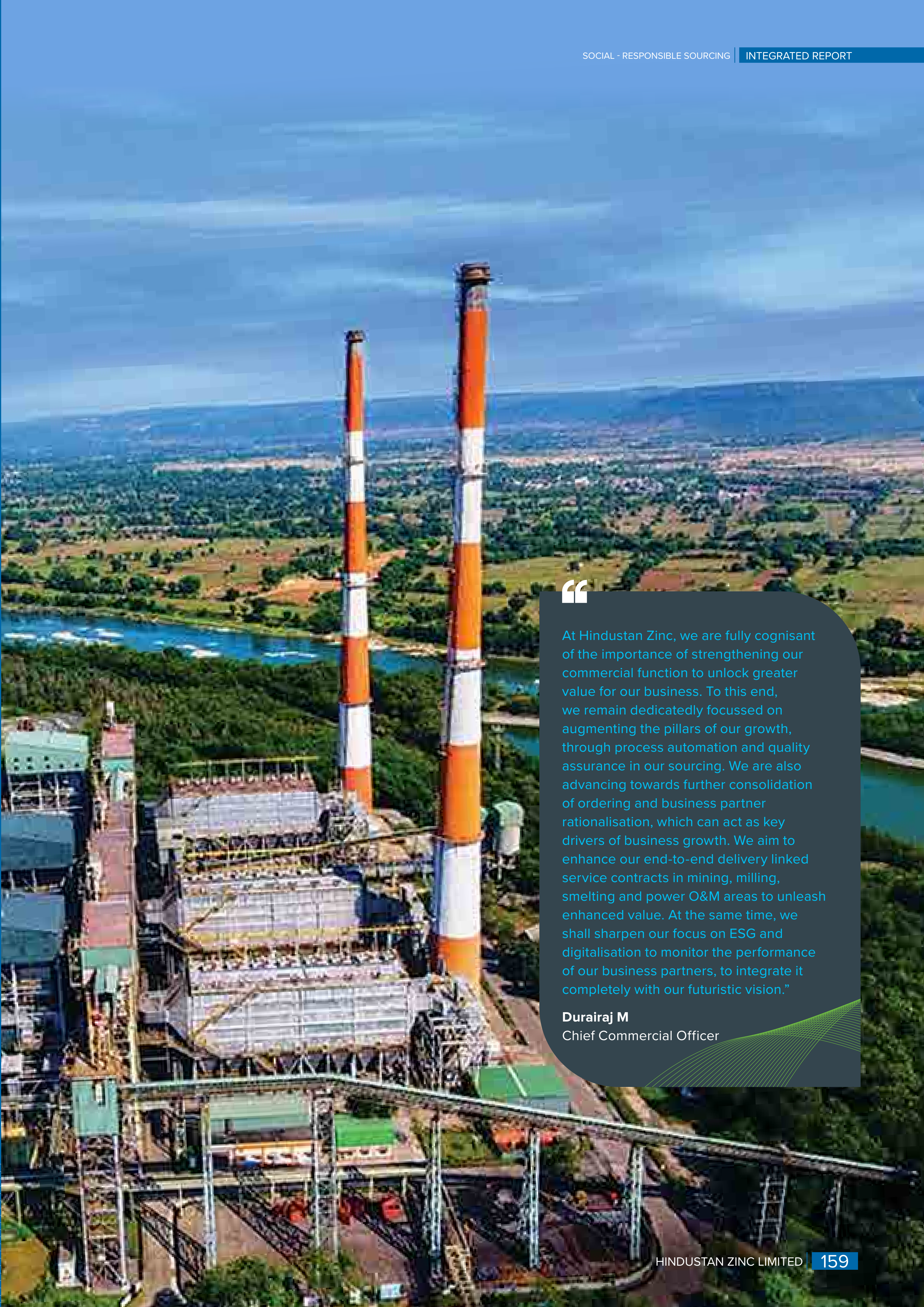
Cost impact
The alternative product is cost-efficient on TCO basis. The benefit was two-fold and helped in savings on procurement as well as smelter operating costs.

CASE STUDY

Enabling Inventory Consolidation & Management
MIGRATING FROM INDIVIDUAL STORES TO MEGA WAREHOUSE

To get full visibility and control of the Company's entire inventory, our supply chain team decided to consolidate the same at a single mega warehouse. The team felt the move would help bring in inventory optimisation, reduction in working capital, standardisation of spares, best-in-class storage facility, and a convenient use-and-pay model for seamless management of inventory.

TVS Supply Chain Solutions is our warehouse partner, and a central warehouse spanning over 3.5 lacs sq ft has been set up near Udaipur airport. Currently, store migration from smelter is under last leg of execution, to be followed by mines' store migration. Inbound deliveries from business partners to mega warehouse and outbound deliveries to site locations have been initiated. This project is also crucial for integration of Use & Pay model for spare part management.



"At Hindustan Zinc, we are fully cognisant of the importance of strengthening our commercial function to unlock greater value for our business. To this end, we remain dedicatedly focussed on augmenting the pillars of our growth, through process automation and quality assurance in our sourcing. We are also advancing towards further consolidation of ordering and business partner rationalisation, which can act as key drivers of business growth. We aim to enhance our end-to-end delivery linked service contracts in mining, milling, smelting and power O&M areas to unleash enhanced value. At the same time, we shall sharpen our focus on ESG and digitalisation to monitor the performance of our business partners, to integrate it completely with our futuristic vision."

Durairaj M
Chief Commercial Officer

Health & Safety

Ensuring +VE Health & Safety Outcomes

Safety is a core strategic priority for Hindustan Zinc and a key consideration in all our actions and decisions. It is an integral and non-negotiable part of our business. We care dedicatedly for the safety of our people, business partners and communities.

VISION

Achieving 'Zero Harm' to people with the belief that all workplace injuries are preventable

FOCUSSED APPROACH

- Recognising safety as a core value and driving responsibility to protect our people at work and in society by assuring their safety, health and environment (SHE)
- Taking initiatives to ensure utmost safety for our employees and the environment they work in; Our safety excellence journey – Aarohan – is a significant initiative on this front
- Governing safety through the Apex Body, which is the corporate occupational health and safety council, chaired by the CEO and leaders from all verticals
- Building three safety pillars: safety culture transformation, capacity building and process safety management

STRATEGIC PRIORITIES

- Achieve zero fatality
- Achieve zero cases of occupational illness
- Improve occupational health and hygiene
- Critical risk management
- Critical review and audit of safety standards implementation

In line with our commitment to ensure zero harm to employees, the leadership has undertaken the prime responsibility of providing a safe workplace for all employees entering our premises.

While committed to operate a business with 'Zero Harm', it is with deep sadness that we report the loss of four business partner's colleagues in work-related incidents at our managed mining operations. These incidents happened despite our constant efforts to eliminate fatalities and attain a Zero Harm work environment. A thorough investigation was conducted to identify the causes of these incidents and to share the lessons learned across Hindustan Zinc, to prevent similar incidents in the future.

PERFORMANCE & COMMITMENT

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Fatality at work site	7	2	Zero	4
Lost Time Injury frequency rate	0.63	1.38	0.97	0.81
Total Recordable Injury Frequency Rate	1.30	2.70	2.57	2.22

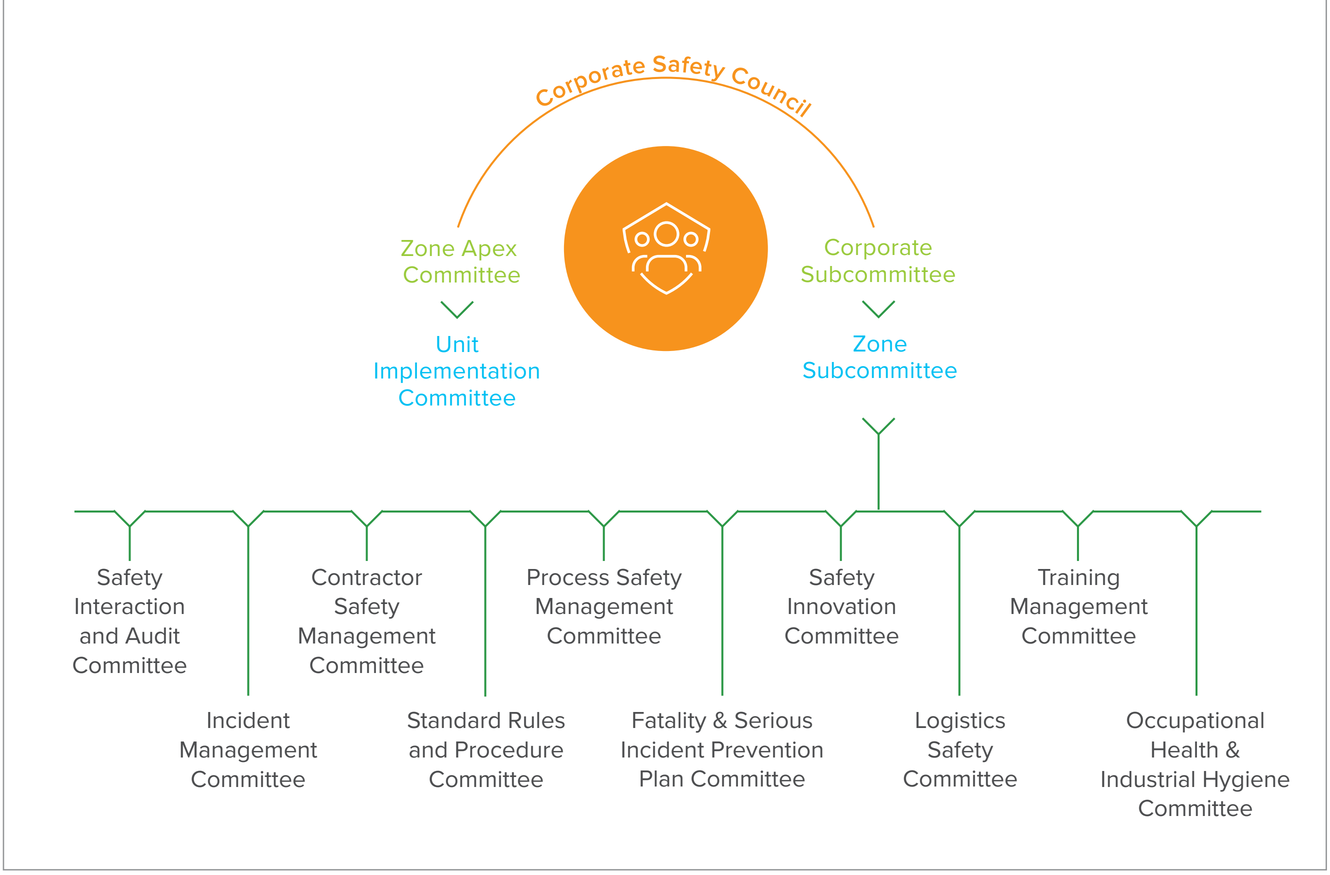
TARGET FY 2021-22		TARGET FY 2024-25	
Zero Fatality at work site	20% reduction in Total Recordable Injury Frequency Rate	Zero Fatality at work site	50% reduction in Total Recordable Injury Frequency Rate

SAFETY GOVERNANCE STRUCTURE

We have always promoted safety as one of the most integral cogs in our value system. The Company has adopted best-in-class measures to ensure the safety of our employees. Initiated in 2013, our safety excellence journey 'Aarohan' is an initiative driven by the desire to protect the people we work with.

Our corporate occupational health and safety council provides the overall direction to the organisation's Safety Management System. The council is chaired by the CEO, with the Chief HSE Officer as acting secretary and senior leaders as its members. It is assisted by ten corporate sub-committees and eight zone apex committees to carry out its primary objective of policy and standards development, resource deployment and to provide the strategic safety roadmap for the organisation. The role of the safety sub-committees is to establish various safety systems, standards, rules and procedures, besides building a positive safety culture, conduct quality investigations, provide training, introduce innovations, process safety, hygiene conditions, contractor selection and to help the organisation achieve its goal of Zero Harm.

SAFETY GOVERNANCE STRUCTURE



TRAINING MANAGEMENT COMMITTEE

In FY 2021-22, we set up a specialised committee to strengthen the Company's training management framework. The Training Management Committee is mandated with drafting and maintaining the organisation's core curriculum for induction, re-skilling, upskilling and development of its employee and contractual workforce. The committee's key purpose is to support the Company's efforts to achieve its goal of zero harm by developing and strengthening workers' capabilities.

CRITICAL RISK MANAGEMENT

Loss of human life is an irreparable setback. At Hindustan Zinc, we have conducted detailed investigations of incidents that led to employee deaths during the year to learn and horizontally deploy the learnings across Hindustan Zinc and prevent re-occurrence. Key safety initiatives deployed to avoid fatal incidents are as follows:

- Implementation of critical control management as per ICMM guidelines
- Digitalisation of fatal and serious injury prevention plan (FSIPP)
- Mining mate competency enhancement programme
- Foreman safety management and statutory legal training across mines
- Deploying IoT-based solutions for employee safety, like detect technology based on artificial intelligence and video analytics in addition to Proximity sensor and RFID tags to minimise MMI risk
- Third-party audit on legal mining compliances by ex-DGMS official completed at all mining locations
- Business partners connect with CEO every month to review incidents or injuries and action taken thereupon
- Consequence management framework updated to include proportionate action on senior management including CEO
- Automation and mechanisation plan to eliminate high risk manual activities
- Implementation of learnings from fatalities in past 10 years
- Standards and SOPs updation to incorporate learnings from past incidents

Learnings from fatal incidents that occurred during the year are provided in Principle-3 (BRSR), please refer

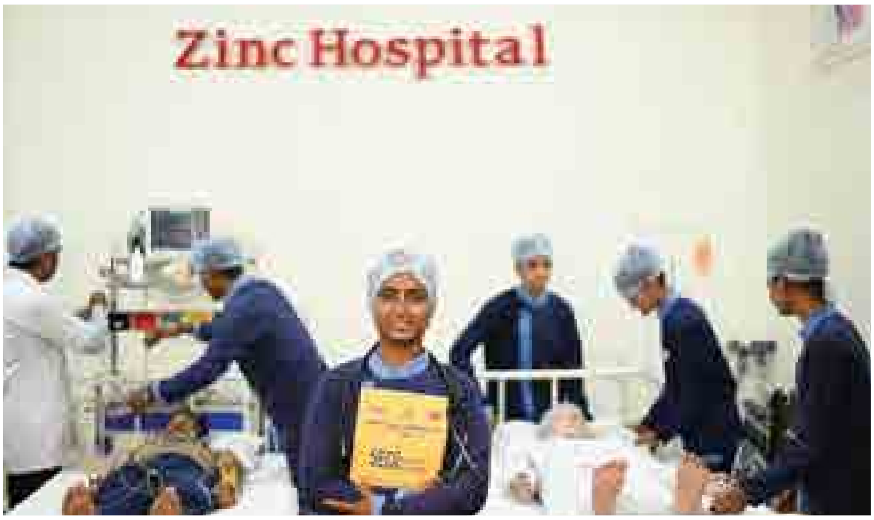
PG. 244

INITIATIVES TAKEN DURING THE YEAR

APPROACH TO COVID-19

During the second wave of COVID-19, we set up an oxygen bottling plant in a record 5 days, which was commissioned to produce 500 oxygen cylinders per day, thus helping local government and hospitals in the fight against the pandemic. A new field hospital was established in Dariba, with a capacity of 100 beds, air conditioning facility and medical assistance. Apart from these efforts, the Company extended all kinds of support to the local health administration in the battle against COVID. Unfortunately, however, we lost 59 employees and contract employees to COVID during the first and second waves.

Mega vaccination drives were organised for all employees, business partners and their family members, during the year. The Company also introduced the Group Corona Kavach Policy that covers more than ~25,000 business partners. This cashless policy covers all corona-related diagnostic charges, including pre-hospitalisation and post-hospitalisation expenses. There is also a dedicated 24x7 COVID care Apollo helpline number to provide any kind of healthcare support and assistance to employees and their dependents. Post-COVID care drives was also initiated to boost employees' motivation. The Company also rolled out Group Term Life policy, which provides life (term) insurance protection in case of death of an active regular executive. The coverage limit is 5x the fixed salary of each employee up to a maximum limit of ₹5.5 crore.



EMERGENCY PREPAREDNESS

During the year, we commissioned the first made-in-India emergency escape route underground staircase at Rajpura Dariba Mine and an underground rescue station at Rampura Agucha Mine, which significantly improves response time in emergency cases.

India's First Underground Ambulance & First Aid Station in Rampura Agucha Mine

- Dedicated rescue and paramedical staff deployed 24 hours at the underground mine
- Dedicated availability of emergency vehicle (underground ambulance) equipped with automated external defibrillators (AED), ECG and reviving apparatus
- Resting facility for any person feeling sick at the ambulance and first aid station which is equipped with air conditioner, oxygen cylinders (portable) and saline bottles
- BP monitoring instrument, dehydration measuring instrument and pulse oximeter
- BP Monitoring Instrument, Dehydration measuring instrument & Pulse oximeter

SAFETY DIGITISATION

Twenty-two digitised safety modules in Hindi and English were launched for easy understanding of safety standard requirements. Additionally, we conduct trainings through virtual reality-based modules and simulator training. Hindustan Zinc has also deploying IoT solutions for the safety of its employees and equipment. Use of connected workforce solutions like safety wearables and tags assures proactive use of technology to ensure employees safety and alert the management about any safety concerns to enable priority intervention for necessary support and rescue. Detect technology is another instance of IoT that uses artificial intelligence and video analytics from existing CCTV cameras to identify and capture unsafe conditions and unsafe acts. Timely reporting helps the line leadership to act promptly against unsafe observations and build round-the-clock assurance to prevent safety incidents. Through this technology, we have enabled an autonomous system for detection of safety violations during turnarounds through a network of cameras, supported by back-end data analytics and front-end real-time reporting.

VIRTUAL REALITY BASED TRAINING

Hindustan Zinc's Rampura Agucha Mine launched a unique virtual reality-based simulator training for operators using its ground-mounted Koepe winder system, for hoisting heavy loads from deep shafts.

This simulator training for the first time in India, provides a smooth virtual walkthrough for operators and familiarises them with the winding system. It allows operators to practice in different scenarios and critical situations, thus serving to not only improve performance but also enhance safety and productivity.

SIMULATOR TRAINING

To make mining safer and productive, simulators are used for training people for the operation of critical equipment like LPDT, LHD and jumbo drills. Training through simulators helps operators develop required skills and competencies. The simulated environment allows operators to test on specific equipment without using actual mobile equipment or exposing others to unnecessary hazards. We measure each operator's reaction time against specific performance criteria, that helps us to assess training and development needs. The training programme begins with a pre-assessment of hand-eye co-ordination to determine each potential candidate's capabilities. Once successful candidates have demonstrated the appropriate theoretical knowledge, they are trained on a simulator for the specific equipment they will be using and be licensed for. Next, candidates begin practice on actual equipment on-site, under the guidance of an experienced operator. Once they have had a successful assessment, they are licensed to operate the equipment.

During the year, 0.54 million man-hours of safety trainings were imparted to employees and contract employees.

OCCUPATIONAL HEALTH MANAGEMENT

Providing a safe working environment to every employee is an imperative at Hindustan Zinc. Employees safety includes prevention of occupational diseases and facilitates a hygienic working environment. Promotion of a healthier lifestyle increases productivity, reduces absenteeism, and enhances retention. We involve hi-tech processes and conduct lifestyle management trainings while regularly monitoring and controlling exposure to hazardous substances.

The Company has established occupational health centres at all locations for regular health examination of both permanent and contract employees. Coordination with employees including patient registration, care and discharge is managed by a central health management system. Pre-employment medical check-up, periodic medical check-ups etc., are conducted by on-site medical professionals who monitor the occupational exposure limits.

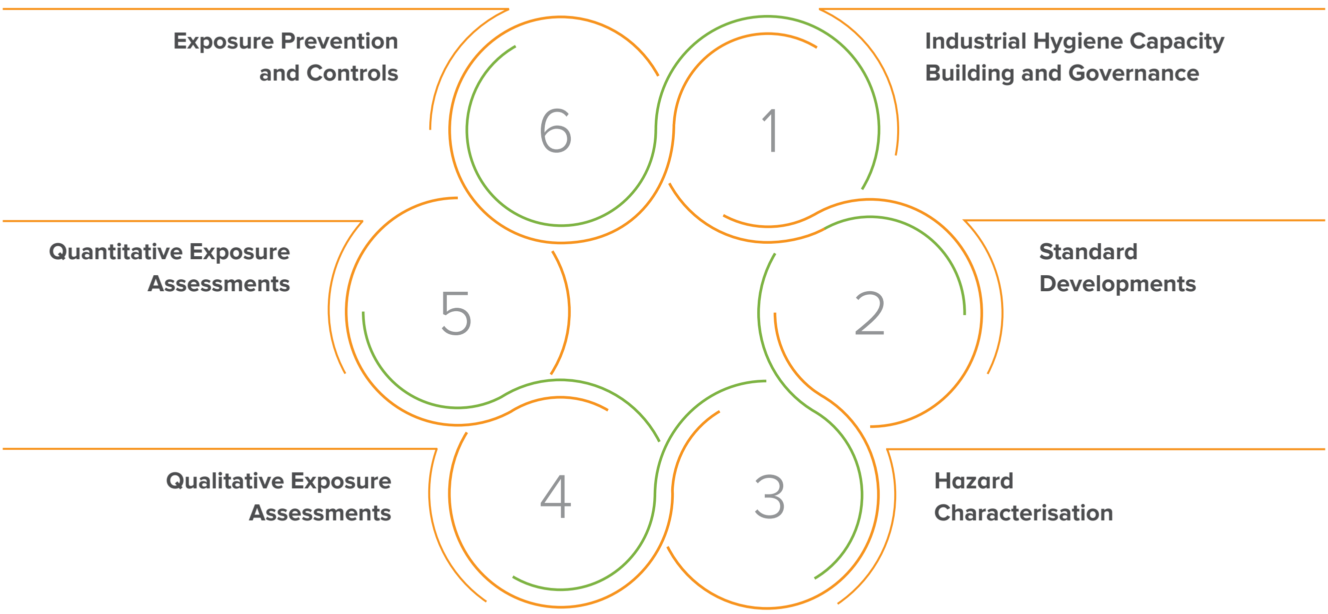
There were no cases of occupational health illness reported during the year.

During the year, 24,625 medical examinations – both initial and periodical – were conducted.

INDUSTRIAL HYGIENE PROGRAMME AT HINDUSTAN ZINC

The Company partnered with a globally recognised industrial hygiene service company, M/s International Safety Systems Inc. (ISS) to develop a sustainable industrial hygiene programme to reduce potential health risks by recognising, evaluating and controlling occupational health hazards and occupational exposures.

THE JOURNEY FOCUSSED ON THE FOLLOWING KEY ELEMENTS



1. INDUSTRIAL HYGIENE CAPACITY BUILDING AND GOVERNANCE

- Leadership training on key aspects of industrial hygiene and occupational health
- Key professionals from EHS, medicine and process were identified to lead, champion and drive industrial hygiene programme at their respective locations
- Identified champions were nominated for certified industrial hygiene course and have currently completed 4 rigorous training modules on industrial hygiene from Occupational Hygiene Training Association (OHTA) and passed examinations from British Occupational Hygiene Society (BOHS). They will complete the remainder of two modules and then have an option to become internationally certified in industrial hygiene from BOHS
- About 100 Hindustan Zinc process and maintenance employees completed on site training on specific hazards, engineering controls, and work practices
- To drive the occupational health and industrial hygiene programme, the organisation has developed separate governance i.e., an industrial hygiene sub-committee is chaired by senior leaders and the name of the Corporate Safety Council was subsequently changed to Occupational Health and Safety Council. A similar structure was created at all zones

2. STANDARD DEVELOPMENTS

- Six standards on key elements of industrial hygiene and specific standards on lead and asbestos are developed. These standards were developed from globally recognised standards and guidelines
- Each standard implementation process was developed and in field monitoring initiated

3. HAZARD CHARACTERISATION

- Hazard characterisation lies at the foundation of reducing potential occupational health risk. Hazards were characterised based on exposure limits, health hazard properties in terms of carcinogens, mutagens that can change genetic material, and agents causing reproductive hazards (CMR)
- ISS characterised hazards for 500+ chemical agents across nine Hindustan Zinc sites

4. QUALITATIVE EXPOSURE ASSESSMENTS

- ISS conducted close to 900 qualitative exposure assessments across nine Hindustan Zinc sites. Exposure monitoring plans were developed based on these assessments

5. QUANTITATIVE EXPOSURE ASSESSMENTS

- Air sampling in 1,000+ personal breathing zones (PBZ) enabled exposure monitoring using NIOSH/OSHA approved sampling and analytical methods. AIHA accredited laboratories in USA analysed all PBZ samples
- A similar exposure group formation, was completed and engineering interventions were made to mitigate health risks

6. EXPOSURE PREVENTION AND CONTROLS

- Respiratory protection has been provided
- ISS assisted in designing and maintaining engineering controls to reduce exposures
- Hindustan Zinc has retained the services of a ventilation design company to implement additional engineering controls
- A standard on medicinal surveillance is in the pipeline, which shall render uniformity in medical examination criteria across the organisation

Hindustan Zinc is committed to take this journey to the next level and digitalise the entire process. The sustainable industrial hygiene programme being developed will go a long way to reduce potential health risks at Hindustan Zinc.

Governance

Setting New Benchmarks in Governance & Ethics

At Hindustan Zinc, good governance practices and adherence to the highest standards of ethics, transparency and integrity is a key driver of our progressive journey. Our culture of fair and honest business conduct defines the Company's ethos, which is imbued across the organisation's systems, processes and functions. It enables us to succeed and celebrate our successes even in the most challenging environment.

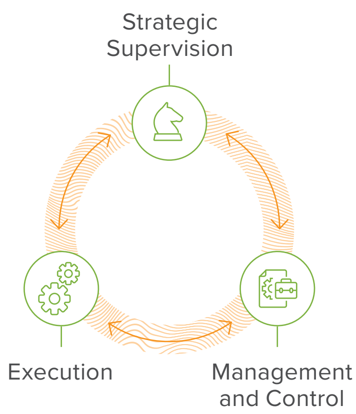
CULTURE OF ACCOUNTABILITY AND INTEGRITY

In line with our Corporate Governance (CG) philosophy, we remain steadfastly focussed on nurturing a culture of accountability, responsibility and integrity to sustain the trust and confidence of our stakeholders. Our sustained thrust on promoting ethical business practices, coupled with our belief in the values of transparency, fairness and honesty, keeps us on track with our growth trajectory. It helps us deliver sustainable long-term growth and accretive value to all our stakeholders.

CORPORATE GOVERNANCE FRAMEWORK

Ethics, transparency, accountability, inclusiveness, equity as well as stringent adherence to legal principles are the key pillars of our Corporate Governance Framework. This three-tier framework is designed to promote strong corporate citizenship at every step of Hindustan Zinc's journey.

PILLARS OF OUR CORPORATE GOVERNANCE FRAMEWORK



1

Case of sexual harassment grievances was reported and closed

ZERO

Complaints relating to child labour, forced labour and involuntary labour

SUPERVISORY COMMITTEES

To effectively manage and strengthen our corporate governance modules, our Board of Directors has set up various committees, entrusted with specific responsibilities. Their decisions guide the overall management approach at Hindustan Zinc. In accordance with our strong sustainability focus, climate change ethos is integrated into the agenda of all the committees.

- Audit & Risk Management Committee
- Stakeholder Relationship Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Sustainability and ESG Committee
- Committee of Director

EXECUTIVE COMMITTEE

The Executive Committee acts as the bridge between the Company and the Board. It comprises Hindustan Zinc's functional and plant heads, including the Chief Executive Officer, the Interim Chief Financial Officer and the IBU CEOs. It oversees the management and control functions at the Company and plays a pivotal role in the execution of its strategies. It is responsible for coordinating the various business transactions, besides steering process improvements at mines and smelters.

IBUs FOR EXECUTION

To ensure effective execution of our strategies, plans and programmes, we have set up Independent Business Units (IBUs), with a well-articulated strategy to drive their actions. Sustainability is embedded in all our business decisions and the IBUs work concertedly towards the realisation of our sustainability goals.

For more details on our sustainability governance framework, read the Sustainability chapter on Page 106 of this report.

CODE OF CONDUCT

Strict compliance to the Company's Code of Conduct is ensured at all levels of the organisational hierarchy, and also by the external stakeholders, including our partners, contractors, shareholders and other stakeholders. The code is rooted in the values of trust, mutual respect, professionalism, responsibility, accountability and transparency in communication. We have strategically aligned the Code with the Foreign Corrupt Practices Act and UK Bribery Act, 2010. Besides guiding our behaviour and actions, the Code facilitates our efforts to promote honest and ethical conduct across the Company. It also ensures ethical handling of any conflicts of interest, complete and timely disclosures, among others.

STRICT ADHERENCE TO THE CODE

All the Board members, executives and new employees affirm their adherence to the Code on an annual basis. We have instituted an Ethics Committee to orient and address the principles and standards contained in the Code.

We had, in FY 2021-22, strengthened the Code to give better indication of its complete applicability and clearer guidance on Facilitation Payments, Gifts and Business Partner relations. We had also introduced several contemporary concepts for Sanctions & Trade Controls and Social Media conduct, besides expanding the ambit of confidentiality with Data Privacy & GDPR and Information security.

In line with our commitment to diversity and inclusion, we had incorporated these elements, along with equal opportunity, in our Code, and also made our POSH policy gender-neutral. Inclusion of Charity & Sponsorships along with an Acknowledgement to the Code, as well as a separate annexure for Anti-bribery & Anti-corruption Policy, were some of the other new features added in the previous fiscal.

WHISTLE-BLOWER POLICY

Our Whistle-Blower Policy actively encourages and empowers our employees to raise concerns about any unfair business dealing in the organisation. The responsibility for addressing the complaints vests with the Group Head – Management Assurance. The complaint registration process is simple and can be completed via a mobile application in just three clicks. After in-depth investigation, the report for complaint resolution is shared with the Audit Committee for review. We have also established a special 'Whistle-Blower Portal for Safety' to encourage compliance with safety practices.

ANTI-BRIBERY AND ANTI-CORRUPTION

Compliance with the anti-bribery and anti-corruption policies is strictly ensured at Hindustan Zinc for ensuring fair and transparent conduct of all business transactions. All our employees and Business Partners are trained and apprised about the principles of our Code of Conduct as well as the importance of strict adherence. Undue monetary or facilitation payment to any person or persons, including public officials, customers, or to any other organisation, is strictly prohibited and checked.

S. No.	Types of Categories	Occurrences	% split
1	Employee Misconduct	2	40%
2	Business Integrity Breach	2	40%
3	Workplace Harassment and Discrimination	0	0%
4	HSE Breach	0	0%
5	Data and Privacy Breach	0	0%
6	Others	1	20%

Definitions		
1	Employee Misconduct	Includes all matters involving employees, contractors, and business partners - including concerns related to unfair HR processes including recruitment practices, benefits and compensation, job assignment and performance, breaches of labour standards, issues related to payroll, remuneration, benefits and compensation (inc. legal breaches)
2	Business Integrity Breach	Any intentional breach of the code of business conduct and/or any unethical behaviour including but not limited to facilitation of bribes and fraud and also the misuse of company resources and benefits.
3	Workplace Harassment and Discrimination	Matters relating to inclusiveness and discrimination such as inappropriate employee conduct and harassment
4	HSE Breach	Health, Safety, and Environment concerns - concerns and otherwise workplace conditions representing dangerous physical situations to employees and others. Environmental concerns regarding potential harm or a situation with a potential to cause actual or perceived loss or damage to people, the environment, or plant and equipment.
5	Data and Privacy Breach	Any unintended loss of data or information - failure to comply with local legislation applying to the collection, usage, processing, storage, disclosure and transfer of personal data. This also includes failure to process data for legitimate business purposes or related purposes
6	Others	All other breaches

Human Rights

OUR APPROACH TO HUMAN RIGHTS

With external scrutiny on human rights intensifying over the recent years, Hindustan Zinc continues to give utmost importance to upholding people's fundamental rights while carrying out everyday business. We have zero tolerance for any form of forced and compulsory labour, child labour, slavery and human trafficking. We respect the rights of employees to associate freely and exercise collective bargaining. We are committed to being transparent in our disclosure on how we are addressing the human rights related challenges and opportunities concerning our workforce as well as local communities. Our Human Rights Policy is aligned with the United Nations Guiding Principles on Business and Human Rights and it covers all our employees, suppliers, contractors, joint ventures, and NGOs.

ELEMENTS OF HUMAN RIGHTS FRAMEWORK

HUMAN RIGHTS

The Company ensures safe, suitable and sanitary work facilities for all its workers. Our policy on health and hygiene complies with national and international standards. It ensures that workers are provided with protective personal gear, equipment, and training necessary to perform their tasks safely at the workplace. We also ensure that the work week is limited to 48 hours, overtime is infrequent and limited, and workers are given reasonable breaks and rest periods.

SLAVERY AND HUMAN TRAFFICKING

Committed to the disclosure obligations under the UK Modern Slavery Act 2015, we ensure that modern day slavery, forced labour or servitude does not prevail in our business and supply chains. We strictly monitor all functions to ensure that our contractors, suppliers and business partners do not use any child, forced or trafficked labour.

LABOUR RIGHTS

The unions at each location have organised themselves under a Federation structure. Each location has a workers' union affiliated to INTUC recognised by the Company's management and at the corporate level, there is the Hindustan Zinc Workers' Federation (HZWF) which was formed on October 23, 1982, and recognised by the Company vide letter dated November 27, 1982. It is the sole bargaining agent at the apex level with a clear-cut approach that – 'If the company grows, our growth will be taken care of'. It is comprised of core members from the Company-recognised union across locations.

ENVIRONMENT

Our organisation supports a precautionary approach to environmental issues. This includes identification of any soil and water contamination at any of our sites, along with assessment of the environmental impact and remedies. We conduct systematic risk assessments of materials used, as well as the products and processes deployed, to apply the precautionary approach. We take measures to prevent and reduce the production of waste and ensure responsible waste management.

ANTI-CORRUPTION

The Company takes a clear stand against corruption. To train all our workers and spread awareness on this sensitive agenda is a key priority. Every employee is mandated to undergo the code of conduct training at least once a year with focus on ethical behaviour and conduct along with our internal and external stakeholders. To ensure that not a single instance of unethical behaviour goes unnoticed, we have formulated the whistle blower policy to empower workers to report any instance of unethical behaviour or harassment at the workplace. This policy preserves anonymity and mentions only the whistle blower contact number for reporting instances of unethical behaviour.

Leading by Example

Board of Directors

KIRAN AGARWAL
Chairman

Mrs. Kiran Agarwal was appointed on the Board with effect from March 2, 2019. She has completed a course in Journalism, from London School of Journalism. She is an avid reader, prolific writer and a woman of many facets. Her love for reading inspired her to write a series of books with short stories on Indian ethos.

She has been actively involved with her family business and sharing her acumen on various business developments in the family, and in setting up Nand Ghar, an educational institution for the underprivileged, where children get their wings to fly high, under right guidance and value based education.

She is focussed on implementation of various CSR initiatives of the Company towards women empowerment, children's education and self-sufficiency of nearby communities. She is passionate about inclusive growth of communities and promotion of culture and sports at all levels.

She is also Trustee of Vedanta Foundation and Member of Anil Agarwal Foundation.

NAVIN AGARWAL
Director

Mr. Navin Agarwal was appointed on the Board on April 11, 2002. He is also the Executive Vice Chairman of Vedanta Limited and Vedanta Resources Limited.

A graduate in commerce from Sydenham College, Mumbai, Mr. Agarwal has completed the President Management Programme from Harvard University.

He has been associated with the Vedanta Group since inception and has four decades of strategic executive experience. Under his stewardship, the Company has achieved leadership position in non-ferrous metal.

Over the years, he has been instrumental in building a highly successful meritocratic organisation. He has spearheaded the Company's strategy through a mix of organic growth and value-accretive investments.

He is passionate about developing leadership talent and has been responsible for creating a culture of excellence through the application of advanced technologies, digitalisation, global best practices and highest standards of corporate governance. His vision is to gradually unlock the enormous potential of the natural resources sector and make it an engine of growth for India.

In recognition of his exceptional distinction in the fields of business, entrepreneurship and contribution to the natural resources sector, he was conferred the 'Industrialist of the Year' award by the Bombay Management Association in 2018. He is a fervent advocate of sustainable development and remains committed to inclusive growth of communities and promotion of culture and sports at all levels.

ARUN MISRA
CEO & Whole-time Director

Mr. Arun Misra was appointed CEO & Whole-time Director on August 1, 2020.

He has done his Bachelors in Electrical Engineering from IIT, Kharagpur, Diploma in Mining and Beneficiation from University of New South Wales, Sydney and Diploma in General Management from CEDEP, France. He possesses knowledge of TQM, Six Sigma, TPM and Malcolm Baldridge Model.

He has 33 years of rich and diverse experience in leading various strategic positions in heavy metals industries. He has been instrumental in successfully leading projects, plant and mining operations, safety and project management. He is passionate about digitalisation of underground mining. He is the first Indian Chairperson of International Zinc Association and Vice President of Indian Institute of Mineral Engineers. He has also published several papers in journals of national repute.

He was presented the 'CEO of the Year' award by World Leadership Congress and Awards.

He is also on the Board of Ferro Alloys Corporation Limited and Federation of Indian Mineral Industries.

ANJANI K AGRAWAL
Director

Mr. Anjani K Agrawal was appointed on the Board with effect from August 1, 2020. He has done CA, CIA and is an INSEAD alumni. He has more than 41 years of professional experience in leading global consulting firms, which includes 35 years with Ernst & Young (EY) where he was a partner for 26 years. He set up the Risk Advisory practice of the firm and led it for several years.

His area of expertise includes internal audits, process reviews, enterprise risk management, policy framework and SOP development, internal control, corporate governance, board effectiveness, business transformation, BPR and IT implementation, strategic risk management, supply chain optimisation, GRC and IT risk transformation, data analytics and digital and sustainability reporting.

He has been a sector leader for energy and utilities and metals and mining for several years in India, with few years as the firm's global metals sector leader. He has also worked with the Union Government and NITI Aayog on several policy matters. He has produced more than 20 thought leadership reports on metals and mining sector in India and globally.

He is also on the Board of Uttam Galva Metallics Limited, Uttam Value Steels Limited and Firstsource Solutions Limited.

AKHILESH JOSHI
Director

Mr. Akhilesh Joshi was appointed on the Board with effect from August 1, 2020. He completed his Bachelor's in Mining and possesses first class Mining Manager Certificate of Competency under MMR – 1961 (unrestricted), Diploma from Paris School of Mines in Economic Evaluation of Mining Projects. He has over 45 years of professional experience in mining with an exemplary track record of nurturing one of the world's largest integrated zinc, lead and silver producing organisation with a high-performance culture that brings out the best in its employees and propels strategic and meticulous execution to deliver extraordinary results.

He was the CEO of Hindustan Zinc Limited from 2012 to 2015 and also appointed President of global zinc business. He provided guidance to gold mining companies in Armenia, engaged and worked closely with companies like SRK/AMC etc., for benchmarking and mining methodology evaluations.

In his long global career, he has been recognised with numerous awards including Business Today CEO Award, HZL Gold Medal award by Indian Institute of Metals. In 2012, he was facilitated by then Honourable Finance Minister for his excellent contribution to the mining sector. He is also a member of The Institution of Engineers (India), Mining Engineers Association of India (MEAI), Mining Geological and Metallurgical Institute of India (MGMI) and Indian Institute of Mineral Engineers (IIME).

He has also co-authored a book titled 'Blast Design Theory and Practice' and written various technical papers in relation to exploration and mining since 1995.

He is also on the Board of Vedanta Limited, Rajasthan State Mines and Minerals Limited, Ferro Alloys Corporation Limited, Facor Power Limited, Wolkem Industries Limited and Wolkem India Limited.

FARIDA M NAIK
Director

Ms. Farida M Naik was appointed on the Board on March 14, 2017. She is an alumnus of Sophia College, Mumbai from where she graduated in Psychology. She is currently Joint Secretary in Ministry of Mines, Government of India. She has held various positions in different ministries and departments of Central Government, which includes her last stint as Joint Director of National Book Trust and Director in Ministry of Mines.

NIRUPAMA KOTRU
Director

Ms. Nirupama Kotru was appointed on the Board with effect from July 26, 2021. She is from Indian Revenue Services (IRS). She has a bachelor's degree in economics and a master's degree in politics and International Relations. Currently, she is Joint Secretary and Financial Advisor with Ministry of Coal and Ministry of Mines. She is also on the Board of Coal India Limited and Bharat Aluminium Company Limited.

DR. VEENA KUMARI DERMAL
Director

Dr. Veena Kumari Dermal was appointed on the Board with effect from July 29, 2021. She has completed PhD in Horticulture and PGP in public policy management. She is a specialist in mineral policy and legislation and currently Joint Secretary in Ministry of Mines. She is also on the Board of Bharat Gold Mines Limited, Khanij Bidesh India Limited, and National Aluminium Company Limited.

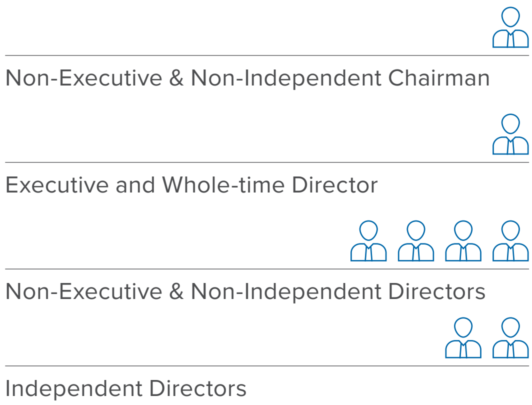
Board Diversity

FOCUSSED ON STAYING RELEVANT

Steered by our concerted focus on staying relevant and sustainable in the transforming business eco-system, we remain committed to the promotion of diversity at the Board level. We take diversity and inclusion into consideration in the Board selection process.

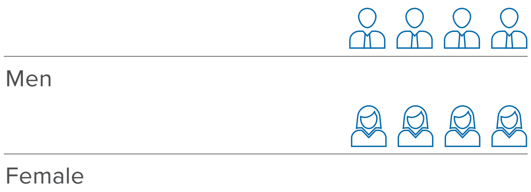
PROMOTION OF DIVERSITY AT BOARD

(At Executive & Non-Executive level)



BOARD DEMOGRAPHICS

(Male : Female)



SKILLS & COMPETENCE

We are cognisant of the need to have an appropriate mix of skills and experience in the Board to ensure that it continues to effectively guide and propel the Company's future strategy. Our focus, thus, is on ensuring such a mix to drive sustained value creation. We continue to expand and enhance our Board skills and experience, especially in the key areas of natural resource conservation, operational excellence, IT innovation, digitalisation & automation, as well as finance.

EXPERTISE OF DIRECTORS

For details Refer page no. 202 of Corporate Governance Report forming part of this Integrated Annual Report.

Senior Management Team

ARUN MISRA
Chief Executive Officer

Arun has 34 years of experience in the mining and metal industry and in the strategic areas of quality management and breakthrough leadership. He is also the new acting Chairman of the International Zinc Association (IZA).

SANDEEP MODI
Interim Chief Finance Officer

Sandeep has over 17 years of experience across business areas of reporting, treasury, credit rating, taxation, business planning and forecasting, internal audit and assurance, beside risk management, among others, including over ten years in leadership roles.

AJAY KUMAR SINGHROHA
Chief Human Resources Officer

Ajay has over 24 years of experience in the human resource function with experience across industrial relations, business and HR strategy formulation, business partnering, talent management and succession planning among others.

KULDEEP SINGH SOLANKI
Director - Exploration

Kuldeep is a geologist having over 30 years of mineral industry experience in exploration, surface and underground mining operations and mineral resource estimation of gold and base metals.

ANUPAM NIDHI
Head - CSR

Anupam has 21 years of experience in the CSR and sustainability spheres. She has served large Indian conglomerates and multinational corporations in leadership roles.

PRADEEP SINGH
Chief HSE Officer

Pradeep has more than 21 years of experience across non-ferrous metals, cement and consultancy sectors in environment and sustainability functions.

PRAVEEN SHARMA
Head - Centre of Excellence Mines

Praveen is a mining professional with 29 years of experience in mechanised underground mining in lead-zinc, silver, and copper sectors across India, Zambia, and Australia.

KISHORE KUMAR S
Chief Executive Officer - Agucha IBU

Kishore has 24 years of experience spanning various mines of Hindustan Zinc, including working on new mining projects, ramping up mine operations, and in the software industry.

VINOD KUMAR
Chief Executive Officer - Zawar IBU

Vinod has 24 years of experience spanning across open-cast and underground mining, including planning and execution of large mining projects, technical due diligence, and overall unit leadership.

VINOD JANGIR
Chief Executive Officer - Dariba IBU

Vinod has 17 years of experience in lead-zinc, copper and cement mining industries including planning, digitalisation, ramping up of operation at various mines and overall unit leadership role.

C CHANDRU
Chief Executive Officer - Smelter IBU

Chandru has 19 years of experience at Hindustan Zinc. He has successfully led smelter and mining operations as well as the Company's commercial vertical. He also has experience in the silver business at Hindustan Zinc.

VIJAY MURTHY
IBU CEO - Silver, Lead and Minor Metals

Vijay has over 18 years of cross functional experience in finance, procurement, sales and marketing and corporate strategy. He served in leadership roles across Vedanta's zinc and copper business in India and Africa. Previously, he has also held leadership positions in cement and chemicals industry.

M. DURAIRAJ
Chief Commercial Officer

Durairaj has over 17 years of experience across zinc and power sectors where he was responsible for commercial, plant operations and growth projects.

SHWETA ARORA
Head - Investor Relations

Shweta has over 14 years of capital markets experience, predominantly in investment research with a leading sell-side MNC company and a global fund house.

Board's Report

Dear Members,

We share with you our 56th Annual Report, together with the Audited Financial Statements for the year ended 31st March, 2022.

The Directors are pleased to inform that Hindustan Zinc delivered exemplary operational performance while ensuring safe operations and continued to improve on its performance of various ESG metrics. The company has taken a pro-active approach to keep its assets and people safe, while increasing engagement with the communities during challenging times.

THE YEAR IN SUMMARY

We delivered stellar results during the year touching new operational milestones. The company delivered historic-high ore production for the full year at 16.3 million MT driven by concerted efforts towards bolstering mine production across most of the mines. The company also crossed 1 million tonne mined metal production mark for the first time producing 1,017 kt of mined metal.

Mine development, registering 10% y-o-y growth, crossed 100 km mark for the 1st time in line with increasing production requirements and securing future resource base.

Rampura Agucha has successfully commissioned 2nd underground crusher along with conveyor system enabling full utilization of 3.75 Mt main shaft hoisting capacity.

The Company diligently focussed on community upliftment in the areas of Education, Sustainable Livelihoods, Women Empowerment, Health & Water, Sports & Culture, Environment and Community Assets Creation.

The Company is ranked 1st in Asia-Pacific and globally 5th in Dow Jones Sustainability Index in 2021 amongst Mining & Metal companies. (1st in environment Dimension among the metal and mining sector globally). The Company has also won the 1st Bronze Medal and has been featured in the prestigious Sustainability Yearbook for the fifth year in a row by S&P Global.

I. HEALTH, SAFETY AND ENVIRONMENT

Occupational Health & Safety

Health & Safety Performance

LTIFR for the year was 0.81 as compared to 0.97 a year ago. It is with deep sadness that we report the regret of four colleagues (Business partners) in work-related incidents at our operations. These incidents happened despite continuous efforts to eliminate fatalities and attain zero-harm work environment. Thorough investigations were conducted to identify the causes of these incidents and to share lessons learnt across HZL operations, with the aim of preventing repeat or similar incidents.

There has been enhanced leadership focus on incident reporting, incident categorisation & incident investigation along with greater focus on horizontal deployment of learnings across HZL and critical risk management.

During the year, the Company commissioned first made-in-India emergency escape route (staircase type) in at Rajpura Dariba Underground Mine as well as underground rescue station at Rampura Agucha Mine, both of which will significantly improve the response time in case of an emergency. Qualitative and Quantitative Exposure Assessment is completed for all units and exposure mitigation plan is developed. 22 Digitized safety modules were launched for easy understanding of safety standard requirements.

Demonstrating the highest standards of health and safety management during the year, Chanderiya CPP and Debari both received the prestigious 'Sword of Honour' from British Safety Council for showing excellence in the management of health and safety risks at work. Kayad Mine was also awarded the National Safety Award from the Government of India for the longest accident-free operations in the metal and mining sector as well as for the lowest injury frequency rate.

ENVIRONMENT

During FY 2021-22, waste recycling increased marginally to 31% (FY 2020-21: 30%), and water recycling rate increased to 44% in (FY 2020-21: 39%). Specific energy consumption for FY2021-22 was 48 GJ/MT of metal (FY 2020-21: 51 GJ/MT).

Hindustan Zinc commits to 'Long-term target to reach net-zero emissions by 2050' in alignment with Science Based Targets initiative (SBTi) aiming to have clearly defined path to reduce emissions in line with the Paris Agreement goals. Company has made notable technological advancements in energy conservation. Zinc Smelter Debari has revamped the cell house and eliminated current losses through electrolytic cells by successfully replacing 600+ concrete cells with poly-concrete cells. As a result, the power rating has improved. Additionally, the turbine revamping project is certified as a carbon reduction project by VERRA (the world's most widely used voluntary GHG program) resulting in avoidance of GHG emissions of 270,000 tCO_2e per year. For decarbonizing the future of Indian mining, Hindustan Zinc has partnered with leading global manufacturers for introducing Battery Electrical Vehicles (BEVs) in its underground mines. All units of HZL are certified as ISO 50001 (Energy Management system).

Hindustan Zinc has published its first TCFD (Task Force on Climate-related financial disclosure) report during the year, adapting the TCFD framework for climate change risk and opportunity disclosure. HZL actively participated in 'Business Leaders Group COP26' and contributed in shaping the agenda for COP26 which was held at Glasgow (UK) in Nov'21. Endeavouring towards sustainable organization, HZL enhanced the governance by establishing Board Level ESG & Sustainability Committee to overview the ESG progress of the organization.

Hindustan Zinc joined the Taskforce on Nature-Related Financial Disclosures (TNFD) forum to tackle nature-related risks. Miyawaki Method of Afforestation pilot project completed at Debari Zinc Smelter (DZS) and horizontal deployment will be done across HZL. 3-year Engagement with International Union for Conservation of Nature (IUCN) will help in development of Biodiversity Management Plan focusing No Net-Loss approach to achieve Sustainability Goals 2025.

One of the most notable achievements has been the successful commissioning of a 3,000 KLD Zero Liquid discharge plant at the Zinc Smelter Debari. The company has also commissioned 5 MLD Sewage Treatment Plant (STP) in Udaipur, bringing the total Udaipur STP capacity built by Hindustan Zinc to 60 MLD. In the area of water stewardship, Rampura Agucha Mine has also completed the execution of groundwater recharge intervention across 4 blocks of Bhilwara district having ground water recharge potential of 8.7 million cubic meter (MCM)/ annum.

Board has approved a long-term captive renewable power development plan up to a capacity of 200 MW. The project will be built under the Group captive norms and on Build Own Operate basis. The power delivery is expected to start from 2025.

Hindustan Zinc's sustainability initiatives received several accolades & endorsements during the year

- The Company is ranked 1st in Asia-Pacific and globally 5th in Dow Jones Sustainability Index in 2021 amongst Mining & Metal companies. (1st in environment Dimension among the metal and mining sector globally)
- Company won the 1st Bronze Medal and has been featured in the prestigious Sustainability Yearbook for the fifth year in a row by S&P Global.
- The company received the award for 'Outstanding Accomplishment in Corporate Excellence and Dariba smelter received the award for excellence in Environment management' in 16th CII-ITC Sustainability Awards.
- HZL received IEI Industry Excellence Award 2021, instituted by The Institution of Engineers (India)
- HZL's RAM and Kayad mines received 5 Star Rated Mines' award by the Ministry of Mines, Govt. of India.
- Hindustan Zinc wins at ESG India Leadership Awards – Leadership in Environment and Green House Gas Emissions Reduction Categories organized by ESGRisk.ai, India's first ESG rating company.
- HZL has been awarded the Most Sustainable Company in the Mining Industry by World finance at their Sustainability Awards 2021

II. OPERATIONAL PERFORMANCE

Production performance

Production (kt)	FY 2021-22	FY 2020-21	% change
Total mined metal	1,017	972	5%
Refined saleable metal production	967	930	4%
Refined zinc – integrated	776	715	8%
Refined lead – integrated	191	214	-11%
Saleable Silver Production (in tonnes)	**647**	706	-8%

Production

For the full-year, ore production was up 6% y-o-y to 16.3 million tonnes on account of strong production growth at Zawar and Sindesar Khurd mines, which were up 12% and 8% respectively. Mined metal production for FY 2021-22 was 1,017 kt compared to 972 kt in previous year

For the full year, integrated metal production was up 4% to 967 kt due to higher plant & concentrate availability. Lead production was lower on account of operating the Pyro plant at CLZS at Zinc-Lead mode rather than Lead mode. Silver production was down by 8% to 647 MT in line with lower lead metal production.

The Company generated 3,891 million units of thermal based power in FY 2021-22. Total green power generation was 720 million units as compared to 649 million units in FY 2020-21.

Sales

During the year, domestic refined zinc metal sales was 506 kt as against 437 kt last year. While export sales for the year stood at 271 kt as compared to 287 kt a year ago. The aggregate sales were higher by 7% than previous year, in line with production. Lead metal sales in the domestic market were 167 kt, while export sales were 25 kt leading to lower aggregate sales of 11% from a year ago, in line with the decrease in lead metal production. Silver sales were 647 MT in FY 2021-22, all in the domestic market and 12% lower than previous year.

III. FINANCIAL PERFORMANCE

We share with you our 56th Annual Report, together with the Audited Financial Statements for the year ended March 31, 2022.

Financial Information

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
Revenue from operations (Incl. other operating income)	29,440	22,629
Other Income	1,216	1,819
Profit before depreciation, interest, tax, and exceptional item	17,441	13,491
Less: Interest	290	386
Less: Depreciation and amortisation expense	2,917	2,531
Less: Exceptional Item	134	-
Profit before tax	14,100	10,574
Less: Net tax expense	4,471	2,594
Net profit	9,629	7,980
Earnings per share, (₹ /share)	**22.79**	**18.89**

Revenue

The Company reported 'Revenue from operations' including other operating income of ₹ 29,440 crore, an increase of 30% y-o-y primarily on account of increase in LME prices supported by higher metal sales due to increase in production

The 'Other income' was ₹ 1,216 crore during the year compared to ₹ 1,819 crore in the previous year in line with lowering rate of return in current year to 4.7% as against 7.8% in the previous year.

Production Cost

Zinc's cost of production (COP), excluding royalty for FY 2021-22 was ₹ 83,511 (US$ 1,122) per tonne, higher by 18% y-o-y. The full year COP was higher impacted largely on account of higher coal prices & input commodity inflation, partly offset by higher volume, better Sulphuric Acid realizations & improved recoveries.

Operating margin

The above revenue and production cost resulted in profit before depreciation, interest and tax (PBDIT) of ₹ 17,441 crore in FY 2021-2, up 29% on account of higher volumes, rise in LME prices partially offset by higher coal and input commodity prices.

Net profit

Net profit was ₹ 9,629 crore, up 21% where in the impact of higher PBDIT was partly offset by lower investment income due to declining interest rate environment. Effective Tax rate for the year increased to 31.7% as compared to 24.5%, mainly due to end of certain tax benefits.

Earnings Per Share (EPS)

The EPS for the year was ₹ 22.79 per share as compared to ₹ 18.89 per share in FY 2020-21.

Dividend

Interim dividend of 900%, i.e. ₹ 18.0 per share on equity share of ₹ 2 each amounting to ₹ 7,606 crore was declared in December 2021.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is available on the Company's website on https://www.hzlindia.com/wp-content/uploads/Dividend-Policy-2016.pdf

Credit Rating and Liquidity

CRISIL has reaffirmed the Company's long-term rating of AAA/Stable and short-term rating of A1+. The ratings continue to reflect the Company's low-cost operations, strong market position, efficient and integrated operations, high reserve & resource and a strong balance sheet.

The Company follows a conservative investment policy and invests in high quality debt instruments. As on March 31, 2022, the Company's net cash and cash equivalents was ₹ 17,966 crore as compared to ₹ 15,130 crore at the end of FY 2020-21 and is invested in high quality debt instruments.

Cash Flows

(₹ in crore)

Particulars	FY 2021-22	FY 2020-21
Opening Cash*	22,308	22,207
Add: EBITDA**	16,289	11,739
Add: Net Interest Income	604	1,258
Less: Income Tax	2,391	1,755
Less: Dividend	7,606	15,972
Less: Capital Account Payments	2,998	2,481
Add: Borrowings	(4,315)	6,525
Add: (Increase)/Decrease in Working Capital & Others	(1,102)	787
Closing Cash*	**20,789**	**22,308**

(*) Includes Cash & Equivalents (refer Note 11 of the Audited Financial Statements), other bank balances excluding earmarked unpaid dividend accounts balance (refer note 12 of the Audited Financial Statements) and Current Investments (refer Note 9 of the Audited Financial Statements

(**) Earnings before Interest, Tax, Depreciation and Amortisation expenses and Income on investments.

Gross Working Capital

Gross working capital represented by inventory, trade receivables and other current assets increased from ₹ 2,180 crore to ₹ 3,132 crore as at March 31, 2022 primarily due to increase in raw material inventory, trade receivables and coal stock for ensuring coal security and to combat any potential price increase. The working capital cycle was 40 days in FY 2021-22 as compared to 36 days in FY 2020-21.

Gross Block

The gross block during the year increased from ₹ 34,228 crore to ₹ 37,455 crore. This was largely due to the ongoing mining projects and other sustaining capex.

Capital Employed

The total capital employed as at March 31, 2022 was ₹ 16,315 crore, as compared to ₹ 17,183 crore at the end of previous fiscal year.

Contribution to the Government Treasury

The Company has contributed ₹ 15,676 crore during FY 2021-22, in terms of royalties and taxes to the Government treasury, aggregating to approximately 53% of the total operating revenue.

IV. RESERVE & RESOURCE (R&R)

On an exclusive basis, total ore reserves at the end of FY 2021-22 stood at 161.21 million tonnes (net of depletion of FY 2021-22 production of 16.34 million tonnes) and exclusive mineral resources totalled 286.73 million tonnes. Total contained metal in Ore Reserves is estimated at 9.57 million tonnes of zinc, 2.45 million tonnes of lead and 298.4 million ounces of silver. The Mineral Resource contains approximately 13.18 million tonnes of zinc, 5.86 million tonnes of lead and 576.3 million ounces of silver. At current mining rates, the R&R underpins metal production for more than 25 years.

V. PROJECTS

In HZL journey of 1.25 mtpa MIC expansion, some of key projects are under execution at RD Mines complex. We have successfully completed RD Mines Shaft & Conveyor upgradation for enhancement of ore hoisting capacity in Q3 FY 2021-22. In line with our ESG journey, we have completed installation of Dry Filtration & Paste fill plant to enable effective tailings managements by switching from Wet to Dry tailing management system. Commissioning of plant will start by Q1 of FY 2022-23. For enhancing metal recovery, we have placed order for RD Beneficiation plant revamping, enabling better Pb, Zn & Ag recoveries and improving plant reliability by replacing obsolete Grinding, Floatation & Filtration circuits. Civil construction is already ongoing and plant is scheduled to be commissioned in Q3 FY 2022-23.

At Zawar, in order to enhance the ventilation capacities and working conditions of West Mochia and North Baroi mines, installation of underground ventilation fans has started. For increasing the capacity of Tailing storage Facility, design and stabilisation studies have been conducted and the dry stacking is under progress.

Treatment of Raw Zinc Oxide (RZO) in RKD circuit (component of overall Fumer project) continued during the entire year. For the Fumer commissioning, visa process is in advanced stages for the technical experts. The Fumer commissioning is targeted for completion by early FY 2022-23.

VI. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR initiatives passionately focuses on community upliftment by strengthening the local economy and improving the quality of life by working in the areas of Education, Sustainable Livelihoods, Women Empowerment, Health, Water & Sanitation, Sports & Culture, Environment & Safety and Community Assets Creation.

During the year, the Company spent ₹ 190.92 crore on CSR programmes more than the 2% of CSR mandate which was ₹ 186.68 crore. For further details, refer Annexure III and 'Business Review' section of this Annual Report

VII. DIRECTORS

Government of India, Ministry of Mines appointed Ms. Nirupama Kotru in place of Ms. Yatinder Prasad w.e.f. July 26, 2021. Ms. Veena Kumari Dermal also appointed as director w.e.f. July 29, 2021.

The company's policy on appointment of Directors and their remuneration is available on the Company's website https://www.hzlindia.com/wp-content/uploads/HZL-Nomination-Remuneration-Policy-20.1.2020.pdf

VIII. MANAGEMENT DISCUSSION AND ANALYSIS

The 'Our Operational Performance' section of this Annual Report gives a detailed account of the Company's operations and the market in which it operates, including its initiatives in the areas of human resources, sustainability and risk management.

IX. CORPORATE GOVERNANCE AND 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 and Sustainability Report describing the initiatives taken by the Company from an Environmental, Social and Governance perspective, also forms a part of this report. In order to maintain transparency and efficient governance, various disclosures as required under Sections 134 and 135 of the Companies Act, 2013 are annexed to this report or covered in the Corporate Governance Report, such as Related Party Transactions; Information and details on conservation of energy, technology absorption, foreign exchange earnings and outgo; extract of annual return; constitution of various Board level Committees; Annual Report on CSR, etc.

X. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm that:

i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. they have selected such accounting policies and applied them consistently and made judgements & 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 and of the profits of the Company for that period.

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. the annual accounts have been prepared on a 'Going Concern' basis.

v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2021-22.

XI. BOARD EVALUATION

The Nomination and Remuneration Committee has devised a criteria for evaluation of the performance of the Directors including the Independent Directors. The said criteria provides certain parameters like attendance, acquaintance with business, communication inter se between board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers etc., which is in compliance with applicable laws, regulations and guidelines.

During the year, Company engaged Deloitte Haskins & Sells LLP for carrying out the performance evaluation of all the Board members, Board as a whole and various committees.

The criteria used by them basis which the individual director performance evaluation has been done included:

- preparation and participation in Board meetings,
- personality and conduct,
- quality of value added,
- understanding of the Company's mission, vision, philosophy and strategy,
- understanding of the industry and the business in which the Company operates,
- independence of judgement,
- independent thinking ability to bring a divergent view, etc.

CEO & Whole Time Director evaluation was more focused towards Company performance and leadership, team building and management succession, edge in execution of strategy formulated by the Board.

The evaluation of the various Board Committees was more focused towards:

- It's charter/ terms of reference
- Number of meetings held and it's appropriateness
- Timely availability of information
- Committee composition
- Committee decisions are adequately conveyed and implemented
- Meetings are conducted in a manner that ensures open communication, meaningful participation and timely resolution of issues
- Independency of committee to contribute effectively

Assessment of each director on the board is done by the other directors including that of various committees. The consolidated outcome from all the directors is prepared by Chairman of nomination and remuneration committee and presented to the board of directors. All the directors had been rated excellent and overall finding shows that the Board and it's various committees are working well. All Board members come with very strong background and add lot of value to the meetings by making them participative and engaging.

XII. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

XIII. AUDITORS

The Company had appointed M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company to conduct audit of Financial Statements for the year ended March 31, 2022. The Notes to Financial Statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification or reservation. The only adverse remark in CG certificate is for not fulfilling the criteria of adequate number of Independent Directors including woman independent director and for which we are in touch with the two major shareholders, which is self-explanatory.

Pursuant to the orders issued by the Central Government under Section 148 of The Companies Act, 2013, the Board 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 and M/s. Vinod Kothari & Company, Company Secretaries as the Secretarial Auditors for conducting the Secretarial audit of the Company. Their report does not contain any qualification or reservation. The only adverse remark is for not fulfilling the criteria of adequate number of Independent Directors including woman independent director, for which we are in touch with the two major shareholders and other procedural delays due to COVID-19, which are self-explanatory.

As per provisions of Section 136 of the Companies Act, 2013, the Annual Report including the Audited Accounts for the year will be sent to all the Shareholders whose e-mail addresses are registered.

XIV. VIGIL MECHANISM

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of Listing Regulations, to report concerns about unethical behaviour. This Policy is available on the Company's website on https://www.hzlindia.com/wp-content/uploads/HZL-WHISTLE-BLOWER-POLICY-19.10.2015.pdf

XV. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website https://www.hzlindia.com/investors/reports-press-releases/

XVI. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached to this report. In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules forms part of the Report. However, having regard to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection at Registered Office of the Company during working hours. Any member interested in obtaining such information may write to the Company Secretary at the registered office and the same will be furnished on request. Further the details are also available on the Company's website: www.hzlindia.com.

In line with the internal guidelines of the Company, no payment is made towards commission to the Executive Director of the Company, who is in full time employment with the Company.

XVII. INTEGRATED REPORT

The Company being one of the top companies in the country in terms of market capitalization, has voluntarily provided Integrated Report, which encompasses both financial and non-financial information to enable the Members to take well informed decisions and have a better understanding of the Company's long-term perspective. The Report also touches upon aspects such as organisation's strategy, governance framework, performance and prospects of value creation based on the six forms of capital viz. financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital.

XVIII. ACKNOWLEDGEMENTS

We sincerely thank our customers, vendors, investors, business partners, worker unions, auditors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our continued success was made possible by their hard work, solidarity, commitment and support. We thank the Government of India, the State Governments of Rajasthan, Andhra Pradesh, Gujarat, Karnataka, Tamil Nadu, Maharashtra and Uttarakhand for their continued support.

For and on behalf of the Board of Directors

ARUN MISRA	**ANJANI K AGRAWAL**
CEO & Whole-time Director	Director
DIN : 01835605	DIN : 08579812
Place: Udaipur	Place: Mumbai

Date: 22nd April, 2022

Annexure-1

Particulars of technology absorption and foreign exchange earnings and outgo, as per Section 134(3)(m) of the Companies Act, 2013 and the rules made therein and forming part of the Board's Report for the year ended March 31, 2022.

A) CONSERVATION OF ENERGY

- Automation of Cooling tower makeup pump operation and Variable Frequency Drive installed in CLZS CPP
- VFD installation in Effluent transfer pump, Degasser water pump and LDO forwarding pump in CLZS CPP
- Cooling tower fills, energy efficient shaft & carbon fiber blades partial replacement in ZM CPP
- Electrostatic Precipitator duct leakage arrested in CLZS & DSC CPP to eliminate losses in Aux. Power due to the leakage.
- Boiler Feed Pump – Automatic Recirculation Valve replacement in CLZS & DSC.

B) TECHNOLOGY ABSORPTION-

a) Specific areas in which R&D has been carried out by the company in FY 2022

- Enhance grade and recovery of metals during mineral processing on various circuits
- Improve recovery of metals from Cu dross and fume zinc-oxide generated in lead smelting process
- Improve recovery of metals in existing ancillary processes for waste generated in zinc leaching process
- Development of value-added products
- Improvement of current efficiency in electrowinning of Zinc
- New process development for treating waste generated in zinc leaching process
- Sintering challenges in ISF with Pb-Zn concentrate
- Alternative utilization of jarosite and jarofix to reduce environmental footprint
- Utilization of mixed salt generated in Zero Liquid Discharge process
- Geo-Metallurgical performance like ore hardness, minerology and flotation performance for individual ore types across HZL mines.
- Automated Minerology equipment (FESEM with Minerologic software) installation and initiate use for characterization of ore and in-process samples:
- Feasibility tests to address graphite challenge in ores by evaluating various reagents performance, gravity separation, flotation and de-sliming techniques.
- Provided technical support to mills for operational issues like high rejects from grinding mills, increased misplacements and poor concentrate quality.
- Silver recovery improvement by testing of alternate reagents and enhanced gravity separation.
- Utilization of grinded blast furnace slag as a binder in paste fill plant
- Chloride-based leaching bench scale testwork conducted to enhance Zn recovery and reduce the waste footprint in Zn Hydro process.

b) Benefits derived as result of above R&D

- Implemented the process of metal recovery from zinc-oxide fumes from lead smelting process
- Successful plant scale trials conducted to generate Zinc sulphate crystals from Zinc dross.
- Planned implementation of process to improve quality of CuSO4 from ancillary by recovery of zinc therein.
- Improved current efficiency of Zn electrowinning process.
- Reduced impurity in SHG grade Zinc
- Geometallurgical studies have provided advance insight of ore performance to develop suitable recipe for treatment in beneficiation plants.
- Maintained concentrate grade and recovery from RD ore by suitable ore blend.
- Planned implementation of process to improve silver recovery at Zawar by utilizing silver promoter reagent.
- Alternative low-capex process for jarosite preparation for its use in cement industry, customer test planned.
- Developed and implemented Non-hazardous reagent, while simultaneously reducing costs.
- Metallurgical characterization for multiple lodes of multiple mines to support plant problem solving and to support mines expansion plans

- Identified and tested use of ZLD waste (mixed sodium salt) in soap industry, regulatory acceptance tests being done.

c) **Future projects for R&D in FY 2023**

- Reduce misplacements of metals in Lead & Zinc concentrate.
- Improve metal recovery and concentrate grades in mill processes
- To evaluate opportunity for recovery of REE and strategic metals from waste streams.
- New processes for metal Recovery from Tailings, and smelting technology for treatment of low grade concentrate.
- Identification of process conditions for current efficiency in electrorefining of lead
- New process for metal and Silver recovery from zinc leaching residue
- Improve concentrate grade quality by reducing impurities like pyrite and silica.
- Feasibility of various fines floatation technologies to improve metal recoveries.
- Process for Conversion of Jarosite/ Jarofix into aggregates, including use for carbon sequestration.
- Explore bioleaching of ore for enhanced recovery
- Improve recovery of metals in existing ancillary processes for waste generated in zinc leaching process
- Development of value-added high-purity products
- Plant support with ore and mill specific mineralogical characterization and metallurgical performance studies

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, foreign exchange outgo was ₹ 1840 Crore (which includes import of capital goods, stores & spares, coal, consumables, consultancy, travelling etc.), while foreign exchange earned was ₹ 7228 Crore.

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Particulars	Unit	Year ended 31/3/2022	Year ended 31/3/2021
A	**Electricity,Power Generation & Fuel consumption**			
	Purchase Units	Million Kwh	616	393
	Total Amount	₹ Cr	475.63	315.37
	Average rate of purchasing	₹/kwh	7.73	8.02
	CPP - Units generated from fuel oil			
	Own Generation Units (From Fuel Oil)	Million Kwh	0.9	0.8
	Quantity Consumed			
	LSHS/FO	MT	0.4	0.0
	HSD	KL	328	370
	Total Amount	₹ Cr	2.44	2.14
	Average cost of fuel per Kg	₹/kg	90.57	70.57
	Average cost of generation	₹/kwh	26.88	25.24
	Unit generated per unit of fuel (LSHS/FO/HSD)	kwh/kg	3.37	2.80
	CPP - Units generated from Coal			
	Own Generation Units (From Coal)	Million Kwh	3,584	3,704
	Quantity Consumed			
	Coal	MT	16,92,706	17,68,896
	LDO	KL	476	486
	Total Amount	₹ Cr	1,822.99	1194.95
	Average cost per Kg (Coal)	₹/kg	8.54	6.76
	Average cost per Kg (LDO)	₹/kg	86.56	48.25
	Average cost of generation	₹/kwh	5.83	4.10
	Unit generated per unit of fuel (Coal)	kwh/kg	2.30	2.28

Particulars		Unit	Year ended 31/3/2022	Year ended 31/3/2021
B)	**Fuel consumption for Metal Production**			
(a)	**L.P.G./Propane**			
	Quantity	Million Kg	0.11	0.55
	Total Amount	₹ Cr	0.61	2.30
	Average cost per Kg	₹/Kg	55.18	41.52
(b)	**L.D.O./LSHS/FO**			
	Quantity	KL	20,272	14,257
	Total Amount	₹ Cr	105.47	49.84
	Average cost per Ltr	₹ /Ltr	52.03	34.96
(c)	**HSD**			
	Quantity	KLtr	51,805	47,188
	Total Amount	₹ Cr	425.32	278.46
	Average cost per Ltr	₹ /Ltr	82.10	59.01
(d)	**Coal for Steam & Others**			
	Quantity	MT	24,727	25,575
	Total Amount	₹ Cr	31.40	19.34
	Average cost per MT	₹ /MT	12,700	7,564
(e)	**Met Coke & Coke breez**			
	Quantity	MT	81,159	67,599
	Total Amount	₹ Cr	379.51	184.32
	Average cost per MT	₹ /MT	46,762	27,267
(f)	**GAS,PNG,PROCESS,GAS**			
	Quantity	M3	1,25,37,063	1,29,71,368
	Total Amount	₹ Cr	45.4	35.3
	Average cost per MT	₹ /M3	36.2	27.2

Annexure 2

Particulars of contract or arrangements with related parties

FORM NO. AOC-2

Form for disclosure of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis: NIL**
   - (a) Name(s) of the related party and nature of relationship
   - (b) Nature of the contracts/arrangements/transactions
   - (c) Duration of the contracts/arrangements/transactions
   - (d) Salient terms of the contracts or arrangements or transactions including value, if any
   - (e) Justification for entering into such contracts or arrangements or transactions
   - (f) Date(s) of approval by the Board
   - (g) Amount paid as advances, if any
   - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. **Details of the material contracts or arrangements or transactions at arm's length basis: NIL**
   - (a) Name(s) of the related party and nature of relationship
   - (b) Nature of contracts/arrangements/transactions
   - (c) Duration of the contracts/arrangements/transactions
   - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
   - (e) Date(s) of approval by the Board
   - (f) Amount paid as advances, if any

For and on behalf of the Board of Directors

Arun Misra	**Anjani K Agrawal**
CEO & Whole-time Director	Director
DIN : 01835605	DIN : 08579812
Place: Udaipur	Mumbai
Date: April 22, 2022	

Note: In item 2, material is defined as greater than 10% of the turnover

Annexure 3

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2021-22

1. **Brief outline on CSR Policy of the Company.**

   Hindustan Zinc is committed to the principles of harmonious and sustainable development, protecting human life, health and environment, ensuring social well-being and adding value to the communities. CSR policy is in line with organization's philosophy & governance protocols wherein various aspects of Geographical reach, thematic areas, execution & monitoring of programs are well defined.

   The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013 and amendments thereto from time to time. Details of the company website of the CSR policy and projects or programs undertaken by the Company are available on links given below:
   https://www.hzlindia.com/csr/

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during their tenure	Number of meetings of CSR Committee attended during their tenure
1	Ms Kiran Agarwal	Chairperson	3	3
2	Ms Farida Naik*	NED	2	1
3	Mr Akhilesh Joshi	Independent Director	3	3
4	Ms Nirupama Kotru**	NED	1	1

Notes:
* Ms Farida Naik Ceased to be member w.e.f. October 22, 2021.
** Ms. Nirupama kotru appointed as member w.e.f. October 22, 2021.

During FY '22, 3 CSR Committee meetings were held as on April 13, 2021, September 27, 2021 and March 16, 2022.

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

   Composition of the CSR committee shared above and is available on the Company's website on
   https://www.hzlindia.com/wp-content/uploads/Committee-Composition-as-on-March-31-2022.pdf

   CSR policy - https://www.hzlindia.com/wp-content/uploads/Updated-CSR-Policy.pdf

   CSR projects - https://www.hzlindia.com/csr/

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).**

   The Impact Assessment of CSR projects is applicable for FY 2021-22.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate**

   Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off frompreceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	21-22	17.54 cr	17.54 cr
	TOTAL	**17.54 cr**	**17.54 cr**

6. Average net profit of the company as per section 135(5). ₹ 9334.05 cr

7. (a) Two percent of average net profit of the company as per section 135(5) - ₹ 186.68 cr

(a) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - NIL

(b) Amount required to be set off for the financial year, if any - ₹ 17.54 cr

(c) Total CSR obligation for the financial year (7a+7b- 7c) - ₹ 169.14 cr

8. (a) CSR amount spent or unspent for the financial year:

<table>
<tr><th rowspan="3">Total Amount Spent for the Financial Year (in ₹)</th><th colspan="5">Amount Unspent (in ₹)</th></tr>
<tr><th colspan="2">Total Amount transferred to Unspent CSR Account as per section 135(6)</th><th colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)</th></tr>
<tr><th>Amount</th><th>Date of transfer</th><th>Name of the Fund</th><th>Amount</th><th>Date of transfer</th></tr>
<tr><td>₹ 173.38 cr*</td><td>NIL</td><td>NA</td><td>NA</td><td>NIL</td><td>NA</td></tr>
</table>

* Excludes ₹ 17.54 cr carried forward from previous year. Excess amount spent during the year 2021-22 of ₹ 4.24 cr is carried forward to be adjusted in future years.

(b) Details of CSR amount spent against ongoing projects for the financial year:

-1	-2	-3	-4	-5		-6	-7	-8	-9	-10	-11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration (in years)	Amount allocated for the project (in ₹ Lacs)	Amount spent in the current financial Year (in ₹ Lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number
1	Khushi	(i)	Yes	Rajasthan	Chittorgarh, Bhilwara	2	479	479	-	No	CARE India Solutions for Sustainabl	CSR00000786
2	Khushi	(i)	Yes	Rajasthan	Ajmer	2	90	90	-	No	Gramin Avam Samajik Vikas Sanstha.	CSR00003124
3	Khushi	(i)	Yes	Rajasthan	Rajsamand	2	205	205	-	No	Jatan Sansthan Railmagra	CSR00000529
4	Khushi	(i)	Yes	Rajasthan	Udaipur	2	593	593	-	No	Seva Mandir	CSR00000288
5	Shiksha Sambal	(ii)	Yes	Rajasthan	Udaipur, Rajsamand, Chittorgarh, Bhilwara and Ajmer	4	307	307	-	No	Vidya Bhawan Society	CSR00003180
6	Child Care Centers	(i)	Yes	Rajasthan	Udaipur, Rajsamand, Chittorgarh	4	41	41	-	No	Seva Mandir	CSR00000288
7	Jeevan tarang	(ii)	Yes	Rajasthan	Bhilwara, Udaipur	4	2	2	-	No	Nitinbhai Dayabhai Patel Homiyar Mobedji	NA
8	Jeevan tarang	(ii)	Yes	Rajasthan	Ajmer/Bhilwara/Udaipur	4	15	15	-	No	Noida Deaf Society	CSR00000396
9	Jeevan tarang	(ii)	Yes	Rajasthan	Ajmer	4	1	1	-	No	Badhit Bal Vikas Samiti	CSR00007782
10	Jeevan tarang	(ii)	Yes	Rajasthan	Bhilwara	4	25	25	-	No	Badhir Bal Kalyan Vikas Samiti	CSR00007249
11	Unchi udaan	(ii)	Yes	Rajasthan/ Uttarakhand	Udaipur, Rajsamand, Chittorgarh, Bhilwara Ajmer, Udhamsingh nagar	4	202	202	-	No	Vidya Bhawan Society	CSR00003180
12	Unchi udaan	(ii)	Yes	Rajasthan/ Uttarakhand	Udaipur, Rajsamand, Chittorgarh, Bhilwara Ajmer, Udhamsingh nagar	4	113	113	-	No	Resonance Eduventures Limited	NA
13	Support for Higher education (Ringus/ Sumedha/CTAE)	(ii)	Yes	Rajasthan	Udaipur, Rajsamand, Chittorgarh, Bhilwara and Ajmer	4	69	69	-	No	Sumedha	CSR00002372
14	Company run schools	(ii)	Yes	Rajasthan, Andhra Pradesh	Udaipur, Rajsamand, Chittorgarh, Bhilwara, vishakhapatnam	4	546	546	-	Yes	-	-
15	Swasthya Sewa	(i)	Yes	Rajasthan/ Gujarat	Udaipur, Chittorgarh, Bhilwara and Tapi	1	86	86	-	No	Deepak Foundation	CSR00000353

-1	-2	-3	-4	-5		-6	-7	-8	-9	-10	-11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration (in years)	Amount allocated for the project (in ₹ Lacs)	Amount spent in the current financial Year (in ₹ Lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Impleme-ntation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number
16	Health Support	(i)	Yes	Rajasthan	Bhilwara	4	1	1	-	No	Shri Subham Seva Sansthan	CSR00006441
17	Mobile Health Van	(i)	Yes	Rajasthan	Udaipur, Chittorgarh, Bhilwara	4	19	19	-	No	Smile Foundation	CSR00001634
18	Swasthya Sewa	(i)	Yes	Rajasthan/ Uttarakhand	Udaipur, Rajsamand, Ajmer, Udhamsingh nagar	1	74	74	-	No	Wockhardt Foundation	CSR00000161
19	Company Run Hospitals	(i)	Yes	Rajasthan	Udaipur, Rajsamand, Chittorgarh, Bhilwara	4	995	995	-	yes	-	-
20	Zinc Kaushal	(ii)	Yes	Rajasthan	Udaipur, Rajsamand, Bhilwara and Ajmer	4	423	423	-	No	Ambuja Cement Foundation.	CSR00006913
21	Zinc Kaushal	(ii)	Yes	Rajasthan/ Uttarakhand	Chittorgarh, Udhamsingh nagar	1	55	55	-	No	Tata Community Initiatives Trust	CSR00002739
22	SAMADHAN	(iv)	Yes	Rajasthan	Udaipur, Rajsamand, Chittorgarh, Bhilwara and Ajmer	2	624	624	-	No	BAIF Institute Of Sustainable Livel	CSR00000308
23	SAKHI	(iii)	Yes	Rajasthan/ Uttarakhand	Udaipur, Rajsamand, Chittorgarh, Bhilwara and Ajmer, Udhamsingh nagar	1	579	579	-	No	Manjari Foundation	CSR00000074
24	Football Academy	(vii)	No	Rajasthan	Udaipur	4	654	654	-	NO	The Football Link Sport Pvt. Ltd, Young Monk Communications Pvt. Ltd., DAV HZL Sr. Sec. School,Shri Ram Roses And Nursery, TLG India Pvt Ltd	NA
25	STP	(iv)	Yes	Rajasthan	Udaipur	4	1796	1796	-	No	Thermax Limited, Enviro Infra Engineers Pvt Ltd	NA
26	Maintenance of Vedanta stadium	(vii)	Yes	Rajasthan	Rajsamand	4	5	5	-	NO	OK Company, Gayatri construction	NA
27	Support for digital classrooms	(ii)	No	MP	Gwalior	4	17	17	-	NO	Muskaan dream Foundation	CSR00005242

-1	-2	-3	-4	-5		-6	-7	-8	-9	-10	-11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration (in years)	Amount allocated for the project (in ₹ Lacs)	Amount spent in the current financial Year (in ₹ Lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Impleme-ntation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number
28	Installation of RO & ATM	(i)	Yes	Rajasthan	Udaipur/Rajsamand/ Chittorgarh	1	23	23	-	NO	D.K.Enterprises., Waterlife India Pvt Ltd, Toyam Technologies India Private Li, Sriram Rose & Nursery	NA
29	Micro enterprises/ SME	(ii)	Yes	Rajasthan/ Uttarakhand	Udaipur, Rajsamand, Chittorgarh, Bhilwara and Ajmer, Udhamsingh nagar	2	236	236	-	NO	Manjari Foundation	CSR00000074
30	Micro enterprises/ SME	(ii)	Yes	Rajasthan	Udaipur	4	5	5	-	NO	BAIF Institute of Sustainable Livel	CSR00000308
31	drinking water supply to community	(i)	Yes	Rajasthan	Udaipur, Rajsamand, Chittorgarh, Bhilwara and Ajmer		2089	2089	Jagdish Services Contractor, Onkar Lal Balu Ram, Sharda Agencies, Viva Services., Shree Ambika Infrastructure			
32	Water Augmenttion	(iv)	Yes	Rajasthan	Chittorgarh	1	50	50	0	No	Jai Shree Bricks & Building Material	NA
	TOTAL						**10419**	**10419**				

Point 8 (c) Not Ongoing Projects

-1	-2	-3	-4	-5		-6	-7	-8	-9	-10	-11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (in years)	Amount allocated for the project (in ₹ Lacs)	Amount spent in the current financial Year (in ₹ Lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Support to Education	(ii)	Yes	Rajasthan	Rajsamand	1	13	13	0	No	M/s Maruti Engg. & Contn. Co., Eurosmile Facility Mgmt Serv Pvt Ltd	NA
2	Drinking water supply to community	(i)	Yes	Rajasthan	Chittorgarh	1	567	567	0	No	Bajrang Enterprises	NA
3	Health, Water & Sanitation (Others)	(i)	Yes	Rajasthan	Udaipur, Rajsamand, Chittorgarh, Bhilwara and Ajmer	1	321	321	0	No	Eurosmile Facility Mgmt Serv Pvt Ltd, Jai Shree Bricks & Building Material,PTM	NA
4	COVID Initiatives	(xii)	No	Pan India	Pan India	1	2697	2697	0	No	Art of living, Friendicoes, Yoda,Shanghai Rocatti Biotechnology	NA
5	Livestock Management Projects	(iv)	Yes	Rajasthan	Chittorgarh	1	12	12	0	No	Mukesh Sanitary & Pipe Contractor, Jhanvi Minerals	NA
6	Skill Development Trainings to SHG Women	(iii)	Yes	Rajasthan	Udaipur	1	5	5	0	No	Precision Technocrat & Marketers	NA
7	Community Assets Creation	(x)	Yes	Rajasthan	Udaipur, Rajsamand, Chittorgarh, Bhilwara and Ajmer,	1	2043	2043	0	No	Gayatri Construction., Mukesh Sanitary & Pipe Contractor,ok Company, Precision Technocrat & Marketers,Vedansh Infra Services Etc.	NA

-1	-2	-3	-4	-5		-6	-7	-8	-9	-10	-11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration (in years)	Amount allocated for the project (in ₹ Lacs)	Amount spent in the current financial Year (in ₹ Lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Impleme-ntation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
8	Sports & Culture	(vii) & (v)	Yes	Rajasthan	Udaipur, Rajsamand, Chittorgarh, Bhilwara and Ajmer,	1	482	482	0	No	GC Designs,Eurosmile Facility Mgmt Serv Pvt Lt, Jai Shree Bricks and Building Materials, Feedback Power Operations and Maint, etc.	NA
9	Environment & Safety	(iv)	Yes	Rajasthan	Udaipur, Rajsamand, Chittorgarh, Bhilwara and Ajmer,	1	97	97	0	No	Concept Enterprise,Eurosmile, gayatri Construction	NA
10	Vocational Training	(ii)	Yes	Rajasthan	Udaipur, Rajsamand, Chittorgarh, Bhilwara and Ajmer	1	60	60	0	No	Skill Council for Mining Sector	NA
11	Micro enterprises/ SME	(ii)	Yes	Gujarat	TAPI		3	3	-	NO	Shrushti Seva Samiti	CSR00000736
12	Water Harvesting	(i)	Yes	Rajasthan	Udaipur, Chittorgarh	1	9	9	-	No	AFPRO	CSR00000747
	TOTAL						**6309**	**6309**				

d. Amount spent in Administrative overheads ₹ 5.56 Cr

e. Amount spend on Impact assessment, if applicable ₹ 0.54 Cr

f. Total amount spent for the Financial year (8b + 8c + 8d + 8e) ₹ 173.38 Cr *

* Excludes ₹ 17.54 Crore carried forward from previous year

g. Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	186.68 Cr
(ii)	Total amount spent for the Financial Year	190.92 Cr*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	4.24 Cr
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	4.24 Cr

* Includes Rs 17.54 Crore carried forward from previous year

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	NA	NIL	NIL	NIL	NIL	NA	NIL
	TOTAL	**NIL**	**NIL**	**NIL**	**NIL**	**NA**	**NIL**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl No.	Project ID	Name of the Project	Financial Year in Which the project was commenced	Project duration	Total amount allocated for the project (in ₹ Lacs)	Amount spent on the project in the reporting Financial Year (in ₹ Lacs)	Cumulative amount spent at the end of reporting Financial Year. (in ₹ Lacs)	Status of the project - Completed / Ongoing
1	-	Khushi	FY 21	48 Months	479	479	836	Ongoing
2	-	Khushi	FY 21	48 Months	90	90	189	Ongoing
3	-	Khushi	FY 21	48 Months	205	205	435	Ongoing
4	-	Khushi	FY 21	48 Months	593	593	1218	Ongoing
5	-	Shiksha Sambal	FY 22	48 Months	307	307	307	Ongoing
6	-	Child Care Project	FY 21	48 Months	41	41	95	Ongoing
7	-	Jeevan Tarang	FY 22	48 Months	2	2	2	Ongoing
8	-	Jeevan Tarang	FY 22	48 Months	15	15	15	Ongoing
9	-	Jeevan Tarang	FY 22	48 Months	1	1	1	Ongoing
10	-	Jeevan Tarang	FY 22	48 Months	25	25	25	Ongoing
11	-	Unchi Udaan	FY 21	48 Months	202	202	383	Ongoing
12	-	Unchi Udaan	FY 21	48 Months	113	113	226	Ongoing
13	-	Scholarship - Yashad Scholars	FY 21	48 Months	69	69	69	Ongoing
14	-	Scholarship - Ringus	FY 21	48 Months	0	0	22	Ongoing
15	-	Co. Run School	FY 21	48 Months	547	547	1249	Ongoing
16	-	Mobile Health Van	FY 19	48 Months	19	19	376	Completed
17	-	Co. Run Hospital	FY 21	48 Months	995	995	2242	Ongoing
18	-	Zinc Kaushal	FY 19	48 Months	423	423	918	Ongoing
19	-	Samadhan	FY 22	48 Months	624	624	624	Ongoing
20	-	Sakhi	FY 22	48 Months	579	579	579	Ongoing
21	-	Micro enterprise	FY 22	48 Months	236	236	236	Ongoing
22	-	Zinc Football Academy	FY 18	48 Months	654	654	3901	Ongoing
23	-	Ajmer Dargah	FY 18	48 Months	-	-	450	Ongoing
24	-	Sewage Treatment Plan	FY 17	48 Months	1796	1796	7656	Ongoing
25	-	Vedanta Stadium	FY 17	48 Months	5	5	40	Ongoing
26	-	Digitalization in Education	FY 19	48 Months	17	17	169	Ongoing
27	-	Installation of RO/ATM	FY 18	48 Months	3	3	57	Ongoing
28	-	Installation of RO/ATM	FY 20	48 Months	13	13	73	Ongoing
29	-	Installation of RO/ATM	FY 21	48 Months	5	5	48	Ongoing
		Total			**8056**	**8056**	**22444**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NA

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

	Arun Misra	**Kiran Agarwal**
	(CEO & Whole-time Director)	(Chairperson, CSR Committee)
Date: April 22, 2022	DIN : 01835605	DIN : 02227122

Annexure 4

I) DISCLOSURE ON REMUNERATION OF MANAGERIAL PERSONNEL

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name of Director	Mr. Arun Misra
Mean	1:39
Median	1:56

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Annual Increment (%)
Mr. Arun Misra	88%*
Mr. Sandeep Modi**	-
Mr. R Pandwal	11%

*(FY21 full year remuneration had been considered for the purpose of comparison)

** Mr. Sandeep Modi appointed as Interim Chief Financial Officer w.e.f. October 01, 2021.

(iii) The percentage increase in the median remuneration of employees in the financial year: Mean 43.9%, Median 42.9%

(iv) The number of permanent employees on the rolls of Company: 3,500 (including 8 expats and retainers)

(v) The explanation on the relationship between average increase in remuneration and Company performance: Based on overall industry trend and company performance in FY 2020-21.

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: Remuneration of the KMPs as % of the PAT for 2021-22 is 0.08%.

(vii) Variation in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies the variations in the net worth of the Company as at the close of the current financial year and previous financial year:

Date	Market Price in ₹	EPS (₹)	P/E ratio	Market Capitalization, ₹ Crore	% Change
March 31, 2021	272.80	18.89	14.44	115267	
March 31, 2022	309.70	22.92	13.51	130858	13.53

Percentage increase over the last public offer price is not relevant as there has never been any public offer by the Company.

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

- Average increase in the remuneration of all employees excluding KMPs: 44%
- Average increase in the remuneration of KMPs: 73 %
- Justification: Remuneration is based on the current year's performance, industry trend and overall market situation.

(ix) Comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company; Each KMP is granted salary based on his qualification, experience, nature of job, industry benchmark, earlier salary and many other factors, comparison of one against the other is not feasible.

(x) The key parameters for any variable component of remuneration availed by the Directors: Only Whole-time Directors are given variable component, which is benchmarked against Company performance.

(xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: Nil

(xii) Affirmation that the remuneration is as per the remuneration policy of the Company: Yes

Note: For Director, only CEO & Whole-time Director has been considered. All remuneration figures are for Executives only.

CEO's compensation also considers financial returns (return on assets, equity, invested capital), total shareholder return and volume growth of integrated metal.

Corporate Governance

FY 2021-2022

CODE OF GOVERNANCE

Your Company's Philosophy on Corporate Governance continues to rest on Transparency and accountability which are the two basic tenets of Corporate Governance. Responsible corporate conduct is integral to the way Company does its business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. The Company remains resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance practices, to enhance Company's brand and image. This approach to value creation emanates in our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We believe that any business can be conducted ethically only when it rests on the six core values viz. Customer Value, Ownership, Mind-set, Respect, Integrity, One Team One Goal. Company's Business Ethics & Code of Conduct provides the overarching philosophy of its Corporate Governance practices. Our Business Ethics & Code of Conduct inspires us to set standards which not only meets applicable legislation but goes beyond in many areas of our functioning. Sustainable governance requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long term value for all our stakeholders. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. All Directors and employees are bound by Code of Conduct that sets out the fundamental standards to be followed in all activities carried out on behalf of the Company. We believe, Corporate Governance is not just a destination, but a continuous journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of ethics and governance are detailed in this Report.

In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"). The Company has adopted best practices mandated in SEBI (LODR). This chapter, along with those in the Business Review Section and Additional Shareholder Information, reports the Company's compliance with SEBI (LODR).

BOARD OF DIRECTORS

The Board is at the core of our Corporate Governance Practice. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to the best global practices and across industries.

As trustees, the Board has a fiduciary responsibility towards all the stakeholders and ensures that the Company has clear goals aligned to shareholder value and its growth. The Company has defined guidelines and an established framework for the meetings of the Board and its Committees. These guidelines seek to systematise the decision-making process at the meetings of the Board and its various Committees in an informed and efficient manner. The Board sets strategic goals and seeks accountability for their fulfilment. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils all stakeholders' aspirations and societal expectations.

(i) Composition of the Board

The composition of Board is an optimum combination of Executive and Non-Executive Directors with right element of independence. As on March 31, 2022, the Company's Board comprised of eight Directors, out of which four are women Directors. Further, amongst them three are nominated by Government of India, two are nominated by promoters, two are Independent Directors and one Executive Director. As the Chairperson is related to the promoter's, in compliance to clause 17(1)(b) of SEBI (LODR), the Company is required to have at least one half of total Board Members as independent Directors; however, at the year end, the Company is short by two independent directors including at least one woman independent director as per clause 17(1)(a). To that extent the certificate on Corporate Governance issued by the auditors is qualified. The matter is pending with the Ministry of Mines – Central Government for appointment of more independent directors including atleast one woman independent director. The non-executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee, which considers their overall experience, expertise and industry knowledge. One third of the non-executive Directors of the Company other than independent Directors, are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders at the Annual General Meeting (AGM). All Independent Directors have confirmed their independence, and do not have any business relationship with the Company/Promoters. All the Board members have confirmed that they are not disqualified to act as Director of the Company. Average tenure of Board Members is about 4.4 years.

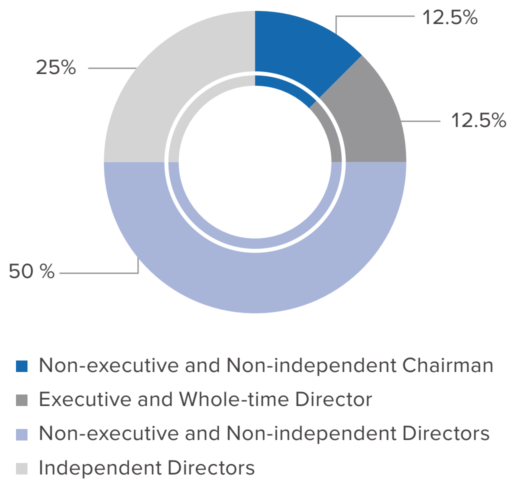
The Company had appointed Independent Directors as per the provisions of Companies Act, 2013 and SEBI (LODR) and the independent directors had confirmed their independence with the promoters and the Company and accordingly they had given the required declaration of independence.

Company has separate position for Chairperson, and CEO & Whole-time Director. Chairperson of the Company is a non-executive non-independent director while CEO & Whole-time director is an Executive Director looking after day to day operations of the Company. Role of Chairperson, and CEO & Whole-time director are different as per the requirement of the Companies Act, 2013 and SEBI (LODR).

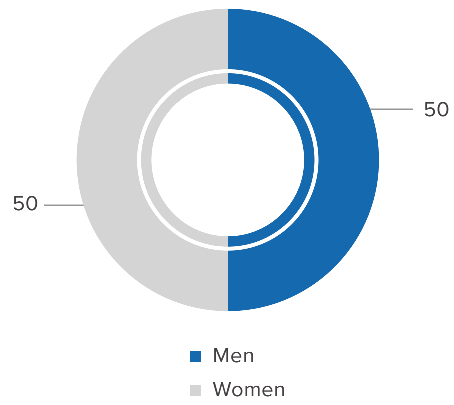
The profiles of Directors are available at https://www.hzlindia.com/about-hzl/leadership/board-of-directors/

HZL Board is highly diversed with 50% women directors including Chairperson at the helm of affairs.

Composition



Gender Diversity



Board members representation

Criteria	Specifications	Number
By age Group	upto 55 years	3
	Over 55 years	5
By gender	Men	4
	Women	4
By tenure	Upto 3 years	6
	Between 3 and 6 years	1
	Over 6 years	1

(ii) Number of Board Meetings

The Board of Directors met seven times during the financial year, on April 27, July 22, September 30, October 22, December 07 in 2021 and on January 21 and March 30 in 2022, The maximum time gap between any two meetings was less than 120 days and at least one meeting was held in each calendar quarter. The agenda for each meeting is prepared well in advance, along with explanatory notes and required documents were timely provided to all Directors.

(iii) Directorships and Attendance

As mandated by the SEBI (LODR) and Companies Act, 2013, none of the Directors serve as Director in more than twenty Companies; out of which the directorship in public companies does not exceed ten and are not member of more than ten board-level committees nor are they Chairperson of more than five committees in which they are members. Further, independent directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time directors in any listed company, they do not serve as independent director in more than three listed companies. Further Independent Directors fulfil all the conditions specified in the SEBI (LODR) and are independent of the management.

Directors are required to attend atleast one Board meeting in the financial year. The names and categories of the Directors on the Board, their attendance at Board meeting during the year and at last AGM, as also the number of Directorships and Committee memberships held by them in other Companies are shown in Table 1.

Table 1: Composition of the Board of Directors

Name of Director	Relationship with Other Directors	Category	No. of Meetings Held during their tenure	No. of Meetings Attended	Whether Attended Last AGM	No. of Outside Directorships of Public Companies	No. of Outside Committee Member-ships#	No. of Outside Committee Chairmanships#
Mrs. Kiran Agarwal	Relative of Mr. Navin Agarwal	NED	7	6	Yes	-	-	-
Mr. Navin Agarwal	Relative of Mrs. Kiran Agarwal	NED	7	7	No	1	-	-
Ms. Farida M. Naik$	None	NED	7	4	No	-	-	-
Mr. Arun Misra	None	ED	7	7	Yes	2	-	-
Mr. Anjani K Agrawal	None	ID & NED	7	7	Yes	3	2	2
Mr. Akhilesh Joshi	None	ID & NED	7	7	Yes	6	3	-
Dr. Veena Kumari Dermal$	None	NED*	5	4	-	2	-	-
Ms. Nirupama Kotru$	None	NED**	5	5	-	2	-	-
Ms. Yatinder Prasad$	None	NED**	2	-	No	-	-	-

Notes:

* Dr. Veena Kumari Dermal appointed as director w.e.f. July 29, 2021.

** Ms. Nirupama Kotru appointed in place of Ms. Yatinder Prasad w.e.f. July 26, 2021.

$ Nominees of Government of India

Only Audit & Risk Management Committee and Stakeholder Relationship Committee considered as per SEBI (LODR)

The Directorships, held by the Directors as mentioned above, do not include Directorship(s) in private companies, foreign companies and Section 8 companies under the Companies Act, 2013.

ID: Independent Director as defined in the Companies act 2013 and SEBI (LODR) 2015.

NED: Non-executive Director, ED: Executive Director

Directorship in Other Listed Companies in India of the Directors as on March 31, 2022

Name of Director	DIN	Name of the Listed entity including Debt Listed Entities	
		Name of Entity	Category
Mrs. Kiran Agarwal	02227122	-	-
Mr. Navin Agarwal	00006303	Vedanta Limited	Executive Vice Chairman
Ms. Farida M Naik	07612050	-	-
Mr. Arun Misra	01835605	-	-
Mr. Anjani K Agrawal	08579812	Uttam Value Steels Limited Firstsource Solutions Limited	Director
Mr. Akhilesh Joshi	01920024	Vedanta Limited	Director
Dr. Veena Kumari Dermal	08890469	National Aluminium Company Limited	Director
Ms. Nirupama Kotru	09204338	Coal India Limited	Director

Diversity and inclusion

Your Company continues to recognise that an appropriate mix of diversity and skills is key for introducing different perspectives into Board discussion and for better anticipating the risks and opportunities in building a long-term sustainable business. As set out in the charts below, each member of the Board offers a range of core skills and experience that is relevant to the successful operation of your Company.

The below table summarizes the key qualifications, skills and attributes which are taken into consideration while nominating any person to serve on the Board.

Business Leadership	Sustainable success in business at a senior executive level
Financial expertise	Proficiency in financial accounting and reporting, corporate finance and internal controls, corporate funding, and associated risks.
Natural Resources	Senior executive experience in a large global mining organization involved in the discovery, acquisition, development and marketing of natural resources.
Capital projects	Experience working in an industry with projects involving large-scale long-cycle capital outlays.
Global Experience	Experience of working / handling multiple Indian/global locations, exposed to a range of political, cultural, regulatory and business environments
Sustainability & ESG	Familiarity with issues associated with workplace health and safety, asset integrity, sustainability, environment and social responsibility and communities.
Corporate Governance	Experience with a major organization that demonstrates rigorous governance standards
Government & Industry associations/ chambers	Interaction with government and regulators and involvement in public policy advocacy
Technology/Digital	A strong understanding of technology and innovation, and the development and implementation of initiatives to enhance production.
Merger & Acquisition	Experience in corporate transactions and actions and joint ventures

In the table below, the specific areas of focus or expertise of individual board members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skills:-

Name of Director	Areas of Expertise									
	Business Leadership	Financial expertise	Natural Resources	Capital projects	Global Experience	Sustainability & ESG	Corporate Governance	Merger & Acquisition	Government & Industry associations/ chambers	Technology/ Digital
Kiran Agarwal	√	√	√	√	√	√	√		√	
Navin Agarwal	√	√	√	√	√	√	√	√	√	√
Farida M Naik	√	√	√	√	√	√	√		√	√
Arun Misra	√	√	√	√	√	√	√	√	√	√
Anjani K Agrawal	√	√	√	√	√	√	√	√	√	√
Akhilesh Joshi	√	√	√	√	√	√	√	√	√	√
Nirupama Kotru	√	√	√	√	√	√	√		√	√
Veena Kumari Dermal	√	√	√		√	√	√		√	√

(iv) Information Supplied to the Board

The Board has complete access to all information of the Company and has been regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the CEO and CFO is presented in the quarterly 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, corporate social responsibility etc. The following information is provided to the Board as a part of the agenda papers:

- Annual and Quarterly financial statements for the Company and the Accounting Policy
- Minutes of the meetings of all the Board Committees
- 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, whenever required
- Expansion projects and its status monitoring
- Materially important notices of show cause, demand, prosecution and penalty, if any
- Fatal accidents or any material environmental problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods purchased by the Company, if any
- 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, if any
- Significant labour issues and their proposed solutions, whenever necessary
- Any significant development in human resources or industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Sale and purchase of material equity investments and fixed assets, which is not in the normal course of business, if any
- 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, if any
- Quarterly review of compliance status under various laws applicable to the Company
- Corporate Social Responsibility activities
- Substantial non receipt of payments for goods sold by Company
- Related Party Transactions, if they are not at arm's length or not in the ordinary course of business
- Near term outlook
- Operation of Subsidiary Companies
- All other matters required to be placed before the Board for its review or information or approval under the statutes.

(v) Remuneration to Directors

Non-executive Directors except Government Nominee Directors in the employment of the Government are paid a remuneration in the form of commission and sitting fees for each meeting, as approved by the Board and within statutory limits. The remuneration paid to Mr. Arun Misra CEO & Whole-time Director is as per the approval granted by the Board and the shareholders. For FY 2021-22, the detailed remuneration for Non-executive directors is shown in Table 2. Payment of commission to Non-executive Directors and independent Directors have been approved by the shareholders up to the limit specified under the Companies Act, subject to the annual amount approved by the Board.

Table 2: Sitting fee and Commission of Non-Executive Directors for FY 2021-22 (In ₹)

Name of Director	Category	Sitting fees	Commission
Mrs. Kiran Agarwal	Non-Executive	4,25,000	31,00,000
Mr. Navin Agarwal	Non-Executive	4,75,000	28,87,500
Mr. Anjani K Agrawal	Independent	8,00,000	28,87,500
Mr. Akhilesh Joshi	Independent	9,00,000	29,92,500

As on March 31, 2022, Non-executive Directors, do not hold any shares of the Company and they have no pecuniary relationships or transactions vis-à-vis the Company, except as mentioned above. The Company has not granted any stock options to any of its Directors.

Company does not give any ESOP to its employees. However, Senior management/ certain executives of the Company are given ESOP by its Holding Company.

During FY 2021-22, the Company did not advance any loan or guarantee to any of its Directors.

Approach towards Remuneration of Mr. Arun Misra, CEO & Whole-time Director is detailed below:

The remuneration structure is in line with the relevant industry peers and it is benchmarked periodically to ensure it provides enough excitement and motivation to the individuals to stretch and aim to deliver beyond the set KPIs and Business Plan Targets.

- **Fixed Pay:** This is fixed component of Compensation includes the basic salary, house rent allowance, personal allowance, statutory benefits such as provident fund, leave travel allowance etc. as per employment contract and aims to ensure to remunerate the individual for their KPIs.
- **Grade Linked Benefits:** Grade wise benefits given to employees. These include VMA, Furniture Allowance and Car benefit, club membership, cell phone and sim card benefit reimbursable to employees in accordance with the Group Policy
- **Annual Bonus:** The bonus scheme as part of the total rewards philosophy is a testament to the high performance and results driven culture and is linked to company/business and individual performance for the financial year in accordance with the Business Plan targets approved by the Board. He is eligible for Annual Bonus upto a maximum of 125% of fixed pay.

Bucket	Performance Parameters	Weightage FY 22	Multiplier	
			APA Rating	Fatality
Organizational Parameters	Volume, COP & Reserves Creation	60%	A - 125% B - 100% C - 75% D - 0%	Nil - 100% 1 - 90% 2 - 80% >2 - 75%
	EBITDA, FCF			
	Strategic / Regulatory Objectives			
HSE Parameters	Safety (5%)	15%		
	Sustainability / VSAP (10%)			
People Metrics	1) MIP	5%		
	2) Talent Retention / Development			
	3) Employee Engagement			
Individual Performance	APA Rating	20%		
	Total	**100%**		

Strategic Objectives: 1/3rd of the Organizational Performance metric weightage shall be attributed to Strategic Objectives as indicated below for FY 22:

1. 125 licence automatically approved
2. Extension of Zawar mine life by at least 2 years
3. Preparedness for 1.35 MT MIC in FY'23

- Long Term Incentive Plan: Employee Stock option Scheme (of Holding Company) is a conditional share plan for rewarding performance on pre-determined performance criteria and continued employment with the Company during the vesting period of 36 months from the date of grant. The pre-determined performance criteria shall focus on rewarding him for company performance and superior individual performance.

He is eligible for an annual grant of upto a maximum of 100% of his fixed pay, subject to necessary approvals.

- **Performance parameters:**

Business Category	Business Performance (40%)				Individual Performance	Mgmt. Discretion	Multiplier	
	Vol	COP	NSR	ESG / Carbon Footprint			APA Rating	Nil Fatality
HZL	60%	15%	10%	15%	40%	20%	Sustained 3 years rating	110%

The Target, threshold and corresponding actual performance values of business wise metrices shall be the same as will be used for computing the Annual Bonus for the respective financial years under the approved Annual Bonus Scheme for the year.

Performance Period:

Business Performance: The performance period for the business/SBU performance based option will be a period of 3 financial years (1st April – 31st March) i.e. FY 2021-22; FY 2022-23 and FY 2023-24.

Sustained Individual Performance: The performance period for the individual performance-based option will be a period of 3 financial years (1st April – 31st March) i.e. FY 2021-22; FY 2022-23 and FY 2023-24.

Management Discretion: Vesting period from Date of Grant to Date of Vesting.

The overall vesting basis performance will be on completion of the vesting period. Furthermore, for an employee to be eligible for performance – based vesting, he/she is required to be in continued employment as on the date of vesting

Other incentive programs such as Monthly Incentive, Production Incentive etc. will continue to be paid with 100% linkage to key business outcomes.

(vi) Meetings of Independent Directors

The Company's Independent Directors met thrice during the financial year 2021-22 on April 14 in 2021, January 06 and March 26 in 2022. Such meetings were conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views and also to have separate discussion(s) with the statutory auditors.

(vii) Familiarisation programme for Directors

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarise themselves with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and business risks and sustainability. Details of the familiarisation programme are available on website of the Company, https://www.hzlindia.com/wp-content/uploads/FAMILIARIZATION-PROGRAMME-CONDUCTED-for-ID-2021-22.pdf

(viii) Succession Planning

The Company believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. The Human Resources team of the Company works in close coordination with Nomination and Remuneration Committee for a structured leadership succession plan.

(ix) Performance evaluation criteria for Directors

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including the Independent Directors. The said criteria provides certain parameters like attendance, acquaintance with business, communication inter se between board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers etc., which is in compliance with applicable laws, regulations and guidelines.

During the year, Company engaged Deloitte Haskins & Sells LLP (DHS) for carrying out the performance evaluation of all the Board members, Board as a whole and various committees. DHS used the digital platform for carrying out performance evaluation.

The criteria used by them basis which the individual director performance evaluation has been done included:

- preparation and participation in Board meetings,
- personality and conduct,
- quality of value added,
- understanding of the Company's mission, vision, philosophy and strategy,
- understanding of the industry and the business in which the Company operates,
- independence of judgement,
- independent thinking
- ability to bring a divergent view, etc.

CEO & Whole Time Director evaluation was more focused towards:

- Company performance and leadership,
- team building and management succession,
- edge in execution of strategy formulated by the Board.

The evaluation of the various Board Committees was more focused towards:

- It's charter/ terms of reference
- Number of meetings held and it's appropriateness
- Timely availability of information
- Committee composition
- Committee decisions are adequately conveyed and implemented
- Meetings are conducted in a manner that ensures open communication, meaningful participation and timely resolution of issues
- Independency of committee to contribute effectively

Assessment of each director on the board is done by the other directors including that of various committees. The consolidated outcome from all the directors is prepared by Chairperson of nomination and remuneration committee and presented to the board of directors. All the directors had been rated excellent and overall finding shows that the Board and it's various committees are working well. All Board members come with very strong background and add lot of value to the meetings by making them participative and engaging.

(x) Director retiring by rotation

As per law, two-third of non-executive and non-independent Directors should retire by rotation. One-third of these Directors are required to retire every year and if eligible, offer themselves for re-appointment. Mrs. Kiran Agarwal would retire by rotation in upcoming AGM and being eligible, has offered herself for re-appointment. A brief profile of Mrs. Kiran Agarwal is as follows.

Mrs. Kiran Agarwal

Chairperson

Mrs. Kiran Agarwal, DIN No - 02227122 was appointed on the Board with effect from March 2, 2019. She has done Journalism, from London School of Journalism. She is an avid reader, prolific writer and a woman of many facets. Her love for reading inspired her to write a series of books catering to Indian ethos.

She has been actively involved with her family business and sharing her acumen on various business developments in the family, and in setting up of Nand Ghar, an institution for the underprivileged where children get their wings to fly high, under right guidance and value based education.

Her focus is on various CSR initiatives of the Company towards women empowerment, children's education and self-sufficiency of nearby communities. She is passionate towards inclusive growth of communities and promotion of culture and sports at all levels.

She is also Trustee of Vedanta Foundation and Member of Anil Agarwal Foundation.

She does not hold any shares in the Company.

(xi) Committees of the Board

The Company has five Board-level committees – Audit & Risk Management Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee and Sustainability and ESG Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference 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, is provided below:

Name of Director	Board	Audit and Risk Management Committee	Stakeholder Relationship Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	Sustainability and ESG Committee
Mrs. Kiran Agarwal	Chairperson	--	--	--	Chairperson	--
Mr. Navin Agarwal	Member	--	--	Member	--	--
Ms. Farida M. Naik	Member	--	Member	--	--	--
Mr. Arun Misra	Member	--	Member	--	--	Member
Mr. Anjani K Agrawal	Member	Chairperson	Chairperson	Member	--	--
Mr. Akhilesh Joshi	Member	Member	--	Chairperson	Member	Chairperson
Dr. Veena Kumari Dermal	Member	--	Member	--	--	Member
Ms. Nirupama Kotru	Member	Member	--	--	Member	Member
Total no. of members	**8**	**3**	**4**	**3**	**3**	**4**

a) **Audit & Risk Management Committee**

The Audit & Risk Management Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- efficiency and effectiveness of operations;
- safeguarding of assets and adequacy of provisions for all liabilities;
- reliability of financial and other management information and adequacy of disclosures;
- compliance with all relevant statutes
- approval of related-party transactions

Mr. Anjani K Agrawal is the Chairperson of the Audit & Risk Management Committee. Details of meetings held and attendance record is given in Table 3.

The time gap between any two meetings was less than 120 days and at least one meeting was held in each calendar quarter. The Committee met nine times in the financial year under review on April 27, July 22, August 17, September 30, October 22, December 07 in 2021 and on January 21, March 23 and March 30 in 2022. The details of the Audit & Risk Management Committee are given in Table 3.

Table 3: Attendance record of Audit & Risk Management Meetings

Name of the Member	Position	Status	No. of Meetings held during their tenure**	No. of Meetings Attended	Sitting fees (₹)
Mr. Anjani K Agrawal	Chairperson	ID & NED	10	10	2,50,000
Mr. Akhilesh Joshi	Member	ID & NED	10	10	2,50,000
Ms. Farida M. Naik*	Member	NED	5	4	-
Ms. Nirupama Kotru*	Member	NED	5	4	-

Notes:

* Ms. Nirupama Kotru appointed as member in place of Ms. Farida M. Naik w.e.f. October 22, 2021.

** Includes separate Risk Management Committee meeting held during the year.

The Interim Chief Financial Officer, the representative of the Statutory Auditors (S.R. Batliboi & Co. LLP), Internal Auditors (KPMG) and Head of Management Assurance Cell are invitees to the Audit & Risk Management Committee meetings. The Company Secretary is the Secretary to the Committee.

Mr. Anjani K Agrawal is a Chartered Accountant and Chairperson of the Audit & Risk Management Committee and all the members of the Audit & Risk Management Committee are well versed with financial management. The quorum for the meeting of the Audit & Risk Management Committee is two members. The Audit & Risk Management Committee functions in accordance with its constitution and charter, framed in compliance with SEBI (LODR).

The Role and functions of the Audit & Risk Management 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 and other 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 section 134 of the Companies Act, 2013
- 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, if any
- compliance with listing and other legal requirements relating to financial statements
- approval of related party transactions and their subsequent modifications, if any
- scrutiny of inter corporate loans and advances
- qualifications if any in the draft statutory auditor 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, their independence, effectiveness of audit process and adequacy of the internal financial 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 system 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
- To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors, if any
- Reviewing the functioning of the vigil and whistle blower mechanism
- Appointment of the Chief Financial Officer of the Company, as and when required
- Carrying out any other function, as is mentioned in the terms of reference of the Audit & Risk Management Committee
- Valuation of undertaking of the assets of the Company, wherever necessary

The Audit & Risk Management 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 & Risk Management Committee mandatorily reviews:

- Business overview including results of its operations and financial condition
- All related party transactions
- Management letters and letters of internal control weaknesses issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses and review of processes
- The appointment, removal and terms of remuneration of the Auditors.
- Periodic review of key risk and its mitigation plans

During the year, all related party transactions were approved by the Audit & Risk Management Committee and were at arm's length and in the ordinary course of business. There was no material transaction with any of the related parties of the Company for the year.

However, the Audit & Risk Management Committee and Board has approved setting up of SPV with Sterlite Power Technology Private Limited for hybrid power upto 200 MW, which is subject to shareholders approval.

b) Stakeholders Relationship Committee

Mr. Anjani K Agrawal is the Chairperson of the Stakeholders Relationship Committee. The Committee met once during the financial year under review on January 01, 2022.

The terms of reference for the Stakeholders' Relationship Committee of the Company inter-alia include:

Review the timely resolution of the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, issue of new/duplicate certificates, etc.

- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The minutes of the Committee meeting are reviewed by the Board. For enhanced emphasis during the year, Ms. Veena Kumari Dermal was also made part of Stakeholder Relationship Committee. The attendance details are mentioned in Table 4.

Table 4: Attendance Record of Stakeholder Relationship Committee Meetings

Name of the Member	Position	Status	No. of Meetings held during their tenure	No. of Meetings Attended	Sitting fees (₹)
Mr. Anjani K Agrawal	Chairperson	ID & NED	1	1	25,000
Mr. Arun Misra	Member	ED	1	1	-
Ms. Farida M. Naik	Member	NED	1	1	-
Ms. Veena Kumari Dermal*	Member	NED	1	1	-

* Ms. Veena Kumari Dermal appointed as member w.e.f. October 22, 2021.

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

Details of queries and grievances received and addressed by the Company during FY 2021-22 is given in Table 5.

Table 5: Nature of complaints received and attended to during FY 2021-22

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/Registrar of Companies/Bombay Stock Exchange/National Stock Exchange / SCORE and so on	23
2.	Number of complaints resolved	23
3.	Number of complaints not resolved to the satisfaction of the investors as on March 31, 2022	0
4.	Complaints pending as on March 31, 2022	0
5.	Number of Share transfers pending for approval, as on March 31, 2022	0

The Board has delegated the power of approving physical transfer and transmission of shares to the Share Transfer Committee consisting of CEO & WTD, Interim CFO and Company Secretary.

c) Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee as on March 31, 2022 consisted of three members. The Committee met thrice during the financial year under review on April 13, 2021, September 27, 2021 and March 16, 2022.

The primary function of the Committee is to monitor the CSR function of the Company in furtherance to Company's CSR Vision & Mission. The Committee is responsible for framing the CSR policy of Company and tracks implementation of key CSR projects approved by it during the financial year. In this financial year, the Company has spent ₹ 173.38 Crore on CSR activities. After considering the brought forward amount of FY 2020-21 of ₹ 17.54 Crore, the total amount spent by Company on CSR activities is ₹ 190.92 Crore. As per 2% criteria, amount required to be spent on CSR activities for FY 2021-22 is ₹ 186.68 Crore. The excess amount spent is ₹ 4.24 Crore (₹ 190.92 Crore – ₹ 186.86 Crore) and the same is being carried forward and would be adjusted in coming years.

Table 6: Attendance Record of CSR Committee Meetings

Name of the Member	Position	Status	No. of Meetings Held during their tenure	No. of Meetings Attended	Sitting fees (₹)
Mrs. Kiran Agarwal	Chairperson	NED	3	3	75,000
Mr. Akhilesh Joshi	Member	ID & NED	3	3	75,000
Ms Farida Naik*	Member	NED	2	1	-
Ms. Nirupama Kotru*	Member	NED	1	1	-

Notes:

*Ms. Nirupama Kotru appointed as member in place of Ms. Farida M. Naik w.e.f. October 22, 2021.

d) Nomination & Remuneration Committee

The Nomination & Remuneration Committee as on March 31, 2022 consisted of three members. The Committee met four times during the financial year under review on July 22, September 30, October 21, 2021 and March 31, 2022. The primary function of the Committee is to recommend to the Board the appointment or reappointment of Directors, remuneration of Directors and Key Managerial Personnel (KMPs), formulate criteria for evaluation of Independent Directors, Board diversity, identification and selection of persons who could be appointed as Independent Directors etc.

Criteria for Selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as an Independent Director on the Board. The Committee inter alia considers qualification, positive attributes, area of expertise by such persons in accordance with the Company's Policy for selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation and takes appropriate decision.

Table 7: Attendance Record of Nomination and Remuneration Committee Meetings

Name of the Member	Position	Status	No. of Meetings Held during their tenure	No. of Meetings Attended	Sitting fees (₹)
Mr Akhilesh Joshi	Chairperson	ID & NED	4	4	1,00,000
Mrs. Kiran Agarwal*	Member	NED	3	2	50,000
Mr. Navin Agarwal	Member	NED	4	4	1,00,000
Mr. Anjani K Agrawal	Member	ID & NED	4	4	1,00,000

* Ms. Kiran Agarwal ceased to member w.e.f. December 31, 2021

As per the requirement of Companies Act, 2013 and SEBI (LODR), the Nomination & Remuneration Committee has carried out a performance review of the individual Directors on the following parameters:

- The size and composition (executive, non-executive, independent members and their background in terms of knowledge, skills and experience) of the Board is appropriate
- The Board conducts itself in such a manner that it is seen to be sensitive to the interests of all stakeholders (including minority shareholders) and it has adequate mechanism to communicate with them
- The Board is active in addressing matters of strategic concerns in its review of the Board agenda with the executive management
- The Board makes well-informed high-quality decisions on the basis of full information and clear insight into Company's business
- The Board is effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations
- The Board meets frequently enough and for sufficient duration to enhance its effectiveness
- The Board meeting time is appropriately allocated between management presentation and Board discussion
- The Board has a good understanding of the Company's key drivers of performance and associated risks, threats and opportunities
- The Board devotes considerable amount of time in developing the business strategy and annual business plan
- The Board has clearly defined the mandates of its various Committees and effectively oversees their functioning
- The Board is effective in formulating and monitoring various financial and non-financial policies and plans
- The Board is effective in developing a corporate governance structure that allows and encourages the Board to fulfil its responsibilities
- The Board pays considerable attention to the quality of financial reporting process and internal financial controls and effectively oversees them
- The Board regularly follows up on its decisions to ensure that action is taken on all its decisions
- The Board gives effective advice and assistance for achieving the Company's mission and vision.
- Board Members performance is assessed through internal assessment.

The Committee expressed its overall satisfaction on the performance of the individual Board members and the overall Board.

(e) Committee of Director (CoD)

The Committee of Director ("CoD") as on March 31, 2022 consisted of three members. Mr. Navin Agarwal (Chairperson of the Committee), Mr. Akhilesh Joshi and Mr. Arun Misra are the members. The CoD meeting for the year 2021-22 was held on July 31, 2021. The objective of the CoD is to consider, review and approve the proposals relating to policies on financial matters, investments, securities, general authorizations and treasury related proposals including all borrowing proposals, including borrowing for the purpose of refinancing of existing debt, including that for working capital facilities, within the overall limits as may be approved by the Board from time to time.

(f) Sustainability and ESG committee

During the year to enhance focus on sustainability and ESG, separate sustainability & ESG committee was formed at Board level and it's charter was also approved by the Board. The committee consisted of four members. Mr. Akhilesh Joshi is the Chairperson of the Committee, Mr. Arun Misra, Ms. Nirupama Kotru and Dr. Veena Kumari Dermal are the members. Sustainability and ESG committee meeting for the year 2021-22 was held on December 27, 2021.

The role of the Sustainability and ESG Committee has been established to assist the Board in meeting its responsibilities in relation to the Environmental, Social and Governance (ESG) matters and ensuring strong governance for sustainability and is responsible for providing guidance to ensure continual improvement in Sustainability performance and the implementation of appropriate processes and policies across the company.

Committee will be responsible for structuring Sustainability Strategy and long-term goals & targets, also will play a key strategic role in all business decisions to ensure workplace safety, eliminating any potential damage to the environment, enhancing a commitment towards stakeholders, and maintaining HZL' reputation as one of leading sustainable Metal & Mining company.

Table 8: Attendance Record of Sustainability and ESG committee Meetings

Name of the Member	Position	Status	No. of Meetings Held during their tenure	No. of Meetings Attended	Sitting fees (₹)
Mr Akhilesh Joshi	Chairperson	ID & NED	1	1	25,000
Mr. Arun Misra	Member	ED	1	1	-
Ms. Nirupama Kotru	Member	NED	1	1	-
Dr. Veena Kumari Dermal	Member	NED	1	1	-

Note: Sustainability and ESG committee was formed by the Board of Directors as on October 22, 2021.

Mr. R. Pandwal is the secretary for all the Board level Committees of the Company.

SHAREHOLDERS MATTERS

(i) Dividend

For the year 2021-22, Company declared interim dividend of 900% i.e. Rs 18 per share of ₹ 2/- each in December 2021.

(ii) Transfer of Unclaimed/Unpaid Dividend amounts to the Investor Education and Protection Fund (IEPF)

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends / shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority.

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for seven years. Further, shares of the Company, in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends transferred to IEPF during FY 2022 are as follows:

Financial Year	Amount of Unclaimed Dividend transferred (in ₹)
2013-14 (Final)	4,318,014
2014-15 (Interim)	3,637,910

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

(iii) Listing

At present, the equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Non-Convertible Unsecured Debentures (NCD's) of the Company are listed only on BSE. The annual listing fees for FY 2021-22 to BSE and NSE have been paid. The addresses of stock exchanges are as under:

BSE Limited	National Stock Exchange of India Limited
25th Floor, P.J. Towers,	"Exchange Plaza", Bandra-Kurla Complex
Dalal Street, Fort, Mumbai – 400 001	Bandra (East) Mumbai – 400 051

Table 9: Stock Exchange Codes

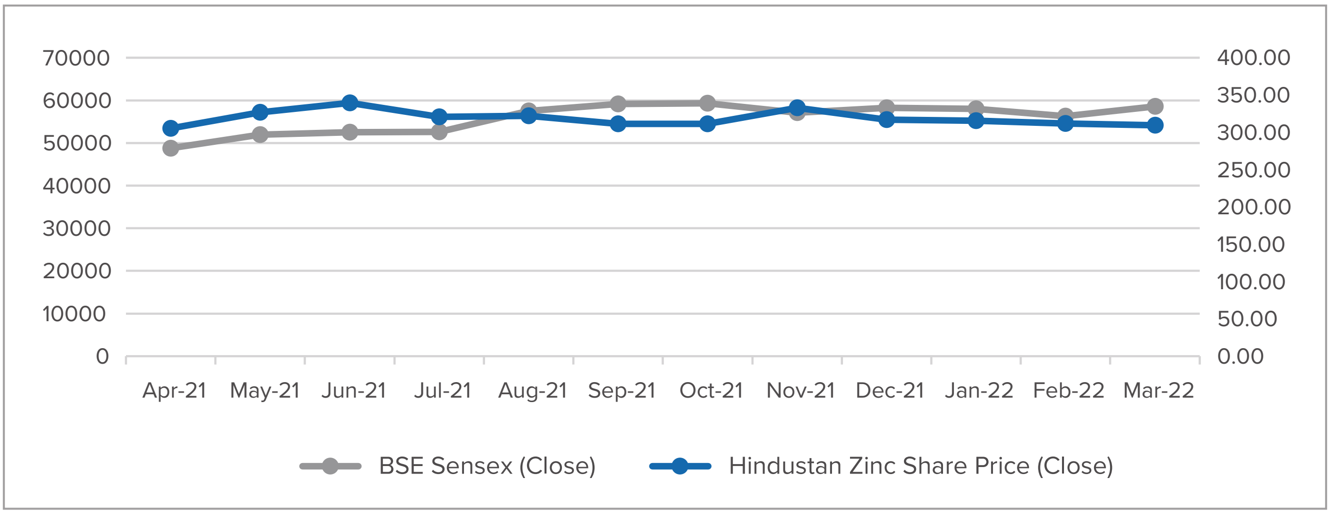
Name of the Stock Exchange	Stock Code	ISIN Code
National Stock Exchange of India Limited	HINDZINC	INE 267A01025
BSE Limited (Equity)	500188	
BSE Limited (NCD's)	960099	INE267A08012

(iv) Stock Market Data

Table 10: High, Lows and Volumes of the Company's Shares for FY 2021-22

Month	BSE			NSE		
	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
Apr-21	323.45	274.3	3181408	323.5	274.25	53214560
May-21	362.4	287	6801024	362.1	287	98272364
Jun-21	351.5	322.25	2752317	351.9	322.05	35698223
Jul-21	350.8	313.6	1636445	350.9	313.7	25079271
Aug-21	332.6	294	1615944	332.9	294.1	22859241
Sep-21	338.65	310.5	1246302	338.8	310.1	17244528
Oct-21	407.9	305.6	3575541	408.6	305.4	45915182
Nov-21	344.9	312.3	1827131	345	310.95	25813163
Dec-21	370	306	2109057	369.85	305.75	27959863
Jan-22	335.8	308.4	1219780	334.95	308	11849259
Feb-22	338	295.6	922958	338	296.05	10170009
Mar-22	372.15	305.05	2706149	371.7	305	51297363

Chart: Share Performance versus BSE Sensex



Market Capitalisation Performance from March 31, 2014 to March 31, 2022 (₹ In Crore)

(v) Distribution of Shareholding

Table 11 and 12 list the distribution of the shareholding of the equity shares of the Company by size and by ownership class, as on March 31, 2022.

Table 11: Shareholding Pattern by Size on March 31, 2022

DISTRIBUTION SCHEDULE AS ON March 31, 2022					
S. No.	**No. of Shares**	**No. of Shareholders**	**% of Shareholders**	**No. of Shares**	**% of Shareholding**
1	1 - 5000	263702	99.29	42558647	1.01
2	5001 - 10000	985	0.37	7528697	0.18
3	10001 - 20000	501	0.19	7281160	0.17
4	20001 - 30000	151	0.06	3715772	0.09
5	30001 - 40000	56	0.02	1987648	0.05
6	40001 - 50000	37	0.01	1707410	0.04
7	50001 - 100000	67	0.03	4777944	0.11
8	100001 and above	79	0.03	4155761722	98.35
	TOTAL:	**265578**	**100.00**	**4225319000**	**100.00**

Table 12: Shareholding Pattern by ownership as on March 31, 2022

		Category	No. of shares held	% of share holding
A		**Promoter's Holding**		
	1	Promoters		
		Indian Promoters		
		Vedanta Limited	2743154310	64.92
		- Foreign Promotors	0	0.00
		Sub Total (a) (1)	**2743154310**	**64.92**
B		**Public Shareholding**		
	1	**Institutions**		
	(a)	Mutual Funds	4525420	0.11
	(b)	Venture Capital Funds	0	0.00
	(c)	Alternate Investment Fund	0	0.00
	(d)	Foreign Venture Capital Investors	0	0.00
	(e)	Foreign Portfolio Investors	33544104	0.79
	(f)	Financial Institutions/Banks	113400	0.00
	(g)	Insurance Companies	5788814	0.14
	(h)	Provident Funds/Pension Funds	0	0.00
	(i)	Any other	0	0.00
		Qualified Institutional Buyer	114118075	2.70
		Sub Total (B) (1)	**158089813**	**3.74**
	2	**Central Governments/State Governments**	1249698285	29.58
		President of India	1247950590	29.54
		Sub Total (B) (2)	**1249698285**	**29.58**
	3	**Non-Institutions**		
	(a)	(i) Individual Shareholders holding nominal share capital up to ₹ 2 lakhs	57830197	1.37
		(ii) Individual Shareholders holding nominal share capital in excess of ₹ 2 lakhs	3050584	0.07
	(b)	NBFC's Registered with RBI	8208	0.00
	(c)	Employee Trusts	0	0.00
	(d)	Overseas Depositories (Holding DRs)	0	0.00
	(e)	Any other		
		Non Resident Indian Repatriable	144159	0.00
		Trusts	141793	0.00
		Non Resident Indian	1892711	0.04
		Clearing Members	650299	0.02
		Other Schedule Banks	0	0.00
		Non Resident Indian Non Repatriable	776639	0.02
		Bodies Corporate	7230229	0.17
		IEPF	244714	0.01
		HUF	2399959	0.06
		Foreign Nationals	7100	0.00
		Sub Total (B) (3)	**74376592**	**1.76**
		Total Public Shareholding (B)= (B) (1)+(B) (2)+(B) (3)	**1482164690**	**35.08**
		GRAND TOTAL	**4225319000**	**100.00**

(vi) Dematerialisation of Shares and NCD's

The shares and NCD's 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 4223011665 equity shares forming 99.95% 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. Any shareholder desiring to transfer his shares either in physical form or to get the physical shares converted into electronic form, may contact the Company Secretary or the RTA for necessary advice and the procedure.

All the NCD's issued are in demat form only.

(vii) Outstanding GDRs / ADRs / Warrants/ Options

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

(viii) Details of Public Funding Obtained in the Last Three Years

Company has not obtained any public funding during the last three years.

(ix) Communication with Shareholders and others

The Company published its quarterly, half yearly and yearly results in the form as prescribed under SEBI (LODR) within the prescribed time. The results were sent to stock exchanges where shares and NCD's are listed and the same were published in leading newspapers.

The financial results and official news releases are also displayed on the website of the Company (www.hzlindia.com). Annual Report containing inter-alia Audited Annual Financial Statements, Board's Report, Auditors Report and other important and statutory information are circulated to all members and to others entitled thereto. The Business Review along with CEO certificate forms a part of the Annual Report.

Presentations made to the institutional investors or to the analysts from time to time are available on the Company's web site under investor relations section.

Table 13: Details of the Announcement of the Financial Results for FY 2021-22

Description	Date
Unaudited Financial Results for the quarter ended on June 30, 2021	July 22, 2021
Unaudited Financial Results for the quarter and half year ended on September 30, 2021	October 22, 2021
Unaudited Financial Results for the quarter and nine months ended on December 31, 2021	January 21, 2022
Audited Financial Results for the quarter and year ended on March 31, 2022	April 22, 2022

In addition to this, if there is any other announcement concerning the shareholders or public, it is duly informed to the stock exchanges and published in newspapers for the benefit of shareholders and public at large. The same are also placed on the website of the Company for information of all.

(x) General Body Meetings

Table 14: Details of the last three General Body Meetings

Date	AGM	Location	Time
July 31, 2019	53rd AGM	Yashad Bhawan, Udaipur, Rajasthan	2.30 P.M.
September 03, 2020	54th AGM	Convened through video conferencing ("VC")/ other audio-visual mode ("OAVM")	12.00 Noon
August 09, 2021	55th AGM	Convened through video conferencing ("VC")/ other audio-visual mode ("OAVM")	12.00 Noon

In the last three Annual General Meetings, special resolutions was passed in 54th AGM to approve the appointment of Mr. Arun Misra as CEO & Whole-time Director.

(xi) Policies and Other Disclosures

Table 15 : Details of the Policies and other disclosures available on the website of Company

Sr. No.	Particular	Statutes	Detail	Website link of the policy
1	Related party transactions	Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	There are no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during FY 2022 were in the ordinary course of business and at arms' length basis and were approved by the Audit & Risk Management Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company	https://www.hzlindia.com/wp-content/uploads/Final-HZL-RPT-Policy-21.01.2022.pdf
2	Whistle Blowing Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has this Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairperson of the Audit & Risk Management Committee. The said policy has been uploaded on the website of the Company	https://www.hzlindia.com/wp-content/uploads/HZL-WHISTLE-BLOWER-POLICY-19.10.2015.pdf
3	Discretionary requirements	Schedule II Part E of the SEBI Listing Regulations	• A message from the CEO & Whole-time Director is published as a part of press release issued at the time of declaration of quarterly/half-yearly financial performance of the Company • The auditors' report on financial statements of the Company are unmodified. • Internal auditors of the Company make quarterly presentations to the Audit & Risk Management Committee on their reports.	
4	Material Subsidiary Company	Regulation 24 of SEBI Listing Regulations	The Company does not have any material subsidiary company. The Company has a policy for determining 'material subsidiaries' which is disclosed on its website	https://www.hzlindia.com/wp-content/uploads/Material_subsidiary.pdf
5	Policy on Determination of Materiality for Disclosures	Regulation 30 of SEBI Listing Regulations	The Company has adopted this policy	https://www.hzlindia.com/wp-content/uploads/Policy-for-determination-of-materiality-of-evensUPSI-and-archival-policy.pdf
6	Policy on Archival and Preservation of Documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted this policy.	https://www.hzlindia.com/wp-content/uploads/HZL-Policy-for-preservation-of-Documents-21-01-16.pdf
7	Reconciliation of Share Capital Audit Report	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No D&CC / FITTC/ Cir-16/2002 dated December 31, 2002.	A qualified practising Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL	https://www.hzlindia.com/investors/share-information/reconciliation-of-share-capital-audit-report/
8	Business Ethics & Code of Conduct	Regulation 17 of the SEBI Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2022. The Integrated Annual Report of the Company contains a certificate by the CEO & Whole-time Director, on the compliance declarations received from the members of the Board and Senior Management.	https://www.hzlindia.com/wp-content/uploads/FINAL-HZL-BUSINESS-ETHICS-CODE-OF-CONDUCT-22.04.2022.pdf

Sr. No.	Particular	Statutes	Detail	Website link of the policy
9	Dividend Distribution Policy	Regulation 43A of the SEBI Listing Regulations	Company has adopted dividend distribution policy same has been uploaded on the website of Company.	https://www.hzlindia.com/wp-content/uploads/Dividend-Policy-2016.pdf
10	Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment / re-appointment of Independent Directors being a part of nomination and remuneration policy of the Company is available on the Company's website.	https://www.hzlindia.com/wp-content/uploads/HZL-Nomination-Remuneration-Policy-20.1.2020.pdf
11	Familiarization programme conducted for independent directors 2021-22	Regulations 25(7) and 46 of SEBI Listing Regulations	Details of familiarization program imparted to Independent Directors are available on the Company's website.	https://www.hzlindia.com/wp-content/uploads/FAMILIARIZATION-PROGRAMME-CONDUCTED-for-ID-2021-22.pdf
12	Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018	Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014	The details have been disclosed in the Business Responsibility and Sustainability Report forming part of the Integrated Annual Report. Policy on prevention of sexual harassment at the workplace is also available on the Company's website.	https://www.hzlindia.com/wp-content/uploads/SHPolicy.pdf
13	Insider trading prohibition code	Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015	To Regulate, Monitor and Report Trading in Securities of the Company. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information & Policy for determination of "Legitimate Purpose".	https://www.hzlindia.com/wp-content/uploads/Final-Insider-Trading-Prohibition-Policy-R6-20-10-2020-final.pdf
14	Nomination & Remuneration Policy	As per provisions of Companies Act, 2013 and SEBI Listing Regulations	Terms and conditions of appointment / re-appointment of the Directors	https://www.hzlindia.com/wp-content/uploads/HZL-Nomination-Remuneration-Policy-20.1.2020.pdf
15	Anti Bribery & Anti Corruption Policy	UKBA/FCPA	Compliance of UKBA & FCPA on AB & AC clauses.	https://www.hzlindia.com/wp-content/uploads/Anti-Bribery-and-Anti-Corruption-Policy-21.01.2022.pdf
16	Board Diversity Policy	As per provisions of Companies Act, 2013 and SEBI Listing Regulations	Good Governance	https://www.hzlindia.com/wp-content/uploads/HZL-Board-Diversity-Policy-22-04-2022.pdf

(xii) Means of Communication

The quarterly, half-yearly and annual financial results of the Company are published in leading newspapers in India which include Financial Express, Business Standard, Rajasthan Patrika, Dainik Navjyoti, Dainik Bhaskar etc. The results are also displayed on the Company's website https://www.hzlindia.com/. The Company also issues press releases from time to time. Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors / analysts after the declaration of the quarterly, half-yearly and annual results are submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website. A Management Discussion and Analysis Report is a part of this Integrated Annual Report.

Green Initiative

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report to Shareholders at their e-mail address previously registered with the depositories or the Company's Registrar and Share Transfer Agent (RTA).

In line with the SEBI Listing Regulations, the Company has emailed soft copies of its Annual Report to all those Shareholders who have registered their email address for the said purpose. With reference to MCA General Circular No. 20/2020 dated May 5, 2020 and MCA Circular dated May 05, 2022, read with the Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Companies have been dispensed with the printing and dispatch of Annual Reports to Shareholders. Hence, the Annual Report of the Company for the financial year ended March 31, 2022, would be sent through email to the Shareholders. We would greatly appreciate and encourage more Members to register their email address with their Depository Participant or the RTA/

Company, to receive soft copies of the Annual Report and other information disseminated by the Company.

Shareholders who have not registered their e-mail addresses so far are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the RTA/Company, by sending a letter, duly signed by the first / sole holder quoting details of Folio No.

Please note that all documents relating to Annual General Meeting shall be available on the Company's website 'https://www.hzlindia.com/'

Annual General Meeting

Date: August 08, 2022
Day: Monday
Time: 12.00 noon
Venue: VC/OAVM

Financial Calendar

The Company follows the financial year i.e. April to March for accounting purposes.

For the year ending March 31, 2023, financial results will be announced within the statutory time period provided under the Act.

Book Closure

The dates of book closure are from August 04 to August 07, 2022, both days inclusive.

(xiii) Postal Ballot

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

(xiv) Registrar and Transfer Agent

Kfin Technologies Limited
(Formerly known as Kfin Technologies Private Limited)
Selenium Tower B, Plot Nos. 31 & 32 | Financial District
Nanakramguda |Serilingampally Mandal | Hyderabad – 500032 | India
Ph. No. : +91 40 67161591
Fax no. : 040-23311968
E-mail : anandan.k@kfintech.com

GOVERNANCE & COMPLIANCE

1. Code of Conduct

Our values and principles are enshrined in the Business Ethics & Code of Conduct ('Code') applies to all executives of the Company. All Board members and all executives annually affirm compliance with the Code. This Code also ensures compliance with the provisions of the SEBI (LODR). All existing executives were imparted training during the year in addition to 100% of new joinees.

During the year, the Business ethics and COC was revised laying more emphasis on the below:

- Better indication of the complete applicability of the Code;
- Clearer guidance on Facilitation Payments, Gifts, and Business Partner relations;
- Introduction of contemporary concepts for Sanctions & Trade Controls and Social media conduct;
- Expansion of confidentiality with Data Privacy & GDPR and Information security;
- Addition of Diversity & Inclusion with Equal Opportunity and making the POSH policy gender neutral;
- Inclusion of Charity & Sponsorships along with acknowledgement to the Code;
- Separate annexure for Anti-bribery & Anti-corruption Policy;

These covers:

- Securities Dealing Code (Insider Trading Regulations)
- Whistle Blower Policy
- The UK Bribery Act
- Foreign Corrupt Practices Act (USA)
- Prevention of Fraud
- Environment Health and Safety Political Activities & Personal Political Contribution
- Prevention of Sexual Harassment
- CSR, Charity & Sponsorship
- Anti-Corruption & Bribery
- Business Partner relations
- Gifts, Entertainment & Hospitality
- Accuracy of Company Records
- Conflict of Interest
- Protection & Use of Company Assets
- Confidentiality Fair Dealing
- Quality of Products & Services
- Media & Communication
- Reporting Violations of the Code of Conduct
- POSH policy
- Diversity & Inclusion with Equal Opportunity
- Sanctions & Trade Controls and Social media conduct
- Data Privacy & GDPR and Information security

The Code also covers Whistle Blower policy and Vigil Mechanism, which is available on the website of the Company, https://www.hzlindia.com/about-hzl/code-of-conduct/. The annual declaration of its compliance by senior management personnel of the Company is given by the CEO & Whole-time Director, the same is annexed.

During the year no personnel was denied access to the Audit & Risk Management Committee.

We adhere to section 184 of the Companies Act, 2013 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 annually at a meeting of the Board of Directors.

2. Internal Control System

On the recommendation of the Audit & Risk Management Committee, the Company appointed M/s KPMG as the internal auditors of the Company for the financial year 2021-22. 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 the Internal Auditors, are presented quarterly to the Audit & Risk Management Committee of the Board. The Company has a well-established internal control system and procedures and the same has been working effectively throughout the year.

3. Risk Management

The Company operates in conditions where economic, environment and social risk are inherent to its businesses. To overcome this and as per requirement of SEBI (LODR), Board has formed a Audit & Risk Management Committee to oversee the mitigation plan for the key risks faced by the Company.

The Company has developed a very comprehensive risk management policy under which all key risks and mitigation plans are compiled into a “Risk Matrix”. The same is reviewed quarterly by senior management and periodically by the Audit & Risk Management Committee of the Board. The Risk Matrix comprises of 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 which is reviewed quarterly by Unit and Location Management.

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

4. Compliance

Our compliance systems, which is ISO 37301, certified covers a multitude of statutory obligations and ensures adherence to all applicable laws and regulations. During FY 2021-22, no material and uncontested financial or non-monetary sanctions were imposed upon the Company (except as disclosed in the Financial Statements). Some of the key compliance aspects are dealt with below:

(a) Disclosure of Related Party Transactions

There have been no 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 made in Note No 37 to Financial Statements in compliance of Regulation 23 of SEBI (LODR) and Ind AS 24. All the related party transactions are at arm’s length price and in the ordinary course of business and with the prior approval of the Audit & Risk Management Committee. As per section 177 and 188 of the Companies Act 2013, Related Party Transaction policy is also available on the company website, https://www.hzlindia.com/about-hzl/code-of-conduct/.

(b) Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company follows the guidelines of Accounting Standards referred to in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 together with Ind AS issued by the Institute of Chartered Accountants of India.

(c) Compliance with Capital market regulations

The Company has complied with all the requirements of regulatory authorities and no penalties or 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 insider trading code for its management and designated executives, 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.

Since the company is short of Independent Directors, during the year NSE had imposed penalty of ₹ 13.65 Lakh (excluding GST) on the Company and the same had been paid. BSE has not imposed any penalty for the same. BSE had also waived the past penalty imposed and refunded a sum of ₹ 33.60 Lakh in November 2021 to the Company.

(d) Vigil Mechanism

The Company has formatted a Vigil Mechanism for Directors and employees to report genuine concerns. The Vigil Mechanism provides adequate safeguards against victimisation of any person who avail the mechanism and also provides for direct access to the Chairperson of the Audit & Risk Management Committee. The designated email id for lodging the complaints under Vigil Mechanism or Whistle Blower is hzl.whistleblower@vedanta.co.in and has also provided dedicated phone number. The same is also available on the website of the Company.

(e) Share Transfer system

The Board has delegated the power of approving physical transfer and transmission of shares to the Share Transfer Committee consisting of CEO & WTD, CFO and Company Secretary.

(f) Credit rating

Company is rated by 2 agencies – namely CRISIL – Long Term – AAA, Short Term- A1+ ; and by India Ratings Short Term- A1+

(g) During the year company has not raised any funds through preferential allotment or qualified institutions placement as specified under regulation 32(7A)

(h) Fee disclosure as required by clause 10(K), part C, schedule V of SEBI (LODR) regulation 2015.

Total fees for all services paid by the Company on a consolidated basis to S R Batliboi & Co. LLP (statutory auditors of the Company) and to entities of the network of which the statutory auditor is a part for the year ended March 31, 2022 is as follows:

	Amount (₹)
Audit and related services	2,07,57,000
Other fees	10,75,000
Reimbursement- OPE	15,00,000
Total	**2,33,32,000**

(i) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Fluctuation in commodity prices

Impact: Prices of the Company's finished goods are linked to international bench mark ie. LME (for Zinc and Lead) and LBMA (for silver) and are strongly influenced by global economic conditions and global demand supply for the products. Volatility in commodity prices and demand may adversely affect our earnings, cash flow and reserves.

Mitigation: We consider exposure to commodity price fluctuations to be an integral part of company's business and its usual policy is to sale its products at prevailing market prices, and not to enter into long term price hedging arrangements. However, to minimise price risk for finished goods and to achieve monthly average, hedging is done. In exceptional circumstances, we may enter into strategic hedging with prior approval of the Company's Management. The Company monitors the commodity markets closely to determine the effect of price fluctuations on earnings, capital expenditure and cash flows.

S. No.	Commodity Name[1]	Exposure in INR towards the particular commodity (in Absolute)	Units	Exposure in quantity towards the particular commodity	% of such exposure hedged through commodity derivatives				
					Domestic market		International market		Total
					OTC	Exchange	OTC	Exchange	
1	Zinc	202,988,002,955	MT	776,813.20	0%	0%	47%	0%	47%
2	Silver	41,856,443,312	MT	646.65	0%	0%	57%	0%	57%
3	Lead	35,501,310,406	MT	191,725.66	0%	0%	45%	0%	45%

1. The term 'exposure' shall mean gross exposure of the listed entity including exposure both on the asset and liability side.
2. If the listed entity has exposure in non-rupee terms, the Indian rupee equivalent after conversion shall be used for the aforesaid disclosures. Please use closing exchange rate for conversion

Currency exchange rate fluctuations

Impact: Our assets, earnings and cash flows are influenced by a variety of currencies. Fluctuations in exchange rates of those currencies may have an impact on our financials. Although the majority of the Company's revenue is tied to commodity prices that are typically priced by reference to the US dollar, a significant part of its expenses are incurred and paid in local currency.

Mitigation: We do not speculate in forex. We have developed robust controls in forex management to monitor, measure and hedge currency risk liabilities. The treasury team reviews our forex-related matters periodically and suggests necessary courses of action as may be needed by businesses from time to time, and within the overall framework of our forex policy.

The Company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged. The Company uses forward exchange contracts to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies as well as financing transactions denominated in foreign currencies. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed.

(j) CEO and Interim CFO Certification

The CEO and Interim CFO certification of the Financial Statements for FY 2021-22 is enclosed at the end of this report.

(k) During the Year, out of unsecured Non-Convertible Debentures (NCDs) of ₹ 3520 crore issued on September 29, 2020, Company made repayment of principal amount of ₹ 704 crores and ₹ 188.32 crores of interest on due date which was September 29, 2021.

(l) Certificate of Non-Disqualification of Directors

Certificate from Practising Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34(3) of the Listing Regulations, is attached to this Report

(m) The Company has complied with all mandatory requirements of SEBI (LODR) Regulations, 2015 including discretionary requirements. The ones not yet adopted are as follows:

- Maintenance of Chairperson's office: Currently Chairperson is a non-executive Chairperson.
- Communication of half yearly results to each household of members: Results are placed on the Company's website and published in leading newspapers.

(n) Additional Shareholder Information

Registered Office

Hindustan Zinc Limited
Yashad Bhawan
Udaipur – 313004
Rajasthan

Plant Locations

Mining Units (all in Rajasthan):

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

Smelting Units (all in Rajasthan):

Chanderiya Lead Zinc Smelter	:	Chittorgarh District
Dariba Smelting Complex	:	Rajsamand District
Debari Zinc Smelter	:	Udaipur District

Captive Power Plants (all in Rajasthan):

Chanderiya Lead Zinc Smelter	:	Chittorgarh District
Dariba Smelting Complex	:	Rajsamand District
Zawar	:	Udaipur District

Processing & Refining Units:

Pantnagar Metal Plant	:	Rudrapur District (Uttarakhand)

Discontinued Units:

Vizag Zinc Smelter	:	Visakhapatnam District (Andhra Pradesh)
Tundoo Lead Smelter	:	Dhanbad District (Jharkhand)
Maton Mine	:	Udaipur District
Haridwar Zinc Plant	:	Haridwar 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)

Address for Correspondence:

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

COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATION, 2015

A. We, Arun Misra, CEO & Whole-time Director and Sandeep Modi, Interim Chief Financial Officer of Hindustan Zinc Limited, have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit & Risk Management Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit & Risk Management Committee:

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements; and

(3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Sandeep Modi
Interim Chief Financial Officer
PAN : AJKPM0857A

Arun Misra
CEO & Whole-time Director
DIN : 01835605

Place: Udaipur
Date: April 22, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Hindustan Zinc Limited
Yashad Bhavan, Yashadgarh
Udaipur- 313004 (Rajasthan)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hindustan Zinc Limited having CIN: L27204RJ1966PLC001208 and having registered office at Yashad Bhavan, Yashadgarh Udaipur-313004 (Rajasthan) (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN
1.	Mr. Navin Agarwal	00006303
2.	Mr. Arun Misra	01835605
3.	Mr. Akhilesh Joshi	01920024
4.	Ms. Kiran Agarwal	02227122
5.	Ms. Farida Mahmood Naik	07612050
6.	Mr. Anjani Agrawal	08579812
7.	Ms. Veena Kumari Dermal	08890469
8.	Ms. Nirupama Kotru	09204338

Ensuring the eligibility of, for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **V. M. & Associates**
Company Secretaries
(ICSI Unique Code P1984RJ039200)
PR 581 / 2019

CS Manoj Maheshwari
Partner
Membership No.: FCS3355
C P No.: 1971
UDIN: F003355D000278036

Place: Jaipur
Date: May 06, 2022

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under clause 17 (5) (a) of the SEBI (LODR) Regulation 2015, 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, 2022.

For **Hindustan Zinc Limited**

(Arun Misra)
CEO & Whole-time Director
DIN : 01835605

Place: Udaipur
Date- April 22, 2022

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Hindustan Zinc Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hindustan Zinc Limited (hereinafter called the "Company") for the financial year ended March 31, 2022 ("Audit Period"). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period, according to the provisions of:

1. The Companies Act, 2013 ("Act") and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
4. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
    a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
    b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
    e. The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993;
5. Laws specifically applicable to the industry to which the Company belongs, as identified and confirmed by the management, that is to say:
    a. The Mines Act, 1952 and Rules made thereunder, and
    b. The Mines and Minerals (Development and Regulation) Act, 1957 and the Rules made thereunder;

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India;

We report that during the Period under Review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above except:

Recommendations as a matter of best practice:

In the course of our audit, we have made certain recommendations for good corporate practices to the compliance team, for its necessary consideration and implementation by the Company.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors except that it is short of two (2) Independent Directors including an Independent Women Director. The changes in the composition of the Board of Directors that took place during the Period under Review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the meeting convened at shorter notice with due compliance of Act and Secretarial Standards. System exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were unanimous and there was no instance of dissent in the Board and Committee meeting minutes.

We further report that there are adequate systems and processes in the Company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company has not undertaken any specific event/action that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **M/s Vinod Kothari & Company**
Company Secretaries in Practice
Unique Code: P1996WB042300

Nitu Poddar
Partner
Membership No: A37398
CP No.: 15113
Peer Review Certificate No.: 781/2020
UDIN: A037398D000162591

Place: Delhi
Date: April 20, 2022

This report is to be read with our letter of even date which is annexed as Annexure 'I' and forms an integral part of this report.

ANNEXURE I
ANNEXURE TO SECRETARIAL AUDIT REPORT (NON-QUALIFIED)

To,
The Members,
Hindustan Zinc Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in Annexure II;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same;
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. We have conducted online verification & examination of records, as facilitated by the Company;
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns;
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc;
7. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices;
9. The contents of this Report have to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company;
10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

ANNEXURE II

LIST OF DOCUMENTS

1. Scanned unbound minutes for the meetings of the following held during the Audit Period:
    a. Board of Directors;
    b. Audit Committee;
    c. Nomination and Remuneration Committee;
    d. Risk Management Committee;
    e. Corporate Social Responsibility Committee;
    f. Stakeholder Relationship Committee;
    g. Sustainability and ESG Committee;
    h. Annual General Meeting ("AGM");
    i. Financial Standing Committee;
2. Approval by way of resolution by circulation;
3. Proof of sending of Notice and agenda of Board and Committee meetings & AGM;
4. Proof of circulation of draft and signed minutes of the Board and Committee meetings' minutes on a sample basis;
5. Annual Report for financial year 2020-21;
6. Memorandum of Association and Articles of Association of the Company;
7. Financial Statements for financial year 2020-21;
8. Directors' disclosures under the Act and rules made thereunder;
9. Statutory Registers maintained under the Act;
10. Forms filed with the Registrar;
11. Policies framed under Act, 2013 and the SEBI Listing Regulations;
12. Disclosures under Listing Regulations;
13. Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015;
14. Disclosures under SEBI (Substantial Acquisition & Shares Takeover) Regulations, 2011.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, AS AMENDED

The Members of **Hindustan Zinc Limited**

1. The Corporate Governance Report prepared by Hindustan Zinc Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2022 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

   i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified whether the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Register of Directors as on March 31, 2022 and verified whether atleast one independent woman director was on the Board of Directors throughout the year;

   iv. Obtained and read the minutes of the following committee meetings / other meetings held during April 1, 2021 to March 31, 2022:

      (a) Board of Directors;

      (b) Audit Committee;

      (c) Annual General Meeting (AGM) / Extra Ordinary General Meeting;

      (d) Nomination and Remuneration Committee;

      (e) Stakeholders Relationship Committee;

      (f) Risk Management Committee

      (g) CSR Committee

   v. Obtained necessary declarations from the directors of the Company.

   vi. Obtained and read the policy adopted by the Company for related party transactions.

   vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting wherein such related party transactions have been pre-approved prior by the audit committee.

   viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Basis for Qualified Opinion

9. The number of independent directors in the Company were less than one-half of the total strength of the Board, the Chairperson of the Board being non-executive and

related to Promoter and the Company did not have an independent woman director on its Board. Accordingly, the composition of the Board of Directors of the Company, to such an extent, was not in accordance with the conditions as stipulated under Regulation 17(1)(a) and 17(1)(b) of the Listing Regulations.

Qualified Opinion

10. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, except the matter(s) stated in paragraph 9, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2022, referred to in paragraph 4 above.

Other matters and Restriction on Use

11. This report 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.

12. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

per **Tridevlal Khandelwal**
Partner
Membership Number: 501160
UDIN: 22501160AHPEZL9737

Place of Signature: Pune
Date: April 22, 2022

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1	**Corporate Identity Number (CIN) of the Listed Entity**	L27204RJ1966PLC001208
2	**Name of the Listed Entity**	Hindustan Zinc Limited
3	**Year of incorporation**	1966
4	**Registered office address**	Yashad Bhavan, Udaipur, Rajasthan 313004 - India
5	**Corporate address**	Yashad Bhavan, Udaipur, Rajasthan 313004 - India
6	**E-mail**	hzl.cosecy@vedanta.co.in
7	**Telephone**	+91-294-6604000-02
8	**Website**	www.hzlindia.com
9	**Financial year for which reporting is being done**	April 1, 2021, to March 31, 2022
10	**Name of the Stock Exchange(s) where shares are listed**	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11	**Paid-up capital**	₹ 845.06 crore
12	**Name and contact details of the person who may be contacted in case of any queries on the BRSR report**	Mr. Rajendra Pandwal Company Secretary & Compliance Officer Telephone number - +91 294-6604015 Email Address - rajendra.pandwal@vedanta.co.in
13	**Reporting boundary**	Disclosures made in this report are on a standalone basis which covers all Company's operating locations. During the year, 2 Wholly Owned Subsidiary (Private Limited Companies), namely Hindustan Zinc Alloys Private Limited and Vedanta Zinc Football & Sports Foundation - Section 8 Company were incorporated whose activities are yet to start. Hence, report is on standalone basis.

II. PRODUCTS/SERVICES

14. Details of business activities *(accounting for 90% of the turnover):*

S. No.	Description of MainActivity	Description of Business Activity	% of Turnover of the entity
1	Metal Sales	Zinc and Lead	81%
2	Precious Metal Sales	Silver	14%
3	Non-Metal Sales	Wind Power, Sulphuric Acid, other by products and Scrap Material.	5%

15. Products/Services sold by the entity *(accounting for 90% of the entity's Turnover):*

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Zinc and Lead	27204/27209	81%
2	Silver	27205	14%

III. OPERATIONS

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants/ Mines/ WPP*	Number of offices	Total
National	14	5	19
International	0	0	0

* Only Operating locations considered

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	Internationally

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports is **25%** of the total turnover of the entity.

c. A brief on types of customers

d. Our Company has B2B sales to various industries including Galvanizing in Steel, Pipe, Structural Industry, Tyre, Speciality chemical, Battery Industry, Alloys etc. With the launch of the first-of its-kind e-commerce platform for sale of non-ferrous metals, we were effectively able to reach out to MSME customers with live London Metal Exchange benchmarked prices, and quantity as low as 1 ton delivery for zinc and lead metals with a unique offering of live pricing. Typically, ~65% of our refined zinc metal is sold within India, We have global footprint with major export region being South East asia and Middle east.

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES*			
1.	Permanent (D)	3492	3081	88%	411	12%
2.	Other than Permanent (E)	8	7	87.5%	1	12.5%
3.	**Total employees (D + E)**	**3500**	**3088**	**88%**	**412**	**12%**
			WORKERS**			
4.	Permanent (F)	0	0	-	0	-`
5.	Other than Permanent (G)	19414	19228	99%	186	1%
6.	**Total workers (F + G)**	**19414**	**19228**	**99%**	**186**	**1%**

*Employees means Executives and Non - Executives of Company

** Workers means Contract workers

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			DIFFERENTLY ABLED EMPLOYEES			
1.	Permanent (D)	15	15	100%	0	-
2.	Other than Permanent (E)	0	0		0	-
3.	**Total differently abled employees (D + E)**	**15**	**15**	**100%**	**0**	**-**
			DIFFERENTLY ABLED WORKERS			
4.	Permanent (F)	0	0	-	0	-
5.	Other than permanent (G)	13	13	100%	0	-
6.	**Total differently abled workers (F + G)**	**13**	**13**	**100%**	**0**	**-**

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	4	50%
Key Management Personnel	3	0	0%

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022			FY 2021			FY 2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	17%	26%	18%	19%	22%	19%	15%	19%	16%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

IV. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Vedanta Limited	Immediate Holding Company	64.92	No
2	Hindustan Zinc Alloys Private Limited	Wholly Owned subsidiary	100	No
3	Vedanta Zinc Football & Sports Foundation	Wholly Owned subsidiary - Section 8 Company	100	No
4	Madanpur South Coal Company Limited	Joint Venture	17.62	No

V. CSR DETAILS

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹) - 29440 crore

(iii) Net worth (in ₹) - 34281.60 crore

VI. TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *(If Yes, then provide web-link for grievance redressal policy)**	FY 2022			FY 2021		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes TS 4_Grievance Mechanisms.pdf (vedantalimited.com) Social Performance Standard - Grievance Mechanism.pdf (vedantalimited.com)	36	3	Environment & CSR related	88	14	Environment & CSR related out of which 7 dropped
Investors (other than shareholders)	Yes Investor Contacts | Hindustan Zinc Contact Details (hzlindia.com)	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes Investor Contacts | Hindustan Zinc Contact Details (hzlindia.com)	23	0	Dividend and shares	25	0	Dividend and shares
Employees and workers	Yes FINAL-HZL-BUSINESS-ETHICS-CODE-OF-CONDUCT-22.04.2022.pdf (hzlindia.com) Microsoft Word - HZL WHISTLE BLOWER POLICY-19 10 2015 (hzlindia.com)	1	0	Sexual Harassment	4	0	Sexual Harassment

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *(If Yes, then provide web-link for grievance redressal policy)**	FY 2022			FY 2021		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	Yes https://vedantametalbazaar.moglix.com/	46	0	All are quality related complaints	46	2	All are quality related complaints All the complaints are closed at present.
Value Chain Partners	Yes SupplierCode-of-Conduct-16-07-2018.pdf (hzlindia.com) Microsoft Word - HZL WHISTLE BLOWER POLICY-19 10 2015 (hzlindia.com)	Nil	Nil	-	Nil	Nil	-
Other (please specify)	-	-	-	-	-	-	-

24. Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Water Management	Risk	Our operational activities involve processes in which water is an indispensable input, both for extraction and processing & smelting. Thus, it is even more important for us to strive to reduce water use and increase reutilisation throughout the value chain. According to our climate change assessment, climate change may result in increase in extreme weather events and subsequent resource shortages. Our operations are located in Rajasthan, which is one of the designated water stressed regions in the country based on WRI's Aqueduct tool. There is a high probability of experiencing situations of drought and extreme heat waves. Since water is a critical input to our business, these factors have the potential to disrupt operations, to impact productivity of staff as well as our revenues and logistics	Water conservation is particularly important for us as we operate in a water-stressed region. We are 2.41 times water positive and are well on the path to be 5 times Water Positive Company and reducing the water consumption by 25% by 2025 from base year 2020. Company has taken several initiatives to reduce its dependencies on fresh water and greater availability of water for the communities surrounding our sites; • Increasing efficiency in water usage and exploring less water-intensive technologies • Strengthening water recycling and installation of ZLD across all plants • Using alternative water sources to reduce dependency on freshwater • Replenish water within local watersheds and rainwater harvesting • Water risk assessment using WBCSD's India Water Tool, WRI Aqueduct and GEMI local water tools.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Tailings Dam Management	Risk	The monitoring and management of tailings storage facilities (TSFs) are not only a major factor in legal compliance and permitting, but also play a significant role in reducing environmental impact on our local stakeholders. Tailings dam failure can lead to loss of life, injuries and damages to the environment, as well as impact our Company's reputation. It can also entail significant financial costs/ losses and stoppages in production.	Failing of tailings dams can cause huge environmental impact. Hence, we accord top priority to managing them responsibly. • All the Company's tailings facilities are designed and constructed to the highest engineering standards and meet regulatory requirements and best in class benchmarked practices • External (Independent International Technical Experts) and internal inspection and monitoring of the dams to review the integrity/ stability of our dam structures and their associated management practices • Collection and recycling of supernatant water in process • Conducting periodic TSF risk assessment and developing mitigation plans to minimise associated risks • Surveillance of Tailings Dams • Dam break analysis and Emergency preparedness • Utilisation of Tailings in Backfilling • Replacement of wet tailing disposal system with dry tailing disposal • Company introduced a novel, satellite-based Interferometric Synthetic Aperture Radar (InSAR) monitoring technique to provide early warning of surface ground movements.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Air Emissions	Risk	Failure to comply with emission norms could lead to negative/inevitable long-term impact on the environment and society, with imposition of levies/ fines, escalation in costs related to monitoring and reporting, among others.	Large-scale air emissions can cause serious impact on the environment and local communities. We continuously work towards reducing air emissions. • Well-designed state of art air pollution control devices (APCD) are in place • Effective fugitive emission management • Continuous monitoring and reporting	Negative
4	Energy & Climate Change	Risk	We consume large amounts of energy due to the nature of our operational activities, logistics and transportation processes. That is why we seek new technologies and progress regarding sustainable energy generation. This can impact the overall market value of the products in the geographies with restrictions, thus impacting our revenues. As a result, we keep track of all transition risks and changes in regional Climate Change Policy. As per our physical risk assessment for year 2020-2039, Hindustan Zinc is likely to face natural disasters like droughts, heat waves and increase in extreme weather conditions. These would impose challenges to mining operations. Climate change may cause or result in increase in extreme weather events and subsequent resource shortages, impacting overall cost of acquisition of resources from alternative sources.	The rising challenges of climate change and resource scarcity have put us on a path of transformation to a low carbon economy. Our strategies for mitigating these risks include: • Reducing fossil fuel-based energy use in our operations by using innovative energy efficiency technologies and process optimisation. • Shifting to renewables and/ or low-carbon solutions where possible. • The Company has committed for Net Zero Carbon emissions by 2050 and is planning to increase RE power portfolio by addition 200 MW solar project by 2025 • Replace diesel fueled transportation vehicles with Electric vehicles, Turbine revamping of all the CPPs, install Hydrogen or Electric/ Induction Furnaces, enhance our carbon Capture, Storage and Utilisation capacity etc. • Climate Change risk assessment based on TCFD guidelines	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
		Opportunity	• Use of Decarbonised electricity may result in lower Levelised Cost of Energy (LCOE) • New market opportunities due to expected growth in Solar PV panels and energy storage systems using Zn, Pb and Ag • Decarbonised metals may give differentiator and may command premium well before 2030		Positive
5	Biodiversity Management	Risk	Biodiversity provides many of the ecosystem services. If improperly managed, mining, smelting and exploration activities have the potential to negatively affect biodiversity and ecosystem services. Impact could be loss of protected species and habitat fragmentation. Such risks could affect our social license to operate as well as our reputation.	We work to proactively manage our impact on biodiversity and strive to protect the ecosystems in which we operate. • Three-year engagement with IUCN • Biodiversity Risk assessment • Implementation of project with respect to, Biodiversity Management Plan and global standard practices.	Negative
6	Health & Safety	Risk	Hindustan Zinc's mining operations are underground and involves various procedures that can have significant consequences on the workers and the environment. Failure to ensure health and safety could result in increased cost of litigation, reduce availability of manpower, reduced employee morale, or even threaten the viability of operations in worst-case scenarios. Implementation of critical control management as per ICMM guidelines with support of DuPont Digitalization of fatal and serious injury prevention plan Mining mate competency enhancement programme Deploying IoT-based solutions Implementation of learnings from fatalities in past 10 years Emergency response plan at all locations	It is our constant endeavor to make our workplace free of fatalities, injuries and occupational diseases. • Identifying, understanding, controlling and eliminating the risks associated with hazards at workplace, including man-machine interactions, molten metal handling and underground fire • Structured skill improvement/ Competency enhancement of employees and business partner • Automation and mechanization plan to eliminate high risk manual activities • Exposure monitoring for better and timely controls • The Company partnered with a globally recognized industrial hygiene service company, to develop a sustainable industrial hygiene programme to reduce potential health risks by recognizing, evaluating and controlling occupational health hazards and occupational exposures.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Human Rights	Risk	Human rights is identified as one of the top priorities by our workers, communities and investors as part of our feedback mechanisms. The global spotlight on systemic inequities and the COVID-19 pandemic pushed us to rethink on how we address these challenges within Company and as partners in communities where we operate. Our commitment to advancing equitable and fair culture and respect for human rights across the business is central to delivering on our strategy and broader purpose. Any deviation from Human Rights policy can lead to imposition of fines and legal actions. It can also affect our ability to attract talent and impact our reputation.	Our commitment to human rights is reflected in our values, policies and actions. We respect and always strive to protect human rights across our operations and value chain in all possible ways. • We respect the rights of our employees by not indulging in child or forced labor, avoiding human trafficking as well as eliminating harassment and discrimination. • We ensure that employees are given wages that equal or exceed legal requirements or represent a competitive wage within that job market (whichever is higher). • We work towards implementing policies and procedures to promote workplace diversity. • Training on HZL's human rights expectations as laid out in our Code of Conduct. We provide enhanced specialist human rights training for our security staff. • Robust mechanisms like employee grievance processes, collective bargaining and contract labour management cells are in place. • Human rights are an important part of the supplier engagement .We also conduct basic due diligence in the pre-qualification process, including for human rights issues, on all direct suppliers before contracting with them.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Human Capital Development	Risk	Our People are essential to our success. By establishing a culture of safety, employee engagement and support for diversity in our workforce, we are able to do more together. We want to be an employer of choice and a Company that continues to attract, develop and retain talented and engaged employees. Strategically, we focus on having a strong representation of women across roles and designations, and women currently constitute 16% of the strength in the executive cadre. Open, trusting, and supportive relationships among co-workers and supervisors unleash the power of diversity by enabling employees to turn their differences in thought, behaviour, skills, knowledge and talent into innovative ideas and practices that can drive a Company forward.	Our workforce management model, policies and tools have guided our investments in our people throughout their careers, and by offering a workplace with culture that appeals to more diverse workers. We build and leverage the talent through a robust framework, as mentioned below: • Promoting Young Talent - we proactively deploy various interventions to identify 'stars'; provide growth platforms (like Chairman workshop, V-Build, CEO Connect among others); give them early opportunities to showcase their potential and talent to lead from the front in various business roles and cross-functional roles. • Capability Building- focus on building capabilities across employee levels through comprehensive learning platforms to enhance safety, technical, business excellence, behavioral, and leadership skills. We continuously leverage technology and offer integrated learning platforms ranging from online training through video libraries, classroom training, virtual labs, video sharing portals, assessment centers, to partnership with universities, and executive coaching by industry experts. • Driving Diversity- We encourage diversity at workplace to promote the organization's collective experience and skill set. Providing the right work culture to promote inclusion and aligning policies to encourage diversity in workforce.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Community Engagement and Development	Risk	Communities are identified as foremost stakeholder group which may get impacted economically, socially through our operations. Mismatch between expectations of community and actions deployed or lack or awareness or poor deployment of engagement as well as social initiative may lead to discontented communities. A proactive approach to conduct broader consultation with village level communities, and strong interactions and engagement platforms would lead to presenting our f commitment to driving value for both communities and us, is critical to maintain strong relationships with local communities as well social License to operate. We also are cognizant that each location has a different cultural and economic significance, which influences the expectations local communities have from us. Hence, Community Engagement for integrated land use planning, the training of community persons in specialised skills, importance to cultural values and its integration into the relationship, local employment, local sourcing is one of the most important aspect for us to build a trust and uplift their standard of living.	• Strengthening Social Performance Steering Committees (SPSC) at Business Locations. Through SPSCs focus is on building location level review mechanisms & response systems. Thereby, reducing the collective risks & immediately addressing the Grievances and feedbacks received from the communities. • Engagement of Senior management at village level across all BUs on a regular basis for discussing village level development and ensure resolution of concerns/ grievances if any. • Model Village as a strategic approach is being adopted to strengthen the village infrastructure in discussion with the villages and its elected members. • Assessing the Impact of our interventions including perception studies aid us in learning the insights and further help us draw inferences and future action plans	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent, and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									

		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	Ani-Bribery & Corruption Policy- Anti-Bribery-and-Anti-Corruption-Policy-21.01.2022.pdf (hzlindia.com) Business Ethics & Code of Conduct- FINAL-HZL-BUSINESS-ETHICS-CODE-OF-CONDUCT-22.04.2022.pdf (hzlindia.com) Supplier Code of Conduct- SupplierCode-of-Conduct-16-07-2018.pdf (hzlindia.com)	Sustainable Sourcing Policy https://www.hzlindia.com/wp-content/uploads/Sustainable-Sourcing-Policy.pdf	Human Rights- human-rights-policy-English.pdf (hzlindia.com) Health & Safety Policy- health-safety-environment-policy-English.pdf (hzlindia.com)	Stakeholder engagement Standard- Social Performance Standard - External Stakeholder Engagement.pdf (vedantalimited.com)	Human Rights Policy- human-rights-policy-English.pdf (hzlindia.com)	Environment Policy- health-safety-environment-policy-English.pdf (hzlindia.com)	Business Ethics & Code of Conduct- FINAL-HZL-BUSINESS-ETHICS-CODE-OF-CONDUCT-22.04.2022.pdf (hzlindia.com)	CSR Policy-Updated- CSR-Policy-22-May-2022.pdf (hzlindia.com)	Stakeholder engagement Standard Social Performance Standard - External Stakeholder Engagement.pdf (vedantalimited.com)
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO31000 ISO37301	ISO 9001	OSHAS 18001/ ISO 45001 ISO 22301	SA 8000	SA 8000	ISO 14001 ISO 50001	-	SA 8000	ISO27001
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	NA	NA	Positively impact 1 mn lives by 2025 Zero work-related fatalities and 50% reduction in TRIFR by 2025	NA	Inclusive and diverse workplace with 30% diversity by 2025	Achieve 0.5mn tCO2e emission savings in our operation by 2025 5 times water positive and 25% reduction in freshwater consumption by 2025 Archive three times increases in gainful utilisation of smelting process waste by 2025 14% reduction in GHG emissions by 2026	NA	Implementing 100% responsible sourcing In supply chain by 2025 Positively impact 1 mn lives by 2025	NA

	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	40-41	64-71 152-159	(140 -151) (160-167)	251-255	171	110-121	267-268	122-139	64-71 152-159

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

Mr. Arun Misra, CEO & whole- time director is responsible for business responsibility report. Please Refer to (page no 18-21), Annual Integrated Report FY 2021-22 for his statement.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Arun Misra, CEO & Whole time Director who is also the member of Board level Sustainability and ESG committee is responsible for the implementation and oversight of the Business Responsibility policy (ies).
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Company has Board level Sustainability and ESG committee in place for decision making on sustainability related issues. The Sustainability and ESG Committee, chaired by an Independent Director, is responsible for providing oversight and in formulating our sustainability strategy including topics such as climate change, environment, safety, transparent disclosures besides setting long-term goals and targets. the committee is responsible for: 1. Periodically review the Company's stakeholder base and their material interests 2. Review and approve any reporting on sustainability aspects to the public or government agencies. 3. Implement industry best practices and standards, to ensure that the Company's sustainability strategy minimises environmental impact and creates shared value in the long term for stakeholders 4. Manage risks in all forms, by applying controls and testing their effectiveness against environmental risks and opportunities, social impacts, and activities related to stakeholder engagement The committee also plays a key strategic role in all business decisions to ensure workplace safety, eliminating any potential damage to the environment, enhancing a commitment towards stakeholders, and maintaining HZL' reputation as one of leading Sustainable Metal & Mining Company. **Committee Composition** Mr. Akhilesh Joshi- Non-Executive - Independent Director- Chairperson (DIN : 01920024) Mr. Arun Misra- Executive Director- Member (DIN : 01835605) Ms. Nirupama Kotru-Non-Executive - Nominee Director- Member (DIN : 09204338) Ms.- Veena Kumari Dermal - Non-Executive - Nominee Director- Member (DIN : 08890469)

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee										Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	H	H	H	H	H	H	H	H	H

Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Y	Y	Y	Y	Y	Y	Y	Y	Y
	The Company is in compliance with regulations as applicable, except to the extent of non-compliances as already disclosed.								

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.		Y	Y	Y	Y	Y	Y	Y	-	Y

Yes, apart from quarterly Internal Audits, audits like VSAP and ISO certification renewal assessment from independent auditors are conducted annually, to ensure the integrity of the implementation process. External agencies like International Certification Services Pvt. Ltd., Intertek, DNV , RINA , TUV etc. are engaged for third party evaluation.

The effectiveness of the policies is evaluated through an annual audit procedure The Vedanta Sustainability Assurance Programme (VSAP) is a sustainability risk assurance tool, used to assess the compliance of all our units with the Vedanta Sustainability Framework. The assurance model has various modules, covering environment, health, safety, community and human rights elements. The assurance system works on the premise of tracking corrective and preventive actions by each of our businesses, and commissioning periodic formal audits by external experts. Based on the gap assessment, our businesses undertake management plans and corrective actions, with periodic review, evaluation and documentation. This aids in identifying the improvement areas and promotes cross-functional working environment.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	3	1) Amendments in - SEBI RPT - CARO Reporting 2) Enterprise Risk Transformation 3) ESG & Sustainability	100%
Key Managerial Personnel	3	1) SEBI RPT 2) ESG & Sustainability 3) Business Ethics & Code of conduct	100%
Employees other than BoD and KMPs	706	1) Business Ethics 2) Code of Conduct 3) Insider Trading 4) ESG 5) Technical / Behavioral training	90%
Workers	470	Health, Safety, Environment Behavioral Upskilling	75%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	NIL	NIL	NIL	NIL
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding Fee	NIL	NIL	NIL	NIL	NIL

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NIL	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Company has adopted the anti-corruption or anti-bribery policy. The policy has been developed in alignment with Company's code of conduct, including whistle blower policy bound by various laws including Indian Prevention of Corruption Act, UK Bribery Act and Foreign Corrupt Practices Act etc. The policy reiterates HZL's stance of zero tolerance towards fraud, bribery, and corrupt practices.

The policy facilitates ethical decision-making and reinforces Company's culture of transparency in all its dealings. This policy applies to all employees and business partners of Company and sets out conduct that must be always adhered to.

The policy can be accessed at https://www.hzlindia.com/wp-content/uploads/Anti-Bribery-and-Anti-Corruption-Policy-21.01.2022.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022	FY 2021
Directors	NIL	NIL
KMPs		
Employees		
Workers		

6. **Details of complaints with regard to conflict of interest:**

	FY 2022		FY 2021	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	-	NIL	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	-	NIL	-

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

There were no fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. Hence, there is no corrective action.

The Company ensures that necessary policies, processes, systems and monitoring mechanism are put in place to ensure compliances. The policies are regularly reviewed to update them with best practices adopted globally. The implementation of these policies is ensured through regular training, communication and awareness building sessions. As part of the risk assessment methodology, all sites are regularly assessed for risks related to corruption, environment, and social aspects.

LEADERSHIP INDICATORS

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness held	Topics / principles covered under the training	%age of value chain partners covered (by value with such partners under the awareness programs
176	Sustainability in supply chain	19% of active supplier base
	Training on ARIBA	14% of the active supplier base

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.**

Yes. The Company has a policy on Business Ethics & Code of Conduct. Ethical conduct of business, at your Company, encompasses all its stakeholders, right from our board members, top Management and Employees, to our partners, contractors, shareholders and others. The Code of Conduct is pillared on the ethos of trust, mutual respect, professionalism, responsibility, accountability and transparency in communication. It is also aligned with the Indian prevention of Corruption Act, Foreign Corrupt Practices Act and UK Bribery Act. The Code guides our behavior, while helping us in the promotion of honest and ethical conduct, along with ethical handling of any conflicts of interest, complete and timely disclosures, among others.

Your Company is committed to conducting business with responsibility and integrity. Your Company's daily conduct reflects the core values and purpose which are integral to the brand and reputation. The Code ensures that the actions and policies are not only in compliance with applicable laws and regulations, but also in line with the highest standards of business ethics and integrity. On an annual basis all the board members provide directorship disclosures for the entities in which they are directors/ interested. Intimations are being sent separately in case of any changes in the annual disclosures already submitted.

The policy is placed on the Company's website. https://www.hzlindia.com/wp-content/uploads/FINAL-HZL-BUSINESS-ETHICS-CODE-OF-CONDUCT-22.04.2022.pdf

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	62.6%	55.4%	Our Research & Development (R&D) capabilities are playing an important role in propelling our Circular Economy goals. Among the various investments we have initiated in this regard is in the development of technology for mill tailings and various waste recycling projects to reduce our environmental footprint. We have also identified and replaced one of the hazardous reagent used in mineral floatation by non hazardous environment friendly reagent. In an endorsement of its progress on its circularisation goal, the Company has been granted US patents for two of its sustainability technologies, developed in-house by our R&D center - ZnTech (formerly known as Central Research and Development Laboratory). US10844551B2 for manufacturing Paver Blocks from process waste US10919924B2 for the method of production of Potassium Antimony Tartrate (PAT) by utilising Antimony bearing residues. Both these technologies are aimed at creating value from waste, that can be utilised within Company's operations and support local entrepreneurs and communities. Company has also signed Memorandum of Understanding (MoU) with global companies like Normet group Oy, Epiroc Rock Drills AB and Sandvik to provide BEVs at our mining operations.
Capex	12%	10%	Tailing dam strengthening, dry tailing, ZLD, CPP turbine revamping for efficiency improvement, bag filters installation for curbing fugitive emissions, etc.

Total R&D expenditure is considered including salaries, material cost, R&M etc.

% R&D calculated as ESG R&D/ Total R&D expenditure

% Capex calculated as Capex related to ESG / Total Capex expenditure

2. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes. Company conducts business in a manner that improves welfare, health and safety of workers across our supply chain, ensures compliance with the law and adherence to ethical standards of governance and sustainability. To achieve this vision, we have put in place a Sustainable Sourcing policy that aligns our goals with our valued business partners and promote a culture of responsibility towards sustainability between all our stakeholders. The policy applies to all our immediate business partners including service and supply partners ("business partner/(s)") based on fundamental requirement of adherence to the Supplier's Code of Conduct, which embodies our commitment to internationally recognised standards. It predominantly covers Labour and Human Rights, Child Labour, Health and Safety, Environment Protection, Climate Change, Business Integrity, Legal Compliance, Zero Tolerance on Governance, Unfair Trade Practices, Anti-Bribery Program, Insider Trading Prohibition, and Grievance Redressal Mechanism.

We may require our business partners to provide information, complete training and perform other activities in connection with this policy before, during or after supply of goods or performance of services. We are committed to work with our business partners through collaborations and improvement in their process for responsible procurement based on global best practices. Aligning our business partners with this policy is a journey, not a one-time event.

We regularly monitor and evaluate the performance of our business partners. In addition, our critical partners are monitored and evaluated on ESG metrics. Assessment of business partners is carried out to identify areas of improvement, or change required to promote acceptable working conditions, environmentally responsible management and ethical behavior in our supply base. We have introduced the ESG consideration in our entire value chain.

In accordance with responsible sourcing guidelines, we are in process of developing internal standard of responsible sourcing in collaboration with a renowned consultant and social venture. A more detailed assessment will follow, focusing on the identified red flag business partners and locations. We will also map out risk management plans, including a feedback / grievance mechanism, to ensure prevention and quick mitigation of identified risks. As part of International Zinc Association's (IZA's) Stewardship Working Group (SWG), we have joined its efforts to prepare a Base Metal Standard to meet the LME requirements. A Joint Due Diligence Standard has been created for lead and zinc.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Company is in business of mineral extraction and processing. Our final product- Lead, Zinc and Silver is used as a raw material for many industries and can be recycled and reused multiple times. The minerals are converted into ingot which are supplied to customers without any packaging. Company has recently started producing HZDA, a Die-Casting alloy which is a premix of Zn, Al, Mg/Cu in certain ratio to get best output of end product at customer's side. Readily available premix saves the energy, time and cost to the customers. Thus, customer does not need to re-melt the zinc ingot to make an alloy, they can directly use the premix for their end product.

However, the procedures are in place for managing all kind of wastes generated during the manufacturing of finished goods. We are using technology and innovation to reduce-reuse-recycle waste and restore natural systems, including land rehabilitation through top-soil cultivation and water reuse. waste and land, as part of our efforts to transition to a circular economy. Company also prioritises the repurposing of end-of-life mines as part of a broader remit to support local communities. Company is also exploring technologies to extract the valuable residual metals and minerals. New chemicals are enabling the company to optimise the mining process, minimise wastage through the leaching process and significantly enhancing recoveries.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not applicable

LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Zinc - 27204 Lead - 27209 Silver - 27205	Zinc, Lead and Silver	98	Cradle to Grave	Yes, through the third party	SDR (2017-18) Link - https://www.hzlindia.com/wp-content/uploads/HZL_SDR-2017-18-new.pdf

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Company conducted Life Cycle Assessment (LCA) study as per ISO 14040/44 standard, using the approach of "cradle to grave" for their Zinc, Lead and Silver products. The study established the baseline impact of '1 ton of Zinc, Lead and Silver Production' for facilities of Hindustan Zinc Limited. The system boundary for this study is a cradle to grave system.

- Identifying all potential areas for improvement and direct efforts so as to reduce the impact, or otherwise minimise as far as possible, getting the consequent environmental improvement and compare with the benchmark and best available technologies

- Optimisation and improvement of the production processes, end-of-life scenarios, etc.
- Stimulating the generation of information on the life cycle performance of materials to support both reductions in the footprint of the upstream activities to harvest the materials, as well as more sustainable applications of materials in products
- Objectively analysing different future scenarios and possible alternatives and their implications and impact on the life cycle
- Third party standards and rating schemes that are trying to improve the environmental footprint of product and building systems

A set of life cycle environmental impact indicators such as Abiotic Depletion of Fossil Elements, Acidification Potential, Eutrophication Potential, Global Warming Potential, Ozone Layer Depletion Potential, Photochemical Ozone Creation Potential, Primary Energy Demand and Blue Water Consumption were considered. While comparing the results, it was found that company's results are at par with the world average data.

- Electricity consumption contributes to major environmental impact in the value chain of zinc. Company relies on captive power plant, it is imperative to improve the captive power plant efficiency To find the most energy efficient circuit design and operating strategy. Energy efficiency projects such as revamping of all the turbines, improvement of cellhouse efficiency at ZSD, other projects like installation of variable frequency drives across operations, switching from high-speed diesel to pipe natural gas, Replacement of conventional tube lights with energy efficient LED tube lights have also contributed to energy savings in our operations.

  Water consumption was also identified as major environmental impact in the value chain of zinc. Company has commissioned India's 1st Dry tailing plant at Zawar mines which recirculates more than 80% of the process water present in tailings. It has successfully commissioned a 3000 KLD RO-ZLD plant at its Debari smelter which recycles processed water, which is then reused in operations. We have also set out plans to commission the ZLD plants at all our units and remain committed to principles of water conservation and zero discharge.

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

   Nil. We are primary manufacturer of non-ferrous metals.

Indicate input Material	Recycled or reused input material to total material	
	FY 2022	FY 2021
NA	NIL	NIL

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

   Not applicable as per EPR guidelines

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not Applicable

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

ESSENTIAL INDICATORS

1. a. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)

Permanent employees											
Male	3081	3081	100%	3081	100%	NA	NA	3081	100%	3081	100%
Female	411	411	100%	411	100%	411	100%	NA	NA	411	100%
Total	**3492**	**3492**	**100%**	**3492**	**100%**	**411**	**100%**	**3081**	**100%**	**3492**	**100%**
Other than Permanent employees											
Male	7	7	100%	7	100%	NA	NA	7	100%	7	100%
Female	1	1	100%	1	100%	1	100%	NA	NA	1	100%
Total	**8**	**8**	**100%**	**8**	**100%**	**1**	**100%**	**7**	**100%**	**8**	**100%**

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternitybenefits		PaternityBenefits		Day Carefacilities	
		Number (B)	% (B /A)	Number (C)	% (C /A)	Number (D)	% (D /A)	Number (E)	% (E /A)	Number (F)	% (F /A)
Permanent workers											
Male											
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other than Permanent workers											
Male	19228	19228	100%	19228	100%	NA	NA	19228	100%	19228	100%
Female	186	186	100%	186	100%	186	100%	NA	NA	186	100%
Total	**19414**	**19414**	**100%**	**19414**	**100%**	**186**	**100%**	**19228**	**100%**	**19414**	**100%**

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022			FY 2021		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.77%	100%	Y	99.89 %	100%	Y
Gratuity	99.77%	-	Y	99.89%	-	Y
ESI	-	-	-	-	-	-
Others – medical, term life & Accidental coverage	100%	-	NA	100%	-	NA

3. Accessibility of workplaces

Our Company recognises the value of a diverse workforce. We are committed to provide equal opportunities in employment and create an inclusive workplace and work culture in which all employees are treated with respect and dignity. Company proactively work towards ensuring that its workforce is comprised of people with benchmark disability, subject to applicable regulations, qualifications and merit of the individual. This Equal Opportunity Policy is in accordance with the provisions of The Rights of Persons with Disabilities Act, 2016.

Inclusive infrastructure facilities are available at our premises. Few of them are:

1. Elevators with Braile inscribed for person with visual impairment
2. Ramp for mobility impaired person with disability
3. Touchless entry for person with disability
4. Text to speech software for visually impaired
5. Training on Indian sign language to employees to assist them in communication with deaf & mute

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. The Company has adopted an Equal Opportunity Policy in accordance with the provisions of the Rights of Persons with Disabilities Act, 2016 and the rules framed thereunder and provides a framework, which is committed towards the empowerment of persons with disabilities. Company is committed to provide equal employment opportunities, without any discrimination on the grounds of disability.

We are guided by our Code of Conduct Policy which clearly specifies that we have zero tolerance against discrimination.
https://www.hzlindia.com/wp-content/uploads/FINAL-HZL-BUSINESS-ETHICS-CODE-OF-CONDUCT-22.04.2022.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	100%	90%	NA	NA
Female	100%	83%	NA	NA
Total	**100%**	**89%**	**NA**	**NA**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	Yes, Company has whistle Blower policy to receive has established the necessary vigil mechanism for directors and employees in confirmation with Section 177(9) of the Act and Regulation 22 of Listing Regulations, to report concerns about unethical behavior. This Policy is available on the Company's website on https:// www.hzlindia.com/wp-content/uploads/HZLWHISTLE-BLOWER-POLICY-19.10.2015.pdf The policy encourages external stakeholders such as vendors, customers, and business partners etc. to have the opportunity to submit 'Complaints'. The Vigil Mechanism provides adequate safeguards against victimisation of any person who avail the mechanism as well as provides for direct access to the Chairperson of the Audit Committee. The designated email id for lodging the complaints under Vigil Mechanism or Whistle Blower is mailto: hzl.whistleblower@vedanta.co.in and has also provided dedicated phone number. The same is also available on the website of the Company.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022			FY 2021		
	Total employees / workers in respective category (A)	**No. of employees / Workers in respective category, who are part of association(s) or Union (B)**	**% (B / A)**	**Total employees / workers in respective category (C)**	**No. of employees / workers in respective category, who are part of association(s) or Union (D)**	**% (D / C)**
Total Permanent Employees*	1013	1013	100%	1157	1157	100%
- Male	992	992	100%	1132	1132	100%
- Female	21	21	100%	25	25	100%
Total Permanent Workers	-	-	-	-	-	-
- Male	NA	NA	NA	NA	NA	NA
- Female	NA	NA	NA	NA	NA	NA

*Non executives are Members of Unions

8. Details of training given to employees and workers:

Category	FY 2022					FY 2021				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/ A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees*										
Male	2096	1877	90%	1877	90%	3318	2181	66%	2228	67%
Female	391	369	94%	369	94%	401	289	72%	372	93%
Total	**2487**	**2246**	**90%**	**2246**	**90%**	**3719**	**2470**	**66%**	**2600**	**70%**
Workers**										
Male	19414	11885	61%	2739	14%	16093	71613	100%	2051	13%
Female										
Total	**19414**	**11885**	**61%**	**2739**	**14%**	**16093**	**71613**	**100%**	**2051**	**13%**

* Covers only Executive employees

**Data separately not tracked for male and female

8. Details of performance and career development reviews of employees and worker:

Category	FY 2022			FY 2021		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees*						
Male	2096	2096	100%	2186	2186	100%
Female	391	391	100%	376	376	100%
Total	**2487**	**2487**	**100%**	**2562**	**2562**	**100%**
Workers						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

*Only Executive employees covered

9. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

1. Yes, all our sites are certified with ISO 45001: 2018/ OSHAS 18001 "Management System". It is applicable to the company's entire operations/ employees as well as contractors or individuals under the company's supervision. It is developed in Consultation with workers and their representatives.

- In addition, we have Vedanta Sustainability Framework, which covers occupational health, and safety management. The governance model mainly works on "how the risk is monitored and accessed" and "how the performance optimised. OH&S is the key and most important management system in corporate governance model.

- Other than this we have sustainability framework aligned with International Finance Corporation (IFC), International Council on Mining and Metals (ICMM), United Nations Global Compact (UNGC) principles, standards and guidelines to confirm congruence.

- There are Management and Technical Standard which are implemented at all the locations. Hindustan Zinc's flagship program for achieving safety excellence, Aarohan has been running since 2013. We have partnered with DuPont to enhance our safety culture and inculcate a behavior and habit of safety among our workforce. Our endeavors help us work towards enhancing our safety standards and processes to minimise the health and safety risks across all our operations.

- In addition to above, the company has its own Safety Journey "Aarohan" with 24 Safety Standards which includes Industrial & Occupation Hygiene and 10 Safety Pillars ((SI, IM, PSM, CSM, SRP, FSIPP, HSE INNOVATION, Logistics, Training management & Occupational Health & Industrial Hygiene)

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Process:

There is a formal process for Hazard identification, Risk assessment and Control to effectively manage workplace and safety hazards across the units. We at Hindustan Zinc follow the '5*5' Risk Matrix for risk assessment, wherein risks are identified, categorised as per impact & probability & mitigation plan are prepared.. Training on identification and assessment of risk is imparted to employees & Business partners. Apart from this we have techniques called Hazard and Operability Study (HAZOP), Process Hazard Analysis (PHA) to identify process risks and prepare its mitigation plan and through audits its effectiveness is measured.

We have identified 28 high risks and developed SOPs (Standard Operating Procedure) for all the identified risk for effective mitigation of risks. Regular update and follow up on implementation of these SOPs is being done. All past incidents, near miss reported by employees, work area inspection, contractor field safety audits etc. are evaluated and analysed for the root cause. Once identified as a risk, these are added into Hazard identification register.

Governance:

Process Safety Management Sub- Committee is responsible for implementing process safety by conducting risk assessment {i.e. HAZOP study, PHA, Hazard identification & Risk Assessment (HIRA) etc.} for existing system and implementation of recommendations of assessment.

Capacity Building:

Many drives are taken across units to create awareness on identification of high-risk activities like work at height, Confined Space, Lock Out Tag Out Try Out (LOTOTO) etc. and training on its standards. We acknowledge the fact that operations free from risks on health have the potential to escalate productivity also. Hence, we have processes in place to manage and monitor health risks of employees, right from the time of their first interaction with the company. We are having OH&S management system (as per the requirement of OHSAS 18001/ ISO 18001) for managing OH&S risks related to our activities, with HIRA in place for all activities and for every significant risk, appropriate control measure are implemented as per control measures hierarchy i.e. elimination, substitution, engineering, administration & Personal Protective Equipment (PPE).

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, We have digital platform to report any work-related hazards and is accessible to both executives and Business Partners. Apart from web portal we also have Mobile app available for ease of reporting.

Moreover, each site has suggestion boxes where employees, workers and business partners can report grievances, and suggestions for improving the safety performance. Employees and workers can also report incidents and inaction on the safety incident through a formal whistle blower portal, the details of which are displayed at each site.

The reported incidents are discussed by the PIT & Central safety committee which is equally represented by Union members, workman & executive involvement for discussion of safety issue. The meetings are conducted monthly to review the incidents.

SAMPARK/ Safety townhall are being conducted where employee & Business Partners can raise safety related issue and can give suggestions for safety improvement

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. All employees of the Company are covered under the company's medical and healthcare services. To safeguard and support them from uncertainties and during unfortunate times or distress, we have introduced 'Group Term Life Insurance' policy with a coverage limit of 5 Times of Fixed Salary of each executive up to a maximum of Free Cover Limit i.e. ₹ 5.5 crore This policy portrays our value of 'Care' and 'Commitment' to the triple bottom line.

We care for our employees' and our business partners' health and well-being, and provide them with well-equipped hospitals across locations. We have some of the best medical insurance and accident coverage policies to help employees deal with medical emergencies. Periodic health check-ups and awareness sessions for all employees are conducted regularly. Not only the physical well-being, but the mental well-being of our employees is also taken care of. We conduct several programs across locations to help employees deal with stress and maintain a healthy work-life balance.

In addition, Rampura Agucha Mine developed India's first underground First Aid Room & Underground Ambulance Station. This occupational health & medical facility has been established in the underground mine at a depth of 600 meters from surface. This First Aid Room is air conditioned for cool environment, and is equipped with all the necessary medical & rescue equipment, such as AED (Automatic External Defibrillators), ECG machine, Oxygen Cylinders, blood pressure monitor, saline facility with a stretcher bed for resting. The mine will also use this facility for dealing with any emergency situation like fire or flooding. The management has provided trained rescue persons at this underground center in every shift, with advanced ambulance having oxygen facilities and AEDs for providing CPR.

To empower our employees in industrial hygiene and occupational health, Company has conducted several virtual training workshops. It is also working closely with medical professionals in developing and implementing targeted medical surveillance program. The training program includes a holistic training methodology, combining aspects of execution capabilities and behavioral skills.

Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022	FY 2021
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)*	Employees	0.94	0.25
	Workers	0.79	1.10
Total recordable work-related injuries (Nos.)*	Employees	12	11
	Workers	128	124
No. of fatalities	Employees	0	0
	Workers	4	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

- Reported as per ICMM guidelines

11. Describe the measures taken by the entity to ensure a safe and healthy work place.

The ESG journey at Company signifies its commitment towards adopting best practices and policies for greater good of the planet. As we embark on the next steps, ‘Transforming the Workplace’ is one of the key pillars of this framework, which focuses on promoting diversity and inclusion. We believe that diversity and inclusion brings in Integrity, Respect, Entrepreneurship, Care, Innovation, Trust and Excellence.

- Leveraging our core value of ‘Care’, where we focus on holistic well-being of our employees, families and extended families of business partners.
- We have launched Employee Well-being and Assistance Programme, aimed at improving productivity through stress management.
- Programme focuses on year-round engagement with employees, with thrust on building resilience and mindfulness as strategies for stress management which fosters mental health.
- It includes round-the-year programmes and app-based stress management learning opportunities to engage multi-generational workforces.
- The services include 24x7 Psychological Counselling for employees and their dependents which are completely confidential.
- As part of our efforts to upskill our contractual workers, we include our business partners in various safety training programs such as induction safety training, on-the-job safety training, Safety Town Halls, & Field Safety Audits. We conduct regular trainings for contract workforce on SOP & Trade skills. There is endeavor to continuously upgrade the digital touchpoints for our business partners through Project RuBaRu and other initiatives.
- We are working on the development of a digital platform to capture maximum leading indicators and all the lagging indicators, with the objective of ensuring transparency and improving the analytics of data being reported by our employees. Our digital platform has helped us in capturing safety-related observations for intelligent analysis, tracing closure, reduction of manual data capturing, and reduction of error due to human intervention & limitations.
- The project RuBaRu aims to establish a safe and productive environment at our job sites by improving the execution capability of our business partners. The project focuses on four key areas, namely: a) Health, Safety and Environment (HSE) commitment for safe operations and strengthening our safety culture, b) Skill enhancement for continuous performance improvement, c) Management-in-Place to ensure that our business partners have the right organisation structure, complete with right talent in right positions, d) Asset optimisation to maximise all aspects of our critical equipment

Please see responses above in Question 10 for more details.

12. Number of Complaints on the following made by employees and workers:*

	FY 2022			FY 2021		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	267	14	Continuous and under Progress	284	5	Continuous and under Progress
Health & Safety	296	9		273	3	

13. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% (Every site is ISO 450001:2018/ OSHAS 18001 certified). HSE is also very important part of VSAP Module assessment, and all unit are participating in VSAP which is organised through third Party
Working Conditions	100%

14. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Despite promoting a culture of safety and wellbeing, we are deeply saddened by four fatalities that took place this year. We have carried out detailed investigations of the incidents to learn and deploy the learnings across company to prevent re-occurrences. Lesson learned and its horizontal deployment is underway to avoid reoccurrence across the locations

Fatal Incident	Management Plan and Mitigation Measure
Rampura Agucha Mine- 2 contract employees During face charging activity suddenly loose detached from the height of around 3m from face and fell on the two persons who were assisting at the floor.	• Protocols for quality control of face drilling and charging. • Assessment of rock face profile, face support for charging crew. • Retrain all the relevant personnel with new protocols and updated SOPs. • Manual face charging elimination by Multi skill training of operators to operate all utility equipment.
Zawar Mine- 1 contract employee While carrying out blasting of the development face, mining mate found fault in the blasting cable. The IP rechecked the cable and he took blasting from a place which was in line of fire of blasting and sustained injuries.	• Blasting from 'Designated Firing Point' only • Mother Cable laid up to the 'Designated Firing Point' and checked for continuity before taking the blast. • Exploders having lock & key arrangement and fixed at Firing Points • Mine mate's competence assessment /enhancement program
Rajpura Dariba Mine- 1 contract employee IP was engaged in electrical cable fixing work, Some workers observed water accumulation in drive and decided to clear the blockage from drainage bore hole .At the same time, mining mate slipped, and he fell down in borehole.	• Install adequately designed barrier protection around the borehole • Install a pressure relief pipe entering the side of the drain hole about 2m below surface with the open end at least 2m above the hole inlet • Detailed assessment to be undertaken for identifying possibilities of entrapment with appropriate control measures • Creation & implementation of SOP for de-silting activities • Robust & detailed risk assessment to be done for all critical activities with periodical review

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. For executives to safeguard and support them from uncertainties and during unfortunate times or distress, we have introduced 'Group Term Life Insurance' policy with a coverage limit of 5 Times of Fixed Salary of each employee up to a maximum of Free Cover Limit i.e. ` 5.5 crore. This policy portrays our value of 'Care' and commitment to the triple bottom line. For Non executives personal accident policy had been obtained.

There is a benevolent fund for the worker in case of death.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The entity ensures adherence to statutory compliances related to workers such as timely wage payment by 7th of every month, Provident fund by 15th of every month. In case of non-compliances stringent actions are taken against defaulter business partner. Company has partnered with M/s Aparajitha as its outsourced partner to ensure all Labour Law related compliances to wage and PF.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affectedemployees/ workers (No. of fatalities)		No. of employees/workers that are rehabilitated and placed in suitable employment or whose familymembers have been placed in suitable employment	
	2022	2021	2022	2021
Employees	0	0	0	0
Workers	4	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, some of the highly qualified employees are retained as advisors after the retirement. During the employment, several skill upgradation programs are imparted to employees to facilitate continued employability.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	32.54% (Includes supply and service vendors)
Working Conditions	32.54% (Includes supply and service vendors)

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

During the assessment we have not identified any of such risks in our vendors, covered 234 vendors in assessment. Apart from due diligence we are also conducting Contractor field safety audit and during the year we have covered 165 Business Partners and achieved 97% corrective and preventive action closure. These observations were made in the categories like Procedures, Tools and Equipment, Plant up-keep, PPE and Positions of people.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

Any individual or group of individuals or institution that adds value to the business chain of the Company is identified as a core stakeholder. This inter alia includes customers, suppliers, communities, government regulators, shareholders and employees. That said, identification of stakeholders is an ongoing process. We proactively engage with our stakeholders on a regular basis. For long term ongoing projects, stakeholders are identified before initiation of the project, basis the geographical area of the project as well as through the baseline & need assessment that is conducted. For any new proposed project or expansion, we map and engage with all such stakeholders on a proactive basis, particularly through our CSR activities. Further, we have stakeholder management processes in place at all our locations. Our stakeholder identification and prioritisation process is based on inclusivity, materiality and responsiveness. Our primary stakeholder groups are identified and prioritised based on their influence, dependency and impact. Grievance redressal is an important aspect of our stakeholder engagement process. We have a Grievance Committee, chaired by the respective unit heads, to review the grievances on a periodic basis.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets,Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	• Intuitive Moglix platform for continuous engagement & feedback • Periodic connects with key customers by senior executives & at time top management • Biennial customer satisfaction survey • Forum for quick customer query resolution	Ongoing/Need basis	• Understanding of their needs helps in determining product quality & pricing. • Product innovation development is guided by customer requirements • Reduction in environmental & social impacts of products to help customers meet their Sustainability Goals
Suppliers	No	• Contract negotiations, supplier code of conduct, policies & standards • Regular supplier meetings and site-visits • On-site quality audits of suppliers • Vendor due diligence and pre-qualification meetings • Supplier sustainability desktop assessment • Helpdesk for speedy resolution of supplier query • Webinars for supplier engagement • Tracking of suggestions from Business Partners for possible implementation	Ongoing/Need basis	• Critical to ensure operational efficiency through timely supplies & logistical efficiency • Vital to our goals of sustainability and responsible sourcing • Safety of workers and workplace
Communities	Yes	• CSR initiatives & interventions • Robust grievance mechanism through strategic Social Performance Committees. • Leadership community connect • Community meetings • Programmes Impact Assessment survey as well as Perception studies. • Communication via Newsletters, social media, etc.	Ongoing/Need basis	• Community outreach is vital to national progress, which translates into a congenial macro environment for business growth • Positively touching lives of people and thereby enhancing their quality of life & overall wellbeing • Reducing the environmental & social impacts that may affect communities • Capacity Building, local development and livelihoods for the affected persons

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets,Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government	No	• Advocacy through trade and industry bodies • Advocacy through State and Central Mines Departments & MOEFCC • Regular engagement with regulators, local administration, inspection bodies • Partnerships in government's social programs • Regulatory and legal compliances	Ongoing/Need basis	• Contribution of our business to nation-building through our products, taxes & royalties • Support to Government's on-ground initiatives through CSR & contribution to local economy • Meeting the compliance requirements • Policy advocacy on subjects relevant to company
Shareholders	No	• Annual General Shareholders Meetings; Financial results declaration (quarterly) and Earnings Calls with Senior Management • Investor Relations events; one-on-one investor meetings, Investor conferences, NDRs • Disclosure tools, including Annual Reports, Sustainability Reports and Tax Transparency Reports, Investor Presentations • Complaints and grievance management	Annual, Quarterly, Need basis	• Shareholder support & feedback on operations provides continuous guidance for the management and governance • Keeping communications channels open with analysts and investor community and helps to connect them with management • ESG concerns are of importance to Shareholders
Employee	No	• Intranet and in-house newsletters • Management effectiveness program • Training, mentorship & coaching programs • Management-employee Town Hall meets • Annual employee surveys • Suggestion scheme • Performance dialogue & appraisals • Automation of the HR processes for the ease of employees • Employee Feedback programme	Ongoing/Need basis	• Employees help meet business goals with their collective knowledge & experience, by initiating best-in-class people practices • Employee productivity is critical to driving performance & generating value • Benefits, culture and grievances • Capacity building and career progression • Human Rights aspects related to employee well-being

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets,Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
NGOs	No	• Review meetings • Events at the field • Email • Media • Stakeholder Meetings • Notice Boards • Websites • Newsletters	Monthly	To onboard & engage experts in the field for effective implementation of the CSR programs as well as to regularly discuss & share updates to strengthen the existing programs implemented.

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Consultation with the stakeholders is a continuous process -It is led by Leadership from the front through regular engagements at various platforms. Each of our units are having their stakeholder engagement plan and unit heads are responsible for regular engagement with various relevant stakeholders, based on feedback various interactions are being planned with CEO and outcome of these interactions are being presented to board by CEO during the quarterly board meetings.

There is continuous dialogue with the community stakeholders which are reviewed at Business Unit levels at our Social Performance Committee Meetings and at the CSR Committee level. Also, every three years through the third-party engagement, impact, baseline and need assessment, feedback from the stakeholders is taken and same is being presented to Board CSR committee.

Recently we have established the Board level ESG and Sustainability committee at board level. Periodic review of the Company's stakeholder base and their material interests is the part of roles and responsibility of the board. We are in process of reassessment of Materiality Issues identification and feedback from stakeholders and their priorities will be shared to the board.

On an annual basis, shareholders through Annual General Meeting platform gets an opportunity to interact with all the board members.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, There have been many instances in which Company has inculcated these feedbacks into planning. and one of them has been Water scarcity in the villages, in response to this we have undertaken initiatives for ensuring water sufficiency throughout these villages. Similarly, programs like Shiksha Sambal and Unchi Udaan in the field of education are benefiting the 13000 students from nearby communities.

During the Materiality assessment we identify the material topics and take the various initiatives to mitigate the risk due to those issues and to maintain healthy relationships with our stakeholders.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

The Company identifies the disadvantaged, vulnerable and marginalised stakeholders on an ongoing basis. Any new proposed project or expansion is mapped by engaging the stakeholder proactively, specifically via CSR activities. A comprehensive stakeholder management and grievance mechanism exist at all our locations.

Company engages with the disadvantaged, vulnerable and marginalised stakeholders through various programs such as “Jeevan Tarang Zinc Ke Sang” to create a more equal world for Persons with Disabilities (PwDs) and strengthen the efficacies of special needs schools in Rajasthan. Sakhi, a Women Empowerment program with an aim to empower women and make them financially independent and also develop their skills towards leadership and economic enhancement. Various CSR initiatives are undertaken for farmers, students, unemployed youth, etc.

Also, this year, Company supported vulnerable and marginalised stakeholders during the pandemic and reached out to them through various CSR initiatives.

Please refer to the CSR section on page no. 122-139 of our annual Integrated Report FY 2021-2022 for more details.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022			FY 2021		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
			Employees			
Permanent	2487	1975	70%	3719	2587	69.56%
Other permanent	-	-	-	-		
Total Employees	**2487**	**1975**	**70%**	**3719**	**2587**	**69.56%**
			Workers*			
Permanent	-	-	-	-	-	-
Other permanent	880	878	99.77%	779	778	99.87%
Total Workers	**880**	**878**	**99.77%**	**779**	**778**	**99.87%**

* All Security personnel are accounted here

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022					FY 2021				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
					Employees					
Permanent	3496	-	-	3496	100%	3715	-	-	3715	100%
Male	3085	-	-	3085	100%	3316	-	-	3316	100%
Female	411	-	-	411	100%	399	-	-	399	100%
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
					Workers					
Permanent	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent	19414			19414	100%	18286	-	-	18286	100%
Male	19228			19228	100%	18154	-	-	18154	100%
Female	186			186	100%	132	-	-	132	100%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD) (Whole-time directors)	1	CEO : 6,48,01,665	-	-
Key Managerial Personnel	2	CS : 89,54,956 Interim CFO: 7154239*	-	-
Employees other than BoD and KMP	3489**	Median - 14,81,040		
Workers	-	-	-	-

*Interim CFO appointed w.e.f. October 01, 2021.

**- Includes both male and female employees

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Company has Internal Complaints Committee to address the issues relating to human rights impacts or issues caused or contributed to by the business. Upholding employees fundamental rights is at the heart of Company's business operations.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company considers human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed.

Every unit has a Grievance Redressal Committee wherein any employee/worker can register any kind of grievance. The grievance can be captured through various means. There are grievance boxes available at conspicuous places where the person can post his grievance and the committee takes it up as per the procedure.

Company has the whistle blower policy in place and aims to protect the confidentiality and anonymity of the complainant to the fullest extent possible with an objective to conduct an adequate review. Post review, if the complaint is found to be have been made with mala fide intention, stringent action is taken against the complainant.

Company respect the dignity of all employees working for the Company irrespective of their gender or hierarchy and expect responsible conduct and behaviour on the part of all employees at all levels. Providing for a safe and congenial work environment to all employees is an integral part of the Company's employment policy.

6. Number of Complaints on the following made by employees and workers:

	FY 2022			FY 2021		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	0	0	4	0	-
Discrimination at workplace	0	0	0	0	0	-
Child Labour	0	0	0	0	0	-
Forced Labour/Involuntary Labour	0	0	0	0	0	-
Wages	0	0	0	0	0	-
Other human rights related issues	0	0	0	0	0	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company is committed to providing equal opportunities to all individuals and is intolerant towards discrimination and / or harassment based on race, religion, color, age, sexual orientation, national origin, gender identification, political affiliation and political beliefs, minority or vulnerable groups.

The Company has adopted Diversity & Inclusion Policy and the objective of the policy is to ensure that the Company continues to be an employer for all diversity groups to create and foster an open culture of inclusion for all its stakeholders; and to create an environment, which has zero tolerance for discrimination.

Company also has a policy on prevention, prohibition and redressal of sexual harassment of women at the workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Members of the Corporation's ICC are responsible for conducting inquiries pertaining to such complaints. The ICC will protect the identity of all individuals involved during the process, contents of complaints and enquiry proceedings.

The Company on a regular basis sensitises its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programme which are held on a regular basis. The Internal Complaints Committee will protect the identity of all individuals involved during the process, including the aggrieved person and respondent and contents of complaints and enquiry proceedings.

The Company will protect the confidentiality and anonymity of the complainant to the fullest extent possible with an objective to conduct an adequate review. External stakeholders such as vendors, customers, business partners etc. have the opportunity to submit 'Complaints'; however, the Company is not obligated to keep 'Complaints' from non-employees confidential or to maintain the anonymity of nonemployees.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, Human Rights forms the part of the business agreements.

1. Onboarding/ selection - Applicable certificates, MSA compliance, Labour Laws including statutory requirements such as child labour, forced and compulsory labour are asked during on-boarding of suppliers
2. ESG expectations - An ESG expectations document is floated to vendors stating Company's expectations which is a self-declaration from vendors and a part of the contracting document
3. Company's code of conduct is also accepted by the vendors and signed as a part of the contract
4. Due diligence - Desktop assessment and on-site assessment of vendors is done for risk mapping of selected existing vendors by a third party appointed for the same

9. Assessments for the year:

During the year we conducted an extensive assessment on our current readiness and compliance in human rights rules and policies across all the Company. We conducted the assessment in respective locations for

A. Identifying the risk areas

B. Formulating the mitigation plan for those highlighted areas

We used the Global Compact Self-Assessment Tool developed by the Danish Institute for Human Rights, the Confederation of Danish Industries, the Ministry of Economic and Business Affairs and the Danish Investment Fund for Developing Countries - the tool gives an assessment of our performance against 5 key categories - Management. Human Rights, Labour, Environment and Anti-corruption .

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	-
Others - please specify	

10 Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above.

Appropriate actions taken under the purview of law and Company cases in case of Sexual Harassment

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

No complaints were received during the reporting year except one case of sexual harassment which is resolved. The Company is of the belief that it has upheld the basic principles of human rights in all its dealings. The Company regularly creates awareness among its employees on the Code of Conduct through various training programmes as well.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

We encourage suppliers/business partners/ joint ventures to adopt principles and practices comparable to our own operations. Our due diligence process covers own operations, joint ventures and activities related to our business. It is undertaken through inductions, screenings, inspections and audits. For any of our new projects or significant changes to existing operations, human rights at Hindustan Zinc, upholding people's fundamental rights is central in our everyday business operations. At a minimum, the Company will comply with all applicable local, state and national laws regarding human rights and workers' rights where the Company does business. All our businesses are compliant with applicable regulations, strive to uphold all labour rights and are aligned with national and international regulations. The clauses of the Code of Conduct are extended to all business partners. All units are required to evaluate human rights aspects covering forced and compulsory labour, child labour, slavery, human trafficking, freedom of association or collective bargaining etc., into their assessments (through social impact assessments). Our significant suppliers and contractors generally include well-reputed and well-governed organisations with robust human rights and fair practice mechanisms. Human rights are an important part of the supplier onboarding process, and all suppliers are required to commit to our Supplier Code of Conduct, which includes human rights provisions. We also conduct basic due diligence in the pre-qualification process, including for human rights issues, on all direct suppliers before contracting with them. We track human rights compliance at every step of any activity - right from document verification at registration, to screening and inspections for vendors / suppliers. Any concerns identified during the due diligence process are addressed through corrective and preventive action planning. Further, any concerns raised by interested parties on any of our key suppliers are promptly addressed by undertaking an independent assessment.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The registered office of the Company have ramps for easy movement of differently abled visitors. All the offices has infrastructure for differently abled visitors. Wheelchair accessible restrooms are available in the office at the ground floor.

4. Details on assessment of value chain partners:*

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harrrassment	32.54% (Includes supply and service vendors)
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour Wages	
Others - please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

During the assessment we have not identified any of such risks in our vendors, covered 234 vendors in assessment. Apart from due diligence we are also conducting Contractor field safety audit and during the year we have covered 165 Business Partners and achieved 97% corrective and preventive action closure. These observations were made in the categories like Procedures, Tools and Equipment, Plant up-keep, PPE and Positions of people

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022	FY 2021
Total electricity consumption (A)	2,271,856 GJ	1,348,106 GJ
Total fuel consumption (B)	43582451 GJ	45320080 GJ
Energy consumption through other sources (C)	1044886 GJ	1031587 GJ
Total energy consumption (A+B+C)	46899193 GJ	47699773 GJ
Energy intensity per rupee of turnover *(Total energy consumption/turnover in rupees)*	0.000159	0.000211
Energy intensity *(optional)* - the relevant metric may be selected by the entity (Total energy consumption/tonne of metal)	48.46	51.26

Note: Indicate if any independent assessment/ evaluation//assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance activity has been carried out by Ernst and Young (E&Y)..

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Zinc and mining sector were incorporated under PAT scheme through the gazette notification by Ministry of power on "Notification for New Energy Intensive Sectors under PAT Scheme" vide dated 03-01-2022. The targets are yet to be assigned.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022	FY 2021
Water withdrawal by source (in kilolitres)		
(i) Surface water	13,728,928	17,508,713
(ii) Groundwater	3,048,092	3,377,076
(iii) Third party water	9,522,980	7,187,630
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	26,300,000	28,073,419
Total volume of water consumption (in kilolitres)	24,701,063	25,844,955
Water intensity per rupee of turnover *(Water consumed/turnover)*	0.0000839	0.0001142
Water intensity (Water consumed/ tonne of metal)	25.52	27.78

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance activity has been carried out by Ernst and Young (E&Y).

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, all our units are maintaining zero discharge. Effluent generated at our smelters is treated in Effluent Treatment Plant (ETP) followed by two stages RO plant. The treated effluents conform to the prescribed standards and recycled in the process. Further, technological upgradation by installation of Multiple Effective evaporator/Mechanical Vapour Recompression (MVR), storm water pond, RO Reject Pond and mist evaporators at all locations in place of conventional evaporators for strengthening zero discharge with improved water recovery.

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Unit	FY 2022	FY 2021
NOx	MT	6145	8098
SOx	MT	22006	19600
Particulate matter (PM)	MT	963	1097
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others - please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance activity has been carried out by Ernst and Young (E&Y).

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022	FY 2021
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available)	*Metric tonnes of CO2 equivalent*	4,320,181	4,489,443
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO2 equivalent*	491,403	307,068
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.0000163	0.0000212
Total Scope 1 and Scope 2 emission intensity *(optional)* - the relevant metric may be selected by the entity (Scope1+2 emissions/tonne of metal)		4.97	5.15

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance activity has been carried out by Ernst and Young (E&Y).

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Company's Efforts towards Decarbonisation are as under:

- We have set a long-term target to reach Net Zero emission by 2050, in line with the Business Ambition for 1.5 degrees Celsius campaign led by the Science-Based Targets initiative. We have an interim target to reduce our GHG Emissions by 14% by 2026.
- We have conducted a Climate change risk assessment - aligned with TCFD guidelines for all of our sites to identify potential risks and accordingly implement adaptation and mitigation plans.
- As part of the strategy, Company will be entering into a long-term captive renewable power development plan, with a capacity of 200 MW. Company has made a financial allocation to invest in the adoption of renewable energy. We are moving ahead in the direction of closure of our Thermal power plants in the phased manner and will switch completely from fossil fuel to green grid electricity.
- Moreover, we have initiated a process to convert all our mining equipment to battery-operated Electric Vehicles (EVs) in a phased manner and towards this we plan to invest $1 billion over the next five years to turn our mining operations environment-friendly
- We have recently signed a Memorandum of Understanding with global manufacturers like Normet , Epiroc, to introduce battery-powered service equipment, frontline fleet, and utility vehicles in underground mining.
- In order to make our system more energy efficient, Turbine revamping , cell house efficiency improvement, VFD installation etc. are few such projects
- We have initiated Biomass utilisation in our captive power plants as substitute to coal and used 16192 MT during the year
- All Units are certified to ISO: 50001 Energy Management System

For more details, please refer to the Environment chapter on Page 110-121 of Integrated Annual Report FY 2021-22.

8. **Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022	FY 2021
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	34.48	33.84
E-waste ***(B)***	37.4	41.8
Bio-medical waste ***(C)***	1217	945
Construction and demolition waste ***(D)***	14	126
Battery waste ***(E)***	70	55
Radioactive waste ***(F)***	-	-
Other Hazardous waste. Please specify, if any. ***(G) (other than above mentioned HW) ETP Sludge, Purification Cake, Anode Mud, Cooler cake, dross etc.***	106553	88,238
Other Non-hazardous waste generated ***(H)***. *Please specify, if any.* ***(Excluding Plastic waste, construction waste)*** (Break-up by composition i.e. by materials relevant to the sector)	19748668	17,959,622
Total (A+B + C + D + E + F + G+ H)	**19856594.43**	**18,049,061.2**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	634339	638709
(ii) Re-used	5542340	4756396
(iii) Other recovery operations	-	-
Total	**6176679**	**5395105**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	14484528	12303548
Total	**14484528**	**12303548**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance activity has been carried out by Ernst and Young (E&Y).

Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We have in place a Resource Use and Waste Management Technical Standard and the supporting guidance notes which augment us to mitigate the environmental impacts of our products and process. The Company believes in Zero Waste and has aligned waste management practices to '4-R Policy" Reduce, Reuse, Recycle, and Reclaim in our operations. Company is taking various initiatives and has adopted state of the art technologies to reduce the waste generation, reuse of waste, recovery, recycling of metal from waste and disposal of remaining waste in environmentally sound manner. With the commissioning of Fumer plant there will be complete elimination of Jarosite generation from one of the Hydro Zinc Smelter and generated slag will be 100% utilised in cement industries, for effective metal recovery, a second ancillary plant commissioned for treatment of process residues at Chanderia Lead-Zinc Smelter; a project to recover sodium sulphate crystal from RO Reject commissioned at Dariba Zinc Smelter; gainfully utilised waste such as Jarosite, Jarofix, slag and fly ash in cement manufacturing and road construction, also tailings used in back-filling voids in mines through Paste fill/ Hydrofill.

9. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

There is no Ecological sensitive area like Protected Areas, National Parks, Wildlife Sanctuaries, Bio-Sphere Reserves, Wild-Life corridors etc. are situated in core/ buffer zone (10 km area) of any of the operating site.

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not applicable			

10. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Zawar Mines -To obtain environment clearance for the proposed enhancement in Lead-Zinc Ore production and beneficiation capacity beyond 4.8 Million TPA (i.e. expected upto 6.5MTPA) at Zawar Group of underground mines (M.L. No. 3/89, M.L. Area 362 Ha.) situated at Village Zawar.	S.O. 1533 (E)	September 14, 2006	Yes	Yes Newspaper advertisement for Public hearing: Nov 21, 2021 Public hearing held on: Dec 22, 2021	Public hearing notification over RSPCB website: https://environment.rajasthan.gov.in/content/environment/en/rajasthan-state-pollution-control-board/clearances/public-hearing-new.html
Expansion in Existing CLZS Complex [Expansion in Hydro Smelter Unit by adding 1 Induction Furnace, 1 Slab Casting Line & Integration of RZO Unit in Hydro-II, Change in Product Mix in Pyro Unit on total metal basis and Installation of 1 Lead Refinery, Expansion of CPP through Modernisation, Recovery of Minor Metals & Installation 4 DG Sets] at village: Putholi, Ajoliya Ka Khera & Biliya, Tehsil: Gangrar & Chittorgarh, District: Chittorgarh (Rajasthan)	S.O. 1533 (E)	September 14, 2006	Yes	No Public hearing yet to be conducted	NA
Proposed Greenfield Zinc Smelter Complex (1x0.35 Mtpa Zinc Smelter Along With Fumer Plant), 2x90 MW Captive Power Plant And 35 MWw WHRB At GIDC Doswada, Taluka Songadh, District Tapi, Gujarat	S.O. 1533 (E)	September 14, 2006	Yes	Yes	https://gpcb.gujarat.gov.in/webcontroller/publickhearing/OTAyNzk3ODg1NQ==

11. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Nil	Nil	National Green Tribunal (NGT) directed the Company under the Precautionary Principle to spend ₹ 25 crores towards community welfare programmes.	NGT has accepted Company's review petition for allowing to spend the funds on its own and directed to joint committee to submit the action taken report.

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022 (in GJ)	FY 2021 (in GJ)
From renewable sources		
Total electricity consumption (A)	1044886	1031587
Total fuel consumption (B)	201779	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	**1246665**	**1031587**
From non-renewable sources		
Total electricity consumption (D)	2,271,856	1,348,106
Total fuel consumption (E)	43380672	45320080
Energy consumption through other sources (F)	-	-
Total energy consumed from non- renewable sources (D+E+F)	**45,652,528**	**46,668,186**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance activity has been carried out by E&Y.

2. Provide the following details related to water discharged:

Not Applicable as we are maintaining zero liquid discharge across all sites.

Parameter	FY 2022	FY 2021
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment		
- With treatment - please specify level of treatment		
(ii) To Groundwater	-	-
- No treatment		
- With treatment - please specify level of treatment		
(iii) To Seawater	-	-
- No treatment		
- With treatment - please specify level of treatment		
(iv) Sent to third-parties	-	-
- No treatment		
- With treatment - please specify level of treatment		
(v) Others	-	-
- No treatment		
- With treatment - please specify level of treatment		
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance activity has been carried out by E&Y.

3. Water withdrawal, consumption and discharge in areas of water stress ((in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) **Name of the area** - Rampura Agucha Mine, Kayad Mine, Sindesar Khurd Mine, Rajpura Dariba Mine, Zawar Mine, Dariba Smelter Complex, Chanderia Smelting Complex, Debari Smelter Complex

(ii) **Nature of operations** - Except for the refining plant in Pantnagar, Uttarakhand all our mining and smelting operations are in the state of Rajasthan. All our sites, which contribute to about 99% of all our water withdrawals are in the state of Rajasthan which falls under water stressed region as per the WRI's Aqueduct Country level water risk atlas.

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022	FY 2021
Water withdrawal by source (in kilolitres)		
(i) Surface water	13,705,762	17,490,359
(ii) Groundwater	3016201.5	3,328,868
(iii) Third party water	9,522,980	7,187,630
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	26,244,943	28,006,857
Total volume of water consumption (in kilolitres)*	24,646,227	25,779,111
Water intensity per rupee of turnover *(Water consumed / turnover)*	0.0000837	0.000114
Water intensity *(optional)* - the relevant metric may be selected by the entity (Water consumed/finished good (MT))	25.46	27.7
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	0	0
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
(ii) Into Groundwater	0	0
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
(iii) Into Seawater	0	0
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
(iv) Sent to third-parties	0-	0
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
(v) Others	0	0
- No treatment	NA	NA
- With treatment - please specify level of treatment	NA	NA
Total water discharged (in kilolitres)	0	0

*Water used in community, township and CSR Activities is not included in consumption

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance activity has been carried out by E&Y.

4. **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2022	FY 2021
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO2 equivalent*	4,012,094	4,285,442
Total Scope 3 emissions per rupee of turnover		0.0000136	0.0000189
Total Scope 3 emission intensity *(optional)* - the relevant metric may be selected by the entity (Total scope 3/tonne of metal)		4.15	4.61

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance activity has been carried out by E&Y.

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

There is no Ecological sensitive area like Protected Areas, National Parks, Wildlife Sanctuaries, Biosphere Reserves, Wild-Life corridors etc. are situated in core/ buffer zone (10 km area) of any of the operating site.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative *(Web-link, if any, may be provided along-with summary)*	Outcome of the initiative
1	STP at Udaipur	Company commissioned a 20 MLD STP in Udaipur in 2014 under a public-private partnership, which is the first of its kind in Rajasthan. Further, Hindustan Zinc and Udaipur Smart City Limited signed an agreement in June 2017 to extend the sewage treatment capacity by another 40 MLD. 25 MLD has been commissioned in January 2019. Another 15 MLD commissioned in FY 2020-21 taking the total to 60 MLD.	The replacement of fresh water for operations by STP treated water has led to increased availability of fresh water for the community. Nearly 36% of total water withdrawal was satisfied with treated sewage.
2	Dry Tailing Plant	India's first Dry Tailing Plant was set up at the Zawar Mines in Rajasthan. The Dry Tailing technology is based on separating water from tailings slurry, which is generated in the beneficiation process. Company repurposes tailings materials and waste rock as backfill to stabilise our underground mining operations, while the remaining tailings are then placed in a specially designed tailings storage to minimise the environmental, social, and economic risks. We externally review the integrity/ stability of our dam structures and their associated management practices by global experts like Golder Associates.	Key benefits of the dry tailing technology include recirculation of more than 80% of the process water present in tailings, a faster rehabilitation and restoration of storage site at mine closure and ensuring re-availability of water for further use.
3	Rainwater Harvesting Structure	Company executed groundwater recharge intervention project across Hurda, Shahpura, Kotri and Jahazpur blocks of Bhilwara district. We were able to complete the desilting of ponds, repairing, strengthening and increasing the height of damaged embankments and construction of 358 recharge shafts for effective groundwater recharge, in 83 ponds.	>8.7 MCM/Annum Total groundwater recharge potential created
4	Paste fill	Instead of conventional hydraulic filling, Company chose to use the Paste Fill technology. This technology ensured fast filling and practically no bleeding water in the stopes. The other benefits of Paste Fill technology have been water conservation, better Stope stability, surface integrity in mines and more recycling of tailings.	• Metal recovery from secondary stopes. • It reduces cement consumptions with increase in uses of fly ash. • It reduces water consumption as paste solids content is high (77-79% solids). • Nearly, 39% of tailings used in Paste fill plant and this also helped in improving the stability of tailing dam.
5	Ancillary Plant	It treats residues produced during smelting process leading to in-house production of few key consumables and by-products, in collaboration with the Company's central R&D team. Few projects were successfully executed including production of copper sulphate and zinc sulphate from PF cake as well as production of potassium antimony tartrate from antimony dust.	• It treats different kinds of residues, namely Copper dross, Purification waste cake, antimony dust/slag and raw Zinc oxide. • This has also enabled in improvement of metal recoveries of lead, copper, and Silver.
6	Jarofix Yard Restoration	Company follows the principle of reducing the waste, quantitatively as well as qualitatively & performing recovery and recycle. The last priority is disposal in Landfills. Company used Mycorrhiza technology for rejuvenation of fertile soil and reclamation of wasteland into productive land by Increasing the green cover, enhance biodiversity & control fugitive dust emission and restoring site. It also makes plants less vulnerable to environmental stresses and by optimum use of water resources.	Development of green belt in an area of 6.25 Hectare (10,000 plants produced for the area). Provides overall stability to waste dump & dump failure due to heavy rains - Ensuring safe and stable dump.

Sr. No	Initiative undertaken	Details of the initiative *(Web-link, if any, may be provided along-with summary)*	Outcome of the initiative
7	Solar Plant	Company has installed 40.42 MW of Solar power project by utilising its waste lands without disturbing any productive land.	40.42 MW of renewable power capacity
8	Resource efficiency	Company has been able to bring improvement in its metal recovery from beneficiation plant through digitalisation. Advanced control opportunity for Grinding and flotation circuit- To address the difficulty in flotation process plants coming from the constantly changing feed characteristics, Advance Process Control system was introduced to maintain a stabilised circuit operation while optimising the process performance to maximise recovery. Three APCs were implemented for Grinding & flotation operation (Lead and Zinc) in mills at Rampura Agucha and S K Mines.	• Pb Recovery Improved by 0.9% while also moving Concentrate Grade distribution on higher side. • Zn Recovery Improved by 0.9% while narrowing Concentrate Grade distribution around target
9	Fumer Plant	In the existing process, Jarosite is generated which is treated with lime & cement and disposed in Jarofix Yard. In the proposed Fumer plant, a clean slag will be produced and utilised in cement manufacturing & goethite cake produced will be treated with lime & cement and disposed in captive secured landfill.	• Production of usable clean slag and elimination of Jarosite waste. • Elimination of recurring land for storage of Jarofix. • Power generation from waste heat recovery. • Increased recovery of Zinc, Lead, Silver, Copper and Sulphur. • Saving of Cement and Lime.
10	Jarofix Utilisation in Cement and Road construction	Jarosite is waste produced in the hydrometallurgy process of zinc extraction, necessitating additional investment for its stabilisation and disposal. In collaboration with IIT-R, Company conducted a feasibility study to utilise Jarosite in construction-related works, using Jarosite in concrete, mortar and paver blocks as 10% - 15% replacement of cement. The study showed positive results and encouraged us to conduct field trials. Company has been granted permission by Rajasthan State Pollution Control Board for gainful utilisation of Jarofix waste for Road Construction/Highway Construction (embankment). Company also partnered with few Government agencies like NCCBM, NEERI and CRRI for the utilisation of jarosite in cement and road construction.	• Jarosite used in Cement Construction in FY 2021-22 - 93778 MT • Jarofix used in road construction in FY 2021-22– 2212 MT
11	Closure of SLF at Vizag	Company's -Vizag Closure and capping was first project in the entire country in which a slurry pond was stabilised, closed and capped as per the CPCB Guidelines due to introduction of superior geotechnical concepts and material science knowledge.	• Nearly 56000 sqm (6 Ha.) of the plan area at site has been stabilised and capped as per CPCB guidelines. • Aligned to our site Closure Management standard
12	Miyawaki at DZS	Miyawaki technique helps to build dense and native forests. The approach is supposed to ensure that plant growth is 10 times faster and the resulting plantation is 30 times denser than usual. It involves planting dozens of native species in the same area and becomes self-sustaining after the first three years.	• 1 Acre (0.4 Ha.) area in Debari colony has been converted to green land through this technique with nearly 50 types of native species and 8000 plantation.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

- All our operating sites are having Emergency preparedness plan (including disasters) along with responsibilities in place covering all the risk associated with the operational activities and effective engineering controls are provided to mitigate and handle the emergency. Risk mapping is being done for all such risks based on their likelihood and impact. Emergency scenarios, mock drills, rescue team and training are regularly being carried out for making the system more robust and to check the healthiness of the emergency response procedure.

- We have incident management committee to investigate all the incidents (Safety, Environment, process) and learnings are being shared across all the locations for horizontal deployment and based on the recommendations suitable changes are being made in emergency response plan also.

- Stand downs are being conducted at shop floor to communicate the learnings from all such incidents. Regular trainings and awareness programme are being conducted at sites. Unit leadership regularly review the emergency preparedness and contingency planning at their sites. We have a standalone standard on emergency preparedness and contingency planning and uniformly applies to all the sites of the Company.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

There has been no adverse impact to the environment arising from the value chain of the entity.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

33 % of partners were evaluated on ESG criteria in FY 22. This includes 175 new onboarded partners and 234 existing partners.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations.

14

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No	Name of the trade and industry chambers/associations	Reach of trade and industrychambers/ associations (State/National)
1	Federation of Indian Mineral Industries	National
2	Confederation of Indian Industry	National & State
3	Federation of Indian Chambers of Commerce & Industry	National & State
4	Indian Chamber of Commerce	National
5	Associated Chambers of Commerce and Industry of India	National
6	India Lead Zinc Development Association	National
7	Udaipur Chambers of commerce	State
8	Gujmin Industry Association of Gujarat.	National
9	UN Global Compact Network -INDIA	National
10	Mining Engineers Association of India	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
NIL	NA	NA

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others - please specify)	Web Link, if available
	NIL	NA	NA	NA	NA

No public policy positions advocated by the Company

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Khushi - To strengthen the efficacy of government's Integrated Child Development Services (ICDS) Program, so as to improve health and well-being of children below 6 years of age in 3145 Anganwadis (AWCs) across 5 districts.	Companies Act 2013	22.01.21	Yes	Yes (Annual Report)	Link of Annual report
Shiksha Sambal - To enhance the learning outcome and improve the learning environment in 64 Govt. Schools for class 9th to 12th.	Companies Act 2013	22.01.21	Yes	Yes (Annual Report)	Link of Annual report
Jeevan Tarang - Mainstreaming & capacity building of people with disabilities.	Companies Act 2013	22.01.21	Yes	Yes (Annual Report)	Link of Annual report
Sakhi - To build independent women institutions and support in enhancing economic wellbeing & their collective potential to be the change makers.	Companies Act 2013	22.01.21	Yes	Yes (Annual Report)	Link of Annual report
Samadhan - Ensure sustainable livelihoods through integrated farming systems and through livestock development in our 184 villages.	Companies Act 2013	22.01.21	Yes	Yes (Annual Report)	Link of Annual report

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
	Nil	NA	NA	NA	NA	NA

3. Describe the mechanisms to receive and redress grievances of the community.

Company through its Vedanta Technical Standards (TS- 04) requires the grievance mechanisms to provide a structured way of receiving & resolving Grievances. In line with sustainability goals of establishing strong relationships with stakeholders, and adhering to the IFC, ICMM, OECD and UNEP Standards for responsible stewardship, UN Global Compact (UNGC) Principles & Vedanta Technical standards, Company has set up a robust Grievance Redressal Mechanism. The mechanism is consistently evolving to adapt to the specific nature of its business and the context of its operations and so is closely monitored & also efforts are made through effective stakeholder engagement to reduce the grievances of the stakeholders.

Company has well established external grievance mechanism, which is online through the "Nivaran" portal and is accessible across the management. A Grievance Box has been placed outside plant main gate for stakeholders to share their grievances in written form in the local language. All grievances are required to be resolved in maximum 15 days, failing which they are escalated to the senior Management for resolution and closure.

Also, at each Company location we have well established Social Performance Steering Committee through which all Grievances are raised & discussed for the timely resolution of the same & thereby reduction in the collective risk involved.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022	FY 2021
Directly sourced from MSMEs/ small producers	12.77 %	14.57 %
Sourced directly from within the district and neighbouring districts	34.17 %	32.75 %

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NIL	NA

2 Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
1	Uttarakhand	Udham Singhnagar	20,62,848

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

(b) From which marginalised /vulnerable groups do you procure?

(c) What percentage of total procurement (by value) does it constitute?

No, Company does not have a preferential procurement policy. However, Company strives to procure locally which makes up 54 % of the overall procurement spent (Rajasthan and Uttarakhand State based).

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
	NA	NA	NA	NA

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
NIL	Nil	Nil

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted fromCSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Khushi	1,93,860	100%
2	Sakhi	27,456	100%
3	Samadhan	12,500	100%
4	Shiksha Sambal	13,626	100%
5	Jeevan Tarang	609	100%
6	Unchi Udaan	133	100%
7	Scholarship Program - Ringus & Sumedha	150	100%
8	Co. Run Schools	3414	100%
9	Digitisation Program	10,000	100%
10	Child Care Centers	381	100%
11	Co. Run Hospitals	1,94,055	100%
12	Health	1,43,211	100%
13	Skilling	1788	100%
14	Water	2,06,802	100%
15	Community Infrastructure	1,83,571	100%
16	Sports & Culture	9,447	100%
17	COVID Initiatives	4,17,508	100%
18	Solar Projects	57,200	100%

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The company has formal mechanisms to collect feedback from the customers. Guided by Grievance Redressal Performance Standard, the customers can register complaints through whistle blower mechanisms and/or use our digital complaint management platform to upload, respond and monitor customer grievances. We have periodic review for all customer complaints at management level also for continual improvements and long - term solutions.

Our sales teams engage with customers on a regular basis through emails, formal meetings, and any feedback is captured and incorporated back into the system. Every year, we also conduct annual customer survey, where relevant sustainability topics of importance to customers are taken and are incorporated into our materiality assessment process.

https://vedantametalbazaar.moglix.com/

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

	FY 2022			FY 2021		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	The given number is of formal complaints logged by customers in the Company's portal related to quality.	0	0	This year, we have resolved 2 pending resolutions at the end of last year. The given number is of formal complaints logged by customers in the Company's portal related to quality.
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive Trade Practices	0	0		0	0	
Unfair TradePractices	0	0		0	0	
Other	46	0		46	2	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Company has adopted an Integrated Management Framework and therefore all policies are defined incorporating various applicable frameworks and domains pertaining to Information Security, Risk Management, Disaster Recovery & Business Continuity Management and Data Privacy.

Under Enterprise Risk Management (ERM) framework, Company has established a robust Information Security Management Framework which includes Policies, Standard Operating Procedures (SOP), Technology Standards and has set up an effective Security Assessments & Audit process for prevention of cyber-attacks and strengthening the overall Information Security Posture of Company's Technology Landscape.

Company's Information Security Framework is cohesive and comprehensive, and takes following aspects as an input:

1. Globally recognised Information Security Management Frameworks and Standards
2. Applicable Regulatory Requirements
3. Risk Assessment and Risk Control Matrix defined under Risk Management Process
4. Information Security Objectives aligned to Business Objectives
5. Prevailing Best Practices
6. Security Threat Intelligence

Based on this framework, information security strategy, long-term roadmap and annual information security plan is prepared. This Information Security Framework is reviewed annually by Company Information Security Organisation in consultation with external expert agencies to incorporate applicable regulatory requirements, prevailing industry knowledge and considering newer threats and risks.

Company is compliant to ISO 27001 framework and is certified as per defined Statement of Applicability (SOA) since year 2018. Certification is applicable to all Infrastructure & Applications under the purview of Information Technology & Operational Technology functions across all sites of Company.

Subsequently Company has taken an integrated approach to implement an integrated framework covering various domains of Information Security, Disaster Recovery & Business Continuity Management, Risk Management and Data Privacy Management. Under this approach, Company has achieved an Integrated ISO Certification consisting of ISO 27001 (Information Security), ISO 22301 (DR & BCP), ISO 31000 (Risk Management) and ISO 27701 (Privacy Management) in year 2021. Company has also adopted a proven process of Third-Party Risk Management (TPRM) for all its Key Business Partners (Vendors/Suppliers/Service Partners)

All the policies and procedure enforced in the Company environment are all inclusive to manage the Information Security and Data Governance aspects. All these policies are reviewed annually by competent personnel in Information Security Function. All the approved and enforced policies are made available to all employees and business partners over Hindustan Zinc Intranet Portal.

All the policies and procedure enforced in the Company environment are all inclusive to manage the Information Security and Data Governance aspects. All these policies are reviewed annually by competent personnel in Information Security Function. All the approved and enforced policies are made available to all employees and business partners over Hindustan Zinc Intranet Portal.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No corrective actions are underway relating to cyber security and data privacy as there are no customer complaints and no penalties/regulatory action has been levied or taken on the above-mentioned parameters.

LEADERSHIP INDICATORS

1. **Channels /platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Yes, the desired information has been uploaded on our website and can be accessed. We run our mining, smelting and power operations in a sustainable manner at multiple locations across India. Our principal products are refined zinc and lead metals. In addition, we also recover silver and cadmium as by products.

   For details, please refer the website link:

   https://www.hzlindia.com/prodfactsheet/

   https://www.hzlindia.com/bussiness/products-2/products/

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Company's products are used as raw material in many industries and hence we don't educate end consumers on the responsible usage of products. However, we continuously engage with our customers on a proactive basis to ensure safe and responsible usage of our products, with focus on new consumers, if any, to get them familiarised.We communicate with our customers and provide guidance to them via Mail. All the customers are provided with Safety Data Sheet of the product, carrying all the relevant information. In addition, we provide usage guidance to consumers for avoiding any safety mishaps.

   HZL also conduct various seminar in association with International Zinc Association to educate about responsible usage of zinc in various industries like sheet, structure, pharma etc

   In case of any modifications to our products, either as per customer requirement or for providing added benefits to our customers, we conduct studies in collaboration with subject matter experts. This is done to establish the techno commercial benefits of particular products, so as to pass on the learnings with our consumers for making their operations efficient in all aspects, save energy, etc. For instance, in case of Continuous Galvanising Grade (CGG) zinc alloy, which was produced as per consumer requirement, this kind of study was conducted, and the learnings were communicated to our consumers.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   Consumers were intimated through:
   (1) Electronic communications
   (2) Over telephonic calls.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Information Mandated provided in the Law: Batch Number, Date of production, Plant produced, Grade, net& Gross weight of the product, Number of pieces in the bundle, Brand name of the product

   Additional Information provided: Barcode of the product carrying all information, A usage guidance to avoid safety mishap "preheat before charging"

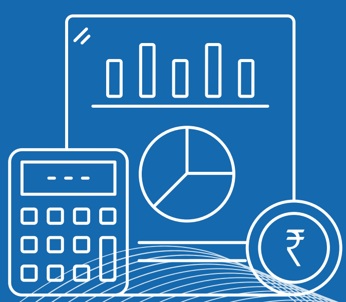
   Yes, the Company carries out Biennial customer satisfaction survey. Last year we conducted a survey through third party firm. The engagement was carried out to assess the health of relationship as well as to ascertain expectation level among customers while working with our Company for financial year 2020-21 and to assess satisfaction levels across interaction points and identify aspects that are perceived as strengths and those which needs improvement. Overall 137 customers responded to the survey and HZL secured 76.8 on Experience Index. Product and company personnel emerge among top driver of satisfaction. Overall largely positive experience among customers, however HZL will further enhance in customer satisfaction

5. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along-with impact** - Nil

   b. **Percentage of data breaches involving personally identifiable information of customers** - Nil

Standalone Financial Statements



Independent Auditor's Report

To the Members of Hindustan Zinc Limited

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone Ind AS financial statements of Hindustan Zinc Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Claims and exposure relating to taxation and litigation (as described in Note 3(III)(B), 30 and 32 of the standalone Ind AS financial statements)	
The Company is subject to several legal and tax related claims and exposures which have been either disclosed or accounted for in the accompanying financial statements. Taxation and litigation exposures have been identified as a key audit matter due to complexities involved in these matters, timescales involved for resolution and the potential financial impact of these on the financial statements. Further, significant management judgement is involved in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed. Accordingly, this matter has been identified as a key audit matter.	Our audit procedures included the following: • Gained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process. For selected controls, we have performed test of controls. • Obtained the summary of Company's legal and tax cases and critically assessed management's position through discussions with the Legal Counsel, Head of Tax and operational management, on both the probability of success in significant cases, and the magnitude of any potential loss. • Inspected external legal opinions and/or past judicial orders, wherever considered necessary, and other evidence to corroborate management's assessment in respect of legal claims. • Engaged tax specialists to technically assess the management's assessment on tax disputes and positions. • Assessed the relevant disclosures made within the financial statements to address whether they reflect the facts and circumstances of the respective tax and legal exposures as per the requirements of relevant accounting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 30 and 32 to the standalone Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The interim dividend paid during the year by the Company is in compliance with section 123 of the Act.

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

per **Tridevlal Khandelwal**
Partner
Membership Number: 501160
UDIN: 22501160AHPFFM8630

Place of Signature: Pune
Date: April 22, 2022

Annexure 1

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

Re : **Hindustan Zinc Limited ('the Company')**

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) All Property, Plant and Equipment have not been physically verified by the management during the current year but there is a regular programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material deficiencies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2022 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties as follows:

(In ₹ crores)

Particulars	Guarantees	Security	Loans	Advances in nature of loan
Aggregate amount granted/ provided during the year				
- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others (employees)	-	-	3.02	-
Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	-	-	-	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others (employees)	-	-	3.99	-

(b) During the year the investments made and the terms and conditions of the grant of all loans to any other parties are not prejudicial to the Company's interest.

(c) The Company has granted loan(s) during the year to other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans granted to any other parties which are overdue for more than ninety days.

(e) There were no loans granted to any other parties which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans, either repayable on demand or without specifying any terms or period of repayment to any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable, hence the requirement to report compliance with section 185 is not applicable on the Company. Further, according to the information and explanations given to us, provisions of sections 186 of the Companies Act, 2013 in respect of investments have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of products and generation of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance are not applicable to the Company.

(b) The dues of goods and services tax, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (₹ in crores)*#	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	1,526	1998-99 to 2003-2004, 2013-14, 2015-2016	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	5,405	1988-1989 to 1990-1991, 1992-1993, 1997-98, 1999- 00 to 2001-02, 2004-05 to 2010-2011, 2012-13 to 2014-15	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	2,765	1989-90 to 2011-12	High Court / Supreme Court
Customs Act, 1962	Customs Duty	49.24	2009-2019	CESTAT
Customs Act, 1962	Customs Duty	0.32	2020-21	Commissioner
Customs Act, 1962	Customs Duty	0.02	2015-18	Commissioner Appeals
Central Excise Act, 1944	Excise duty	154.16	1989-2015	CESTAT
Central Excise Act, 1944	Excise duty	2.91	1999-2018	Commissioner and Commissioner Appeal
Central Excise Act, 1944	Excise duty	146.48	1995 to 1996 and 1997 to 2016	High Court
Finance Act, 1994	Service Tax	15.15	2004 to 2015	CESTAT
Finance Act, 1994	Service Tax	122.22	2002 to 2005 and 2007-18	Commissioner and Commissioner Appeal
Finance Act, 1994	Service Tax	0.70	2016-18	Additional Commissioner
Finance Act, 1994	Service Tax	90.53	2005-18	High Court
Rajasthan sales tax act, 1994	Sales tax	48.13	2009 to 2011 and 2012 to 2019	Commissioner and Assistant Commissioner
Rajasthan sales tax act, 1994	Sales tax	14.25	2007-2008 , 2017-18	High Court
Rajasthan sales tax act, 1994	Sales tax	6.04	1998 to 2000, 2001 to 2004 and 2009 to 2014	Tax Board
Central Goods and Services Tax Act, 2017	GST	1.50	2019-20	Commissioner and Commissioner Appeals

* Net of amount paid under protest / adjusted against refunds

Includes interest where applicable

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a),(b) & (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a),(b),(c) & (d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 38 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 34 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 34 to the financial statements

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

per **Tridevlal Khandelwal**
Partner
Membership Number: 501160
UDIN: 22501160AHPFFM8630

Place of Signature: Pune
Date: April 22, 2022

Annexure 2

To the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of Hindustan Zinc Limited

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

We have audited the internal financial controls over financial reporting of Hindustan Zinc Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Companies Act,2013, to the extent applicable to an audit of internal financial controls, both issued by Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to Standalone Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in COSO 2013 criteria.

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

per **Tridevlal Khandelwal**
Partner
Membership Number: 501160
UDIN: 22501160AHPFFM8630

Place of Signature: Pune
Date: April 22, 2022

Standalone Balance Sheet

as at March 31, 2022

(₹ in Crore)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
a) Property, plant and equipment	4	17,165	16,447
b) Capital work-in-progress	4A	2,075	1,922
c) Intangible Assets	5	231	361
d) Financial assets			
i) Investments	9	0	-
ii) Loans	6	2	1
iii) Others	13	56	54
e) Deferred tax assets (net)	32	-	1,058
f) Other non-current assets	7	275	431
g) Income tax assets		884	885
Total Non-current assets		**20,688**	**21,159**
Current assets			
a) Inventories	8	1,953	1,425
b) Financial Assets			
i) Investments	9	15,052	12,957
ii) Trade receivables	10	716	406
iii) Cash and cash equivalents	11	1,592	313
iv) Other Bank balances	12	4,171	9,063
v) Loans	6	2	2
vi) Others	13	34	53
c) Other current assets	7	463	349
Total Current assets		**23,983**	**24,568**
TOTAL		**44,671**	**45,727**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	14	845	845
b) Other equity		33,437	31,468
Total Equity		**34,282**	**32,313**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	15	2,111	4312
ia) Lease Liabilities	33	6	8
ii) Other financial liabilities	16	0	0
b) Other non-current liabilities	18	1,024	1,036
c) Provisions	17	212	182
d) Deferred tax liabilities (net)	32	942	-
Total Non-current liabilities		**4,295**	**5,538**
Current liabilities			
a) Financial liabilities			
i) Borrowings	15	712	2,865
ia) Lease Liabilities	33	15	16
ii) Operational buyers' credit/ suppliers' credit	19	280	-
iii) Trade payables	20		
a) Total outstanding dues of Micro Enterprises and Small Enterprises		50	38
b) Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises		1,988	1,507
iv) Other financial liabilities	16	1,901	1,251
b) Other current liabilities	18	860	1,947
c) Provisions	17	32	70
d) Income tax liabilities		256	182
Total Current liabilities		**6,094**	**7,876**
TOTAL		**44,671**	**45,727**

See accompanying notes to financial staements.

As per our report on even date

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

per **Tridevlal Khandelwal**
Partner
ICAI Membership No.: 501160
Date: April 22, 2022
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Direct
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Interim Chief Financial Officer
Date: April 22, 2022
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377
Date: April 22, 2022
Place: Udaipur

Standalone Statement of Profit and Loss

for year ended March 31, 2022

(₹ in Crore)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations	21A	28,790	22,071
Other Operating income	21B	650	558
Other income	22	1,216	1,819
Total Income		**30,656**	**24,448**
Expenses:			
(Increase)/Decrease in inventories of finished goods and work-in-progress	23	(278)	239
Employee benefits expense	24	717	760
Depreciation and amortization expense	26	2,917	2,531
Power and fuel		2,452	1,732
Mining Royalty		3,667	2,759
Finance costs	25	290	386
Other expenses	27	6,656	5,467
Total expenses		**16,421**	**13,874**
Profit before exceptional item and tax		**14,235**	**10,574**
Exceptional Items	28	(134)	-
Profit before tax		**14,101**	**10,574**
Tax expense :			
Current tax	32	2,445	1,827
Deferred tax charge	32	2,026	767
Total tax expenses		**4,471**	**2,594**
Profit for the year		**9,630**	**7,980**
Other comprehensive (loss)/income			
A) Items that will not be reclassified to profit or loss in subsequent period			
(a) Remeasurements gain/(loss) of the defined benefit plans		15	(7)
(b) Tax (expense)/credit		(6)	2
B) Items that will be reclassified to profit or loss in subsequent period			
(a) (Loss) on cash flow hedges recognised during the year		(98)	-
(b) Tax credit/(expense)		34	-
Total other comprehensive (loss) for the year		**(55)**	**(5)**
Total comprehensive income for the year		**9,575**	**7,975**
Earnings per share (nominal value of shares ₹2)			
- Basic earnings per share (₹)	29	22.79	18.89
- Diluted earnings per share (₹)	29	22.79	18.89

See accompanying notes to financial statements.

As per our report on even date

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

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

Date: April 22, 2022
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Direct
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Interim Chief Financial Officer

Date: April 22, 2022
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377

Date: April 22, 2022
Place: Udaipur

Standalone Statement of Cash Flow

for the year ended March 31, 2022

(₹ in Crore)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A)	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net profit before tax	14,101	10,574
	Adjustments to reconcile profit to net cash provided by operating activities:		
	Depreciation and amortization expense	2,917	2,531
	Interest expense	290	386
	Interest income	(838)	(941)
	Amortization of deferred revenue arising from government grant	(135)	(120)
	Net Loss/(Gain) on investments measured at FVTPL	28	(400)
	Net (Gain) on sale of Property, Plant and Equipment	(11)	(42)
	Net (Gain) on sale of financial asset investments	(205)	(304)
	Charge pertaining to Amnesty Scheme (refer note 28)	134	-
	Operating profit before working capital changes	**16,281**	**11,684**
	Changes in assets and liabilities		
	(Increase)/Decrease in Inventories	(528)	411
	(Increase) in Trade receivables	(310)	(26)
	(Increase) in Other current assets	(95)	(52)
	Decrease in Other non current assets	4	12
	Increase in Trade payables	773	58
	(Decrease)/Increase in Other current liabilities	(1,043)	235
	Cash flows from operations	**15,082**	**12,322**
	Income taxes (paid) during the year(net)	(2,391)	(1,755)
	Net cash flows from operating activities	**12,691**	**10,567**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchases of Property, Plant and Equipment (including intangibles, CWIP and Capital Advances)	(2,998)	(2,481)
	Interest received	936	1,507
	Deposits made during the year	(5,500)	(9,952)
	Deposits matured during the year	10,227	1,244
	Purchase of current investments	(46,753)	(41,385)
	Proceeds from sale of current investments	44,904	48,578
	Proceeds from sale of Property, Plant and Equipment	30	54
	Net cash flows generated from / (used) in investing activities	**846**	**(2,435)**
(C)	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Interest and other finance charges paid	(332)	(244)
	Proceeds from short term borrowings	9	13,473
	Repayment of short term borrowings	(2,120)	(11,965)
	Proceeds from long term borrowings	-	5,016
	Repayment of long term borrowings	(2,204)	-
	Payment of principal portion of lease liabilities	(5)	(5)
	Dividend paid`	(7,606)	(15,972)
	Net cash flows (used) in financing activities	**(12,258)**	**(9,697)**
	Net increase /(Decrease) in Cash and cash equivalents	1,279	(1,565)
	Cash and cash equivalents at the beginning of the year	313	1,878
	Cash and cash equivalents at the end of the year (Refer Note 11)	**1,592**	**313**

Note:-

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

See accompanying notes to financial statements.

As per our report on even date

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

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

Date: April 22, 2022
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Direct
DIN: 01835605

Anjani Kumar Agrawal
Director
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Place: Mumbai

Sandeep Modi
Interim Chief Financial Officer

Date: April 22, 2022
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377

Date: April 22, 2022
Place: Udaipur

Standalone Statement of Changes in Equity

for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

Equity shares of ₹2 each issued, subscribed and fully paid	Numbers of shares (in Crore)	₹ in Crore
As at March 31, 2021	**423**	**845**
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the current year	-	-
As at March 31, 2022	**423**	**845**

B. OTHER EQUITY

(₹ in Crore)

Particulars	Reserve and surplus			Items of Other comprehensive Income	Total
	Capital Reserve	Retained earnings	General reserve[2]	Hedging reserve	
Balance as at April 01, 2020	**1**	**29,081**	**10,383**	**-**	**39,465**
Profit for the year	-	7,980	-	-	7,980
Changes in accounting policy or prior period errors	-	-	-	-	-
Other comprehensive (loss)					
(a.) Remeasurements (loss) of the defined benefit plans	-	(7)	-	-	(7)
Tax effect on above	-	2	-	-	2
Total Other comprehensive (loss) for the year	**-**	**(5)**	**-**	**-**	**(5)**
Total comprehensive income for the year	**-**	**7,975**	**-**	**-**	**7,975**
Dividend declared - Paid [1]	-	(15,972)	-	-	(15,972)
Balance as at March 31, 2021	**1**	**21,084**	**10,383**	**-**	**31,468**
Profit for the year	-	9,630	-	-	9,630
Changes in accounting policy or prior period errors	-	-	-	-	-
Other comprehensive (loss)					
(a.) Remeasurements gain of the defined benefit plans	-	15	-	-	15
Tax effect on above	-	(6)	-	-	(6)
(b.) (Loss) on cash flow hedges recognised during the year	-	-	-	(98)	(98)
Tax effect on above	-	-	-	34	34
Total Other comprehensive (loss) for the year	**-**	**9**	**-**	**(64)**	**(55)**
Total comprehensive income for the year	**-**	**9,639**	**-**	**(64)**	**9,575**
Dividend declared - Paid [1]	-	(7,606)	-	-	(7,606)
Balance as at March 31, 2022	**1**	**23,117**	**10,383**	**(64)**	**33,437**

Standalone Statement of Changes in Equity

for the year ended March 31, 2022

(1) During the year, the company has declared and paid interim dividend of ₹ 7,606 Crore (₹ 18 per share) (March 31, 2021 : ₹ 15,972 Crore)

(2) General reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn.

The Board of Directors of the Company, basis the recommendations of the Audit & Risk Management Committee and Committee of Independent Directors of the Company, at its meeting held on January 21, 2022 approved the Scheme of Arrangement ("Scheme") between the Company and its shareholders under Section 230 and other applicable provisions of the Companies Act, 2013 ("Act"). The Scheme inter alia provides for capital reorganization of the Company, whereby it is proposed to transfer amounts standing to the credit of the General Reserves to the Retained Earnings of the Company with effect from the Appointed Date. The Scheme is subject to receipt of regulatory approvals/ clearances from the Hon'ble National Company Law Tribunal, Mumbai Bench, Securities and Exchange Board of India (through BSE Limited and National Stock Exchange of India Limited), BSE Limited and National Stock Exchange of India Limited (collectively referred to as "Stock Exchanges") and such other approval/clearances as may be applicable.

Pursuant to the Scheme, the Company will possess greater flexibilty to undertake capital related decisions and reflect a more efficient balance sheet.

See accompanying notes to financial statements.

As per our report on even date

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

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

Date: April 22, 2022
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Direct
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Interim Chief Financial Officer

Date: April 22, 2022
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377

Date: April 22, 2022
Place: Udaipur

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

1. COMPANY OVERVIEW

Hindustan Zinc Limited ("HZL" or "the Company") was incorporated on January 10, 1966 and has its registered office at Yashad Bhawan, Udaipur (Rajasthan). HZL's shares are listed on National Stock Exchange and Bombay Stock Exchange. The Company is engaged in exploring, extracting and processing of minerals.

HZL's operations include five zinc-lead mines, four zinc smelters, one lead smelter, one zinc-lead smelter, eight sulphuric acid plants, one silver refinery plant, six captive thermal power plants and four captive solar plants in the state of Rajasthan. In addition, HZL also has a rock-phosphate mine in Matoon, 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 states of Rajasthan, Gujarat, Karnataka, Tamil Nadu and Maharashtra and solar power plants in the state of Rajasthan.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Basis of preparation

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

Accounting policies have been consistently applied in all material aspects except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements were authorised for issue in accordance with a resolution of Board of Directors on April 22, 2022.

b) Reclassification

Consequent to amendments to the Schedule III to the Companies Act, 2013, current maturities of long-term borrowings (March 2021: ₹704 Crore) have been presented as part of the short term borrowings, which were previously included under 'other financial liabilities', lease liabilities (March 2021: ₹24 Crore) have been presented on the face of balance sheet, which were previously included under 'other financial liabilities' and Security deposits (March 2021: ₹11 Crore) have been presented as part of other non current financial asset, which were previously included under 'loans' in non current financial assets.

3.(I) SIGNIFICANT ACCOUNTING POLICIES

a) Fair value measurement

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

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

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

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

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

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

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

b) Current and non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

c) Functional and presentation currency

The financial statements are prepared in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest crores.

d) Revenue recognition

(i) Sale of goods (Products, Scrap and residual)

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer which usually is on delivery of the goods to the carriers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised net of discounts, volume rebates, outgoing sales taxes/ goods and service tax and other indirect taxes. Revenues from sale of by-products are included in revenue.

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

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

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on Company's future performance.

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

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

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

(ii) Income from wind energy

Revenue from sale of wind power is recognised when delivered and measured based on rates as per bilateral contractual agreements with buyers and at rate arrived at based on the principles laid down under the relevant Tariff Regulations as notified by the regulatory bodies, as applicable.

(iii) Dividends

Dividend income is recognized in the statement of profit and loss only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(iv) Interest income

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

(v) Others

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

e) Property, plant and equipment

(i) Property, plant and equipment other than mining properties

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

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

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

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

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

(ii) Mining properties

The costs of mining properties, which include the costs of acquiring and developing mining properties are capitalized as Property, Plant and Equipment under the heading “Mining properties” in the year in which they are incurred. When a decision is taken that a Mining property is viable for commercial production (i.e. when the Company determines that the Mining Property will provide sufficient and sustainable return relative to the risks and the Company decided to proceed with the mine development), all further pre-production primary development expenditure other than land, buildings, plant and equipment is capitalized as developing asset until the mining property are capable of commercial production. Revenue derived during the project phase is adjusted from the cost incurred on the project from which such revenue is generated.

(iii) Capital work in progress (CWIP)

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

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

(iv) Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible property and other equipment has been provided on the straight-line method.

- Depreciation has been provided over remaining useful life of the respective property, plant and equipment in respect of additions arising on account of insurance spares, on additions or extension forming an integral part of existing plants and on the revised carrying amount of assets identified as impaired.
- Mining properties are amortized, from the date on which they are first available for use, in proportion to the annual ore raised to the remaining commercial ore reserves (on a unit-of-production basis) over the total estimated remaining commercial reserves of each property or group of properties and are subject to impairment review. Commercial reserves are proved and probable reserves and any changes affecting unit of production calculations are dealt with prospectively over the revised remaining reserves. In the year of abandonment of mine, the residual balance in mining properties are written off. Costs used in the computation of unit of production comprises the net book value of the capitalised costs plus the future estimated costs required to be incurred to access the commercial reserves.
- Based on technical evaluation, the management believes that the useful lives as given below best represent the period over which the management expects to use the asset.

Assets	Useful life in years
Factory buildings	30 years
Residential buildings	60 years
Roads (included in buildings)	5-10 years
Computers and data processing equipment (included in office equipments)	3-6 years
Plant and Equipment (Including captive power plant)	8-40 years
Railway sidings	15 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8-10 years

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

(v) Exploration & evaluation assets

Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as incurred.

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore, are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment, if any. Exploration and evaluation assets are transferred to the appropriate category of property, plant and equipment when the technical feasibility and commercial viability has been determined. Exploration and evaluation assets are assessed for impairment and impairment loss, if any, is recognised prior to reclassification.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources.

(vi) Borrowing costs

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

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible assets are amortized over their estimated useful life. Amounts paid for securing mining rights are amortized over the period of mining lease of 20 years. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually,

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit and loss when the asset is derecognised.

g) Impairment of non-financial assets

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

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

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

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general. Fair value for mineral assets is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted at an appropriate post tax discount rate to arrive at the net present value.

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

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

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

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

h) Financial instruments

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

Financial assets – recognition

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets except treasury investment that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Treasury investments are accounted for when the amount is settled in Bank account. For purposes of subsequent measurement, financial assets are classified in three categories:

- Debt instruments at amortized cost

  A 'Debt instrument' is measured at the amortized cost if both the following conditions are met:

  a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

  b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

- Debt instruments at fair value through other comprehensive income (FVTOCI)

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

  a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

  b) The asset's contractual cash flows represent SPPI.

  Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

- Debt instruments, derivatives and equity instruments at fair value through Statement of Profit and Loss (FVTPL)

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

  In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (Referred to as 'accounting mismatch').The Company has not invested in any equity instruments.

  Debt instrument included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Financial assets - derecognition

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

- The rights to receive cash flows from the asset have expired, or

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

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and trade receivables

- Financial assets that are debt instruments and are measured as at FVTOCI

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

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

- Financial assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities – recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

Subsequent measurement

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

- Financial liabilities at fair value through profit or loss

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

- Financial Liabilities at amortized cost (Loans and borrowings)

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

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

Financial liabilities - derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through Profit or Loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though Profit or Loss. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

i) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Company enters into forward currency contracts, commodity contracts and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.

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

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

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

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

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

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

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

(i) Fair value hedges

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

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

(ii) Cash flow hedges

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

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

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

j) Government grants, subsidies and export incentives

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

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

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

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

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

k) Inventories

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

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

(i) Ore, concentrate (mined metal), work-in-progress and finished goods (including significant by-products i.e. silver) are valued at lower of cost or net realizable value on weighted average basis.

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

(iii) Immaterial by-products, aluminium scrap, chemical lead scrap, anode scrap and coke fines are valued at net realizable value.

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

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

l) Taxation

Current tax

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

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

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Retirement and other Employee benefit schemes

i. Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

ii. Post-Employment Benefits

Gratuity

In accordance with the Payment of Gratuity Act of 1972, the Company contributes to a defined benefit plan (the “Gratuity Plan”). The Gratuity Plan provides a lump sum payment to employees who have completed at least 5 years of service; at

Notes forming part of the financial statements

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retirement, disability or termination of employment being an amount equal to 15 days' salary (based on the respective employee's last drawn salary) for every completed year of service.

Based on actuarial valuations conducted as at year end, a provision is recognized in full for the benefit obligation over and above the funds held in the Gratuity Plan.

In respect of defined benefit schemes, the assets are held in separately administered funds. In respect of defined benefit schemes, the cost of providing benefits under the plans is determined by actuarial valuation separately each year using the projected unit credit method by independent qualified actuary as at the year end.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Provident Fund

The Company offers retirement benefits to its employees, under provident fund scheme which is a defined benefit plan. The Company and employees contribute at predetermined rates to 'Hindustan Zinc Limited Employee's Contributory Provident Fund' ('Trust') accounted on accrual basis and 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 Trust. The contribution towards provident fund is recognized as an expense in the Statement of Profit and Loss.

Family Pension

The Company offers its employees benefits under defined contribution plans in the form of family pension scheme. Contributions are paid during the year into the fund under statutory arrangements. The contribution to family pension fund is made at predetermined rates by the Company based on prescribed rules of family pension scheme. The contribution towards family pension is recognized as an expense in the Statement of Profit and Loss. The Company has no further obligation other than the contribution made.

Superannuation

Certain employees of the Company, who have joined post disinvestment are members of the Superannuation plan. The Company has no further obligations to the Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India. The contribution is recognized as an expense in the Statement of Profit and Loss.

iii. Other Long-Term Employee Benefits

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur. Actuarial differences are recognised immediately in the Statement of Profit and Loss.

n) Provision

Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

(i) Provision for Decommissioning

The Company recognizes a provision for decommissioning costs of smelting and refining facilities. Decommissioning costs are provided at

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the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at pre-tax rate that reflects the risks specific to the liability. The unwinding of the discount is expensed as incurred and recognized in the Statement of Profit and Loss as a finance cost. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

The Company recognizes provision for discontinuing of a smelting operation which is charged to the Statement of profit and loss. Management estimates are based on third party technical estimates. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate.

(ii) Provision for Restoration, rehabilitation and environmental costs

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or on-going production of a mine. Such costs, discounted to net present value, are provided for and a corresponding amount is capitalized at the start of each project as mining properties, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision (considered as finance cost). The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate as per the depreciation policy .

Costs for the restoration of subsequent site damage, which is caused on an on-going basis during production, are charged to the Statement of Profit and Loss as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred.

o) Foreign currency translation

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

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

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

p) Earnings per share

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

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker i.e. CEO. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

r) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added

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to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

(b) Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

(ii) Lease liabilities

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Other Financial Liabilities.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

s) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

t) Investment in joint venture

Investments representing equity interest in joint ventures are carried at cost. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

u) Operational buyers' credit/suppliers' credit

The Company enters into arrangements where by banks and financial institutions make direct payments to suppliers for goods and services. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled up to twelve months. Where these arrangements are for goods used in the normal operations of the Company with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/ suppliers' credit and disclosed on the face of the balance sheet. Interest expense on these are recognised in the finance cost. Payments made by banks and financial instiutions to the operating vendors are treated as a non cash item and settlement of due to operational buyer's credit/ suppliers' credit by the Company is treated as an cash outflow from operating activity reflecting the substance of the payment.

Payments made to vendors are treated as cash item and disclosed as cash flows from operating/investing activity depending on the nature of the underlying transaction. Settlement of dues to banks and financial institution are treated as cash flows from financing activity.

Notes forming part of the financial statements

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v) **Provisions, contingent liabilities and contingent assets**

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

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

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Balance Sheet.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Financial guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as Contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefit is probable.

The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet.

3.(II) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards

The Company has adopted, with effect from April 01, 2021, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the financial statements.

1. Amendments to Ind AS 103 regarding the definition of identifiable assets acquired and liabilities assumed to qualify for recognition as part of applying the acquisition method;
2. Amendments to Ind AS 107, 109, 104 and 116 regarding Interest Rate Benchmark Reform - Phase 2;
3. Conceptual framework for financial reporting under Ind AS issued by the ICAI;
4. Amendments to Ind AS 116 regarding COVID-19 related rent concessions;
5. Amendments to Ind AS 105, 16 and 28 regarding definition of recoverable amount.

Other Amendments

A number of other minor amendments to existing standards also became effective on April 01, 2021 and have been adopted by the Company. The adoption of these new accounting pronouncements did not have a material impact on the accounting policies, methods of computation or presentation applied by the Company.

Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23 2022, effective from April 01 2022, resulting in amendments such as Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37, Reference to the Conceptual Framework – Amendments to Ind AS 103, Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16, Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter, Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities, Ind AS 41 Agriculture – Taxation in fair value measurements. These amendments are not expected to have any impact on the Company. The Company has not early adopted any amendments that has been notified but is not yet effective."

3(III) CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENT

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

Notes forming part of the financial statements

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results may differ from these estimates under different assumptions and conditions.

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

(A) Significant Estimates

(i) Mining property and Ore reserve

Ore reserves and mineral resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The Company estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body. As a consequence of such an assessment made at the end of the current year, the Company has added new reserves and there is no material impact on the depreciation charge for the year due to this change.

(ii) Restoration, rehabilitation and environmental costs

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine fields. The costs are estimated on annual basis on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalized when incurred reflecting the Company's obligations at that time. The Company has not considered salvage value for the estimates of provision for decommissioning calculated as at March 31, 2022.

The provision for decommissioning liabilities (Refer note 17) is based on the current estimate of the costs for removing and decommissioning producing facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate.

(iii) Assessment of useful lives and consumption pattern of Property, Plant and Equipments

The Company reviews the useful lives and consumption pattern of Property, Plant and Equipment at the end of each reporting period.

(iv) Timing of adoption of section 115BAA of the Income Tax Act, 1961

Section 115BAA, of the Income Tax Act, allows companies to make an irrevocable choice to adopt a lower rate of tax of 25% plus applicable surcharge and cess as against the present tax rate of 30% plus surcharge and cess and also an exemption from paying the Minimum Alternate Tax, provided the Company forgoes tax holidays and certain tax exemptions and benefits. The law allows companies to make this election from anytime on or after the start of the financial year April 1, 2020. Based on the expected timing of exercising the said option, the Company has accounted for certain tax credits as detailed in Note 32.

(B) Significant Judgement

Contingencies

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

While considering the possible, probable and remote analysis of taxation, legal and other claims, there is always a certain degree of judgement involved pertaining to the application of the legislation which in certain cases is supported by views of tax experts and/or earlier precedents in similar matters. Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability.

Notes forming part of the financial statements

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4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Railway siding	Mining properties	Right of use[4]	Total
At Cost										
As at April 1, 2020	**329**	**1,906**	**19,314**	**35**	**47**	**302**	**94**	**7,082**	**170**	**29,279**
Additions[1&4]	2	180	1,066	1	1	62	-	1,475	23	2,810
Disposals/ adjustments	-	-	234	-	6	1	-	1	-	242
As at March 31, 2021	**331**	**2,086**	**20,146**	**36**	**42**	**363**	**94**	**8,556**	**193**	**31,847**
Additions[1&4]	-	45	1,494	-	15	33	-	1,811	2	3,400
Disposals/ adjustments	-	1	449	0	4	3	-	-	-	457
Transfer/Reclassfication (from)/to[6]	(40)	-	-	-	-	-	-	247	40	247
As at March 31, 2022	**291**	**2,130**	**21,191**	**36**	**53**	**393**	**94**	**10,614**	**235**	**35,037**
Accumulated depreciation										
As at April 1, 2020	**-**	**504**	**8,743**	**23**	**24**	**214**	**33**	**3,515**	**6**	**13,062**
Depreciation charge for the year[3]	-	105	1,036	2	6	26	5	1,381	8	2,569
Disposals/ adjustments	-	-	225	-	4	1	-	1	-	231
As at March 31, 2021	**-**	**609**	**9,554**	**25**	**26**	**239**	**38**	**4,895**	**14**	**15,400**
Depreciation charge for the year[3]	-	80	1,114	2	4	30	5	1,665	9	2,909
Disposals/ adjustments	-	-	433	-	2	2	-	-	-	437
As at March 31, 2022	**-**	**689**	**10,235**	**27**	**28**	**267**	**43**	**6,560**	**23**	**17,872**
Net Book Value										
As at March 31, 2022	**291**	**1,441**	**10,956**	**9**	**25**	**126**	**51**	**4,054**	**212**	**17,165**
As at March 31, 2021	**331**	**1,477**	**10,592**	**11**	**16**	**124**	**56**	**3,661**	**179**	**16,447**

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

4(A) Capital work in progress

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount of Capital work in progress	2,075	1,922

Capital work in progress(CWIP) Ageing Schedule

CWIP	As at March 31, 2022			As at March 31, 2021		
	Projects in progress	Projects temporarily suspended	Total	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	1,026	-	1,026	970	-	970
1-2 years	378	-	378	408	-	408
2-3 years	206	-	206	502	-	502
More than 3 years	465	-	465	42	-	42
Total	**2,075**	**-**	**2,075**	**1,922**	**-**	**1,922**

CWIP completion schedule for projects whose completion is overdue compared to its original plan:

CWIP	As at March 31, 2022				As at March 31, 2021			
	To be completed in				To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project in Progress								
Fumer Project	527	-	-	-	-	502	-	-
Total	**527**	**-**	**-**	**-**	**-**	**502**	**-**	**-**

(1) Addition to plant & equipment includes finance cost capitalised of ₹ 12 Crore. (March 31, 2021: ₹ 23 Crore)

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

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Power and fuel charges	34	25
Repairs and Others	361	689
Consumption of Stores and Spare parts	322	186
Employee Benefit Expenses	76	83
General Expenses	1	1
Insurance	-	3
Conveyance and travelling expenses	-	0
Finance Cost	11	24
Total	**805**	**1,011**

(3) During the year, the Company has capitalised ₹ 4 Crore depreciation attributable to certain assets under development (March 31, 2021: ₹ 50 Crore). Accordingly, depreciation reported in Note 26 for the year ended March 31, 2022 is ₹ 2,905 Crore (March 31, 2021: ₹ 2,519 Crore)

(4) Carrying amount of right-of-use assets recognised and the movements during the period is as below:

(₹ in Crore)

Particulars	Plant & machinery	Buildings	Land	Total
As at April 1, 2020	**27**	**3**	**134**	**164**
Additions	-	1	22	23
Depreciation	(1)	(1)	(6)	(8)
As at March 31, 2021	**26**	**3**	**150**	**179**
Additions	-	1	41	42
Depreciation	(1)	(1)	(7)	(9)
As at March 31, 2022	**25**	**3**	**184**	**212**

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

5. INTANGIBLE ASSETS

(₹ in Crore)

Particulars	Computer software	Mining rights	Right to use asset[5]	Exploration & Evaluation asset	Total
At Cost					
As at April 1, 2020	**48**	**67**	**111**	**112**	**338**
Additions	-	-	32	88	120
Disposals	-	-	-	-	-
As at March 31, 2021	**49**	**67**	**143**	**200**	**459**
Additions	1	-	-	128	129
Disposals	-	-	-	-	-
Transfer (from)/to[6]	-	-	-	(247)	(247)
As at March 31, 2022	**50**	**67**	**143**	**81**	**341**
Accumulated depreciation					
As at April 1, 2020	**42**	**25**	**19**	**-**	**86**
Charge for the year	2	4	6	-	12
As at March 31, 2021	**44**	**29**	**25**	**-**	**98**
Charge for the year	2	4	6	-	12
As at March 31, 2022	**46**	**33**	**31**	**-**	**110**
Net Book Value					
As at March 31, 2022	**4**	**34**	**112**	**81**	**231**
As at March 31, 2021	**5**	**38**	**118**	**200**	**361**

(5) CSR asset held for transfer to Section 8 wholly owned company to be set up by the company

(6) ₹ 247 Crore Transferred from Exploration & Evaluation asset to Mining properties (refer note 3.(I)(e)v)

6. LOANS

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Unsecured, considered good		
Loans to employees	2	1
Total	**2**	**1**
Current		
Unsecured, considered good		
Loans to employees	2	2
Total	**2**	**2**

7. OTHER ASSETS

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Unsecured, considered good		
Capital advances	166	183
Claims and other receivables[1]	109	248
Total	**275**	**431**
Unsecured, credit impaired		
Claims and other receivables	7	7
Provision on doubtful deposits and claims	(7)	(7)
	-	**-**
Total	**275**	**431**

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Unsecured, considered good		
Advance given to vendors for supply of goods and services	106	68
Balance with government authorities	230	208
Claims and other receivables[(2)(3)]	127	73
Total	**463**	**349**

(1) Pertains to Indirect taxes and royalty deposited under dispute with respect to various matters currently litigated in court of law and at various levels of adjudication. During the current year, Company has opted to settle Entry Tax matter under phase II of "Amnesty Scheme 2021" launched by Government of Rajasthan, pursuant to which company has written off balances of ₹ 113 Crore. (see note 28)

(2) Includes ₹ 74 Crore (March 31, 2021: ₹ 25 Crore) export benefit incentive receivable which mainly includes RoDTEP receivable of ₹ 38 Crore (March 31, 2021: Nil) , ₹ 4 Crore (March 31, 2021: ₹ 18 Crore) CSR pre-spent and ₹ 49 Crore (March 31, 2021: ₹ 30 Crore) prepaid expenses.

(3) Includes leave encashment receivable balance for previous year March 31, 2021.

8. INVENTORIES*

(₹ in Crore)

Particulars		As at March 31, 2022	As at March 31, 2021
a.	Work in progress		
	Ore	66	40
	Mined Metal	475	258
	Others	547	491
b.	Finished goods[(1)]	27	48
c.	Fuel Stock [Including goods in transit ₹ 293 Crore (March 31, 2021: ₹ 53 Crore)]	354	127
d.	Stores and spare parts [Including goods in transit ₹ 22 Crore (March 31, 2021: ₹ 19 Crore)]	484	461
Total		**1,953**	**1,425**

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

(1) Inventory held at net realizable value amounted to ₹ 5 Crore (March 31, 2021 : ₹ 5 Crore). The write down on this inventory of Nil (March 31, 2021 : Nil) has been recognized as an expense in Statement of Profit and Loss.

(2) The Company follows suitable provisioning norms for writing down the value of inventories towards slow moving, non-moving and surplus inventory. Provision for slow and non moving inventories created during the year of ₹ 36 Crore (March 31, 2021: ₹ 7 Crore) has been recognized as an expense in Statement of Profit and Loss.

9. INVESTMENTS

Non Current

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Measured at cost		
Investment in equity shares (fully paid up unless otherwise stated)		
Subsidiary company - Unquoted		
Hindustan Zinc Alloys Private Limited (1,00,000 equity shares(March 31, 2021 : Nil) of ₹ 10 each)	0	-
Vedanta Zinc Football & Sports Foundation (1,000 equity shares(March 31, 2021 : Nil) of ₹ 100 each)	0	-
Total	**0**	**-**
Joint Venture - Unquoted		
Madanpur South Coal Company Limited (1,14,391 equity shares(March 31, 2021: 1,14,391) of ₹ 10 each)	2	2
Less: Aggregate amount of impairment in the value of investment	(2)	(2)
Total	**-**	**-**

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

The Company had access of up to 31.5 million MT of coal as a partner in the joint venture 'Madanpur South Coal Company Limited' (Madanpur JV), a Company incorporated in India, where it holds 17.62% of ownership interest. During the year 2013-14, Honourable Supreme Court had passed the judgment cancelling all the coal blocks including Madanpur JV allocated since 1993 with certain exceptions and consequently the Company does not have any business to pursue. Accordingly, the Company had created 100% provision against its investment in Madanpur JV amounting to ₹ 2 crore.

Current (₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Measured at fair value through profit and loss		
Investment in bonds-quoted	2,157	2,489
Investment in zero coupon bonds- quoted	4,153	2,277
Investment in perpertual bonds- quoted	2,277	-
Investments in commercial paper- quoted	150	-
Investment in mutual funds-quoted	1,196	5,420
Investment in mutual funds-unquoted	5,119	2,771
Total	**15,052**	**12,957**
Aggregate amount of quoted investment at market value thereof	9,933	10,186
Aggregate amount of unquoted investment	5,119	2,771

10. TRADE RECEIVABLES[(1)(3)(4)]

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured		
Considered good[(2)]	716	406
Trade receivables- credit impaired	1	1
	717	**407**
Provision for doubtful trade receivables	(1)	(1)
Total	**716**	**406**

Trade receivables Ageing Schedule (₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Undisputed - considered good		
Not Due	556	176
Less than 6 months	139	199
6 months – 1 year	11	20
1-2 years	8	7
2-3 years	-	1
More than 3 years	-	1
Total	**714**	**404**
Disputed - considered good		
Not Due	-	-
Less than 6 months	-	-
6 months – 1 year	-	-
1-2 years	-	-
2-3 years	-	1
More than 3 years	2	1
Total	**2**	**2**
Undisputed - Credit Impaired		
Not Due	-	-
Less than 6 months	-	-
6 months – 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	1	1
Total	**1**	**1**
Less: Provision for doubtful trade receivables	(1)	(1)
Total Trade receivables	**716**	**406**

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

(1) The average credit period given to customer ranges from zero to one hundred eighty days (March 31, 2021: zero to one hundred eighty days). Interest is charged on trade receivables for the credit period, from the date of the invoice at 7.15% to 8.65%. (March 31, 2021: 6.65% to 9.15%) per annum on the outstanding balance.

(2) Unsecured considered good includes, ₹ 75 Crore (March 31, 2021: ₹ 80 Crore) due from wind energy segment's trade receivables. Unsecured trade receivable of ₹ 329 Crore (March 31, 2021: ₹ 169 Crore) are covered against Letter of credit and Bank Guarantees.

(3) Refer note 37 for details of related party balances and terms and conditions.

(4) The total trade receivables as at April 1, 2020 were ₹ 379 crore (net of provision of ₹ 1 Crore).

11. CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
On current accounts	82	133
Deposits with original maturity of less than 3 months	1,510	180
Total	**1,592**	**313**
For the purpose of statement of cash flows, cash and cash equivalents comprises the following:		
Cash and cash equivalents as above	1,592	313
Total	**1,592**	**313**

12. OTHER BANK BALANCES

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Bank deposits having maturity more than 3 months but not more than 12 months[1]	-	9,038
Bank deposits with original maturity of more than 12 months[1][2]	4,145	-
Earmarked unpaid dividend accounts	26	25
Total	**4,171**	**9,063**

(1) Includes ₹ 3,500 Crore (March 31, 2021: ₹ 4,350 Crore) on lien with banks against FD backed OD limits, the same is unutilised as at March 31, 2022.

(2) The deposits can be withdrawn by the Company at any point without prior notice or penalty on the principal.

13. OTHER FINANCIAL ASSETS

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Unsecured, considered good		
Security Deposits	51	50
Bank Deposits with more than 12 months maturity	5	4
Unsecured, credit impaired		
Security Deposits	27	27
Provision for doubtful deposits and claims	(27)	(27)
Total	**56**	**54**
Current		
Unsecured, Considered Good		
Interest accrued on deposits	1	2
Derivative assets (Refer note 35)	1	2
Receivable from related party (Refer note 37)	32	49
Total	**34**	**53**

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

14. EQUITY SHARE CAPITAL

(₹ in Crore)

Particulars		As at March 31, 2022	As at March 31, 2021
A.	**Authorized equity share capital**		
	Equity shares of ₹ 2 (March 31, 2021: ₹ 2) each.	1,000	1,000
	No. of Shares (In Crore)	500	500
B.	**Issued, subscribed and paid up**		
	Equity shares of ₹ 2 (March 31, 2021: ₹ 2) each.	845	845
	No. of Shares (In Crore)	423	423
C.	**Equity shares held by Holding Company**		
	Vedanta Limited		
	No. of Shares (In Crore)	274	274
	% of Holding	64.92%	64.92%
D.	**No shares issued for consideration other than cash and newly added shares bought back during the period of five years immediately preceding the reporting date**		
E.	**Details of shareholders holding more than 5% shares in the Company**		
	Vedanta Limited		
	No. of Shares (In Crore)	274	274
	% of Holding	64.92%	64.92%
	Government of India - President of India		
	No. of Shares (In Crore)	125	125
	% of Holding	29.54%	29.54%
F.	**Details of shares held by promoters**		
	Vedanta Limited		
	No. of shares at the beginning of the year (In Crore)	274	274
	Change during the year (In Crore)	-	-
	No. of shares at the end of the year (In Crore)	274	274
	% of Total Shares*	64.92%	64.92%
	% change during the year	-	-

*As at March 31, 2022, 5.77% (March 31, 2021: 14.82%) of total paid up share capital of the Company have been pledged by promoters for securing loan facilities from banks/financial institutions along with a non-disposal undertaking in respect of their holding in the Company to the extent of 50.1% of the paid up share capital of the Company.

G. Terms/Rights attached to equity shares

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 dividend as and when declared by the Company. Interim dividend is paid as and when declared by the Board. Final dividend is paid after obtaining shareholders' approval. Dividends are paid in Indian Rupees. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

15. BORROWINGS

Non-current

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Unsecured		
Non-convertible debentures(1)	2,814	3,516
Term-loan from banks(2)	-	1,500
Total Non-current borrowing	2,814	5,016
Less: Current maturities of long-term borrowings	(703)	(704)
Total (Net)	**2,111**	**4,312**

(1) During the previous year, the company had issued 35,200 Unsecured, Rated, Non-convertible debentures (NCDs) of face value of ₹ 10,00,000 each at an interest rate of 5.35%, aggregating upto ₹ 3,520 Crore. The NCDs are due for repayment in three yearly installments of ₹ 704 Crore, ₹ 704 Crore and ₹ 2,112 Crore respectively starting from September, 2021. As at March 31, 2022, the carrying value is ₹ 2,814 Crore (net of non cash changes).

(2) Term loan from banks of ₹ 1,500 Crore has been prepaid in current year. The loan carried an effective interest rate of 5.05%, and was originally repayable in a single bullet installment in November, 2022.

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

Current

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Unsecured		
Commercial Paper[(1)]	-	2,161
Current maturities of long-term borrowing	703	704
Working Capital Loans from banks[(2)]	9	-
Total	**712**	**2,865**

(1) Commercial Papers as on March 31, 2022 carry an effective interest rate of Nil (March 31, 2021 in the range of 3.87%-4.35%), and repayable in Nil days (March 31, 2021: 213-365 days) from the date of issue of commercial papers.

(2) Working Capital Loans from banks as on March 31, 2022 carry an effective interest rate of 7.20% and are repayable after 7 days.

(C) Movement in borrowings during the year is provided below:

(₹ in Crore)

Particulars	Borrowing due within 1 year	Borrowing due after 1 year*	Total
As at April 1, 2020	**611**	**-**	**611**
Cash flow	1,549	5,016	6,565
Other non cash changes	1	-	1
As at March 31, 2021	**2,161**	**5,016**	**7,177**
Cash flow	(2,152)	(2,204)	(4,356)
Other non cash changes	-	2	2
As at March 31, 2022	**9**	**2,814**	**2,823**

*Including current maturities of long-term debt & unamortized borrowing fees.

16. OTHER FINANCIAL LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposits and other liabilities*	0	0
Total	**0**	**0**
Current		
Derivatives - Liabilities (Refer Note 35)	147	4
Capital Creditors	1,216	727
Due to related party (Refer Note 37)	71	25
Deposits from vendors	165	143
Interest accrued but not due	76	101
Unclaimed dividend [(1)]	26	25
Other liabilities (Includes employee benefits etc.)	200	226
Total	**1,901**	**1,251**

[(1)] Represents the unclaimed dividend for a period less than 7 years.

17. PROVISIONS

Non-current

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for mine restoration & decomissioning [(a)]	212	182
Total	**212**	**182**

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

(a)

(₹ in Crore)

Particulars	Provision for mine restoration[1]	Provision for decommissioning[2]	Total
As at April 1, 2020	166	10	176
Addition during the year/(revision during the year)	22	-	22
Unwinding of discount	7	-	7
Utilized	(3)	(5)	(8)
As at March 31, 2021	**192**	**5**	**197**
Addition during the year/(revision during the year)	24	-	24
Unwinding of discount	8	-	8
Utilized	-	(3)	(3)
As at March 31, 2022	**224**	**2**	**226**
Classification as at March 31, 2021			
Non-current	182	-	182
Current	10	5	15
Classification as at March 31, 2022			
Non-current	212	-	212
Current	12	2	14

(1) The provision for restoration, rehabilitation, and environmental cost represents the Company's best estimate of the costs which will be incurred in the future to meet the obligations under the laws of the land and the terms Referred to in the Company's mining arrangements. The principal restoration, rehabilitation and environmental provisions are the costs, which are expected to be incurred in restoring at the end of life of these mines at Rampura Agucha, Rajpura Dariba, Zawar Mines, Sindesar Khurd and Kayad.

(2) Provision for decommissioning is created to meet the obligation at decommissioned smelting facility at Vizag location basis an independent technical evaluation.

Current (₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity (Refer note 31)	-	55
Provision for compensated absenses[1]	18	-
Provision for mine restoration & decomissioning (Refer (a) above)	14	15
Total	**32**	**70**

(1) Refer note 7

18. OTHER LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Deferred government grant[2]	1,024	1,036
Total	**1,024**	**1,036**
Current		
Advance from customers[3]	252	1,219
Statutory and other liabilities[1]	467	604
Deferred government grant[2]	141	124
Total	**860**	**1,947**

(1) Statutory and other liabilities mainly includes contribution to PF, Goods and service tax (GST), TDS, amount payable to District Mineral Fund (DMF), National Mineral Exploration Trust (NMET) etc.

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

(3) Advance from customers are contract liabilities and include amounts received under short term supply agreements. The advance payment plus a fixed rate of return/ discount will be settled by supplying respective commodity over a period up to twelve months under an agreed delivery schedule as per the terms of the respective agreements. As these are contracts that the Company expects, and has the ability, to fulfil through delivery of a non-financial item, these are recognised as advance from customers and will be released to the income statement as respective commodity is delivered under the agreements. The amount of such balances as of April 01, 2021 was ₹ 1,219 Crore. Changes in contract liabilities are either due to exchange differences, receipt of fresh advances or revenues recognised as detailed in note 21A.

Notes forming part of the financial statements

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19. OPERATIONAL BUYERS' CREDIT/ SUPPLIERS' CREDIT

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Operational Buyers/Suppliers credit from banks[1]	280	-
Total	**280**	**-**

(1) Operational Buyers'/Suppliers' Credit is availed in foreign currency from offshore branches of Indian banks at weighted average interest rate of 0.57 % p.a. as at March 31, 2022. The tenure of these trade credits ranges from 59 days to 88 days from the date of draw down. This is backed by Standby Letter of Credit issued under unsecured working capital facilities sanctioned by domestic banks.

20. TRADE PAYABLES

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of Micro Enterprises and Small Enterprises	50	38
Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises	1,988	1,503
Due to related party (Refer note 37)	-	4
Total	**2,038**	**1,545**

Trade payables Ageing Schedule (₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Undisputed dues- Micro Enterprises and Small Enterprises		
Less than 1 year	50	38
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**50**	**38**
Undisputed dues- Other than Micro Enterprises and Small Enterprises		
Less than 1 year	1,952	1,386
1-2 years	10	88
2-3 years	4	18
More than 3 years	22	15
Total*	**1,988**	**1,507**

*Includes Unbilled dues of ₹ 1,402 Crore (March 31, 2021: ₹ 978 Crore)

The disclosures relating to Micro Enterprises and Small Enterprises have been furnished to the extent such parties have been identified on the basis of the intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. There is no interest paid/ payable as at March 31, 2022 (March 31, 2021: NIL)

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
i) Principal amount due to micro and small enterprises	50	38
ii) Interest due on above	-	-
iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest ues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Notes forming part of the financial statements

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21. (A) REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products	28,624	21,932
Income from wind energy	166	139
Total Revenue[1]	**28,790**	**22,071**

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

The above revenue from sale of products for the year ended March 31, 2022 comprises of revenue from contracts with customers of ₹ 29,792 Crore (March 31, 2021: ₹ 22,928 Crore) and a net loss on mark to market of ₹ 1,002 Crore (March 31, 2021: ₹ 857 Crore) on account of gains/losses relating to sales that were provisionally priced as at the beginning of the year with the final price settled in the current year, gains/losses relating to sales fully priced during the year, and marked to market gains/losses relating to sales that were provisionally priced as at the end of the year. Entire revenue from contract with customers is recorded at a point in time and includes ₹ 1,219 Crore (March 31, 2021: ₹ 1,184 Crore) for which contract liabilities existed at the beginning of the year. Majority of the Company's sales are against advance or are against letters of credit/ cash against documents/ guarantees of banks of national standing. Where sales are made on credit, the amount of consideration does not contain any significant financing component as payment terms are within three months.

(B) OTHER OPERATING INCOME

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of scrap and residuals	319	387
Export incentives	205	80
Others (unclaimed amount, carbon credits, liquidated damages etc.)	126	91
Total	**650**	**558**

22. OTHER INCOME

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain on investments measured at FVTPL	-	400
Net gain on sale of current investments	205	304
Net gain on foreign currency transactions and translation	27	13
Amortization of deferred revenue arising from government grant	135	120
Gain on sale of fixed assets (net)	11	42
Interest Income on:		
Bank deposits measured at amortized cost	407	434
Investments measured at FVTPL	392	432
Other financial assets measured at amortised cost	39	74
Total	**1,216**	**1,819**

Notes forming part of the financial statements

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

(₹ in Crore)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
Opening inventory			
Finished goods		48	196
Work in progress :-			
Ore		40	44
Mined metal		258	275
Others (includes various semi-finished goods having Zinc, Lead & Silver content)		491	561
Total	**(A)**	**837**	**1,076**
Closing inventory			
Finished goods		27	48
Work in progress :-			
Ore		66	40
Mined metal		475	258
Others (includes various semi-finished goods having Zinc, Lead & Silver content)		547	491
Total	**(B)**	**1,115**	**837**
Changes in Inventory	**(A- B)**	**(278)**	**239**

24. EMPLOYEE BENEFIT EXPENSE

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus(1)	538	599
Contribution to provident and other funds (Refer Note 31)	46	46
Share based compensation(2)	6	12
Staff welfare expenses(1)	127	103
Total	**717**	**760**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(1) Includes Corporate social responsibility expenditure of ₹ 3 Crore and ₹ 16 Crore (March 31, 2021: ₹ 3 Crore and ₹ 19 Crore) towards salaries,wages and bonus and Company run schools & hospitals respectively.

(2) The Company offers equity-based and cash based option plans to its employees, officers and directors through its holding Company, Vedanta Limited [Vedanta Limited - Employee Stock Option Scheme ("Vedanta Limited- ESOS")].

During the year, share- based incentives arrangement under ESOS of Vedanta Limited (introduced effective December 2016) 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 to the individual fixed salary and share-based remuneration consistent with local market practice. ESOS scheme of Vedanta Limited are both tenure and performance based share schemes. The awards are indexed to and settled by Parent's shares (Vedanta Ltd shares as defined in the scheme). The awards have a fixed exercise price denominated in Parent's functional currency (Re.1), the performance period of each award is 36 months and is exercisable within a period of six months from the date of vesting beyond which the option lapses.

Further, in accordance with the terms of the agreement between the Parent and the Company, the cost recognised towards ESOS scheme is recovered by the Parent from the Company.

Notes forming part of the financial statements

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25. FINANCE COSTS

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on financial liabilities at amortised cost[(1) (3)]	237	320
Other interest[(2)]	28	31
Bill discounting charges	8	11
Bank charges	5	4
Other finance costs	12	20
Total	**290**	**386**

(1) Interest expenses on lease liabilities is ₹ 3 Crore (March 31, 2021: ₹ 3 Crore)

(2) Interest expenses on income tax is 22 Crore (March 31, 2021: ₹ 12 Crore)

(3) Interest rate of 5.08% was used to determine the amount of general borrowing costs eligible for capitalization in respect of qualifying asset for the year ended March 31, 2022 (March 31, 2021: 4.79%)

26. DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on Property, Plant and Equipments (Refer note 4)	2,905	2,519
Amortization on intangible assets (Refer note 5)	12	12
Total	**2,917**	**2,531**

27. OTHER EXPENSES

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores and spare parts	1,622	1,140
Repairs and Maintenance:		
- Plant and equipment	1,749	1,523
- Building	105	89
- Others	7	1
Carriage inwards	174	185
Mine expenses	1,679	1,431
Other manufacturing and operating expenses	441	387
Rates and taxes	3	2
Conveyance and travelling expenses	20	16
Directors sitting fees and commission	1	1
Payment to auditors[(1)]	2	2
Carriage outwards	349	276
Grass root exploration expenses	16	10
Legal and professional expenses	65	62
Research and development expenditure	8	5
Corporate social responsibility	150	158
Net loss on investments measured at FVTPL	28	-
Miscellaneous expenses	237	179
Total	**6,656**	**5,467**
[(1)] **Remuneration to auditors:**		
- Audit fees	2	2
- Other services	0	0
Total	**2**	**2**

Notes forming part of the financial statements

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28. EXCEPTIONAL ITEMS

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
One time settlement of entry tax under amnesty scheme[(1)]	134	-
Total	**134**	**-**

(1) During the current year, Company has opted to settle Entry Tax matter under phase II of "Amnesty Scheme 2021" launched by Government of Rajasthan, persuant to which company has written off balances of ₹ 113 Crore outstanding under claims and receivable (note 7) as at March 31, 2021 paid under protest for entry tax matter and paid additional ₹ 21 Crore towards settlement.

29. EARNINGS PER SHARE

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic earnings per share (₹)	22.79	18.89
Diluted earnings per share (₹)	22.79	18.89
The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:		
Profit after tax attributable to owners of the Company (in ₹ Crore)	9,630	7,980
Earnings used in the calculation of basic earnings for the year (in ₹ Crore)	9,630	7,980
Weighted average number of equity shares outstanding (Number in Crore)	423	423
Nominal Value per share (in ₹)	2	2

30. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Contingent liabilities[(1)]		
Claims against the Company not acknowledged as debts		
- Suppliers and contractors	98	102
- Ex-employees and others	3	3
- Land acquisition	6	6
- Mining cases[(2)]	334	334
- Government : Electricity Duty	9	9
: Road Tax	15	15
: Environmental Cess[(3)]	142	142
Guarantees issued by the banks	278	227
Sales tax demands	68	90
Entry tax demands(Refer note 28)	-	200
Income tax demands[(5)]	725	715
Excise Duty, Custom duty, Service tax and GST demand[(4)]	413	392

(1) Future cash out flows in respect of the above matters are determinable only on receipt of judgments or decisions pending at various forums. Accordingly interest and penalty where applicable will be additionally payable.

(2) The Department of Mines and Geology of the State of Rajasthan issued several show cause notices in August, September and October 2006 to HZL, amounting to ₹ 334 Crore. These notices alleged unlawful occupation and unauthorised mining of associated minerals other than zinc and lead at HZL's Rampura Agucha, Rajpura Dariba and Zawar mines in Rajasthan during the period from July 1968 to March 2006. HZL believes that the likelihood of this claim is not probable and thus no provision has been made in the financial statements. HZL had filed writ petitions in the High Court of Rajasthan in Jodhpur and had obtained a stay in respect of these demands. The High Court restrained the Department of Mines and Geology from undertaking any coercive measures to recover the penalty. In January 2007, the High Court issued another order granting the Department of Mines and Geology additional time to file their reply and also ordered the Department of Mines and Geology not to issue any order cancelling the lease.Affidavit of the Central Government is awaited.The State Government filed for an early hearing application in the High Court. The High Court has passed an order rejecting the application stating that Central Government should file their replies.

(3) The State of Rajasthan issued a notification in June 2008 notifying the Rajasthan Environment and Health Cess Rules, 2008, imposing environment and health cess on major minerals including lead and zinc. HZL and other mine operators resisted this notification and the imposition thereunder before the High Court of Rajasthan on the ground that the imposition of such cess and all matters relating to the environment fall under the jurisdiction of the Central government as opposed to the State government. In October 2011, the High Court of Rajasthan disposed the writ petitions and held the Rajasthan Environment and Cess Rules, 2008 that impose a levy of cess on minerals, as being constitutionally valid. An amount of ₹ 150 per metric ton of ore

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produced would be attracted under the Statute if it is held to be valid. HZL challenged this order by a special leave petition in December 2011 before the Supreme Court of India. The Supreme Court of India issued a notice for stay. Further direction was issued by the Supreme Court on March 23, 2012 not to take any coercive action against HZL for recovery of cess. The aforementioned notification was rescinded via notification dated January 6, 2017, and hence no further obligation exists after that date.

(4) Various demands raised on the Company towards CENVAT, service tax and excise for FY 1991-92 to 2017-18. The Company has paid an amount of ₹ 20 Crore (March 31, 2021: ₹ 25 Crore)against these demands under protest and is confident of the liability not devolving on the Company.

(5) Tax demands have been raised mainly on account of depreciation disallowances, withholding taxes and interest thereon. Although, the Company has paid certain amounts in relation to these demands, which are pending at various levels of appeals, management considers these disallowances as not tenable against the Company, and therefore no provision for tax has been created. Also, refer note 32c(ii).

b. The Department of Mines and Geology (DMG) of the State of Rajasthan initiated the royalty assessment process from January 2008 to 2019 on certain question of law and issued a show cause notice vide an office order dated January 31, 2020 amounting to ₹ 1,925 Crores, further an additional demand was issued vide an office order dated December 14, 2020 for ₹ 311 Crores on similar questions of law. The Company has challenged (the show cause notice or / and) computation mechanism of the royalty on the ground that the state has not complied with the previous orders of Rajasthan High court where a similar computation mechanism was challenged and court had directed DMG to reassess basis the judicial precedents and mining concession rules. Pending compliance of previous orders, High court has granted a stay on the notice and directed DMG not to take any coercive action. State Government has also been directed to not take any coercive action in order to recover such miscomputed dues. Based on the opinion of external counsel, the Company believes that it has strong grounds of a successful appeal.

c. **Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 1,480 Crore (March 31, 2021: ₹ 1,096 Crore).

d. **Other Commitments - Export obligations**

The Company has Nil export obligations (March 31, 2021: ₹ 1,744 Crore) on account of concessional rates of import duties paid on capital goods under the Export Promotion Capital Goods Scheme enacted by the Government of India (which is required to be fulfilled over the next six years from purchase). If the company is unable to meet these obligations, its liabilities would be Nil (March 31, 2021: ₹ 291 Crore reduced in proportion to actual export). This liability is backed by the bonds executed in favour of Customs department amounting to ₹ 67 Crore (March 31, 2021: ₹ 67 Crore). Further, bonds amounting to ₹ 1,638 Crore (March 31, 2021: ₹ 1,602 Crore) will be released subject to verification of EODC (Export obligation discharge certificate) by the Customs department.

31. RETIREMENT AND OTHER EMPLOYEE BENEFIT SCHEMES

a. **Defined contribution schemes**

Family Pension Scheme

The contributions are based on a fixed percentage of the employee's salary, subject to a ceiling, as prescribed in the scheme. A sum of ₹ 5 Crore (March 31, 2021: ₹ 6 Crore) has been charged to the Statement of Profit and Loss during the year. There are no further obligations on the Company.

Superannuation fund

A sum of ₹ 3 Crore (March 31, 2021: ₹ 3 Crore) has been charged to the Statement of Profit and Loss in respect to contributions made to the superannuation fund. The Company has no further obligations to the plan beyond the monthly contributions.

b. **Defined benefit plans**

For defined benefit schemes, the cost of providing benefits under the plans is determined by actuarial valuation each year for the plan using the projected unit credit method by independent qualified actuaries as at the year end. Remeasurements in the year are recognized in full in other comprehensive income for the year.

Provident fund

The Company offers its employees, benefits under defined benefit plans in the form of provident fund scheme which covers all employees. Contributions are paid during the year into 'Hindustan Zinc Limited Employee's Contributory Provident Fund' ('Trust'). Both the employees and the Company pay predetermined contributions into the Trust. A sum of ₹ 26 Crore (March 31, 2021: ₹ 26 Crore) has been charged to the Statement of Profit and Loss in this respect during the year.

The Company's Trust 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

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statute and actual earning of the Trust. Having regard to the assets of the Trust and the return on the investments, the Company does not expect any deficiency in the foreseeable future, except for investments in debt securities of IL&FS Limited and IL&FS Financial Services Ltd. for which necessary provisions exists.

The details of fund and plan asset position are given below: (₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Plan assets fair valued	1,574	1,544
Present value of benefit obligation at period end	1,591	1,545
Net Plan Assets/(Liability)	**(17)**	**(1)**
% allocation of plan assets by category		
Central government securities	14%	14%
State government securities(including PSU Bond)	53%	53%
Private Sector Bonds, Mutual funds	33%	33%
Principal actuarial assumptions		
Financial Assumptions		
Discount rate	7.14%	6.9%
Expected statutory interest rate on the ledger balance	8.10%	8.50%
Expected short fall in interest earnings on the fund	0.05%	0.05%
Demographic Assumptions		
i) Retirement Age (Years)	58	58
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012- 14)	100% of IALM (2012- 14)
iii) Withdrawal rates		
Up to 30 Years	3% - 21%	3% - 12.2%
From 31 to 44 years	2% - 7.5%	2% - 4.7%
Above 44 years	1%-3.2%	1%- 2.6%

Gratuity plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, an employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The Company's defined benefit plans are funded with Life Insurance Corporation of India (LIC). The Company does not have any liberty to manage the fund provided to LIC.

The following tables set out the details of the gratuity plans and the amounts recognized in the financial statements.

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Principal actuarial assumptions

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:		
Financial Assumptions		
Discount rate	7.14%	6.9%
Expected rate of increase in compensation level of covered employees	6% - 9.5%	6% - 8.5%
Demographic Assumptions		
i) Retirement Age (Years)	58	58
ii) Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2012-14)
iii) Withdrawal rates		
Up to 30 Years	3% - 21%	3% - 12.2%
From 31 to 44 years	2% - 7.5%	2% - 4.7%
Above 44 years	1%-3.2%	1%-2.6%
Amount recognized in the balance sheet consists of:		
Fair value of planned assets	243	206
Present value of defined benefit obligations	(243)	(261)
Net assets/(Net unfunded liability)	**-**	**(55)**
% allocation of plan assets by category		
Qualified Policy from Life Insurance Corporation of India (LIC)	100%	100%

The movement during the year of the present value of the defined benefit obligation was as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Balance	261	298
Service cost	11	12
Benefits paid	(32)	(72)
Interest cost	18	20
Acturial (Gain)/Loss on obligation	(15)	3
Closing Balance	**243**	**261**

The movement during the year in the fair value of plan assets was as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Balance	206	263
Employer Contributions	55	0
Benefits paid	(32)	(72)
Interest Income	14	18
Remeasurement gain/(loss) arising from return on plan assets	-	(4)
Closing Balance	**243**	**206**

Amounts recognized in Statement of Profit and loss in respect of defined benefit plan are as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	11	12
Net Interest cost	4	2
Total charge to Statement of Profit and Loss	**15**	**14**

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Amounts recognized in Other Comprehensive Income in respect of defined benefit plan are as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Remeasurement (Gain) / Loss arising from Change in Demographic Assumption	(3)	0
Remeasurement (Gain) / Loss arising from Change in Financial Assumption	(3)	5
Remeasurement (Gain) / Loss arising from Experience Adjustment	(9)	(2)
Loss/(Gain) on plan assets	-	4
Components of defined benefit costs recognised in other comprehensive income	**(15)**	**7**

Expected contribution for the next annual reporting period of March 31, 2022:

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Service Cost	12	13
Net Interest Cost	-	4
Expected contribution for the next annual reporting period of March 31, 2022	**12**	**17**

Sensitivity analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Impact of change in discount rate		
Increase by 0.50%	(6)	(7)
Decrease by 0.50%	6	8
Impact of change in salary increase rate		
Increase by 0.50%	6	7
Decrease by 0.50%	(6)	(7)

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

Maturity Profile of Defined Benefit Obligation

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Year:		
0 to 1 Year	28	32
1 to 2 Year	37	28
2 to 3 Year	33	32
3 to 4 Year	29	29
4 to 5 Year	27	26
5 to 6 Year	20	26
6 Year onwards	69	88

Risk analysis

The Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

Notes forming part of the financial statements

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Investment risk

The Company's defined benefit plans are funded with Life Insurance Corporation of India (LIC). The Company does not have any liberty to manage the fund provided to LIC. The present value of the defined benefit plan liability is calculated using a discount rate determined by Reference to Government of India bonds for the Company's operations. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the interest rate on plan assets will increase the plan liability, however this will be partially offset by increase in the return on plan debt investment.

Longevity risk/ Life expectancy

The present value of the defined benefit plan liability is calculated by Reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by Reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

32. INCOME TAX EXPENSES

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

(₹ in Crore)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
a.	**Tax charge recognised in Profit and Loss**		
	Current tax:		
	Current tax on profit for the year	2,445	1,827
	Total Current tax	**2,445**	**1,827**
	Deferred tax:		
	Reversal and origination of temporary differences	24	69
	MAT credit asset (recognized)/ utilisation	2,079	738
	Adjustment in respect of earlier years	(77)	(40)
	Total Deferred tax	**2,026**	**767**
	Tax expense for the year	4,471	2,594
	Effective income tax rate (%)	**31.71%**	**24.53%**
b.	**Statement of other comprehensive income**		
	Deferred tax (credit) / charge on:		
	Cash flow hedges recognised during the year	(34)	-
	Remeasurement of defined benefit obligation	6	(2)
	Total	**(28)**	**(2)**

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

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Accounting profit before tax (after exceptional item)	**14,101**	**10,574**
Statutory income tax rate	34.94%	34.94%
Tax at statutory income tax rate	4,927	3,695
Disallowable expenses	71	71
Non-taxable capital gains	(57)	(47)
Tax holidays and similar exemptions	(335)	(863)
Additional depreciation under income tax reversible within tax holiday period	10	3
Effect of changes in tax laws (refer (i) below)	(43)	(69)
Impact of tax rate differences on capital gains	(23)	(188)
Adjustments in respect of prior years*	(79)	(8)
Total	**4,471**	**2,594**

Notes forming part of the financial statements

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(i) During the year ended March 31, 2020, section 115BAA of the Income- tax Act, 1961 was enacted , as per which a Company can move to a lower tax regime by foregoing certain tax benefits and holidays. Based on the expected timing of exercising of Section 115BAA, the Company had re-measured its deferred tax balances on March 31, 2019. The credit in the current year and previous year represents temporary differences arising in the current year and previous year respectively which are expected to reverse after the Company has moved into the lower tax regime.

(ii) The tax department had raised demands on account of remeasurement of certain tax incentives, as described below, under section 80IA and 80 IC of the Income tax Act, 1961. Based on the favorable orders from Income Tax Appellate Tribunal relating to AY 09-10 to AY 12-13, the Commissioner of Income Tax (Appeals) has allowed these claims for AY 14-15 to AY 15-16, which were earlier disallowed and has granted refund of amounts deposited under protest. Against the Tribunal order, department had filed an appeal in Hon'ble Rajasthan High Court in financial year 17-18 which is yet to be admitted. As per the view of external legal counsel, Department's appeal seeks re-examination of facts rather than raising any substantial question of law and hence it is unlikely that appeal will be admitted by the High Court. Due to this there is a strong prima facie case that ITAT order will stand confirmed and the judgement of High Court going in favour of the Company is highly probable and department's appeal would be dismissed. The amount involved in this dispute as of March 31, 2022 is ₹ 11,369 Crore (Previous year:₹ 11,271 Crore) plus applicable interest upto the date of settlement of the dispute.

The Company is eligible for specified tax incentives which are included in the table above as 'tax holidays and similar exemptions'. These are briefly described as under:

Location based exemption

In order to boost industrial and economic development in undeveloped regions, provided certain conditions are met, profits of newly established undertakings located in certain areas in India may benefit from a tax holiday. Such a tax holiday works to exempt 100% of the profits for the first five years from the commencement of the tax holiday, and 30% of profits for the subsequent five years. This deduction is available only for units established up to March 31, 2012. However, such undertaking would continue to be subject to the Minimum Alternative tax ('MAT'). The Company has such types of undertakings at Haridwar and Pantnagar.The tax holiday benefit at Haridwar & Pantnagar has expired in March 2018 and March 2021 respectively.

Tax holiday claims for eligible units

To encourage the establishment of certain power plants, provided certain conditions are met, tax incentives exist to exempt 100% of profits and gains for any ten consecutive years within the 15 year period following commencement of the power plant's operation. The Company currently has total operational capacity of 474 Mega Watts (MW) of thermal based power generation facilities, wind power capacity of 274 Mega Watts(MW) and solar power plants of 16 MW . However, such undertakings generating power would continue to be subject to the MAT provisions.

*Adjustments in respect of prior years includes tax benefits of ₹ 130 Crore in respect of certain infrastructure facilities to exempt 100% of profits and gains for any ten consecutive years within the 20 year period following commencement of these facilities' operation, provided certain conditions are met.

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

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment, Exploration and evaluation and intangible assets	(2,359)	(2,205)
Fair valuation of financial assets/liabilities	(135)	(248)
Voluntary retirement scheme	26	37
Other temporary differences	249	197
MAT credit entitlement	1,277	3,277
Deferred Tax (Liabilities)/Assets (net)	**(942)**	**1,058**

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Deferred tax charge of ₹ 1,998 Crore (March 2021: ₹ 765 Crore) is recorded as below:

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Through Other Comprehensive Income		
Cash flow hedges recognised during the year	(34)	-
Remeasurement of defined benefit obligations	6	(2)
	(28)	**(2)**
Through Profit and Loss		
Property, plant and equipment, Exploration and evaluation and intangible assets	154	183
Fair valuation of financial assets/liabilities	(113)	(114)
Voluntary retirement scheme	11	(17)
Other temporary differences	(26)	(22)
MAT credit entitlement	2,000	737
Total	**1,998**	**765**

33. LEASES

(a) Following are the amounts recognised in Statement of Profit & Loss account:

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Depreciation expense for right-of-use assets	9	8
b) Interest expense on lease liabilities	3	3
c) Expense relating to short-term leases	2	1
Total amount recognised	**14**	**12**

(b) The movement in lease liabilities is as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Opening balance	24	28
b) Additions	1	1
c) Interest accrued	3	3
d) Repayments (Principal & interest)	(7)	(8)
Closing balance	**21**	**24**

(c) Lease liabilities carry an effective interest rate of 7.08 % & 23.25 %

(d) The maturity analysis of lease liabilities is disclosed in Note 35.

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34. CORPORATE SOCIAL RESPONSIBILITY EXPENSES

(a) The Company is required to spend a gross amount of ₹ 187 Crore and ₹ 196 Crore for the year ended March 31, 2022 and March 31, 2021 respectively.

(₹ in Crore)

Particulars	For the year ended March 31, 2022		
	In Cash	Yet to be paid in Cash	Total
i) Amount required to be spent by the company during the year	187	-	187
ii) Amount approved by the Board to be spent during the year	191	-	191
iii) Amount spent during the year on:			
- Construction/acquisition of any assets	-	-	-
- On purposes other than (i) above*	152	39	191
iv) Nature of CSR activities	Community upliftment through Education, Sustainable Livelihoods, Women Empowerment, Health & Water, Sports & Culture, Environment and Community Assets Creation.		
v) Details of related party transactions, e.g.,contribution to a section 8 company controlled by the company in relation to CSR expenditure as per relevant Accounting Standard.		NA	NA
vi) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year.		NA	NA

(₹ in Crore)

Particulars	For the year ended March 31, 2021		
	In Cash	Yet to be paid in Cash	Total
i) Amount required to be spent by the company during the year	196	-	196
ii) Amount approved by the Board to be spent during the year	230	-	230
iii) Amount spent during the year on:			
- Construction/acquisition of any assets	-	-	-
- On purposes other than (i) above*	189	25	214
iv) Nature of CSR activities	Community upliftment through Education, Sustainable Livelihoods, Women Empowerment, Health & Water, Sports & Culture, Environment and Community Assets Creation.		
v) Details of related party transactions, e.g.,contribution to a section 8 company controlled by the company in relation to CSR expenditure as per relevant Accounting Standard.		NA	NA
vi) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year.		NA	NA

*Includes depreciation on the sewage treatment plant (STP) and related assets of ₹ 1 Crore (March 31, 2021: ₹ 1 Crore), amortisation expenditure on right to use the water of STP is ₹ 6 Crore (March 31, 2021: ₹ 6 Crore), employee benefit expenses of ₹ 19 Crore (March 31, 2021 ₹ 22 Crore) and other expenses on running the STP of ₹ 11 Crore (March 31, 2021: ₹ 10 Crore).

(b) The Company has an excess CSR spent of ₹ 4 Crore(March 31, 2021 : ₹ 18 Crore) which it proposes to offset against future obligations and has recognised the same as an asset in the balance sheet.

(₹ in Crore)

In case of Section 135(5) of Companies Act, 2013				
Particulars	For the year ended March 31, 2022			
	Opening Balance	Required to be spent	Actual spent (Net of opening excess spent)	Closing balance
CSR spent during the year	18	187	173	4

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35. FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 and Note 3.

Financial assets and liabilities:

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

(₹ in Crore)

Particulars	Fair Value through profit and loss	Fair Value through other comprehensive income	Amortized Cost	Total carrying value	Total fair value
As at March 31, 2022					
Financial assets					
Cash and cash equivalents	-	-	1,592	1,592	1,592
Other bank balances	-	-	4,171	4,171	4,171
Current investments	15,052	-	-	15,052	15,052
Trade receivables	180	-	536	716	716
Other Current financial assets and loans	1	-	35	36	36
Other Non-current financial assets and loans	-	-	58	58	58
Total	**15,233**	**-**	**6,392**	**21,625**	**21,625**
Financial liabilities					
Borrowings	-	-	2,823	2,823	2,833
Lease Liabilities	-	-	21	21	21
Trade payables	-	-	2,038	2,038	2,038
Operational buyers' credit/ suppliers' credit	-	-	280	280	280
Other Current financial liabilities	49	98	1,754	1,901	1,901
Total	**49**	**98**	**6,916**	**7,063**	**7,073**
As at March 31, 2021					
Financial assets					
Cash and cash equivalents	-	-	313	313	313
Other bank balances	-	-	9,063	9,063	9,063
Current investments	12,957	-	-	12,957	12,957
Trade receivables	16	-	390	406	406
Other Current financial assets and loans	2	-	53	55	55
Other Non-current financial assets and loans	-	-	55	55	55
Total	**12,975**	**-**	**9,874**	**22,849**	**22,849**
Financial liabilities					
Borrowings	-	-	7,177	7,177	7,184
Lease Liabilities	-	-	24	24	24
Trade payables	-	-	1,545	1,545	1,545
Other Current financial liabilities	4	-	1,247	1,251	1,251
Total	**4**	**-**	**9,993**	**9,997**	**10,004**

The management assessed that Cash and cash equivalents, Other bank balances, Trade receivables, Trade payables, Short term borrowings, Lease Liabilities, operational buyer's credit, other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Fair value of the current instrument in bonds and zero coupon bonds are based on the price quotations at the reporting date. Fair value of current investments that are in the nature of 'close ended' mutual funds are based on market observable inputs i.e. NAV provided by mutual fund houses. [a level 2 technique].

Fair value of current investments that are in the nature of 'open ended' mutual funds are derived from quoted market prices in active markets [a level 1 technique].

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

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Forward foreign currency contracts are valued using valuation technique with market observable inputs. The most frequently applied valuation techniques for such derivatives include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency (a level 2 technique). Commodity contracts are valued using the forward LME rates of commodities actively traded on the listed metal exchange i.e. London Metal Exchange, United Kingdom (U.K.) [a level 2 technique].The changes in counterparty risk had no material effect on the hedge effectiveness assessment for the derivatives designated in hedge relationship and the value of the other financial instrument recognised at fair value.

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Quantitative disclosures on fair value measurement hierarchy:

(₹ in Crore)

Particulars	Level-1	Level-2	Level-3
As at March 31, 2022			
Financial Assets			
At fair value through profit and loss			
Short term investment	5,119	9,933	-
Derivatives financial Assets*			
Forward foreign currency contracts	-	-	-
Commodity contracts	-	1	-
Trade receivables	-	180	-
Total	**5,119**	**10,114**	**-**
Financial Liabilities			
At fair value through profit and loss			
Derivatives financial Liabilities*			
Forward foreign currency contracts	-	41	-
Commodity contracts	-	8	-
Derivatives designated as hedging instruments			
Derivatives financial Liabilities*			
Commodity contracts	-	98	-
Total	**-**	**147**	**-**
As at March 31, 2021			
Financial Assets			
At fair value through profit and loss			
Short term investment	2,771	10,186	-
Derivatives financial Assets*			
Forward foreign currency contracts	-	2	-
Trade receivables	-	16	-
Total	**2,771**	**10,204**	**-**
Financial Liabilities			
At fair value through profit and loss			
Derivatives financial Liabilities*			
Forward foreign currency contracts	-	3	-
Commodity contracts	-	1	-
Total	**-**	**4**	**-**

* Refer section - "Derivative financial instruments"

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The below table summarises the fair value of borrowings which are carried at amortised cost as at March 31, 2022 and March 31, 2021:

(₹ in Crore)

Financial Liabilities	Level-1	Level-2	Level-3
As at March 31, 2022			
Borrowings	-	2,833	-
Total	**-**	**2,833**	**-**
As at March 31, 2021			
Borrowings	-	7,184	-
Total	**-**	**7,184**	**-**

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

Risk management framework

Risk management

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

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

The risk management framework aims to:

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

Treasury management

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

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury policies are approved by the Board and adherence to these policies is strictly monitored at the Executive Committee meetings. Day-to-day treasury operations of the Company are managed by the finance team within the framework of the overall Company's treasury policies. A monthly reporting system exists to inform senior management about investments, currency and, commodity derivatives. The Company has a strong system of internal control which enables effective monitoring of adherence to Company's policies. The internal control measures are effectively supplemented by regular internal audits.

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

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Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, currency risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2022 & March 31, 2021. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions, and the non-financial assets and liabilities of foreign operations.

Commodity price risk

The Company is exposed to the movement of base metal commodity prices on the London Metal Exchange. Any decline in the prices of the base metals that the Company produces and sells will have an immediate and direct impact on the profitability of the businesses. As a general policy, the Company aims to achieve the monthly average of the commodity prices for sales realization. In exceptional circumstances, the Company may enter into strategic hedging. Hedging is used primarily as a risk management tool and, in some cases, to secure future cash flows in cases of high volatility by entering into forward contracts or similar instruments. The hedging activities are subject to strict limits set out by the Board and to a strictly defined internal control and monitoring mechanism. Decisions relating to hedging of commodities are taken at the Executive Committee level and with clearly laid down guidelines for their implementation by the Company.

Whilst the Company aims to achieve average LME prices for a month or a year, average realized prices may not necessarily reflect the LME price movements because of a variety of reasons such as uneven sales during the year and timing of shipments.

Financial instruments with commodity price risk are entered into in relation to following activities:

- economic hedging of prices realized on commodity contracts.
- cash flow hedging on account of forecasted highly probable transactions.

The sales prices of zinc and lead are linked to the LME prices. The Company also enters into hedging arrangements for its Zinc and Lead sales to realize month of sale LME prices.

Total exposure on provisionally priced Zinc, Lead & Silver contracts as at March 31, 2022 were ₹ 426 Crore (March 31, 2021 ₹ 135 Crore), ₹ 44 Crore (March 31, 2021 ₹ 18 Crore) and Nil (March 31, 2021: Nil) respectively. The impact on net profits for a 10% movement in LME prices of zinc, 5% movement in LME price of lead and 5% movement in LBMA price of silver that were provisionally priced as at March 31, 2022 is ₹ 43 Crore, ₹ 2 Crore , Nil respectively and as at March 31, 2021 is ₹ 13 Crore, ₹ 1 Crore and Nil respectively.

Financial risk

The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimize interest and commodity pricing through proven financial instruments.

a. Liquidity risk

The Company requires funds both for short-term operational needs as well as for long-term investment programme mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term.

The Company has been rated as 'AAA' / Stable for long term and A1+ for short term by CRISIL Limited during the current and previous financial years.

The Company remains committed to maintaining a healthy liquidity, gearing ratio and strengthening the balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

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(₹ in Crore)

Payment due by years	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
As at March 31, 2022					
Trade and other payables	3,996	0	-	-	3,996
Lease Liabilities	15	5	0	1	21
Derivative financial liabilities	147	-	-	-	147
Borrowings*	863	2,224	-	-	3,087
Total	**5,021**	**2,229**	**0**	**1**	**7,251**
As at March 31, 2021					
Trade and other payables	2,691	0	-	-	2,691
Lease Liabilities	16	6	1	1	24
Derivative financial liabilities	4	-	-	-	4
Borrowings*	3,250	4,546	-	-	7,796
Total	**5,961**	**4,552**	**1**	**1**	**10,515**

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

The Company had access to following funding facilities. (₹ in Crore)

Funding facility	Total facility	Drawn	Undrawn
As at March 31, 2022			
Less than 1 year	9,266	4,772	4,494
More than 1 year	-	-	-
Total	**9,266**	**4,772**	**4,494**
As at March 31, 2021			
Less than 1 year	12,120	5,568	6,552
More than 1 year	-	-	-
Total	**12,120**	**5,568**	**6,552**

b. Foreign exchange risk

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

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

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

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
Currency exposure	**Financial Asset**	**Financial Liability**	**Financial Asset**	**Financial Liability**
US Dollar	350	358	319	23
Australian Dollar	-	2	-	4
SEK	-	6	-	-
JPY	-	-	-	7
Euro	-	330	-	175
Others	-	2	-	1

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

The results of Company operations may be affected largely by fluctuations in the exchange rates between the Indian Rupee, against the US dollar. The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rate shift in the currencies by 5% against the functional currency of the respective entities.

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

(₹ in Crore)

Particulars	Total exposure		Effect of 10% strengthening/weakening of INR on pre-tax profit/(loss)	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
US Dollar	8	(296)	1	(30)
Australian Dollar	2	4	0	0
JPY	-	7	-	1
Euro	330	175	33	17
SEK	6	-	1	-
Others	2	1	0	0

c. Interest rate risk

Floating rate financial assets are largely mutual fund investments which have debt securities as underlying assets. The returns from these financial assets are linked to market interest rate movements; however the counterparty invests in the agreed securities with known maturity tenure and return and hence has manageable risk.

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

(₹ in Crore)

Particulars	Total	Floating rate	Fixed rate	Non-interest bearing
As at March 31, 2022				
Financials assets	21,625	6,315	14,452	858
Financial liabilities	7,063	-	3,124	3,939
As at March 31, 2021				
Financials assets	22,849	8,191	14,041	617
Financial liabilities	9,997	1,500	5,701	2,796

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rate. The Company does not have floating interest rate borrowing during the year ended March 31, 2022 & March 31, 2021 and it is not significantly exposed to interest rate risk.

Considering the net investment position as at March 31, 2022 and the investment in bank deposits, bonds and debt mutual funds, any increase in interest rates would result in a net increase and any decrease in interest rates would result in a net decrease. The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date.

The below analysis gives the impact of a 0.5% to 2.0% change in interest rates on floating rate financial assets/ liabilities (net) on profit/(loss) and equity and represents management's assessment of the possible change in interest rates.

The impact of change (increase/(decrease)) in interest rate of 0.5%, 1.0% and 2.0% on profits for the period ended March 31, 2022 is ₹ 32 Crore, ₹ 63 Crore and ₹ 126 Crore and for year ended March 31, 2021 is ₹ 33 Crore, ₹ 67 Crore and ₹ 134 Crore respectively.

d. Counterparty and concentration of credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of obtaining sufficient collateral, where appropriate, as a means of

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mitigating the risk of financial loss from defaults. The Company is exposed to credit risk for receivables, cash and cash equivalents, short-term investments and derivative financial instruments. Credit risk on receivables is limited as almost all credit sales are against letters of credit and guarantees of banks of good financial repute.

Moreover, given the nature of the Company's business, trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of revenue on a % basis in current year (Previous year : One customer for 13.32%). The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by international credit-rating agencies. Defined limits are in place for exposure to individual counterparties in case of mutual funds schemes and bonds.

The carrying value of the financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk as at March 31, 2022 and March 31, 2021 are ₹ 21,625 Crore and ₹ 22,849 Crore respectively.

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade and other receivables, and other non-current assets, there were no indications as at March 31, 2022, that defaults in payment obligations will occur.

Of the year end trade receivables, loans and other financial assets, following balances were past due but not impaired as at March 31, 2022 and March 31, 2021:

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Neither impaired nor past due	650	275
Past due but not impaired		
Less than 1 month	100	145
Between 1-3 months	14	32
Between 3-12 months	35	39
Greater than 12 months	11	25
Total	**810**	**516**

Receivables are deemed to be past due or impaired with Reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

The credit quality of the Company's customers is monitored on an on-going basis and assessed for impairment where indicators of such impairment exist. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

Derivative financial instruments

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

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

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

The use of derivatives can give rise to credit and market risk. The Company tries to manage credit risk by entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems

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are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Embedded derivatives

Derivatives embedded in other financial instruments or other contracts are treated as separate derivative contracts and marked-to-market when their risks and characteristics are not clearly and closely related to those of their host contracts and the host contracts are not fair valued.

Cash flow hedges

The Company also enters into commodity price contracts for hedging highly probable future forecast transaction and account for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognized in equity through OCI until the hedged transaction occurs, at which time, the respective gains or losses are reclassified to the Statement of Profit and Loss.

There is an economic relationship between the hedged items and the hedging instruments. The Company has established a hedge ratio of 1:1 for the hedging relationships. To test the hedge effectiveness, the Company uses the hypothetical derivative method and Dollar offset method.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments.
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments.
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items.
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

These hedges have been effective for the year ended March 31, 2022.

Fair value hedges

The fair value hedges relate to commodity price risks and foreign currency exposure. The Company's sales are on a quotational period basis, generally one month to three months after the date of delivery at a customer's facility. The Company enters into forward contracts for the respective quotational period to hedge its commodity price risk based on average LME prices. Gains and losses on these hedge transactions are substantially offset by the amount of gains or losses on the underlying sales.There were no fair value hedges for the period ended March 31, 2022.

Non-qualifying/economic hedges

Non-qualifying hedges related to commodity price risks and foreign currency exposure. The Company enters into forward foreign currency contracts and commodity contracts (for the period ended March 31, 2022) which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Fair value changes on such forward contracts are recognized in the Statement of Profit and Loss.

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

(₹ in Crore)

Derivative financial instruments	As at March 31, 2022		As at March 31, 2021	
	Assets	Liabilities	Assets	Liabilities
Current				
Cash flow hedges*				
Commodity contracts	-	98	-	-
Non - qualifying hedges				
Commodity contracts	1	8	-	1
Forward foreign currency contracts	-	41	2	3
Total	**1**	**147**	**2**	**4**

*Refer Statement of Profit and Loss and Statement of Changes in Equity for the change in the fair value of cash flow hedges.

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

Disclosures of effects of Cash Flow Hedge Accounting:

Hedging instruments

The Company is holding the following commodity forward contracts:

	Maturity					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
At March 31, 2022						
Zinc						
Notional qty (in tonnes)	6,025	54,625	55,500	4,275	1,500	1,21,925
Notional amount (in ₹ Crore)	188	1,697	1,686	127	44	3,742
Average hedged rate (in $ per tonne)	4,118	4,109	4,019	3,943	3,845	
At March 31, 2021						
Zinc						
Notional qty (in tonnes)	-	-	-	-	-	-
Notional amount (in ₹ Crore)	-	-	-	-	-	-
Average hedged rate (in $ per tonne)	-	-	-	-	-	-

The impact of the hedging instruments on the Balance Sheet is as under:

Particulars	As at March 31, 2022	As at March 31, 2021
Commodity forward contracts		
Notional amount (in ₹ Crore)	3,742	-
Carrying amount (in ₹ Crore)	98	-
Line item in the Balance Sheet that's includes Hedging Instruments	Other Current Financial Liabilities	NA
Change in fair value used for measuring ineffectiveness for the period - Gain/(Loss)	(98)	-

Hedge Items

The impact of the Hedged Items on the Balance Sheet is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Highly probable forecast sales		
Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax)	(64)	-
Change in value of the hedged items used for measuring ineffectiveness for the period	(98)	-

The effect of the cash flow hedge in the Statement of Profit and Loss and Other Comprehensive Income is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Commodity forward contracts		
Cash flow Hedge Reserve at the beginning of the year	-	-
Total hedging gain/(loss) recognised in OCI	(98)	-
Income tax on above	34	-
Ineffectiveness recognised in profit or loss	-	-
Line item in the statement of profit or loss that includes the recognised ineffectiveness	NA	NA
Amount reclassified from OCI to profit or loss	-	-
Income tax on above	-	-
Cash flow Hedge Reserve at the end of the year	(64)	-
Line item in the statement of profit or loss that includes the reclassification adjustments	Revenue from Operations	NA

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

Disclosures of Non qualifying Hedge:

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

(In Crore)

Currency	Foreign currency	Indian Rupees	Buy / Sell	Cross Currency
As at March 31, 2022				
USD	3	233	Buy	INR
EUR	0	10	Buy	INR
GBP	0	3	Buy	INR
EUR	9	733	Buy	USD
SEK	4	34	Buy	USD
JPY	10	6	Buy	USD
AUD	0	13	Buy	USD
GBP	0	19	Buy	USD

(In Crore)

Currency	Foreign currency	Indian Rupees	Buy / Sell	Cross Currency
As at March 31, 2021				
USD	14	1,051	Buy	INR
EUR	0	25	Buy	INR
GBP	0	0	Buy	INR
AUD	0	1	Buy	INR
EUR	1	90	Buy	USD
USD	27	18	Buy	JPY
AUD	0	14	Buy	USD
GBP	0	24	Buy	USD

B. The following are the outstanding position of commodity hedging open contracts as at March 31, 2022 :-

Zinc forwards/futures (sale)/buy for (13,727) MT (2021: 12,841 MT)

Lead forwards/futures (sale)/buy for (324) MT (2021: 925 MT)

Silver forwards/futures (sale)/buy for Nil Oz (2021: Nil Oz)

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

D. Unhedged foreign currency exposure

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Debtors	350	160
Creditors	179	109

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

36. CAPITAL MANAGEMENT

The Company's objectives when managing capital is to safeguard, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of internal accruals, equity and short term borrowings. The Company monitors capital on the basis of net debt to equity. Equity comprises all components including other components of equity. The Company is not subject to any externally imposed capital requirement.

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Equity	**34,282**	**32,313**
Cash and cash equivalents (See Note 11)	1,592	313
Short term investments (See Note 9)	15,052	12,957
Total cash (a)	16,644	13,270
Total debt (b)	2,823	7,177
Net debt (c = (b-a))	-	-
Total equity (equity + net debt) (See Statement of changes in Equity)	34,282	32,313
Net debt to equity ratio (gearing ratio)	-	-

37. RELATED PARTY

a. List of related parties:

Particulars

(i) Holding Companies:

Vedanta Limited (Immediate Holding Company)
Vedanta Resources Limited (Intermediate Holding Company)
Volcan Investments Limited (Ultimate Holding Company)

(ii) Subsidiaries :

Hindustan Zinc Alloys Private Limited (Wholly owned subsidiary incorporated on November 17, 2021)
Vedanta Zinc Football & Sports Foundation (Section 8 company) (Wholly owned subsidiary incorporated on December 21, 2021)

(iii) Fellow Subsidiaries (with whom transactions have taken place):

Bharat Aluminium Company Limited
Sterlite Power Transmission Limited
Talwandi Sabo Power Limited
ESL Steel Limited
Malco Energy Limited
Fujairah Gold FZC
Black Mountain Mining (Pty) Limited
Namzinc (Pty) Limited
Vizag General Cargo Berth Private Limited
Ferro Alloys Corporation Limited

(iv) Related Party having a Significant Influence

Government of India - President of India

(v) Other related party

Vedanta Foundation
Madanpur South Coal Company Limited (jointly controlled entity)
Minova Runaya Private Limited
Hindustan Zinc Limited Employee's Contributory Provident Fund Trust
Hindustan Zinc Limited Employee's Group Gratuity Trust
Hindustan Zinc Limited Superannuation Trust

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

b. Transactions with Key management Personnel:

Compensation of key management personnel of the Company recognised as expense during the reporting period

(₹ in Crore)

Nature of transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Short-term employee benefits[1]	9	7
Sitting fee and commission to directors	1	1
Total compensation paid to key management personnel	**10**	**8**

(1) Excludes gratuity and compensated absences as these are recorded in the books of accounts on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined.

There are no outstanding debts or loans due from directors or other officers (as defined under Section 2(59) of the Companies Act, 2013) of the Company.

c. Transactions with Government having significant influence:

Central government of India holds 29.54% shares in HZL. During the year, Company has availed incentives in the form of export incentive under Export promotion and credit guarantee scheme announced by the Government of India. Also, HZL has transactions with other government related entities (Public sector undertakings) including but not limited to sales and purchase of goods and ancillary materials, rendering and receiving services and use of public utilities.

d. Transactions with Related Parties:

The details of the related party transactions entered into by the Company, for the period ended March 31, 2022 and March 31, 2021 are as follows

(₹ in Crore)

Nature of transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Goods		
Sterlite Power Transmission Ltd	-	1
Bharat Aluminium Company Limited	-	1
Fujairah Gold FZC	39	54
Vedanta Limited	0	-
Total	**39**	**56**
Sale of other services		
Vedanta Limited	-	4
Total	**-**	**4**
Purchase of property, plant and equipment		
Vedanta Limited	0	-
Total	**0**	**-**
Sale of property, plant and equipment		
Vedanta Limited	0	1
Fellow Subsidiaries	1	0
Total	**1**	**1**
Purchase of Goods		
Vedanta Limited	40	46
Bharat Aluminium Company Limited	51	29
Minova Runaya Private Limited	116	26
Malco Energy Limited	42	-
Namzinc (Pty) Limited	0	-
ESL Steel Limited	-	0
Total	**249**	**101**

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

(₹ in Crore)

Nature of transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of tax-free PSU Bonds		
Vedanta Limited	-	1,407
	-	**1,407**
Dividend		
Vedanta Limited	4,938	10,369
Government of India	2,246	4,717
Total	**7,184**	**15,086**
Other Expenses and other reimbursements		
Vedanta Limited	117	27
Fellow Subsidiaries	(2)	(14)
Wholly Owned Subsidiaries	(0)	-
	115	**13**
Donations		
Vedanta Foundation	-	0
Total	**-**	**0**
Contribution to :		
Hindustan Zinc Limited Employee's Contributory Provident Fund Trust	31	31
Hindustan Zinc Limited Employee's Group Gratuity Trust	55	0
Hindustan Zinc Limited Superannuation Trust	3	3
Total	**89**	**34**

All the transactions entered by the Company with the related parties are at arm's length price.

e. **The balances receivable/payable as at year end:**

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Receivable From		
Vedanta Limited	31	49
Fujairah Gold FZC	19	31
ESL Steel Limited	-	0
Black Mountain Mining (PTY) Limited	1	0
Ferro Alloys Corporation Limited	-	0
Vizag General Cargo Berth Limited	-	0
Hindustan Zinc Alloys Private Limited	0	-
Vedanta Zinc Football & Sports Foundation	0	-
Total	**51**	**80**
Payable To		
Bharat Aluminium Company Limited	2	4
Vedanta Limited	37	25
Minova Runaya Private Limited	11	7
Malco Energy Limited	31	-
Sterlite Power Transmission Limited	0	0
Talwandi Sabo Power Limited	0	-
Hindustan Zinc Limited Employee's Contributory Provident Fund Trust	8	8
Hindustan Zinc Limited Employee's Group Gratuity Trust	0	55
Hindustan Zinc Limited Superannuation Trust	0	0
Sitting fee and commission to directors	1	1
Total	**90**	**100**

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

38. RATIO ANALYSIS AND ITS ELEMENTS

(₹ in Crore)

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Reason for Variance more than 25%
Current ratio	Current Assets	Current Liabilities	3.94	3.12	26%	Current ratio is higher mainly on account of higher repayment of short term borrowing during the year.
Debt- Equity Ratio	Debt/Net worth [Debt is long term borrowing (current & non current portion) and Short Term Borrowing]	Shareholder's Equity	0.08	0.22	(64%)	Debt Equity ratio is lower mainly on account of higher repayment of short term and long term borrowing during the year.
Debt Service Coverage ratio	Earning before Interest, Tax, Depreciation & Amortisation (EBITDA) and exceptional items	Interest expense on long term and short term borrowing during the period + Scheduled principal repayment of long term borrowing during the year	6.64	34.26	(81%)	Debt Service Coverage ratio is lower mainly on account of higher repayment of long term borrowing during the year, partially offsetted by higher EBITDA.
Return on Equity ratio	Net Profit after tax (PAT) before exceptional items(net of tax)	Average Shareholder's Equity	29%	22%	33%	Return on Equity ratio is higher mainly on account of higher Net profits after tax during the year
Inventory Turnover ratio	Revenue from operations - Earning before Interest, Tax, Depreciation & Amortisation (EBITDA) and exceptional items	Average Inventory	7.79	6.68	17%	
Trade Receivable Turnover Ratio	Revenue from operations (including Other operating income)	Average Trade Receivable	52.48	57.65	(9%)	
Trade Payable Turnover Ratio	Total Purchases	Average Trade Payables	7.64	7.09	8%	
Net Capital Turnover Ratio	Revenue from operations (including Other operating income)	Working capital = Current assets – Current liabilities excluding current maturities of long term borrowing	1.71	1.42	21%	
Net Profit ratio	Net Profit after tax (PAT) before exceptional items (net of tax)	Revenue from operations (including Other operating income)	33%	35%	(6%)	
Return on Capital Employed	Earnings before interest and taxes	Average Capital Employed Capital Employed = Net Worth + Total Debt [Debt is long term borrowing (current & non current portion) and Short Term Borrowing]	35%	23%	52%	Return on Capital Employed is higher mainly on account of higher EBIT (Earnings before interest and taxes) during the year.
Return on Investment	Income on investments (including interest income on Bank deposits with original maturity of more than 12 months)	Average Investments (including Bank deposits with original maturity of more than 12 months)	5%	7%	(36%)	Return on Investment is lower mainly on account on lower income on investments

Notes forming part of the financial statements

as at and for the year ended March 31, 2022

39. OTHER STATUTORY INFORMATION

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.

(iii) The Company does not have any transactions with companies struck off.

(iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(viii) The Company has no any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

40. Previous year figures have been regrouped/reclassified where ever necessary, to conform to those of the current year presentation.

See accompanying notes to financial statements.

As per our report on even date

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

per **Tridevlal Khandelwal**
Partner
ICAI Membership No.: 501160
Date: April 22, 2022
Place: Pune

For and on behalf of the Board of Directors

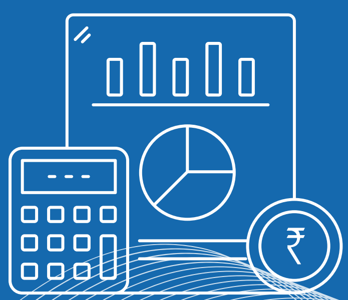
Arun Misra
CEO & Whole-time Direct
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Interim Chief Financial Officer
Date: April 22, 2022
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377
Date: April 22, 2022
Place: Udaipur

Consolidated Financial Statements



Independent Auditor's Report

To the Members of Hindustan Zinc Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Hindustan Zinc Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2022, the consolidated Statement of Profit and Loss, including Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditor of component not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Claims and exposure relating to taxation and litigation (as described in Note 3(III)(B), 30 and 32 of the consolidated Ind AS financial statements)	
The Group is subject to several legal and tax related claims and exposures which have been either disclosed or accounted for in the accompanying financial statements. Taxation and litigation exposures have been identified as a key audit matter due to complexities involved in these matters, timescales involved for resolution and the potential financial impact of these on the financial statements. Further, significant management judgement is involved in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed. Accordingly, this matter has been identified as a key audit matter.	Our audit procedures included the following: • Gained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process. For selected controls, we have performed test of controls. • Obtained the summary of Group's legal and tax cases and critically assessed management's position through discussions with the Legal Counsel, Head of Tax and operational management, on both the probability of success in significant cases, and the magnitude of any potential loss. • Inspected external legal opinions and/or past judicial orders, wherever considered necessary, and other evidence to corroborate management's assessment in respect of legal claims. • Engaged tax specialists to technically assess the management's assessment on tax disputes and positions. • Assessed the relevant disclosures made within the financial statements to address whether they reflect the facts and circumstances of the respective tax and legal exposures as per the requirements of relevant accounting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entity included in the consolidated Ind AS financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 1 subsidiary, whose financial statements include total assets of ₹ 0.40 lacs as at March 31, 2022, and total income of ₹ Nil and net cash inflows of ₹ 0.40 lacs for the year ended on that date. These financial statement and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of subsidiaries, we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company and its subsidiaries, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

      i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated Ind AS financial statements – Refer Note 30 and 32 to the consolidated Ind AS financial statements;

      ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2022;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2022.

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The interim dividend paid during the year by the Holding company incorporated in India, is in compliance with section 123 of the Act.

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

per **Tridevlal Khandelwal**
Partner
Membership Number: 501160
UDIN: 22501160AHPFJP9226

Place of Signature: Pune
Date: April 22, 2022

Annexure 1

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

Re: **Hindustan Zinc Limited ('the Holding Company')**

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

There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated Ind AS financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

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

per **Tridevlal Khandelwal**
Partner
Membership Number: 501160
UDIN: 22501160AHPFJP9226

Place of Signature: Pune
Date: April 22, 2022

Annexure 2

To the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of Hindustan Zinc Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of Hindustan Zinc Limited as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Hindustan Zinc Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies (collectively referred to as the "Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its 2 subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Committee of Sponsoring Organisations of the Treadway Commission (2013 Framework) ("COSO 2013 Criteria"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to Consolidated Ind AS Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to Consolidated Ind AS Financial Statements

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

Opinion

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the COSO 2013 criterion.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to 1 subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such subsidiary.

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

per **Tridevlal Khandelwal**
Partner
Membership Number: 501160
UDIN: 22501160AHPFJP9226

Place of Signature: Pune
Date: April 22, 2022

Consolidated Balance Sheet

as at March 31, 2022

(₹ in Crore)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
a) Property, plant and equipment	4	17,165	16,447
b) Capital work-in-progress	4A	2,075	1,922
c) Intangible Assets	5	231	361
d) Financial assets			
i) Investments	9	-	-
ii) Loans	6	2	1
iii) Others	13	56	54
e) Deferred tax assets (net)	32	-	1,058
f) Other non-current assets	7	275	431
g) Income tax assets		884	885
Total Non-current assets		**20,688**	**21,159**
Current assets			
a) Inventories	8	1,953	1,425
b) Financial Assets			
i) Investments	9	15,052	12,957
ii) Trade receivables	10	716	406
iii) Cash and cash equivalents	11	1,592	313
iv) Other Bank balances	12	4,171	9,063
v) Loans	6	2	2
vi) Others	13	33	53
c) Other current assets	7	463	349
Total Current assets		**23,982**	**24,568**
TOTAL		**44,670**	**45,727**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	14	845	845
b) Other equity		33,436	31,468
Total Equity		**34,281**	**32,313**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	15	2,111	4312
ia) Lease Liabilities	33	6	8
ii) Other financial liabilities	16	0	0
b) Other non-current liabilities	18	1,024	1,036
c) Provisions	17	212	182
d) Deferred tax liabilities (net)	32	942	-
Total Non-current liabilities		**4,295**	**5,538**
Current liabilities			
a) Financial liabilities			
i) Borrowings	15	712	2,865
ia) Lease Liabilities	33	15	16
ii) Operational buyers' credit/ suppliers' credit	19	280	-
iii) Trade payables	20	2,038	1,545
iv) Other financial liabilities	16	1,901	1,251
b) Other current liabilities	18	860	1,947
c) Provisions	17	32	70
d) Income tax liabilities		256	182
Total Current liabilities		**6,094**	**7,876**
TOTAL		**44,670**	**45,727**

See accompanying notes to financial staements.

As per our report on even date

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

per **Tridevlal Khandelwal**
Partner
ICAI Membership No.: 501160
Date: April 22, 2022
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Direct
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Interim Chief Financial Officer
Date: April 22, 2022
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377
Date: April 22, 2022
Place: Udaipur

Consolidated Statement of Profit and Loss

for year ended March 31, 2022

(₹ in Crore)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations	21A	28,790	22,071
Other Operating income	21B	650	558
Other income	22	1,216	1,819
Total Income		**30,656**	**24,448**
Expenses:			
(Increase)/Decrease in inventories of finished goods and work-in-progress	23	(278)	239
Employee benefits expense	24	718	760
Depreciation and amortization expense	26	2,917	2,531
Power and fuel		2,452	1,732
Mining Royalty		3,667	2,759
Finance costs	25	290	386
Other expenses	27	6,656	5,467
Total expenses		**16,422**	**13,874**
Profit before exceptional item and tax		**14,234**	**10,574**
Exceptional Items	28	(134)	-
Profit before tax		**14,100**	**10,574**
Tax expense :			
Current tax	32	2,445	1,827
Deferred tax charge	32	2,026	767
Total tax expenses		**4,471**	**2,594**
Profit for the year		**9,629**	**7,980**
Other comprehensive (loss)/income			
A) Items that will not be reclassified to profit or loss in subsequent period			
(a) Remeasurements gain/(loss) of the defined benefit plans		15	(7)
(b) Tax (expense)/credit		(6)	2
B) Items that will be reclassified to profit or loss in subsequent period			
(a) (Loss) on cash flow hedges recognised during the year		(98)	-
(b) Tax credit/(expense)		34	-
Total other comprehensive (loss) for the year		**(55)**	**(5)**
Total comprehensive income for the year		**9,574**	**7,975**
Earnings per share (nominal value of shares ₹ 2)			
- Basic earnings per share (₹)	29	22.79	18.89
- Diluted earnings per share (₹)	29	22.79	18.89

See accompanying notes to financial statements.

As per our report on even date

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

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

Date: April 22, 2022
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Direct
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Interim Chief Financial Officer

Date: April 22, 2022
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377

Date: April 22, 2022
Place: Udaipur

Consolidated Statement of Cash Flow

for the year ended March 31, 2022

(₹ in Crore)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(A)	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net profit before tax	14,100	10,574
	Adjustments to reconcile profit to net cash provided by operating activities:		
	Depreciation and amortization expense	2,917	2,531
	Interest expense	290	386
	Interest income	(838)	(941)
	Amortization of deferred revenue arising from government grant	(135)	(120)
	Net Loss/(Gain) on investments measured at FVTPL	28	(400)
	Net (Gain) on sale of Property, Plant and Equipment	(11)	(42)
	Net (Gain) on sale of financial asset investments	(205)	(304)
	Charge pertaining to Amnesty Scheme (refer note 28)	134	-
	Operating profit before working capital changes	**16,280**	**11,684**
	Changes in assets and liabilities		
	(Increase)/Decrease in Inventories	(528)	411
	(Increase) in Trade receivables	(310)	(26)
	(Increase) in Other current assets	(94)	(52)
	Decrease in Other non current assets	4	12
	Increase in Trade payables	773	58
	(Decrease)/Increase in Other current liabilities	(1,043)	235
	Cash flows from operations	**15,082**	**12,322**
	Income taxes (paid) during the year(net)	(2,391)	(1,755)
	Net cash flows from operating activities	**12,691**	**10,567**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchases of Property, Plant and Equipment (including intangibles, CWIP and Capital Advances)	(2,998)	(2,481)
	Interest received	936	1,507
	Deposits made during the year	(5,500)	(9,952)
	Deposits matured during the year	10,227	1,244
	Purchase of current investments	(46,753)	(41,385)
	Proceeds from sale of current investments	44,904	48,578
	Proceeds from sale of Property, Plant and Equipment	30	54
	Net cash flows generated from / (used) in investing activities	**846**	**(2,435)**
(C)	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Interest and other finance charges paid	(332)	(244)
	Proceeds from short term borrowings	9	13,473
	Repayment of short term borrowings	(2,120)	(11,965)
	Proceeds from long term borrowings	-	5,016
	Repayment of long term borrowings	(2,204)	-
	Payment of principal portion of lease liabilities	(5)	(5)
	Dividend paid	(7,606)	(15,972)
	Net cash flows (used) in financing activities	**(12,258)**	**(9,697)**
	Net increase /(Decrease) in Cash and cash equivalents	1,279	(1,565)
	Cash and cash equivalents at the beginning of the year	313	1,878
	Cash and cash equivalents at the end of the year (Refer Note 11)	**1,592**	**313**

Note:-

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

See accompanying notes to financial statements.

As per our report on even date

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

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

Date: April 22, 2022
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Direct
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Interim Chief Financial Officer

Date: April 22, 2022
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377

Date: April 22, 2022
Place: Udaipur

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 2 each issued, subscribed and fully paid	Numbers of shares (in Crore)	₹ in Crore
As at March 31, 2021	**423**	**845**
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the current year	-	-
As at March 31, 2022	**423**	**845**

B. OTHER EQUITY

(₹ in Crore)

Particulars	Reserve and surplus			Items of Other comprehensive Income	Total
	Capital Reserve	Retained earnings	General reserve[1]	Hedging reserve	
Balance as at April 1, 2020	**1**	**29,081**	**10,383**	**-**	**39,465**
Profit for the year	-	7,980	-	-	7,980
Changes in accounting policy or prior period errors	-	-	-	-	-
Other comprehensive (loss)					
(a.) Remeasurements (loss) of the defined benefit plans	-	(7)	-	-	(7)
Tax effect on above	-	2	-	-	2
Total Other comprehensive (loss) for the year	**-**	**(5)**	**-**	**-**	**(5)**
Total comprehensive income for the year	**-**	**7,975**	**-**	**-**	**7,975**
Dividend declared - Paid	-	(15,972)	-	-	(15,972)
Balance as at March 31, 2021	**1**	**21,084**	**10,383**	**-**	**31,468**
Profit for the year	-	9,629	-	-	9,629
Changes in accounting policy or prior period errors	-	-	-	-	-
Other comprehensive (loss)					
(a.) Remeasurements gain of the defined benefit plans	-	15	-	-	15
Tax effect on above	-	(6)	-	-	(6)
(b.) (Loss) on cash flow hedges recognised during the year	-	-	-	(98)	(98)
Tax effect on above	-	-	-	34	34
Total Other comprehensive (loss) for the year	**-**	**9**	**-**	**(64)**	**(55)**
Total comprehensive income for the year	**-**	**9,638**	**-**	**(64)**	**9,574**
Dividend declared - Paid	-	(7,606)	-	-	(7,606)
Balance as at March 31, 2022	**1**	**23,116**	**10,383**	**(64)**	**33,436**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

(1) General reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn.

The Board of Directors of the Company, basis the recommendations of the Audit & Risk Management Committee and Committee of Independent Directors of the Company, at its meeting held on January 21, 2022 approved the Scheme of Arrangement ("Scheme") between the Company and its shareholders under Section 230 and other applicable provisions of the Companies Act, 2013 ("Act"). The Scheme inter alia provides for capital reorganization of the Company, whereby it is proposed to transfer amounts standing to the credit of the General Reserves to the Retained Earnings of the Company with effect from the Appointed Date. The Scheme is subject to receipt of regulatory approvals/ clearances from the Hon'ble National Company Law Tribunal, Mumbai Bench, Securities and Exchange Board of India (through BSE Limited and National Stock Exchange of India Limited), BSE Limited and National Stock Exchange of India Limited (collectively referred to as "Stock Exchanges") and such other approval/clearances as may be applicable.

Pursuant to the Scheme, the Company will possess greater flexibilty to undertake capital related decisions and reflect a more efficient balance sheet.

See accompanying notes to financial statements.

As per our report on even date

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

per **Tridevlal Khandelwal**
Partner
ICAI Membership No.: 501160
Date: April 22, 2022
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Direct
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Interim Chief Financial Officer
Date: April 22, 2022
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377
Date: April 22, 2022
Place: Udaipur

Notes forming part of the consolidated financial statements

as at and for the year ended March 31, 2022

1. GROUP OVERVIEW

Hindustan Zinc Limited (“HZL” or “the Company”) and its consolidated subsidiaries (collectively, the "Group") is engaged in exploring, extracting, processing of minerals and manufacturing of metals and its alloys. The Company was incorporated on January 10, 1966 and has its registered office at Yashad Bhawan, Udaipur (Rajasthan). HZL’s shares are listed on National Stock Exchange and Bombay Stock Exchange.

Details of Group’s various businesses are as follows. The Group’s percentage holdings in each of the below businesses are disclosed in note 38

1. HZL’s operations include five zinc-lead mines, four zinc smelters, one lead smelter, one zinc-lead smelter, eight sulphuric acid plants, one silver refinery plant, six captive thermal power plants and four captive solar plants in the state of Rajasthan. In addition, HZL also has a rock-phosphate mine in Matoon, near Udaipur in Rajasthan and zinc, lead, silver processing and refining facilities in the state of Uttarakhand. The Group also has wind power plants in the states of Rajasthan, Gujarat, Karnataka, Tamil Nadu and Maharashtra and solar power plants in the state of Rajasthan.
2. Hindustan Zinc Alloys Private Limited ("HZAPL") is engaged in manufacturing of metals and its alloys.
3. Vedanta Zinc Football & Sports Foundation ("VZFSF") is a section 8 Company engaged in CSR activities for HZL.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

a) Basis of preparation

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

Accounting policies have been consistently applied in all material aspects except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements were authorised for issue in accordance with a resolution of Board of Directors on April 22, 2022.

b) Reclassification

Consequent to amendments to the Schedule III to the Companies Act, 2013, current maturities of long-term borrowings (March 2021: ₹ 704 Crore) have been presented as part of the short term borrowings, which were previously included under ‘other financial liabilities’, lease liabilities (March 2021: ₹ 24 Crore) have been presented on the face of balance sheet, which were previously included under ‘other financial liabilities’ and Security deposits (March 2021: ₹ 11 Crore) have been presented as part of other non current financial asset, which were previously included under ‘loans’ in non current financial assets.

3.(I) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the results of the Company and all its subsidiaries (the “Group”), being the entities that it controls. Control is evidenced where the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity's returns. The financial statements of subsidiaries are prepared for the same reporting year as the parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Group. Intra-Group balances and transactions, and any unrealized profit arising from intra-Group transactions, are eliminated. Unrealized losses are eliminated unless costs cannot be recovered.

(ii) Joint Venture

Investments representing equity interest in joint ventures are carried at cost. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Notes forming part of the consolidated financial statements

as at and for the year ended March 31, 2022

(iii) Equity method of accounting

Under the equity method of accounting applicable for investments in joint ventures, investments are initially recorded at the cost to the Group and then, in subsequent periods, the carrying value is adjusted to reflect the Group's share of the post-acquisition profits or losses of the investee, and the Group's share of other comprehensive income of the investee, other changes to the investee's net assets and is further adjusted for impairment losses, if any. Dividend received or receivable from joint-ventures are recognised as a reduction in carrying amount of the investment.

The consolidated statement of profit and loss include the Group's share of investee's results, except where the investee is generating losses, share of such losses in excess of the Group's interest in that investee are not recognized. Losses recognised under the equity method in excess of the Group's investment in ordinary shares are applied to the other components of the Group's interest that forms part of Group's net investment in the investee in the reverse order of their seniority (i.e., priority in liquidation).

If the Group's share of losses in a joint venture equals or exceeds its interests in the associate or joint venture, the Group discontinues the recognition of further losses. Additional losses are provided for, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Unrealised gains arising from transactions with joint ventures are eliminated against the investment to the extent of the Group's interest in these entities. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment of the asset transferred. Accounting policies of equity accounted investees is changed where necessary to ensure consistency with the policies adopted by the Group.

b) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

c) Current and non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle

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

The Group classifies all other liabilities as non-current.

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

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

d) Functional and presentation currency

The consolidated financial statements are prepared in Indian Rupees (INR), which is the Group's functional currency. All financial information presented in INR has been rounded to the nearest crores. Balances of "0" represents value less than ₹ 0.50 Crore.

e) Revenue recognition

(i) Sale of goods (Products, Scrap and residual)

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer which usually is on delivery of the goods to the carriers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognised net of discounts, volume rebates, outgoing sales taxes/ goods and service tax and other indirect taxes. Revenues from sale of by-products are included in revenue.

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

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

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on Group's future performance.

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

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

(ii) Income from wind energy

Revenue from sale of wind power is recognised when delivered and measured based on rates as per bilateral contractual agreements with buyers and at rate arrived at based on the principles laid down under the relevant Tariff Regulations as notified by the regulatory bodies, as applicable.

(iii) Dividends

Dividend income is recognized in the statement of profit and loss only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(iv) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, with reference to the principal

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outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(v) **Others**

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

f) **Property, plant and equipment**

(i) **Property, plant and equipment other than mining properties**

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

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

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

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

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

(ii) **Mining properties**

The costs of mining properties, which include the costs of acquiring and developing mining properties are capitalized as Property, Plant and Equipment under the heading “Mining properties” in the year in which they are incurred. When a decision is taken that a Mining property is viable for commercial production (i.e. when the Group determines that the Mining Property will provide sufficient and sustainable return relative to the risks and the Group decided to proceed with the mine development), all further pre-production primary development expenditure other than land, buildings, plant and equipment is capitalized as developing asset until the mining property are capable of commercial production. Revenue derived during the project phase is adjusted from the cost incurred on the project from which such revenue is generated.

(iii) **Capital work in progress (CWIP)**

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

(iv) **Depreciation**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible property and other equipment has been provided on the straight-line method.

- Depreciation has been provided over remaining useful life of the respective property, plant and equipment in respect of additions arising on account of insurance spares, on additions or extension forming an integral part of existing plants and on the revised carrying amount of assets identified as impaired.
- Mining properties are amortized, from the date on which they are first available for use, in proportion to the annual ore raised to the remaining commercial ore reserves (on a unit-of-production basis) over the total estimated remaining commercial reserves of

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each property or group of properties and are subject to impairment review. Commercial reserves are proved and probable reserves and any changes affecting unit of production calculations are dealt with prospectively over the revised remaining reserves. In the year of abandonment of mine, the residual balance in mining properties are written off. Costs used in the computation of unit of production comprises the net book value of the capitalised costs plus the future estimated costs required to be incurred to access the commercial reserves.

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

Assets	Useful life in years
Factory buildings	30 years
Residential buildings	60 years
Roads (included in buildings)	5-10 years
Computers and data processing equipment (included in office equipments)	3-6 years
Plant and Equipment (Including captive power plant)	8-40 years
Railway sidings	15 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8-10 years

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

(v) Exploration & evaluation assets

Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as incurred.

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore, are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment, if any. Exploration and evaluation assets are transferred to the appropriate category of property, plant and equipment when the technical feasibility and commercial viability has been determined. Exploration and evaluation assets are assessed for impairment and impairment loss, if any, is recognised prior to reclassification.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific mineral resources.

(vi) Borrowing costs

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

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible assets are amortized over their estimated useful life. Amounts paid for securing mining rights are amortized over the period of mining lease of 20 years. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit and loss when the asset is derecognised.

h) Impairment of non-financial assets

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

Impairment tests are carried out annually for all assets when there is an indication of impairment. The Group

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conducts an internal review of asset values annually, which is used as a source of information to assess for any indications of impairment or reversal of previously recognized impairment losses. External factors, such as changes in expected future prices, costs and other market factors are also monitored to assess for indications of impairment or reversal of previously recognized impairment losses.

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

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general. Fair value for mineral assets is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects, and its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted at an appropriate post tax discount rate to arrive at the net present value.

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

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

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

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

i) Financial instruments

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

Financial assets – recognition

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets except treasury investment that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset. Treasury investments are accounted for when the amount is settled in Bank account. For purposes of subsequent measurement, financial assets are classified in three categories:

- **Debt instruments at amortized cost**

  A 'Debt instrument' is measured at the amortized cost if both the following conditions are met:

  a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

  b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

- **Debt instruments at fair value through other comprehensive income (FVTOCI)**

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

  a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

  b) The asset's contractual cash flows represent SPPI.

  Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements

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are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

- **Debt instruments, derivatives and equity instruments at fair value through Statement of Profit and Loss (FVTPL)**

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

  In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (Referred to as 'accounting mismatch').The Group has not invested in any equity instruments.

  Debt instrument included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Financial assets - derecognition

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

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

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

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

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

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

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

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

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- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities – recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

Subsequent measurement

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

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

- **Financial Liabilities at amortized cost (Loans and borrowings)**

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

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

Financial liabilities - derecognition

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

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through Profit or Loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic

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characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though Profit or Loss. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

j) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Group enters into forward currency contracts, commodity contracts and other derivative financial instruments. The Group does not hold derivative financial instruments for speculative purposes.

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

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

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

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

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

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

(i) Fair value hedges

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

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

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(ii) Cash flow hedges

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

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

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

k) Government grants, subsidies and export incentives

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

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

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

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

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

l) Inventories

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

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

(i) Ore, concentrate (mined metal), work-in-progress and finished goods (including significant by-products i.e. silver) are valued at lower of cost or net realizable value on weighted average basis.

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

(iii) Immaterial by-products, aluminium scrap, chemical lead scrap, anode scrap and coke fines are valued at net realizable value.

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

m) Taxation

Current tax

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

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

Deferred tax

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

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

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

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- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

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

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

n) Retirement and other Employee benefit schemes

i. Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

ii. Post-Employment Benefits

Gratuity

In accordance with the Payment of Gratuity Act of 1972, the Group contributes to a defined benefit plan (the “Gratuity Plan”). The Gratuity Plan provides a lump sum payment to employees who have completed at least 5 years of service; at retirement, disability or termination of employment being an amount equal to 15 days' salary (based on the respective employee’s last drawn salary) for every completed year of service.

Based on actuarial valuations conducted as at year end, a provision is recognized in full for the benefit obligation over and above the funds held in the Gratuity Plan.

In respect of defined benefit schemes, the assets are held in separately administered funds. In respect of defined benefit schemes, the cost of providing benefits under the plans is determined by actuarial valuation separately each year using the projected unit credit method by independent qualified actuary as at the year end.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

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The Group recognizes the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Provident Fund

The Group offers retirement benefits to its employees, under provident fund scheme which is a defined benefit plan. The Group and employees contribute at predetermined rates to 'Hindustan Zinc Limited Employee's Contributory Provident Fund' ('Trust') accounted on accrual basis and 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 Trust. The contribution towards provident fund is recognized as an expense in the Statement of Profit and Loss.

Family Pension

The Group offers its employees benefits under defined contribution plans in the form of family pension scheme. Contributions are paid during the year into the fund under statutory arrangements. The contribution to family pension fund is made at predetermined rates by the Group based on prescribed rules of family pension scheme. The contribution towards family pension is recognized as an expense in the Statement of Profit and Loss. The Group has no further obligation other than the contribution made.

Superannuation

Certain employees of the Group, who have joined post disinvestment are members of the Superannuation plan. The Group has no further obligations to the Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India. The contribution is recognized as an expense in the Statement of Profit and Loss.

iii. Other Long-Term Employee Benefits

Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur. Actuarial differences are recognised immediately in the Statement of Profit and Loss.

o) Provision

Provisions are recognized when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

(i) Provision for Decommissioning

The Group recognizes a provision for decommissioning costs of smelting and refining facilities. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at pre-tax rate that reflects the risks specific to the liability. The unwinding of the discount is expensed as incurred and recognized in the Statement of Profit and Loss as a finance cost. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

The Group recognizes provision for discontinuing of a smelting operation which is charged to the Statement of profit and loss. Management estimates are based on third party technical estimates. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate.

(ii) Provision for Restoration, rehabilitation and environmental costs

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or on-going production of a mine. Such costs, discounted to net present value, are provided for and a corresponding amount is capitalized at the start of each project as mining properties, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the

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discount on the provision (considered as finance cost). The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate as per the depreciation policy .

Costs for the restoration of subsequent site damage, which is caused on an on-going basis during production, are charged to the Statement of Profit and Loss as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred.

p) Foreign currency translation

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

In the financial statements of the Group, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

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

q) Earnings per share

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

r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker i.e. CEO. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

s) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

(b) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

(ii) Lease liabilities

In calculating the present value of lease payments, the Group uses its incremental

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borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Other Financial Liabilities.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

t) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

u) Operational buyers' credit/suppliers' credit

The Group enters into arrangements where by banks and financial institutions make direct payments to suppliers for goods and services. The banks and financial institutions are subsequently repaid by the Group at a later date providing working capital timing benefits. These are normally settled up to twelve months. Where these arrangements are for goods used in the normal operations of the Group with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/suppliers' credit and disclosed on the face of the balance sheet. Interest expense on these are recognised in the finance cost. Payments made by banks and financial instiutions to the operating vendors are treated as a non cash item and settlement of due to operational buyer's credit/ suppliers' credit by the Group is treated as an cash outflow from operating activity reflecting the substance of the payment.

Payments made to vendors are treated as cash item and disclosed as cash flows from operating/investing activity depending on the nature of the underlying transaction. Settlement of dues to banks and financial institution are treated as cash flows from financing activity.

v) Provisions, contingent liabilities and contingent assets

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

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

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the Balance Sheet.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Financial guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as Contingent liabilities and disclosed in the notes but are not reflected as liabilities

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in the consolidated financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Group is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Contingent assets are not recognised but disclosed in the consolidated financial statements when an inflow of economic benefit is probable.

The Group has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet.

3. (II) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards

The Group has adopted, with effect from April 1, 2021, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the consolidated financial statements.

1. Amendments to Ind AS 103 regarding the definition of identifiable assets acquired and liabilities assumed to qualify for recognition as part of applying the acquisition method;
2. Amendments to Ind AS 107, 109, 104 and 116 regarding Interest Rate Benchmark Reform - Phase 2;
3. Conceptual framework for financial reporting under Ind AS issued by the ICAI;
4. Amendments to Ind AS 116 regarding COVID-19 related rent concessions;
5. Amendments to Ind AS 105, 16 and 28 regarding definition of recoverable amount.

Other Amendments

A number of other minor amendments to existing standards also became effective on April 1, 2021 and have been adopted by the Group. The adoption of these new accounting pronouncements did not have a material impact on the accounting policies, methods of computation or presentation applied by the Group.

Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules, 2022 dated March 23, 2022, effective from April 01, 2022, resulting in amendments such as Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37, Reference to the Conceptual Framework – Amendments to Ind AS 103, Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16, Ind AS 101, First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter, Ind AS 109, Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities, Ind AS 41, Agriculture – Taxation in fair value measurements. These amendments are not expected to have any impact on the Group. The Group has not early adopted any amendments that has been notified but is not yet effective.

3(III) CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENT

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

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

(A) Significant Estimates

(i) Mining property and Ore reserve

Ore reserves and mineral resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. The Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body. As a consequence of such an assessment made at the end of the current year, the Group has added new reserves and there is no material impact on the depreciation charge for the year due to this change.

(ii) Restoration, rehabilitation and environmental costs

Provision is made for costs associated with restoration and rehabilitation of mining sites

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as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine fields. The costs are estimated on annual basis on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalized when incurred reflecting the Group's obligations at that time. The Group has not considered salvage value for the estimates of provision for decommissioning calculated as at March 31, 2022.

The provision for decommissioning liabilities (Refer note 17) is based on the current estimate of the costs for removing and decommissioning producing facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate.

(iii) Assessment of useful lives and consumption pattern of Property, Plant and Equipments

The Group reviews the useful lives and consumption pattern of Property, Plant and Equipment at the end of each reporting period.

(iv) Timing of adoption of section 115BAA of the Income Tax Act, 1961

Section 115BAA, of the Income Tax Act, allows companies to make an irrevocable choice to adopt a lower rate of tax of 25% plus applicable surcharge and cess as against the present tax rate of 30% plus surcharge and cess and also an exemption from paying the Minimum Alternate Tax, provided the Group forgoes tax holidays and certain tax exemptions and benefits. The law allows companies to make this election from anytime on or after the start of the financial year April 1, 2020. Based on the expected timing of exercising the said option, the Group has accounted for certain tax credits as detailed in Note 32.

(B) Significant Judgement

Contingencies

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Group. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the consolidated financial statements.

While considering the possible, probable and remote analysis of taxation, legal and other claims, there is always a certain degree of judgement involved pertaining to the application of the legislation which in certain cases is supported by views of tax experts and/or earlier precedents in similar matters. Although there can be no assurance regarding the final outcome of the legal proceedings, the Group does not expect them to have a materially adverse impact on the Group's financial position or profitability.

Notes forming part of the consolidated financial statements

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4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Railway siding	Mining properties	Right of use[4]	Total
At Cost										
As at April 1, 2020	**329**	**1,906**	**19,314**	**35**	**47**	**302**	**94**	**7,082**	**170**	**29,279**
Additions [1&4]	2	180	1,066	1	1	62	-	1,475	23	2,810
Disposals/ adjustments	-	-	234	-	6	1	-	1	-	242
As at March 31, 2021	**331**	**2,086**	**20,146**	**36**	**42**	**363**	**94**	**8,556**	**193**	**31,847**
Additions [1&4]	-	45	1,494	-	15	33	-	1,811	2	3,400
Disposals/ adjustments	-	1	449	0	4	3	-	-	-	457
Transfer/Reclassfication (from)/to [6]	(40)	-	-	-	-	-	-	247	40	247
As at March 31, 2022	**291**	**2,130**	**21,191**	**36**	**53**	**393**	**94**	**10,614**	**235**	**35,037**
Accumulated depreciation										
As at April 1, 2020	**-**	**504**	**8,743**	**23**	**24**	**214**	**33**	**3,515**	**6**	**13,062**
Depreciation charge for the year[3]	-	105	1,036	2	6	26	5	1,381	8	2,569
Disposals/ adjustments	-	-	225	-	4	1	-	1	-	231
As at March 31, 2021	**-**	**609**	**9,554**	**25**	**26**	**239**	**38**	**4,895**	**14**	**15,400**
Depreciation charge for the year[3]	-	80	1,114	2	4	30	5	1,665	9	2,909
Disposals/ adjustments	-	-	433	-	2	2	-	-	-	437
As at March 31, 2022	**-**	**689**	**10,235**	**27**	**28**	**267**	**43**	**6,560**	**23**	**17,872**
Net Book Value										
As at March 31, 2022	**291**	**1,441**	**10,956**	**9**	**25**	**126**	**51**	**4,054**	**212**	**17,165**
As at March 31, 2021	**331**	**1,477**	**10,592**	**11**	**16**	**124**	**56**	**3,661**	**179**	**16,447**

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4(A) Capital work in progress

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amount of Capital work in progress	2,075	1,922

Capital work in progress(CWIP) Ageing Schedule

CWIP	As at March 31, 2022			As at March 31, 2021		
	Projects in progress	Projects temporarily suspended	Total	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	1,026	-	1,026	970	-	970
1-2 years	378	-	378	408	-	408
2-3 years	206	-	206	502	-	502
More than 3 years	465	-	465	42	-	42
Total	**2,075**	**-**	**2,075**	**1,922**	**-**	**1,922**

CWIP completion schedule for projects whose completion is overdue compared to its original plan:

CWIP	As at March 31, 2022				As at March 31, 2021			
	To be completed in				To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project in Progress								
Fumer Project	527	-	-	-	-	502	-	-
Total	**527**	**-**	**-**	**-**	**-**	**502**	**-**	**-**

(1) Addition to plant & equipment includes finance cost capitalised of ₹ 12 Crore. (March 31, 2021: ₹ 23 Crore)

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

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Power and fuel charges	34	25
Repairs and Others	361	689
Consumption of Stores and Spare parts	322	186
Employee Benefit Expenses	76	83
General Expenses	1	1
Insurance	-	3
Conveyance and travelling expenses	-	0
Finance Cost	11	24
Total	**805**	**1,011**

(3) During the year, the Group has capitalised ₹ 4 Crore depreciation attributable to certain assets under development (March 31, 2021: ₹ 50 Crore). Accordingly, depreciation reported in Note 26 for the year ended March 31, 2022 is ₹ 2,905 Crore (March 31, 2021: ₹ 2,519 Crore)

(4) Carrying amount of right-of-use assets recognised and the movements during the period is as below:

(₹ in Crore)

Particulars	Plant & machinery	Buildings	Land	Total
As at April 1, 2020	**27**	**3**	**134**	**164**
Additions	-	1	22	23
Depreciation	(1)	(1)	(6)	(8)
As at March 31, 2021	**26**	**3**	**150**	**179**
Additions	-	1	41	42
Depreciation	(1)	(1)	(7)	(9)
As at March 31, 2022	**25**	**3**	**184**	**212**

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5. INTANGIBLE ASSETS

(₹ in Crore)

Particulars	Computer software	Mining rights	Right to use asset(5)	Exploration & Evaluation asset	Total
At Cost					
As at April 1, 2020	**48**	**67**	**111**	**112**	**338**
Additions	-	-	32	88	120
Disposals	-	-	-	-	-
As at March 31, 2021	**49**	**67**	**143**	**200**	**459**
Additions	1	-	-	128	129
Disposals	-	-	-	-	-
Transfer (from)/to (6)	-	-	-	(247)	(247)
As at March 31, 2022	**50**	**67**	**143**	**81**	**341**
Accumulated depreciation					
As at April 1, 2020	**42**	**25**	**19**	**-**	**86**
Charge for the year	2	4	6	-	12
As at March 31, 2021	**44**	**29**	**25**	**-**	**98**
Charge for the year	2	4	6	-	12
As at March 31, 2022	**46**	**33**	**31**	**-**	**110**
Net Book Value					
As at March 31, 2022	**4**	**34**	**112**	**81**	**231**
As at March 31, 2021	**5**	**38**	**118**	**200**	**361**

(5) CSR assets

(6) ₹ 247 Crore Transferred from Exploration & Evaluation asset to Mining properties (refer note 3.(I)(f)v)

6. LOANS

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Unsecured, considered good		
Loans to employees	2	1
Total	**2**	**1**
Current		
Unsecured, considered good		
Loans to employees	2	2
Total	**2**	**2**

7. OTHER ASSETS

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Unsecured, considered good		
Capital advances	166	183
Claims and other receivables(1)	109	248
	275	**431**
Unsecured, credit impaired		
Claims and other receivables	7	7
Provision on doubtful deposits and claims	(7)	(7)
	-	-
Total	**275**	**431**

Notes forming part of the consolidated financial statements

as at and for the year ended March 31, 2022

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Unsecured, considered good		
Advance given to vendors for supply of goods and services	106	68
Balance with government authorities	230	208
Claims and other receivables[(2)(3)]	127	73
Total	**463**	**349**

(1) Pertains to Indirect taxes and royalty deposited under dispute with respect to various matters currently litigated in court of law and at various levels of adjudication. During the current year, Company has opted to settle Entry Tax matter under phase II of "Amnesty Scheme 2021" launched by Government of Rajasthan, pursuant to which Company has written off balances of ₹ 113 Crore. (see note 28)

(2) Includes ₹ 74 Crore (March 31, 2021: ₹ 25 Crore) export benefit incentive receivable which mainly includes RoDTEP receivable of ₹ 38 Crore (March 31, 2021: Nil) , ₹ 4 Crore (March 31, 2021: ₹ 18 Crore) CSR pre-spent and ₹ 49 Crore (March 31, 2021: ₹ 30 Crore) prepaid expenses.

(3) Includes leave encashment receivable balance for previous year March 31, 2021.

8. INVENTORIES*

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
a. Work in progress		
Ore	66	40
Mined Metal	475	258
Others	547	491
b. Finished goods[(1)]	27	48
c. Fuel Stock [Including goods in transit ₹ 293 Crore (March 31, 2021: ₹ 53 Crore)]	354	127
d. Stores and spare parts [Including goods in transit ₹ 22 Crore (March 31, 2021: ₹ 19 Crore)]	484	461
Total	**1,953**	**1,425**

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

(1) Inventory held at net realizable value amounted to ₹ 5 Crore (March 31, 2021 : ₹ 5 Crore). The write down on this inventory of Nil (March 31, 2021 : Nil) has been recognized as an expense in Statement of Profit and Loss.

(2) The Group follows suitable provisioning norms for writing down the value of inventories towards slow moving, non-moving and surplus inventory. Provision for slow and non moving inventories created during the year of ₹ 36 Crore (March 31, 2021: ₹ 7 Crore) has been recognized as an expense in Statement of Profit and Loss.

9. INVESTMENTS

Non Current

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Measured at cost		
Joint Venture - Unquoted		
Madanpur South Coal Company Limited (1,14,391 equity shares(March 31, 2021: 1,14,391) of ₹ 10 each)	2	2
Less: Aggregate amount of impairment in the value of investment	(2)	(2)
Total	-	-

The Company had access of up to 31.5 million MT of coal as a partner in the joint venture 'Madanpur South Coal Company Limited' (Madanpur JV), a Company incorporated in India, where it holds 17.62% of ownership interest. During the year 2013-14, Honourable Supreme Court had passed the judgment cancelling all the coal blocks including Madanpur JV allocated since 1993 with certain exceptions and consequently the Company does not have any business to pursue. Accordingly, the Group had created 100% provision against its investment in Madanpur JV amounting to ₹ 2 crore.

Notes forming part of the consolidated financial statements

as at and for the year ended March 31, 2022

Current (₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Measured at fair value through profit and loss		
Investment in bonds-quoted	2,157	2,489
Investment in zero coupon bonds- quoted	4,153	2,277
Investment in perpertual bonds- quoted	2,277	-
Investments in commercial paper- quoted	150	-
Investment in mutual funds-quoted	1,196	5,420
Investment in mutual funds-unquoted	5,119	2,771
Total	**15,052**	**12,957**
Aggregate amount of quoted investment at market value thereof	9,933	10,186
Aggregate amount of unquoted investment	5,119	2,771

10. TRADE RECEIVABLES[(1)(3)(4)]

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured		
Considered good[(2)]	716	406
Trade receivables- credit impaired	1	1
	717	**407**
Provision for doubtful trade receivables	(1)	(1)
Total	**716**	**406**

Trade receivables Ageing Schedule (₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Undisputed - considered good		
Not Due	556	176
Less than 6 months	139	199
6 months – 1 year	11	20
1-2 years	8	7
2-3 years	-	1
More than 3 years	-	1
Total	**714**	**404**
Disputed - considered good		
Not Due	-	-
Less than 6 months	-	-
6 months – 1 year	-	-
1-2 years	-	-
2-3 years	-	1
More than 3 years	2	1
Total	**2**	**2**
Undisputed - Credit Impaired		
Not Due	-	-
Less than 6 months	-	-
6 months – 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	1	1
Total	**1**	**1**
Less: Provision for doubtful trade receivables	(1)	(1)
Total Trade receivables	**716**	**406**

(1) The average credit period given to customer ranges from zero to one hundred eighty days (March 31, 2021: zero to one hundred eighty days). Interest is charged on trade receivables for the credit period, from the date of the invoice at 7.15% to 8.65%. (March 31, 2021: 6.65% to 9.15%) per annum on the outstanding balance.

Notes forming part of the consolidated financial statements

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(2) Unsecured considered good includes, ₹ 75 Crore (March 31, 2021: ₹ 80 Crore) due from wind energy segment's trade receivables. Unsecured trade receivable of ₹ 329 Crore (March 31, 2021: ₹ 169 Crore) are covered against Letter of credit and Bank Guarantees.

(3) Refer note 37 for details of related party balances and terms and conditions.

(4) The total trade receivables as at April 1, 2020 were ₹ 379 crore (net of provision of ₹ 1 Crore).

11. CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
On current accounts	82	133
Deposits with original maturity of less than 3 months	1,510	180
Total	**1,592**	**313**
For the purpose of statement of cash flows, cash and cash equivalents comprises the following:		
Cash and cash equivalents as above	1,592	313
Total	**1,592**	**313**

12. OTHER BANK BALANCES

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Bank deposits having maturity more than 3 months but not more than 12 months[1]	-	9,038
Bank deposits with original maturity of more than 12 months[1][2]	4,145	-
Earmarked unpaid dividend accounts	26	25
Total	**4,171**	**9,063**

(1) Includes ₹ 3,500 Crore (March 31, 2021: ₹ 4,350 Crore) on lien with banks against FD backed OD limits, the same is unutilised as at March 31, 2022.

(2) The deposits can be withdrawn by the Company at any point without prior notice or penalty on the principal.

13. OTHER FINANCIAL ASSETS

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Unsecured, considered good		
Security Deposits	51	50
Bank Deposits with more than 12 months maturity	5	4
Unsecured, credit impaired		
Security Deposits	27	27
Provision for doubtful deposits and claims	(27)	(27)
Total	**56**	**54**
Current		
Unsecured, Considered Good		
Interest accrued on deposits	-	2
Derivative assets (Refer note 35)	1	2
Receivable from related party (Refer note 37)	32	49
Total	**33**	**53**

Notes forming part of the consolidated financial statements

as at and for the year ended March 31, 2022

14. EQUITY SHARE CAPITAL

(₹ in Crore)

	Particulars	As at March 31, 2022	As at March 31, 2021
A.	**Authorized equity share capital**		
	Equity shares of ₹ 2 (March 31, 2021: ₹ 2) each.	1,000	1,000
	No. of Shares (In Crore)	500	500
B.	**Issued, subscribed and paid up**		
	Equity shares of ₹ 2 (March 31, 2021: ₹ 2) each.	845	845
	No. of Shares (In Crore)	423	423
C.	**Equity shares held by Holding Company**		
	Vedanta Limited		
	No. of Shares (In Crore)	274	274
	% of Holding	64.92%	64.92%
D.	**No shares issued for consideration other than cash and newly added shares bought back during the period of five years immediately preceding the reporting date**		
E.	**Details of shareholders holding more than 5% shares in the Company**		
	Vedanta Limited		
	No. of Shares (In Crore)	274	274
	% of Holding	64.92%	64.92%
	Government of India - President of India		
	No. of Shares (In Crore)	125	125
	% of Holding	29.54%	29.54%
F.	**Details of shares held by promoters**		
	Vedanta Limited		
	No. of shares at the beginning of the year (In Crore)	274	274
	Change during the year (In Crore)	-	-
	No. of shares at the end of the year (In Crore)	274	274
	% of Total Shares*	64.92%	64.92%
	% change during the year	-	-

*As at March 31, 2022, 5.77% (March 31, 2021: 14.82%) of total paid up share capital of the Company have been pledged by promoters for securing loan facilities from banks/financial institutions along with a non-disposal undertaking in respect of their holding in the Company to the extent of 50.1% of the paid up share capital of the Company.

G. Terms/Rights attached to equity shares

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 dividend as and when declared by the Company. Interim dividend is paid as and when declared by the Board. Final dividend is paid after obtaining shareholders' approval. Dividends are paid in Indian Rupees. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

15. BORROWINGS

Non-current

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Unsecured		
Non-convertible debentures[1]	2,814	3,516
Term-loan from banks[2]	-	1,500
Total Non-current borrowing	2,814	5,016
Less: Current maturities of long-term borrowings	(703)	(704)
Total (Net)	**2,111**	**4,312**

(1) During the previous year, the company has issued 35,200 Unsecured, Rated, Non-convertible debentures (NCDs) of face value of ₹ 10,00,000 each at an interest rate of 5.35%, aggregating upto ₹ 3,520 Crore. The NCDs are due for repayment in three yearly installments of ₹ 704 Crore, ₹ 704 Crore and ₹ 2,112 Crore respectively starting from September, 2021. As at March 31, 2022, the carrying value is ₹ 2,814 Crore (net of non cash changes).

(2) Term loan from banks of ₹ 1,500 Crore has been prepaid in current year. The loan carried an effective interest rate of 5.05%, and was originally repayable in a single bullet installment in November, 2022.

Notes forming part of the consolidated financial statements

as at and for the year ended March 31, 2022

Current

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Unsecured		
Commercial Paper[(1)]	-	2,161
Current maturities of long-term borrowing	703	704
Working Capital Loans from banks[(2)]	9	-
Total	**712**	**2,865**

(1) Commercial Papers as on March 31, 2022 carry an effective interest rate of Nil (March 31, 2021 in the range of 3.87%-4.35%), and repayable in Nil days (March 31, 2021: 213-365 days) from the date of issue of commercial papers.

(2) Working Capital Loans from banks as on March 31, 2022 carry an effective interest rate of 7.20% and are repayable after 7 days.

(C) Movement in borrowings during the year is provided below:

(₹ in Crore)

Particulars	Borrowing due within 1 year	Borrowing due after 1 year*	Total
As at April 1, 2020	**611**	**-**	**611**
Cash flow	1,549	5,016	6,565
Other non cash changes	1	-	1
As at March 31, 2021	**2,161**	**5,016**	**7,177**
Cash flow	(2,152)	(2,204)	(4,356)
Other non cash changes	-	2	2
As at March 31, 2022	**9**	**2,814**	**2,823**

* Including current maturities of long-term debt & unamortized borrowing fees.

16. OTHER FINANCIAL LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposits and other liabilities	0	0
Total	**0**	**0**
Current		
Derivatives - Liabilities (Refer Note 35)	147	4
Capital Creditors	1,216	727
Due to related party (Refer Note 37)	71	25
Deposits from vendors	165	143
Interest accrued but not due	76	101
Unclaimed dividend [(1)]	26	25
Other liabilities (Includes employee benefits etc.)	200	226
Total	**1,901**	**1,251**

(1) Represents the unclaimed dividend for a period less than 7 years.

17. PROVISIONS

Non-current

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for mine restoration & decomissioning[(a)]	212	182
Total	**212**	**182**

Notes forming part of the consolidated financial statements

as at and for the year ended March 31, 2022

(a) (₹ in Crore)

Particulars	Provision for mine restoration(1)	Provision for decommissioning(2)	Total
As at April 1, 2020	166	10	176
Addition during the year/(revision during the year)	22	-	22
Unwinding of discount	7	-	7
Utilized	(3)	(5)	(8)
As at March 31, 2021	**192**	**5**	**197**
Addition during the year/(revision during the year)	24	-	24
Unwinding of discount	8	-	8
Utilized	-	(3)	(3)
As at March 31, 2022	**224**	**2**	**226**
Classification as at March 31, 2021			
Non-current	182	-	182
Current	10	5	15
Classification as at March 31, 2022			
Non-current	212	-	212
Current	12	2	14

(1) The provision for restoration, rehabilitation, and environmental cost represents the Company's best estimate of the costs which will be incurred in the future to meet the obligations under the laws of the land and the terms Referred to in the Company's mining arrangements. The principal restoration, rehabilitation and environmental provisions are the costs, which are expected to be incurred in restoring at the end of life of these mines at Rampura Agucha, Rajpura Dariba, Zawar Mines, Sindesar Khurd and Kayad.

(2) Provision for decommissioning is created to meet the obligation at decommissioned smelting facility at Vizag location basis an independent technical evaluation.

Current (₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity (Refer note 31)	-	55
Provision for compensated absenses(1)	18	-
Provision for mine restoration & decomissioning (Refer (a) above)	14	15
Total	**32**	**70**

(1) Refer note 7

18. OTHER LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Deferred government grant(2)	1,024	1,036
Total	**1,024**	**1,036**
Current		
Advance from customers(3)	252	1,219
Statutory and other liabilities(1)	467	604
Deferred government grant(2)	141	124
Total	**860**	**1,947**

(1) Statutory and other liabilities mainly includes contribution to PF, Goods and service tax (GST), TDS, amount payable to District Mineral Fund (DMF) ,National Mineral Exploration Trust (NMET) etc.

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

(3) Advance from customers are contract liabilities and include amounts received under short term supply agreements. The advance payment plus a fixed rate of return/ discount will be settled by supplying respective commodity over a period up to twelve months under an agreed delivery schedule as per the terms of the respective agreements. As these are contracts that the Group expects, and has the ability, to fulfil through delivery of a non-financial item, these are recognised as advance from customers and will be released to the income statement as respective commodity is delivered under the agreements. The amount of such balances as of April 1, 2021 was ₹ 1,219 Crore. Changes in contract liabilities are either due to exchange differences, receipt of fresh advances or revenues recognised as detailed in note 21A.

Notes forming part of the consolidated financial statements

as at and for the year ended March 31, 2022

19. OPERATIONAL BUYERS' CREDIT/ SUPPLIERS' CREDIT

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Operational Buyers/Suppliers credit from banks(1)	280	-
Total	**280**	**-**

(1) Operational Buyers'/Suppliers' Credit is availed in foreign currency from offshore branches of Indian banks at weighted average interest rate of 0.57 % p.a. as at March 31, 2022. The tenure of these trade credits ranges from 59 days to 88 days from the date of draw down. This is backed by Standby Letter of Credit issued under unsecured working capital facilities sanctioned by domestic banks.

20. TRADE PAYABLES

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables	2,038	1,545
Total	**2,038**	**1,545**

Trade payables Ageing Schedule (₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Undisputed dues		
Less than 1 year	2,002	1,424
1-2 years	10	88
2-3 years	4	18
More than 3 years	22	15
Total*	**2,038**	**1,545**

*Includes Unbilled dues of ₹ 1,402 Crore (March 31, 2021: ₹ 978 Crore)

21. (A) REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products	28,624	21,932
Income from wind energy	166	139
Total Revenue(1)	**28,790**	**22,071**

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

The above revenue from sale of products for the year ended March 31, 2022 comprises of revenue from contracts with customers of ₹ 29,792 Crore (March 31, 2021: ₹ 22,928 Crore) and a net loss on mark to market of ₹ 1,002 Crore (March 31, 2021: ₹ 857 Crore) on account of gains/losses relating to sales that were provisionally priced as at the beginning of the year with the final price settled in the current year, gains/losses relating to sales fully priced during the year, and marked to market gains/losses relating to sales that were provisionally priced as at the end of the year. Entire revenue from contract with customers is recorded at a point in time and includes ₹ 1,219 Crore (March 31, 2021: ₹ 1,184 Crore) for which contract liabilities existed at the beginning of the year. Majority of the Group's sales are against advance or are against letters of credit/ cash against documents/ guarantees of banks of national standing. Where sales are made on credit, the amount of consideration does not contain any significant financing component as payment terms are within three months.

(B) OTHER OPERATING INCOME

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of scrap and residuals	319	387
Export incentives	205	80
Others (unclaimed amount, carbon credits, liquidated damages etc.)	126	91
Total	**650**	**558**

Notes forming part of the consolidated financial statements

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22. OTHER INCOME

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net gain on investments measured at FVTPL	-	400
Net gain on sale of current investments	205	304
Net gain on foreign currency transactions and translation	27	13
Amortization of deferred revenue arising from government grant	135	120
Gain on sale of fixed assets (net)	11	42
Interest Income on:		
Bank deposits measured at amortized cost	407	434
Investments measured at FVTPL	392	432
Other financial assets measured at amortised cost	39	74
Total	**1,216**	**1,819**

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

(₹ in Crore)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
Opening inventory			
Finished goods		48	196
Work in progress :-			
Ore		40	44
Mined metal		258	275
Others (includes various semi-finished goods having Zinc, Lead & Silver content)		491	561
Total	**(A)**	**837**	**1,076**
Closing inventory			
Finished goods		27	48
Work in progress :-			
Ore		66	40
Mined metal		475	258
Others (includes various semi-finished goods having Zinc, Lead & Silver content)		547	491
Total	**(B)**	**1,115**	**837**
Changes in Inventory	**(A- B)**	**(278)**	**239**

24. EMPLOYEE BENEFIT EXPENSE

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus(1)	539	599
Contribution to provident and other funds (Refer Note 31)	46	46
Share based compensation(2)	6	12
Staff welfare expenses(1)	127	103
Total	**718**	**760**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(1) Includes Corporate social responsibility expenditure of ₹ 3 Crore and ₹ 16 Crore (March 31, 2021: ₹ 3 Crore and ₹ 19 Crore) towards salaries,wages and bonus and Company run schools & hospitals respectively.

(2) The Company offers equity-based and cash based option plans to its employees, officers and directors through its holding Company, Vedanta Limited [Vedanta Limited - Employee Stock Option Scheme ("Vedanta Limited- ESOS")].

During the year, share- based incentives arrangement under ESOS of Vedanta Limited (introduced effective December 2016) 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 to the individual fixed salary and share-based remuneration consistent with local market practice. ESOS scheme of Vedanta Limited are both tenure and performance based share schemes. The awards are indexed to and settled by Parent's shares (Vedanta Ltd shares as defined in the scheme). The awards have a fixed exercise price denominated in Parent's functional currency (Re.1), the performance period of each award is 36 months and is exercisable within a period of six months from the date of vesting beyond which the option lapses.

Further, in accordance with the terms of the agreement between the Parent and the Company, the cost recognised towards ESOS scheme is recovered by the Parent from the Company.

Notes forming part of the consolidated financial statements

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25. FINANCE COSTS

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on financial liabilities at amortised cost[(1)(3)]	237	320
Other interest[(2)]	28	31
Bill discounting charges	8	11
Bank charges	5	4
Other finance costs	12	20
Total	**290**	**386**

(1) Interest expenses on lease liabilities is ₹ 3 Crore (March 31, 2021: ₹ 3 Crore)

(2) Interest expenses on income tax is 22 Crore (March 31, 2021: ₹ 12 Crore)

(3) Interest rate of 5.08% was used to determine the amount of general borrowing costs eligible for capitalization in respect of qualifying asset for the year ended March 31, 2022 (March 31, 2021: 4.79%)

26. DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on Property, Plant and Equipments (Refer note 4)	2,905	2,519
Amortization on intangible assets (Refer note 5)	12	12
Total	**2,917**	**2,531**

27. OTHER EXPENSES

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores and spare parts	1,622	1,140
Repairs and Maintenance:		
- Plant and equipment	1,749	1,523
- Building	105	89
- Others	7	1
Carriage inwards	174	185
Mine expenses	1,679	1,431
Other manufacturing and operating expenses	441	387
Rates and taxes	3	2
Conveyance and travelling expenses	20	16
Directors sitting fees and commission	1	1
Payment to auditors[(1)]	2	2
Carriage outwards	349	276
Grass root exploration expenses	16	10
Legal and professional expenses	65	62
Research and development expenditure	8	5
Corporate social responsibility	150	158
Net loss on investments measured at FVTPL	28	-
Miscellaneous expenses	237	179
Total	**6,656**	**5,467**
[(1)] **Remuneration to auditors:**		
- Audit fees	2	2
- Other services	0	0
Total	**2**	**2**

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28. EXCEPTIONAL ITEMS

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
One time settlement of entry tax under amnesty scheme[1]	134	-
Total	**134**	**-**

(1) During the current year, Company has opted to settle Entry Tax matter under phase II of "Amnesty Scheme 2021" launched by Government of Rajasthan, persuant to which company has written off balances of ₹ 113 Crore outstanding under claims and receivable (note 7) as at March 31, 2021 paid under protest for entry tax matter and paid additional ₹ 21 Crore towards settlement.

29. EARNINGS PER SHARE

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic earnings per share (₹)	22.79	18.89
Diluted earnings per share (₹)	22.79	18.89
The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:		
Profit after tax attributable to owners of the Company (in ₹ Crore)	9,629	7,980
Earnings used in the calculation of basic earnings for the year (in ₹ Crore)	9,629	7,980
Weighted average number of equity shares outstanding (Number in Crore)	423	423
Nominal Value per share (in ₹)	2	2

30. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a. Contingent liabilities[1]		
Claims against the Company not acknowledged as debts		
- Suppliers and contractors	98	102
- Ex-employees and others	3	3
- Land acquisition	6	6
- Mining cases[2]	334	334
- Government : Electricity Duty	9	9
: Road Tax	15	15
: Environmental Cess[3]	142	142
Guarantees issued by the banks	278	227
Sales tax demands	68	90
Entry tax demands(Refer note 28)	-	200
Income tax demands[5]	725	715
Excise Duty, Custom duty, Service tax and GST demand[4]	413	392

(1) Future cash out flows in respect of the above matters are determinable only on receipt of judgments or decisions pending at various forums. Accordingly interest and penalty where applicable will be additionally payable.

(2) The Department of Mines and Geology of the State of Rajasthan issued several show cause notices in August, September and October 2006 to HZL, amounting to ₹ 334 Crore. These notices alleged unlawful occupation and unauthorised mining of associated minerals other than zinc and lead at HZL's Rampura Agucha, Rajpura Dariba and Zawar mines in Rajasthan during the period from July 1968 to March 2006. HZL believes that the likelihood of this claim is not probable and thus no provision has been made in the financial statements. HZL had filed writ petitions in the High Court of Rajasthan in Jodhpur and had obtained a stay in respect of these demands. The High Court restrained the Department of Mines and Geology from undertaking any coercive measures to recover the penalty. In January 2007, the High Court issued another order granting the Department of Mines and Geology additional time to file their reply and also ordered the Department of Mines and Geology not to issue any order cancelling the lease.Affidavit of the Central Government is awaited.The State Government filed for an early hearing application in the High Court. The High Court has passed an order rejecting the application stating that Central Government should file their replies.

(3) The State of Rajasthan issued a notification in June 2008 notifying the Rajasthan Environment and Health Cess Rules, 2008, imposing environment and health cess on major minerals including lead and zinc. HZL and other mine operators resisted this notification and the imposition thereunder before the High Court of Rajasthan on the ground that the imposition of such cess and all matters relating to the environment fall under the jurisdiction of the Central government as opposed to the State government. In October 2011, the High Court of Rajasthan disposed the writ petitions and held the Rajasthan Environment and Cess Rules, 2008 that impose a levy of cess on minerals, as being constitutionally valid. An amount of ₹ 150 per metric ton of ore produced would be attracted under the Statute if it is held to be valid. HZL challenged this order by a special leave petition in December 2011 before the Supreme Court of India. The Supreme Court of India issued a notice for stay. Further direction was issued by the Supreme Court on March 23, 2012 not

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to take any coercive action against HZL for recovery of cess. The aforementioned notification was rescinded via notification dated January 6, 2017, and hence no further obligation exists after that date.

(4) Various demands raised on the Company towards CENVAT, service tax and excise for FY 1991-92 to 2017-18. The Company has paid an amount of ₹ 20 Crore (March 31, 2021: ₹ 25 Crore)against these demands under protest and is confident of the liability not devolving on the Company.

(5) Tax demands have been raised mainly on account of depreciation disallowances, withholding taxes and interest thereon. Although, the Company has paid certain amounts in relation to these demands, which are pending at various levels of appeals, management considers these disallowances as not tenable against the Company, and therefore no provision for tax has been created. Also, refer note 32c(ii).

b. The Department of Mines and Geology (DMG) of the State of Rajasthan initiated the royalty assessment process from January 2008 to 2019 on certain question of law and issued a show cause notice vide an office order dated January 31, 2020 amounting to ₹ 1,925 Crores, further an additional demand was issued vide an office order dated December 14, 2020 for ₹ 311 Crores on similar questions of law. The Company has challenged (the show cause notice or / and) computation mechanism of the royalty on the ground that the state has not complied with the previous orders of Rajasthan High court where a similar computation mechanism was challenged and court had directed DMG to reassess basis the judicial precedents and mining concession rules. Pending compliance of previous orders, High court has granted a stay on the notice and directed DMG not to take any coercive action. State Government has also been directed to not take any coercive action in order to recover such miscomputed dues. Based on the opinion of external counsel, the Company believes that it has strong grounds of a successful appeal.

c. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 1,480 Crore (March 31, 2021: ₹ 1,096 Crore).

d. Other Commitments - Export obligations

The Group has Nil export obligations (March 31, 2021: ₹ 1,744 Crore) on account of concessional rates of import duties paid on capital goods under the Export Promotion Capital Goods Scheme enacted by the Government of India (which is required to be fulfilled over the next six years from purchase). If the Group is unable to meet these obligations, its liabilities would be Nil (March 31, 2021: ₹ 291 Crore reduced in proportion to actual export). This liability is backed by the bonds executed in favour of Customs department amounting to ₹ 67 Crore (March 31, 2021: ₹ 67 Crore). Further, bonds amounting to ₹ 1,638 Crore (March 31, 2021: ₹ 1,602 Crore) will be released subject to verification of EODC (Export obligation discharge certificate) by the Customs department.

31. RETIREMENT AND OTHER EMPLOYEE BENEFIT SCHEMES

a. Defined contribution schemes

Family Pension Scheme

The contributions are based on a fixed percentage of the employee's salary, subject to a ceiling, as prescribed in the scheme. A sum of ₹ 5 Crore (March 31, 2021: ₹ 6 Crore) has been charged to the Statement of Profit and Loss during the year. There are no further obligations on the Group.

Superannuation fund

A sum of ₹ 3 Crore (March 31, 2021: ₹ 3 Crore) has been charged to the Statement of Profit and Loss in respect to contributions made to the superannuation fund. The Group has no further obligations to the plan beyond the monthly contributions.

b. Defined benefit plans

For defined benefit schemes, the cost of providing benefits under the plans is determined by actuarial valuation each year for the plan using the projected unit credit method by independent qualified actuaries as at the year end. Remeasurements in the year are recognized in full in other comprehensive income for the year.

Provident fund

The Group offers its employees, benefits under defined benefit plans in the form of provident fund scheme which covers all employees. Contributions are paid during the year into 'Hindustan Zinc Limited Employee's Contributory Provident Fund' ('Trust'). Both the employees and the Group pay predetermined contributions into the Trust. A sum of ₹ 26 Crore (March 31, 2021: ₹ 26 Crore) has been charged to the Statement of Profit and Loss in this respect during the year.

The Group's Trust 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 Trust. Having regard to the assets of the Trust and the return on the investments, the Group does not expect any deficiency in the foreseeable future, except for investments in debt securities of IL&FS Limited and IL&FS Financial Services Ltd. for which necessary provisions exists.

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The details of fund and plan asset position are given below:

(₹ in Crore)

Particulars		As at March 31, 2022	As at March 31, 2021
Plan assets fair valued		1,574	1,544
Present value of benefit obligation at period end		1,591	1,545
Net Plan Assets/(Liability)		**(17)**	**(1)**
% allocation of plan assets by category			
Central government securities		14%	14%
State government securities(including PSU Bond)		53%	53%
Private Sector Bonds, Mutual funds		33%	33%
Principal actuarial assumptions			
Financial Assumptions			
Discount rate		7.14%	6.9%
Expected statutory interest rate on the ledger balance		8.10%	8.50%
Expected short fall in interest earnings on the fund		0.05%	0.05%
Demographic Assumptions			
i)	Retirement Age (Years)	58	58
ii)	Mortality rates inclusive of provision for disability	100% of IALM (2012- 14)	100% of IALM (2012- 14)
iii)	Withdrawal rates		
	Up to 30 Years	3% - 21%	3% - 12.2%
	From 31 to 44 years	2% - 7.5%	2% - 4.7%
	Above 44 years	1%-3.2%	1%- 2.6%

Gratuity plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, an employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The Group's defined benefit plans are funded with Life Insurance Corporation of India (LIC). The Group does not have any liberty to manage the fund provided to LIC.

The following tables set out the details of the gratuity plans and the amounts recognized in the financial statements.

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Principal actuarial assumptions

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:		
Financial Assumptions		
Discount rate	7.14%	6.9%
Expected rate of increase in compensation level of covered employees	6% - 9.5%	6% - 8.5%
Demographic Assumptions		
i) Retirement Age (Years)	58	58
ii) Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2012-14)
iii) Withdrawal rates		
Up to 30 Years	3% - 21%	3% - 12.2%
From 31 to 44 years	2% - 7.5%	2% - 4.7%
Above 44 years	1%-3.2%	1%-2.6%
Amount recognized in the balance sheet consists of:		
Fair value of planned assets	243	206
Present value of defined benefit obligations	(243)	(261)
Net assets/(Net unfunded liability)	**-**	**(55)**
% allocation of plan assets by category		
Qualified Policy from Life Insurance Corporation of India (LIC)	100%	100%

The movement during the year of the present value of the defined benefit obligation was as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Balance	261	298
Service cost	11	12
Benefits paid	(32)	(72)
Interest cost	18	20
Acturial (Gain)/Loss on obligation	(15)	3
Closing Balance	**243**	**261**

The movement during the year in the fair value of plan assets was as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Balance	206	263
Employer Contributions	55	0
Benefits paid	(32)	(72)
Interest Income	14	18
Remeasurement gain/(loss) arising from return on plan assets	-	(4)
Closing Balance	**243**	**206**

Amounts recognized in Statement of Profit and loss in respect of defined benefit plan are as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	11	12
Net Interest cost	4	2
Total charge to Statement of Profit and Loss	**15**	**14**

Amounts recognized in Other Comprehensive Income in respect of defined benefit plan are as follows:

Notes forming part of the consolidated financial statements

as at and for the year ended March 31, 2022

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Remeasurement (Gain) / Loss arising from Change in Demographic Assumption	(3)	0
Remeasurement (Gain) / Loss arising from Change in Financial Assumption	(3)	5
Remeasurement (Gain) / Loss arising from Experience Adjustment	(9)	(2)
Loss/(Gain) on plan assets	-	4
Components of defined benefit costs recognised in other comprehensive income	**(15)**	**7**

Expected contribution for the next annual reporting period of March 31, 2022:

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Service Cost	12	13
Net Interest Cost	-	4
Expected contribution for the next annual reporting period of March 31, 2022	**12**	**17**

Sensitivity analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Impact of change in discount rate		
Increase by 0.50%	(6)	(7)
Decrease by 0.50%	6	8
Impact of change in salary increase rate		
Increase by 0.50%	6	7
Decrease by 0.50%	(6)	(7)

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

Maturity Profile of Defined Benefit Obligation

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Year:		
0 to 1 Year	28	32
1 to 2 Year	37	28
2 to 3 Year	33	32
3 to 4 Year	29	29
4 to 5 Year	27	26
5 to 6 Year	20	26
6 Year onwards	69	88

Risk analysis

The Group is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

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Investment risk

The Group's defined benefit plans are funded with Life Insurance Corporation of India (LIC). The Group does not have any liberty to manage the fund provided to LIC. The present value of the defined benefit plan liability is calculated using a discount rate determined by Reference to Government of India bonds for the Group's operations. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the interest rate on plan assets will increase the plan liability, however this will be partially offset by increase in the return on plan debt investment.

Longevity risk/ Life expectancy

The present value of the defined benefit plan liability is calculated by Reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by Reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

32. INCOME TAX EXPENSES

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

(₹ in Crore)

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a.	**Tax charge recognised in Profit and Loss**		
	Current tax:		
	Current tax on profit for the year	2,445	1,827
	Total Current tax	**2,445**	**1,827**
	Deferred tax:		
	Reversal and origination of temporary differences	24	69
	MAT credit asset (recognized)/ utilisation	2,079	738
	Adjustment in respect of earlier years	(77)	(40)
	Total Deferred tax	**2,026**	**767**
	Tax expense for the year	**4,471**	**2,594**
	Effective income tax rate (%)	**31.71%**	**24.53%**
b.	**Statement of other comprehensive income**		
	Deferred tax (credit) / charge on:		
	Cash flow hedges recognised during the year	(34)	-
	Remeasurement of defined benefit obligation	6	(2)
	Total	**(28)**	**(2)**

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

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Accounting profit before tax (after exceptional item)	**14,100**	**10,574**
Statutory income tax rate	34.94%	34.94%
Tax at statutory income tax rate	4,927	3,695
Disallowable expenses	71	71
Non-taxable capital gains	(57)	(47)
Tax holidays and similar exemptions	(335)	(863)
Additional depreciation under income tax reversible within tax holiday period	10	3
Effect of changes in tax laws (refer (i) below)	(43)	(69)
Impact of tax rate differences on capital gains	(23)	(188)
Adjustments in respect of prior years*	(79)	(8)
Total	**4,471**	**2,594**

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(i) During the year ended March 31, 2020, section 115BAA of the Income- tax Act, 1961 was enacted, as per which a Company can move to a lower tax regime by foregoing certain tax benefits and holidays. Based on the expected timing of exercising of Section 115BAA, the Company had re-measured its deferred tax balances on March 31, 2019. The credit in the current year and previous year represents temporary differences arising in the current year and previous year respectively which are expected to reverse after the Company has moved into the lower tax regime.

(ii) The tax department had raised demands on account of remeasurement of certain tax incentives, as described below, under section 80IA and 80 IC of the Income tax Act, 1961. Based on the favorable orders from Income Tax Appellate Tribunal relating to AY 09-10 to AY 12-13, the Commissioner of Income Tax (Appeals) has allowed these claims for AY 14-15 to AY 15-16, which were earlier disallowed and has granted refund of amounts deposited under protest. Against the Tribunal order, department had filed an appeal in Hon'ble Rajasthan High Court in financial year 17-18 which is yet to be admitted. As per the view of external legal counsel, Department's appeal seeks re-examination of facts rather than raising any substantial question of law and hence it is unlikely that appeal will be admitted by the High Court. Due to this there is a strong prima facie case that ITAT order will stand confirmed and the judgement of High Court going in favour of the Company is highly probable and department's appeal would be dismissed. The amount involved in this dispute as of March 31, 2022 is ₹ 11,369 Crore (Previous year:₹ 11,271 Crore) plus applicable interest upto the date of settlement of the dispute.

The Group is eligible for specified tax incentives which are included in the table above as 'tax holidays and similar exemptions'. These are briefly described as under:

Location based exemption

In order to boost industrial and economic development in undeveloped regions, provided certain conditions are met, profits of newly established undertakings located in certain areas in India may benefit from a tax holiday. Such a tax holiday works to exempt 100% of the profits for the first five years from the commencement of the tax holiday, and 30% of profits for the subsequent five years. This deduction is available only for units established up to March 31, 2012. However, such undertaking would continue to be subject to the Minimum Alternative tax ('MAT'). The Company has such types of undertakings at Haridwar and Pantnagar.The tax holiday benefit at Haridwar & Pantnagar has expired in March 2018 and March 2021 respectively.

Tax holiday claims for eligible units

To encourage the establishment of certain power plants, provided certain conditions are met, tax incentives exist to exempt 100% of profits and gains for any ten consecutive years within the 15 year period following commencement of the power plant's operation. The Group currently has total operational capacity of 474 Mega Watts (MW) of thermal based power generation facilities, wind power capacity of 274 Mega Watts(MW) and solar power plants of 16 MW . However, such undertakings generating power would continue to be subject to the MAT provisions.

*Adjustments in respect of prior years includes tax benefits of ₹ 130 Crore in respect of certain infrastructure facilities to exempt 100% of profits and gains for any ten consecutive years within the 20 year period following commencement of these facilities' operation, provided certain conditions are met.

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

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment, Exploration and evaluation and intangible assets	(2,359)	(2,205)
Fair valuation of financial assets/liabilities	(135)	(248)
Voluntary retirement scheme	26	37
Other temporary differences	249	197
MAT credit entitlement	1,277	3,277
Deferred Tax (Liabilities)/Assets (net)	**(942)**	**1,058**

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Deferred tax charge of ₹ 1,998 Crore (March 2021: ₹ 765 Crore) is recorded as below:

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Through Other Comprehensive Income		
Cash flow hedges recognised during the year	(34)	-
Remeasurement of defined benefit obligations	6	(2)
	(28)	**(2)**
Through Profit and Loss		
Property, plant and equipment, Exploration and evaluation and intangible assets	154	183
Fair valuation of financial assets/liabilities	(113)	(114)
Voluntary retirement scheme	11	(17)
Other temporary differences	(26)	(22)
MAT credit entitlement	2,000	737
Total	**1,998**	**765**

33. LEASES

(a) Following are the amounts recognised in Statement of Profit & Loss account: (₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Depreciation expense for right-of-use assets	9	8
b) Interest expense on lease liabilities	3	3
c) Expense relating to short-term leases	2	1
Total amount recognised	**14**	**12**

(b) The movement in lease liabilities is as follows: (₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Opening balance	24	28
b) Additions	1	1
c) Interest accrued	3	3
d) Repayments (Principal & interest)	(7)	(8)
Closing balance	**21**	**24**

(c) Lease liabilities carry an effective interest rate of 7.08 % & 23.25 %

(d) The maturity analysis of lease liabilities is disclosed in Note 35.

34. SEGMENT REPORTING

a. Basis of Segmentation

The Group is engaged in exploring, extracting and processing minerals. The Group produces zinc, lead, silver,commercial power and alloys. The Group has two reportable segments: i) Zinc, Lead, Silver & others and ii) Wind energy. The management of the Group is organized by its main products: Zinc, Lead and Silver and Wind energy. Each of the reportable segments derives its revenues from these main products and hence these have been identified as reportable segments by the Company's Chief Operating Decision Maker ("CODM"). Segment profit amounts are evaluated regularly by the CEO, who has been identified as the CODM, in deciding how to allocate resources and in assessing performance.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. The operating segments reported are the segments of the Group for which separate financial information is available. Segment profit (Earnings before interest, depreciation and amortization, and tax) amounts are evaluated regularly by the CEO who has been identified as its CODM in deciding how to allocate resources and in assessing performance. The Group's financing (including finance costs and finance income) and income taxes are reviewed on an overall basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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Revenue and expenses directly attributable to segment are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of appropriate cost drivers of the segment. Segment results for silver have been determined based on attributing manufacturing costs for generating the related WIPs and other expenses.

Asset and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

The following table presents revenue and profit information and certain assets information regarding the Group's business segments.

b. Information about reportable segments

I. Information about primary segment

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue		
Zinc, Lead, Silver & others		
(i) Zinc, Lead and others	24,418	17,550
(ii) Silver	4,206	4,382
Wind Energy	166	139
Segment revenue	**28,790**	**22,071**
Segment Results		
Zinc, Lead, Silver & others		
(i) Zinc, Lead and others	9,667	5,400
(ii) Silver *	3,738	3,851
Wind Energy	100	78
Segment Results	**13,505**	**9,329**
Less: Finance costs	290	386
Add: Interest income	838	867
Add: Other unallocable income net of unallocable expenditure	181	764
Profit before tax and exceptional items	**14,234**	**10,574**
Exceptional item	(134)	-
Profit before tax	**14,100**	**10,574**
Tax expenses	4,471	2,594
Profit for the year	**9,629**	**7,980**
Depreciation & amortisation Expense		
Zinc, Lead ,Silver and others	2,889	2,251
Wind Energy	28	28
Total	**2,917**	**2,279**

* Segment results for silver have been determined based on attributing manufacturing costs for generating the related WIPs and other expenses.

Below table summarises the disaggregated revenue from contracts with customers:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Zinc	21,146	14,641
Lead	3,708	3,454
Silver	4,203	4,384
Wind Energy	166	139
Others	569	310
Revenue from contracts with customers	**29,792**	**22,928**
Gains/(losses) on provisionally priced contracts (net) (Refer Note 21)	(1,002)	(857)
Total Revenue	**28,790**	**22,071**

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(₹ in Crore)

Particulars	Zinc, Lead and Silver	Wind energy	Unallocated	Total
As at March 31, 2022				
Assets and liabilities				
Assets				
Segment assets	22,330	586	55	22,971
Financial assets investments	-	-	15,052	15,052
Cash and cash equivalent	-	-	1,592	1,592
Other bank balance	-	-	4,171	4,171
Advance income tax (net of provision for tax)	-	-	884	884
Total assets	**22,330**	**586**	**21,754**	**44,670**
Liabilities				
Segment liability	6,183	12	173	6,368
Borrowings	-	-	2,823	2,823
Deferred tax liabilities (Net)	-	-	942	942
Income Tax Liabilities (Net)	-	-	256	256
Total liabilities	**6,183**	**12**	**4,194**	**10,389**
As at March 31, 2021				
Assets and liabilities				
Assets				
Segment assets	20,753	624	74	21,451
Financial assets investments	-	-	12,957	12,957
Deferred tax asset (net)	-	-	1,058	1,058
Cash and cash equivalent	-	-	313	313
Other bank balance	-	-	9,063	9,063
Advance income tax (net of provision for tax)	-	-	885	885
Total assets	**20,753**	**624**	**24,350**	**45,727**
Liabilities				
Segment liability	5,883	20	152	6,055
Borrowings	-	-	7,177	7,177
Income Tax Liabilities (Net)	-	-	182	182
Total liabilities	**5,883**	**20**	**7,511**	**13,414**

Other Segment Information

Segment capital expenditure

The below expenditure includes additions to property, plant and equipment, intangible assets, capital work in progress and capital advances:

(₹ in Crore)

Particulars	Zinc, Lead and Silver	Wind energy	Total
For the year ended March 31, 2022	**3,665**	**-**	**3,665**
For the year ended March 31, 2021	2,329	-	2,329

II. Information based on Geography

(₹ in Crore)

Geographical Segments	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue by geographical segment		
India	21,616	16,361
Asia (excluding India)	6,642	5,440
Rest of the World	532	270
Total	**28,790**	**22,071**

Non-current assets[(1)]	As at March 31, 2022	As at March 31, 2021
India	20,630	20,046
Total	**20,630**	**20,046**

(1) Excluding financial instruments and deferred tax assets.

Notes forming part of the consolidated financial statements

as at and for the year ended March 31, 2022

(₹ in Crore)

Segment capital expenditure	For the year ended March 31, 2022	For the year ended March 31, 2021
India	3,665	2,329
Total	**3,665**	**2,329**

Information about major customer

No customer accounted for more than 10% revenue during the year. (March 31, 2021: one customer accounted for 13.32%)

35. FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the Group and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 and Note 3.

Financial assets and liabilities:

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

(₹ in Crore)

Particulars	Fair Value through profit and loss	Fair Value through other comprehensive income	Amortized Cost	Total carrying value	Total fair value
As at March 31, 2022					
Financial assets					
Cash and cash equivalents	-	-	1,592	1,592	1,592
Other bank balances	-	-	4,171	4,171	4,171
Current investments	15,052	-	-	15,052	15,052
Trade receivables	180	-	536	716	716
Other Current financial assets and loans	1	-	34	35	35
Other Non-current financial assets and loans	-	-	58	58	58
Total	**15,233**	**-**	**6,391**	**21,624**	**21,624**
Financial liabilities					
Borrowings	-	-	2,823	2,823	2,833
Lease Liabilities	-	-	21	21	21
Trade payables	-	-	2,038	2,038	2,038
Operational buyers' credit/ suppliers' credit	-	-	280	280	280
Other Current financial liabilities	49	98	1,754	1,901	1,901
Total	**49**	**98**	**6,916**	**7,063**	**7,073**
As at March 31, 2021					
Financial assets					
Cash and cash equivalents	-	-	313	313	313
Other bank balances	-	-	9,063	9,063	9,063
Current investments	12,957	-	-	12,957	12,957
Trade receivables	16	-	390	406	406
Other Current financial assets and loans	2	-	53	55	55
Other Non-current financial assets and loans	-	-	55	55	55
Total	**12,975**	**-**	**9,874**	**22,849**	**22,849**
Financial liabilities					
Borrowings	-	-	7,177	7,177	7,184
Lease Liabilities	-	-	24	24	24
Trade payables	-	-	1,545	1,545	1,545
Other Current financial liabilities	4	-	1,247	1,251	1,251
Total	**4**	**-**	**9,993**	**9,997**	**10,004**

Notes forming part of the consolidated financial statements

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The management assessed that Cash and cash equivalents, Other bank balances, Trade receivables, Trade payables, Short term borrowings, Lease Liabilities, operational buyer's credit, other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Fair value of the current instrument in bonds and zero coupon bonds are based on the price quotations at the reporting date. Fair value of current investments that are in the nature of 'close ended' mutual funds are based on market observable inputs i.e. NAV provided by mutual fund houses. [a level 2 technique].

Fair value of current investments that are in the nature of 'open ended' mutual funds are derived from quoted market prices in active markets [a level 1 technique].

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

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Forward foreign currency contracts are valued using valuation technique with market observable inputs. The most frequently applied valuation techniques for such derivatives include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency (a level 2 technique). Commodity contracts are valued using the forward LME rates of commodities actively traded on the listed metal exchange i.e. London Metal Exchange, United Kingdom (U.K.) [a level 2 technique].The changes in counterparty risk had no material effect on the hedge effectiveness assessment for the derivatives designated in hedge relationship and the value of the other financial instrument recognised at fair value.

Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Quantitative disclosures on fair value measurement hierarchy:

(₹ in Crore)

Particulars	Level-1	Level-2	Level-3
As at March 31, 2022			
Financial Assets			
At fair value through profit and loss			
Short term investment	5,119	9,933	-
Derivatives financial Assets*			
Forward foreign currency contracts	-	-	-
Commodity contracts	-	1	-
Trade receivables	-	180	-
Total	**5,119**	**10,114**	**-**
Financial Liabilities			
At fair value through profit and loss			
Derivatives financial Liabilities*			
Forward foreign currency contracts	-	41	-
Commodity contracts	-	8	-
Derivatives designated as hedging instruments			
Derivatives financial Liabilities*			
Commodity contracts	-	98	-
Total	**-**	**147**	**-**

Notes forming part of the consolidated financial statements

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(₹ in Crore)

Particulars	Level-1	Level-2	Level-3
As at March 31, 2021			
Financial Assets			
At fair value through profit and loss			
Short term investment	2,771	10,186	-
Derivatives financial Assets*			
Forward foreign currency contracts	-	2	-
Trade receivables	-	16	-
Total	**2,771**	**10,204**	**-**
Financial Liabilities			
At fair value through profit and loss			
Derivatives financial Liabilities*			
Forward foreign currency contracts	-	3	-
Commodity contracts	-	1	-
Total	**-**	**4**	**-**

* Refer section - "Derivative financial instruments"

The below table summarises the fair value of borrowings which are carried at amortised cost as at March 31, 2022 and March 31, 2021:

(₹ in Crore)

Financial Liabilities	Level-1	Level-2	Level-3
As at March 31, 2022			
Borrowings	-	2,833	-
Total	**-**	**2,833**	**-**
As at March 31, 2021			
Borrowings	-	7,184	-
Total	**-**	**7,184**	**-**

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

Risk management framework

Risk management

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

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

The risk management framework aims to:

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

Notes forming part of the consolidated financial statements

as at and for the year ended March 31, 2022

Treasury management

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

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury policies are approved by the Board and adherence to these policies is strictly monitored at the Executive Committee meetings. Day-to-day treasury operations of the Group are managed by the respective finance team within the framework of the overall Group's treasury policies. A monthly reporting system exists to inform senior management about investments, currency and, commodity derivatives. The Group has a strong system of internal control which enables effective monitoring of adherence to Group's policies. The internal control measures are effectively supplemented by regular internal audits.

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

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, currency risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2022 & March 31, 2021. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions, and the non-financial assets and liabilities of foreign operations.

Commodity price risk

The Group is exposed to the movement of base metal commodity prices on the London Metal Exchange. Any decline in the prices of the base metals that the Group produces and sells will have an immediate and direct impact on the profitability of the businesses. As a general policy, the Group aims to achieve the monthly average of the commodity prices for sales realization. In exceptional circumstances, the Group may enter into strategic hedging. Hedging is used primarily as a risk management tool and, in some cases, to secure future cash flows in cases of high volatility by entering into forward contracts or similar instruments. The hedging activities are subject to strict limits set out by the Board and to a strictly defined internal control and monitoring mechanism. Decisions relating to hedging of commodities are taken at the Executive Committee level and with clearly laid down guidelines for their implementation by the Group.

Whilst the Group aims to achieve average LME prices for a month or a year, average realized prices may not necessarily reflect the LME price movements because of a variety of reasons such as uneven sales during the year and timing of shipments.

Financial instruments with commodity price risk are entered into in relation to following activities:

- economic hedging of prices realized on commodity contracts.
- cash flow hedging on account of forecasted highly probable transactions.

The sales prices of zinc and lead are linked to the LME prices. The Group also enters into hedging arrangements for its Zinc and Lead sales to realize month of sale LME prices.

Total exposure on provisionally priced Zinc, Lead & Silver contracts as at March 31, 2022 were ₹ 426 Crore (March 31, 2021 ₹ 135 Crore), ₹ 44 Crore (March 31, 2021 ₹ 18 Crore) and Nil (March 31, 2021: Nil) respectively. The impact on net profits for a 10% movement in LME prices of zinc, 5% movement in LME price of lead and 5% movement in LBMA price of silver that were provisionally priced as at March 31, 2022 is ₹ 43 Crore, ₹ 2 Crore , Nil respectively and as at March 31, 2021 is ₹ 13 Crore, ₹ 1 Crore and Nil respectively.

Financial risk

The Group's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Group does not engage in speculative treasury activity but seeks to manage risk and optimize interest and commodity pricing through proven financial instruments.

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a. Liquidity risk

The Group requires funds both for short-term operational needs as well as for long-term investment programme mainly in growth projects. The Group generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term.

The Company has been rated as 'AAA' / Stable for long term and A1+ for short term by CRISIL Limited during the current and previous financial years.

The Group remains committed to maintaining a healthy liquidity, gearing ratio and strengthening the balance sheet. The maturity profile of the Group's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Group.

(₹ in Crore)

Payment due by years	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
As at March 31, 2022					
Trade and other payables	3,996	0	-	-	3,996
Lease Liabilities	15	5	0	1	21
Derivative financial liabilities	147	-	-	-	147
Borrowings*	863	2,224	-	-	3,087
Total	**5,021**	**2,229**	**0**	**1**	**7,251**
As at March 31, 2021					
Trade and other payables	2,691	0	-	-	2,691
Lease Liabilities	16	6	1	1	24
Derivative financial liabilities	4	-	-	-	4
Borrowings*	3,250	4,546	-	-	7,796
Total	**5,961**	**4,552**	**1**	**1**	**10,515**

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

The Group had access to following funding facilities. (₹ in Crore)

Funding facility	Total facility	Drawn	Undrawn
As at March 31, 2022			
Less than 1 year	9,266	4,772	4,494
More than 1 year	-	-	-
Total	**9,266**	**4,772**	**4,494**
As at March 31, 2021			
Less than 1 year	12,120	5,568	6,552
More than 1 year	-	-	-
Total	**12,120**	**5,568**	**6,552**

b. Foreign exchange risk

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

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

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

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
Currency exposure	**Financial Asset**	**Financial Liability**	**Financial Asset**	**Financial Liability**
US Dollar	350	358	319	23
Australian Dollar	-	2	-	4
SEK	-	6	-	-
JPY	-	-	-	7
Euro	-	330	-	175
Others	-	2	-	1

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

The results of Group operations may be affected largely by fluctuations in the exchange rates between the Indian Rupee, against the US dollar. The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rate shift in the currencies by 5% against the functional currency of the respective entities.

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

(₹ in Crore)

Particulars	Total exposure		Effect of 10% strengthening/weakening of INR on pre-tax profit/(loss)	
	For the year ended March 31, 2022	**For the year ended March 31, 2021**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
US Dollar	8	(296)	1	(30)
Australian Dollar	2	4	0	0
JPY	-	7	-	1
Euro	330	175	33	17
SEK	6	-	1	-
Others	2	1	0	0

c. Interest rate risk

Floating rate financial assets are largely mutual fund investments which have debt securities as underlying assets. The returns from these financial assets are linked to market interest rate movements; however the counterparty invests in the agreed securities with known maturity tenure and return and hence has manageable risk.

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

(₹ in Crore)

Particulars	Total	Floating rate	Fixed rate	Non-interest bearing
As at March 31, 2022				
Financials assets	21,624	6,315	14,452	857
Financial liabilities	7,063	-	3,124	3,939
As at March 31, 2021				
Financials assets	22,849	8,191	14,041	617
Financial liabilities	9,997	1,500	5,701	2,796

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rate. The Group does not have floating interest rate borrowing during the year ended March 31, 2022 & March 31, 2021 and it is not significantly exposed to interest rate risk.

Considering the net investment position as at March 31, 2022 and the investment in bank deposits, bonds and debt mutual funds, any increase in interest rates would result in a net increase and any decrease in interest rates would result in a net decrease. The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date.

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The below analysis gives the impact of a 0.5% to 2.0% change in interest rates on floating rate financial assets/ liabilities (net) on profit/(loss) and equity and represents management's assessment of the possible change in interest rates.

The impact of change (increase/(decrease)) in interest rate of 0.5%, 1.0% and 2.0% on profits for the period ended March 31, 2022 is ₹ 32 Crore, ₹ 63 Crore and ₹ 126 Crore and for year ended March 31, 2021 is ₹ 33 Crore, ₹ 67 Crore and ₹ 134 Crore respectively.

d. Counterparty and concentration of credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group is exposed to credit risk for receivables, cash and cash equivalents, short-term investments and derivative financial instruments. Credit risk on receivables is limited as almost all credit sales are against letters of credit and guarantees of banks of good financial repute.

Moreover, given the nature of the Group's business, trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of revenue on a % basis in current year (Previous year : One customer for 13.32%). The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Group does not expect any material risk on account of non-performance by any of the Group's counterparties.

For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. For derivative and financial instruments, the Group attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by international credit-rating agencies. Defined limits are in place for exposure to individual counterparties in case of mutual funds schemes and bonds.

The carrying value of the financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk as at March 31, 2022 and March 31, 2021 are ₹ 21,625 Crore and ₹ 22,849 Crore respectively.

None of the Group's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade and other receivables, and other non-current assets, there were no indications as at March 31, 2022, that defaults in payment obligations will occur.

Of the year end trade receivables, loans and other financial assets, following balances were past due but not impaired as at March 31, 2022 and March 31, 2021:

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Neither impaired nor past due	649	275
Past due but not impaired		
Less than 1 month	100	145
Between 1-3 months	14	32
Between 3-12 months	35	39
Greater than 12 months	11	25
Total	**809**	**516**

Receivables are deemed to be past due or impaired with Reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

The credit quality of the Group's customers is monitored on an on-going basis and assessed for impairment where indicators of such impairment exist. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Group actively seeks to recover the amounts in question and enforce compliance with credit terms.

Derivative financial instruments

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

Notes forming part of the consolidated financial statements

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

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

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

Embedded derivatives

Derivatives embedded in other financial instruments or other contracts are treated as separate derivative contracts and marked-to-market when their risks and characteristics are not clearly and closely related to those of their host contracts and the host contracts are not fair valued.

Cash flow hedges

The Group also enters into commodity price contracts for hedging highly probable future forecast transaction and account for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognized in equity through OCI until the hedged transaction occurs, at which time, the respective gains or losses are reclassified to the Statement of Profit and Loss.

There is an economic relationship between the hedged items and the hedging instruments. The Group has established a hedge ratio of 1:1 for the hedging relationships. To test the hedge effectiveness, the Group uses the hypothetical derivative method and Dollar offset method.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments.
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments.
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items.
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

These hedges have been effective for the year ended March 31, 2022.

Fair value hedges

The fair value hedges relate to commodity price risks and foreign currency exposure. The Group's sales are on a quotational period basis, generally one month to three months after the date of delivery at a customer's facility. The Group enters into forward contracts for the respective quotational period to hedge its commodity price risk based on average LME prices. Gains and losses on these hedge transactions are substantially offset by the amount of gains or losses on the underlying sales.There were no fair value hedges for the period ended March 31, 2022.

Non-qualifying/economic hedges

Non-qualifying hedges related to commodity price risks and foreign currency exposure. The Group enters into forward foreign currency contracts and commodity contracts (for the period ended March 31, 2022) which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Fair value changes on such forward contracts are recognized in the Statement of Profit and Loss.

Notes forming part of the consolidated financial statements

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

(₹ in Crore)

Derivative financial instruments	As at March 31, 2022		As at March 31, 2021	
	Assets	Liabilities	Assets	Liabilities
Current				
Cash flow hedges*				
Commodity contracts	-	98	-	-
Non - qualifying hedges				
Commodity contracts	1	8	-	1
Forward foreign currency contracts	-	41	2	3
Total	**1**	**147**	**2**	**4**

*Refer Statement of Profit and Loss and Statement of Changes in Equity for the change in the fair value of cash flow hedges.

Disclosures of effects of Cash Flow Hedge Accounting:

Hedging instruments

The Group is holding the following commodity forward contracts:

	Maturity					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
At March 31, 2022						
Zinc						
Notional qty (in tonnes)	6,025	54,625	55,500	4,275	1,500	1,21,925
Notional amount (in ₹ Crore)	188	1,697	1,686	127	44	3,742
Average hedged rate (in $ per tonne)	4,118	4,109	4,019	3,943	3,845	
At March 31, 2021						
Zinc						
Notional qty (in tonnes)	-	-	-	-	-	-
Notional amount (in ₹ Crore)	-	-	-	-	-	-
Average hedged rate (in $ per tonne)	-	-	-	-	-	-

The impact of the hedging instruments on the Balance Sheet is as under:

Particulars	As at March 31, 2022	As at March 31, 2021
Commodity forward contracts		
Notional amount (in ₹ Crore)	3,742	-
Carrying amount (in ₹ Crore)	98	-
Line item in the Balance Sheet that's includes Hedging Instruments	Other Current Financial Liabilities	NA
Change in fair value used for measuring ineffectiveness for the period - Gain/(Loss)	(98)	-

Hedge Items

The impact of the Hedged Items on the Balance Sheet is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Highly probable forecast sales		
Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax)	(64)	-
Change in value of the hedged items used for measuring ineffectiveness for the period	(98)	-

Notes forming part of the consolidated financial statements

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The effect of the cash flow hedge in the Statement of Profit and Loss and Other Comprehensive Income is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Commodity forward contracts		
Cash flow Hedge Reserve at the beginning of the year	-	-
Total hedging gain/(loss) recognised in OCI	(98)	-
Income tax on above	34	-
Ineffectiveness recognised in profit or loss	-	-
Line item in the statement of profit or loss that includes the recognised ineffectiveness	NA	NA
Amount reclassified from OCI to profit or loss	-	-
Income tax on above	-	-
Cash flow Hedge Reserve at the end of the year	(64)	-
Line item in the statement of profit or loss that includes the reclassification adjustments	Revenue from Operations	NA

Disclosures of Non qualifying Hedge:

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

(In Crore)

Currency	Foreign currency	Indian Rupees	Buy / Sell	Cross Currency
As at March 31, 2022				
USD	3	233	Buy	INR
EUR	0	10	Buy	INR
GBP	0	3	Buy	INR
EUR	9	733	Buy	USD
SEK	4	34	Buy	USD
JPY	10	6	Buy	USD
AUD	0	13	Buy	USD
GBP	0	19	Buy	USD

(In Crore)

Currency	Foreign currency	Indian Rupees	Buy / Sell	Cross Currency
As at March 31, 2021				
USD	14	1,051	Buy	INR
EUR	0	25	Buy	INR
GBP	0	0	Buy	INR
AUD	0	1	Buy	INR
EUR	1	90	Buy	USD
USD	27	18	Buy	JPY
AUD	0	14	Buy	USD
GBP	0	24	Buy	USD

B. The following are the outstanding position of commodity hedging open contracts as at March 31, 2022 :-

Zinc forwards/futures (sale)/buy for (13,727) MT (2021: 12,841 MT)

Lead forwards/futures (sale)/buy for (324) MT (2021: 925 MT)

Silver forwards/futures (sale)/buy for Nil Oz (2021: Nil Oz)

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

D. Unhedged foreign currency exposure

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Debtors	350	160
Creditors	179	109

Notes forming part of the consolidated financial statements

as at and for the year ended March 31, 2022

36. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to safeguard, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Group's overall strategy remains unchanged from previous year. The Group sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of internal accruals, equity and short term borrowings. The Group monitors capital on the basis of net debt to equity. Equity comprises all components including other components of equity. The Group is not subject to any externally imposed capital requirement.

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Equity	**34,281**	**32,313**
Cash and cash equivalents (See Note 11)	1,592	313
Short term investments (See Note 9)	15,052	12,957
Total cash (a)	16,644	13,270
Total debt (b)	2,823	7,177
Net debt (c = (b-a))	-	-
Total equity (equity + net debt) (See Statement of changes in Equity)	34,281	32,313
Net debt to equity ratio (gearing ratio)	-	-

37. RELATED PARTY

a. List of related parties:

Particulars

(i) Holding Companies:

Vedanta Limited (Immediate Holding Company)
Vedanta Resources Limited (Intermediate Holding Company)
Volcan Investments Limited (Ultimate Holding Company)

(ii) Subsidiaries :

Hindustan Zinc Alloys Private Limited (Wholly owned subsidiary incorporated on November 17, 2021)
Vedanta Zinc Football & Sports Foundation (Section 8 company) (Wholly owned subsidiary incorporated on December 21, 2021)

(iii) Fellow Subsidiaries (with whom transactions have taken place):

Bharat Aluminium Company Limited
Sterlite Power Transmission Limited
Talwandi Sabo Power Limited
ESL Steel Limited
Malco Energy Limited
Fujairah Gold FZC
Black Mountain Mining (Pty) Limited
Namzinc (Pty) Limited
Vizag General Cargo Berth Private Limited
Ferro Alloys Corporation Limited

(iv) Related Party having a Significant Influence

Government of India - President of India

(v) Other related party

Vedanta Foundation
Madanpur South Coal Company Limited (jointly controlled entity)
Minova Runaya Private Limited
Hindustan Zinc Limited Employee's Contributory Provident Fund Trust
Hindustan Zinc Limited Employee's Group Gratuity Trust
Hindustan Zinc Limited Superannuation Trust

Notes forming part of the consolidated financial statements

as at and for the year ended March 31, 2022

b. Transactions with Key management Personnel:

Compensation of key management personnel of the Company recognised as expense during the reporting period

(₹ in Crore)

Nature of transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Short-term employee benefits[1]	9	7
Sitting fee and commission to directors	1	1
Total compensation paid to key management personnel	**10**	**8**

(1) Excludes gratuity and compensated absences as these are recorded in the books of accounts on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined.

There are no outstanding debts or loans due from directors or other officers (as defined under Section 2(59) of the Companies Act, 2013) of the Company.

c. Transactions with Government having significant influence:

Central government of India holds 29.54% shares in HZL. During the year, Company has availed incentives in the form of export incentive under Export promotion and credit guarantee scheme announced by the Government of India. Also, HZL has transactions with other government related entities (Public sector undertakings) including but not limited to sales and purchase of goods and ancillary materials, rendering and receiving services and use of public utilities.

d. Transactions with Related Parties:

The details of the related party transactions entered into by the Company, for the period ended March 31, 2022 and March 31, 2021 are as follows:
Transactions and balances with own subsidiaries are eliminated on consolidation.

(₹ in Crore)

Nature of transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Goods		
Sterlite Power Transmission Ltd	-	1
Bharat Aluminium Company Limited	-	1
Fujairah Gold FZC	39	54
Vedanta Limited	0	-
Total	**39**	**56**
Sale of other services		
Vedanta Limited	-	4
Total	**-**	**4**
Purchase of property, plant and equipment		
Vedanta Limited	0	-
Total	**0**	**-**
Sale of property, plant and equipment		
Vedanta Limited	0	1
Fellow Subsidiaries	1	0
Total	**1**	**1**
Purchase of Goods		
Vedanta Limited	40	46
Bharat Aluminium Company Limited	51	29
Minova Runaya Private Limited	116	26
Malco Energy Limited	42	-
Namzinc (Pty) Limited	0	-
ESL Steel Limited	-	0
Total	**249**	**101**

Notes forming part of the consolidated financial statements

as at and for the year ended March 31, 2022

(₹ in Crore)

Nature of transactions	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of tax-free PSU Bonds		
Vedanta Limited	-	1,407
	-	**1,407**
Dividend		
Vedanta Limited	4,938	10,369
Government of India	2,246	4,717
Total	**7,184**	**15,086**
Other Expenses and other reimbursements		
Vedanta Limited	117	27
Fellow Subsidiaries	(2)	(14)
	115	**13**
Donations		
Vedanta Foundation	-	0
Total	**-**	**0**
Contribution to :		
Hindustan Zinc Limited Employee's Contributory Provident Fund Trust	31	31
Hindustan Zinc Limited Employee's Group Gratuity Trust	55	0
Hindustan Zinc Limited Superannuation Trust	3	3
Total	**89**	**34**

All the transactions entered by the Company with the related parties are at arm's length price.

e. The balances receivable/payable as at year end:

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Receivable From		
Vedanta Limited	31	49
Fujairah Gold FZC	19	31
ESL Steel Limited	-	0
Black Mountain Mining (PTY) Limited	1	0
Ferro Alloys Corporation Limited	-	0
Vizag General Cargo Berth Limited	-	0
Total	**51**	**80**
Payable To		
Bharat Aluminium Company Limited	2	4
Vedanta Limited	37	25
Minova Runaya Private Limited	11	7
Malco Energy Limited	31	-
Sterlite Power Transmission Limited	0	0
Talwandi Sabo Power Limited	0	-
Hindustan Zinc Limited Employee's Contributory Provident Fund Trust	8	8
Hindustan Zinc Limited Employee's Group Gratuity Trust	0	55
Hindustan Zinc Limited Superannuation Trust	0	0
Sitting fee and commission to directors	1	1
Total	**90**	**100**

Notes forming part of the consolidated financial statements

as at and for the year ended March 31, 2022

38. INTEREST IN OTHER ENTITIES

(₹ in Crore)

The Group consists of a parent company, Hindustan Zinc Limited, incorporated in India and its subsidiaries and joint venture as below:

S. No	Name	Type of interest	Country of Incorporation	The company's holding (in %) As at March 31, 2022	As at March 31, 2021
1	Hindustan Zinc Alloys Private Limited*	Wholly Owned Subsidiary	India	100	NA
2	Vedanta Zinc Football & Sports Foundation**	Wholly Owned Subsidiary	India	100	NA
3	Madanpur South Coal Company Limited	Joint Venture	India	17.62	17.62

*incorporated on November 17, 2021

**incorporated on December 21, 2021

39. RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance	Reason for Variance more than 25%
Current ratio	Current Assets	Current Liabilities	3.94	3.12	26%	Current ratio is higher mainly on account of higher repayment of short term borrowing during the year.
Debt- Equity Ratio	Debt/Net worth [Debt is long term borrowing (current & non current portion) and Short Term Borrowing]	Shareholder's Equity	0.08	0.22	(64%)	Debt Equity ratio is lower mainly on account of higher repayment of short term and long term borrowing during the year.
Debt Service Coverage ratio	Earning before Interest, Tax, Depreciation & Amortisation (EBITDA) and exceptional items	Interest expense on long term and short term borrowing during the period + Scheduled principal repayment of long term borrowing during the year	6.64	34.26	(81%)	Debt Service Coverage ratio is lower mainly on account of higher repayment of long term borrowing during the year, partially offsetted by higher EBITDA.
Return on Equity ratio	Net Profit after tax (PAT) before exceptional items (net of tax)	Average Shareholder's Equity	29%	22%	33%	Return on Equity ratio is higher mainly on account of higher Net profits after tax during the year
Inventory Turnover ratio	Revenue from operations - Earning before Interest, Tax, Depreciation & Amortisation (EBITDA) and exceptional items	Average Inventory	7.79	6.68	17%	
Trade Receivable Turnover Ratio	Revenue from operations (including Other operating income)	Average Trade Receivable	52.48	57.65	(9%)	
Trade Payable Turnover Ratio	Total Purchases	Average Trade Payables	7.64	7.09	8%	
Net Capital Turnover Ratio	Revenue from operations (including Other operating income)	Working capital = Current assets – Current liabilities excluding current maturities of long term borrowing	1.71	1.42	21%	
Net Profit ratio	Net Profit after tax (PAT) before exceptional items (net of tax)	Revenue from operations (including Other operating income)	33%	35%	(6%)	
Return on Capital Employed	Earnings before interest and taxes	Average Capital Employed Capital Employed= Net Worth + Total Debt [Debt is long term borrowing (current & non current portion) and Short Term Borrowing]	35%	23%	52%	Return on Capital Employed is higher mainly on account of higher EBIT (Earnings before interest and taxes) during the year.
Return on Investment	Income on investments (including interest income on Bank deposits with original maturity of more than 12 months)	Average Investments (including Bank deposits with original maturity of more than 12 months)	5%	7%	(36%)	Return on Investment is lower mainly on account on lower income on investments

Notes forming part of the consolidated financial statements

as at and for the year ended March 31, 2022

40. OTHER STATUTORY INFORMATION

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group has not been declared wilful defaulter by any bank or financial Institution or other lender.

(iii) The Group does not have any transactions with companies struck off.

(iv) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(v) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(viii) The Group has no any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

41. Previous year figures have been regrouped/reclassified where ever necessary, to conform to those of the current year presentation.

See accompanying notes to financial statements.

As per our report on even date
For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per **Tridevlal Khandelwal**
Partner
ICAI Membership No.: 501160
Date: April 22, 2022
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Direct
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Interim Chief Financial Officer
Date: April 22, 2022
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377
Date: April 22, 2022
Place: Udaipur

Glossary

US$	US Dollar
<IR>	Integrated Reporting
AED	Automated External Defibrillators
Ag	Silver
AI	Artificial Intelligence
APC	Advanced Process Controllers
ATV/OTV	Acoustic Televiewer/Optical Televiewer
BEV	Battery Electric Vehicle
BRSR	Business Responsibility and Sustainability Report
BSE	Bombay Stock Exchange
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
CBM	Condition-Based Monitoring
CDP	Carbon Disclosure Project
CGG	Continuous Galvanizing Grade
CII	Confederation of Indian Industry
CLZS	Chanderiya Lead-Zinc Smelter
CoC	Cost of Capital
CPP	Captive Power Plant
DCS	Distributed Control System
D&I	Diversity & Inclusion
DJSI	Dow Jones Sustainability Indices
DMAIC	Define, Measure, Analyze, Improve, Control
DSC	Dariba Smelting Complex
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EOHS	Environment, Occupational Health and Safety
EOI	Expression of Interest
ESG	Environmental, Social, and Governance
ETF	Exchange-Traded Fund
EVA	Economic Value Added
EXCO	Executive Committee
FG	Finished Goods
FY	Financial Year
Gms	Grams
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GJ	Gigajoule
GST	Goods and Services Tax
HEMM	Heavy Earth Moving Machinery
HSD	High Speed Diesel
HZDA	Hindustan Zinc Die-Casting Alloy

ICMM	International Council on Mining and Metals
ICQCC	International Convention on Quality Control Circles
IFC	International Finance Corporation
IIRC	International Integrated Reporting Council
InSAR	Interferometric Synthetic Aperture Radar
IoT	Internet of Things
IRR	Internal Rate of Returns
IT	Information Technology
IZA	International Zinc Association
KPI	Key Performance Indicators
kt	Kilotonne
kWh	Kilowatt-Hour
LME	London Metal Exchange
LoMP	Life of Mine Plan
LTIFR	Lost Time Injury Frequency Rate
ManCom	Management Committee
MGJ	Megajoule
MIC	Metal in Concentrate
ML	Machine Learning
MLD	Million Liters per day
Mn	Million
MT	Metric Tonnes
Mt	Million Tonnes
Moz	Million Ounces
mRL	Meters Relative Level
Mtpa	Million Tonnes Per Annum
MW	Megawatt
NNL	No Net Loss
NOPAT	Net Operating Profit After Taxes
NPG	Net Positive Gain
NSE	National Stock Exchange
OECD	Organization for Economic Co-operation and Development
PAT	Profit After Tax
Pb	Lead
QCFI	Quality Circle Forum of India
R&R	Reserves and Resources
RAM	Rampura Agucha Mine
RDM	Rajpura Dariba Mine
RHI	Reliability Health Index
RO	Reverse Osmosis
S&P	Standard and Poor
SDG	Sustainable Development Goal
SEBI	Securities and Exchange Board of India
SKM	Sindesar Khurd Mine
SOP	Standard Operating Procedure

SOX	Sarbanes–Oxley Act
SPC	Statistical Process Control
STP	Sewage Treatment Plant
t	Tonne
TCO_2e	Tonnes of Carbon Dioxide Equivalent
TPA	Tonnes Per Annum
TSF	Tailings Storage Facility
UG	Underground
VAP	Value Added Product
WHRB	Waste Heat Recovery Boiler
Y-o-Y	Year-on-Year
ZLD	Zero Liquid Discharge
ZM	Zawar Mining Complex / Zawar Mines
Zn	Zinc

HINDUSTAN ZINC
Zinc & Silver of India

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Yashad Bhawan, Udaipur - 313 004, Rajasthan
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www.hzlindia.com

Concept, Content & Design
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HINDUSTAN ZINC
Zinc & Silver of India

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Email: hzl.cosecy@vedanta.co.in, Tel: +91 294 6604000-02, Fax: +91 294 2427734
CIN: L27204RJ1966PLC001208, website: www.hzlindia.com

Notice

Notice is here by given that the Fifty Sixth (56th) Annual General Meeting of the Members of the Company will be held on Monday, August 08, 2022 at 12:00 Noon (IST) through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following business(es):

ORDINARY BUSINESSES

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the reports of the Board of Directors and Auditors thereon; and in this regard, pass the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, and the reports of the Board of Directors and Auditors thereon laid before this meeting be and are hereby received, considered and adopted."

2. To receive, consider and adopt the Audited consolidated Financial Statements of the Company for the financial year ended March 31, 2022, reports of the Auditors thereon; and in this regard, pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, and the report of the Auditors thereon laid before this meeting be and are hereby received, considered and adopted."

3. To confirm the payment of interim dividend @ 900 % i.e. ₹ 18 per share of ₹ 2/- each on fully paid up shares of the Company for the financial year 2021-22; and in this regard, pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** the Interim dividend of ₹ 18 per equity share i.e. 900% on face value of ₹2/- each fully paid up for the Financial Year 2021-22 approved by the Board of Directors of the Company and already paid, be and is hereby confirmed."

4. To appoint a Director in place of Mrs. Kiran Agarwal (DIN: 02227122), who retires by rotation and being eligible, offers herself for reappointment as per Article 70 of the Articles of Association of the Company; and in this regard, pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 152, and other applicable provisions of the Companies Act, 2013, Article 70 of the Articles of Association of the Company, Mrs. Kiran Agarwal (DIN: 02227122), who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as Director of the Company, liable to retire by rotation."

5. To ratify the appointment of M/s S.R. Batliboi & Co. LLP as Statutory Auditors of the Company and in this regard, to consider and pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and pursuant to the resolution passed by the shareholders at the 55th Annual General Meeting of the Company held on August 09, 2021, the appointment of M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005) as Statutory Auditors of the Company be and is hereby ratified to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration and the reimbursement of out of pocket expenses, if any, as may be fixed by the Board of Directors on the recommendation of the Audit Committee."

SPECIAL BUSINESSES

6. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2023 and in this regard, to consider and pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s K.G. Goyal & Company, Cost Accountants (Firm Registration No. 000017) re-appointed by the Board of Directors of the Company as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2022-23, be paid a remuneration of ₹ 2.25 lakhs (Rs. Two Lakhs twenty-five thousand only) excluding applicable taxes and out of pocket expenses, if any."

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

7. To approve payment of remuneration in the form of commission to Non-Executive Directors and in this regard, to consider and pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules notified thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) consent of the members of the Company be and is hereby accorded for payment of remuneration, in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, by way of commission to the Non-executive Directors of the Company, excluding the Officiating Government Directors, if any, an amount not exceeding in the aggregate 1 per cent per annum of the net profits of the Company, computed in the manner referred to in section 198 of the Companies Act 2013, for a period of five financial years commencing from April 01, 2022, to be distributed in such manner and proportion as may be decided and approved by the Board from time to time."

8. To appoint Mrs. Nirupama Kotru (DIN: 09204338), as Non-Executive director and in this regard, to consider and if thought fit, to pass the following resolution as an O**rdinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 and all other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Appointment & Qualification of Directors) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Mrs. Nirupama Kotru (DIN: 09204338), Nominee director of Government of India who is eligible for appointment under the Companies act, 2013 proposing her candidature as Non-Executive director of the Company liable to retire by rotation, with effect from July 26, 2021 being the date of approval of her appointment by the Board of Directors"

9. To appoint Dr. Veena Kumari D (DIN: 08890469), as Non-Executive director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 and all other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Appointment & Qualification of Directors) Rules, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Dr. Veena Kumari D (DIN: 08890469), Nominee director of Government of India who is eligible for appointment under the Companies act, 2013 proposing her candidature as Non-Executive director of the Company liable to retire by rotation, with effect from July 29, 2021 being the date of approval of her appointment by the Board of Directors"

By Order of the Board
For **Hindustan Zinc Limited**

R. Pandwal
Company Secretary
Membership No:9377

Place: Udaipur
Date: April 22, 2022

NOTES

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), in respect of the Special Business(es) to be transacted at the Annual General Meeting ("AGM") is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement can be inspected through electronic mode during business hours except on holidays, up to and including the date of the Annual General Meeting, and also on the day of Meeting through electronic mode.

2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 2/2022 dated May 05, 2022, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. Since the AGM will be held through VC / OAVM, the Attendance Slip, Proxy Form and Route Map is not annexed in this Notice.

3. Pursuant to the Circular No. 14/2020 dated April 08, 2020 and Circular No. 2/2022 dated May 05, 2022 , issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate Members are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization, etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting to NSDL.

4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the

procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as during the AGM proceedings will be provided by NSDL.

7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.hzlindia.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www1.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

9. Members whose email address are not registered can register the same in the following manner:

   a. Members holding share(s) in physical mode can register their e-mail ID on the Company's website i.e. www.hzlindia.com

   b. Members who have not registered their E-mail address and in consequence, the Annual Report and Notice of AGM could not be served, may temporarily get their E-mail address and mobile number provided with NSDL / Company.

   c. Members holding share(s) in electronic mode are requested to register / update their e-mail address with their respective Depository Participants ("DPs") for receiving all communications from the Company electronically.

10. The Company has engaged the services of NSDL as the authorized agency for conducting of the e-AGM and providing e-voting facility.

11. Information regarding particulars of the Directors to be re-appointed requiring disclosure in terms of the Secretarial Standard 2 and Listing Regulations are detailed in the **Annexure-1** annexed hereto.

12. The Company has transferred the unpaid or unclaimed dividends declared upto the financial years 2013-14 (Final Dividend) and 2014-15 (Interim Dividend) from time to time on the respective due dates, to the Investor Education and Protection Fund (IEPF) established by the Central Government.

13. Members whose shares has been transferred to IEPF, may claim the same by submitting an online application in Form IEPF-5 available on the website www.iepf.gov.in, along with fee specified therein.

14. Members may note that the Income Tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 01, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the IT Act.

    For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows-

Members having valid PAN	As per TDS rates notified by the Government of India
Members not having PAN / valid PAN	As per TDS rates notified by the Government of India

    However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2022-23 does not exceed ₹ 5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. Registered members may also submit any other document as prescribed under the IT Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA, non-resident shareholders will have to provide the following :

- Copy of the PAN card allotted by the Indian Income Tax authorities duly attested by the member
- Copy of Tax Residency Certificate (TRC) obtained from the revenue authorities of the country of tax residence, duly attested by member
- Self-declaration in Form 10F
- Self-declaration by the shareholder of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by member

In case of Foreign Institutional Investors / Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess)

The aforementioned documents are required to be uploaded on the shareholder portal given on the Company's website i.e. http://hzlindia.com/

15. The Board of Directors have appointed Mr. Manoj Maheshwari Practicing Company Secretary as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

16. The Scrutinizer after scrutinizing the voting through e-voting / remote e-voting at AGM and through remote e-voting shall, within Forty Eight (48) Hours from conclusion of the AGM, make a consolidated scrutinizer's report of the votes cast in favour or against, if any and submit the report to the Chairperson or any person authorized by her. The Chairperson or the authorized person shall declare the results. The results declared shall be available on the website of the Company at www.hzlindia.com and also on the website of Kfintech at https://evoting.karvy.com/ and NSDL and shall also be displayed on the notice board at the registered and corporate office of the Company. The result shall simultaneously be communicated to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company. The resolutions shall be deemed to be passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.

17. The recorded transcript of this meeting, shall as soon as possible, be made available on the website of the Company.

18. In compliance with the provisions of Section 108 of the Act read with Rules made there under and Regulation 44 of the Listing Regulations, the Company is offering e-voting facility to all Members of the Company. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e. August 1, 2022 only shall be entitled to avail the facility of remote e-voting/e-voting at the AGM. NSDL will be facilitating remote e-voting to enable the Members to cast their votes electronically. The Members can cast their vote online from 10.00 A.M. (IST) on Thursday, August 4, 2022 to 5:00 P.M. (IST) on Sunday, August 7, 2022). At the end of Remote e-voting period, the facility shall forthwith be blocked.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on Thursday, August 4, 2022 at 10:00 A.M. and ends on Sunday, August 7, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. August 1, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date , being August 1, 2022.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon **"Login"** which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID
	For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID
	For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company
	For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

8. Now, you will have to click on “Login” button.

9. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.

5. Upon confirmation, the message “Vote cast successfully” will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs.vmanda@gmail.com with a copy marked to evoting@nsdl.co.in.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Dhruvika.Jain@vedanta.co.in

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Dhruvika.Jain@vedanta.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step **1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker shareholder on or before August 01, 2022, 5:00 P.M. (IST), may send their request mentioning their name demat account number/folio number, email id, mobile number at Dhruvika.Jain@vedanta.co.in.

6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at Dhruvika.Jain@vedanta.co.in .The same will be replied by the company suitably.

7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the 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 Business mentioned in the accompanying Notice.

Item No. 6 To ratify the remuneration to the Cost Auditors for the financial year ending March 31, 2022

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 2.25 Lac payable to the Cost Auditors has to be ratified by the shareholders of the Company.

The Board, on the recommendation of the Audit & Risk Management Committee, has approved the re-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, 2023.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends, the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the shareholders.

Item No. 7 To approve payment of remuneration in the form of commission to Non-Executive Directors.

In the 51st Annual General meeting of the Company, the Company had obtained approval of the members for payment of commission to the Non-Executive directors of the Company. Keeping in view the increased responsibilities of the Non-Executive directors entrusted by the Companies Act 2013 and the corporate governance regulations, it is considered appropriate that the Non-Executive Directors of the Company are compensated reasonably, commensurate with their increased responsibilities and the contributions made by them.

It is therefore proposed that Non-Executive Directors, other than officiating government directors, be paid remuneration by way of commission of an amount, not exceeding in the aggregate 1% per annum of the net profits of the Company, computed in accordance with the provisions(s) of the Companies Act, 2013, and be distributed in such manner and proportion as may be decided by the Board of Directors from time to time in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof.

All the Non-Executive Directors and their relatives, are concerned or interested in the ordinary resolution to the extent of the commission that may be received by them in pursuance thereof. None of the executive director or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends, the Ordinary Resolution set out at item No. 7 of the Notice for approval by the shareholders.

Item No. 8 & 9: To appoint Mrs. Nirupama Kotru (DIN: 09204338 and Dr. Vee00000na Kumari D (DIN: 08890469), as Non-Executive director.

As per the Shareholders Agreement (SHA) executed between Vedanta Limited and Government of India (GOI), GOI can appoint 5 directors on the Board of the Company. In exercise of the powers vested with GOI and as per the Article of associations of the Company, GOI vide its letter of even no. Met2-Z05/3/2020-Metal II dated July 26, 2021 and July 29, 2021 had appointed Ms. Nirupama Kotru and Dr. Veena Kumari D as Non-Executive Directors, liable to retire by rotation on the Board of the Company. None of them are disqualified from being appointed as director under section 164 of the Companies Act, 2013.

All the Government Nominee Directors and their relatives, are concerned or interested in the ordinary resolution to the extent of their shareholding in the Company. None of the executive director, promoter directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

The Board recommends, the Ordinary Resolution set out at Item No. 8 & 9 of the Notice for approval by the shareholders.

By Order of the Board
For **Hindustan Zinc Limited**

R. Pandwal
Company Secretary
Membership No:9377

Place: Udaipur
Date: April 22, 2022

Annexure-1

Information of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, in accordance with the Companies Act, 2013 and Secretarial Standards, as on the date of Notice.

Name	Mrs. Kiran Agarwal	Mrs. Nirupama Kotru	Dr. Veena Kumari D
Date of birth	22-Jan-1958	28- Jan-1969	20.08.1967
Age	64	53	54
DIN No.	02227122	09204338	08890469
Qualification	Journalism, from London School of Journalism	B.A. (Economics), M.A. (Politics & International Relations)	PhD in Horticulture PGP in Public Policy Management
Brief resume/ Experience (including expertise in specific functional area)	Mrs. Kiran Agarwal was appointed on the Board with effect from March 02, 2019. She has done Journalism, from London School of Journalism. She is an avid reader, prolific writer and a woman of many facets. Her love for reading inspired her to write a series of books catering to Indian ethos. She has been actively involved with her family business and sharing her acumen on various business developments in the family, and in setting up of Nand Ghar, an institution for the underprivileged where children get their wings to fly high, under right guidance and value based education. Her focus is on various CSR initiatives of the Company towards women empowerment, children's education and self-sufficiency of nearby communities. She is passionate towards inclusive growth of communities and promotion of culture and sports at all levels. She is also Trustee of Vedanta Foundation and Member of Anil Agarwal Foundation.	Ms. Nirupama Kotru was appointed on the Board with effect from July 26, 2021. She is from Indian Revenue Services (IRS). Currently she is Joint Secretary and Financial Advisor with Ministry of Coal and Ministry of Mines. She has done B.A. (Economics) and M.A. (Politics & International Relations).	Dr. Veena Kumari Dermal was appointed on the Board with effect from July 29, 2021. She has specialization in Mineral Policy and Legislation. Currently she is Joint Secretary in Ministry of Mines. She has done PhD in Horticulture and PGP in Public Policy Management.
Shareholding in the Company as on March 31, 2022 (including shareholding as Beneficial Owner)	NIL	NIL	NIL
Directorship in other companies as on March 31, 2022	NIL	Coal India Limited (Listed) Bharat Aluminium Co Ltd	Bharat Gold Mines Limited (Unlisted) Khanij Bidesh India Limited National Aluminium Co Ltd
Membership / Chairmanship of Committees of the other Boards as on March 31, 2022	NIL	NIL	NIL

Name	Mrs. Kiran Agarwal	Mrs. Nirupama Kotru	Dr. Veena Kumari D
Relationship with other Directors / Key Managerial Personnel/ Managers	Relative of Mr. Navin Agarwal-Director	NIL	NIL
Date of first appointment on the Board	March 02, 2019	July 26, 2021	July 29, 2021
Terms and conditions of appointment/ reappointment	Appointed as Promoter Nominee Director	Appointed as Government Nominee Director	Appointed as Government Nominee Director
Remuneration last drawn (including sitting fees, if any)	As mentioned in the corporate governance report	NIL*	NIL*
Remuneration proposed to be paid	Commission and sitting fees as approved by the Board.	NIL*	NIL*
No. of meetings of the Board attended during the year	6	5	4

* Officiating government employees from Ministry of Mines (New Delhi).