Hindustan Zinc Limited

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Delivering
Growth
Long-term value
Sustainability

HINDUSTAN ZINC LIMITED ANNUAL REPORT 2011

Our Vision

Be the world's largest and most admired Zinc-Lead & Silver Company.

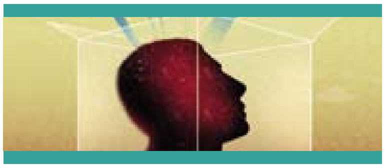
Mission

—Enhance stakeholders' value through exploration, innovation, operational excellence and sustainability.
—Be a globally lowest cost producer.
—Maintain market leadership and customer delight.

Our Values

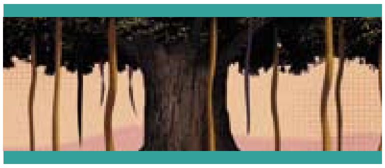
Entrepreneurship

We foster an entrepreneurial spirit throughout our businesses and value the ability to foresee business opportunities early in the cycle and act on them swiftly. Whether it be developing organic growth projects, making strategic acquisitions or creating entrepreneurs from within, we ensure an entrepreneurial spirit at the heart of our workplace.



Growth

We continue to deliver growth and generate significant value for our shareholders. Moreover, our organic growth pipeline is strong as we seek to continue to deliver significant growth for shareholders in the future. We have pursued growth across all our businesses and into new areas, always on the basis that value must be delivered.



Excellence

Achieving excellence in all that we do is our way of life. We strive to consistently deliver projects ahead of time at industry-leading costs of construction and within budget. We are constantly focused on achieving a top decile cost of production in each of our businesses. To achieve this, we follow a culture of best practice benchmarking.

Trust

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

Sustainability

We practise sustainability within the framework of well-defined governance structures and policies and with the demonstrated commitment of our management and employees. We aim that our projects make a net positive impact on the environment, wherever we work.

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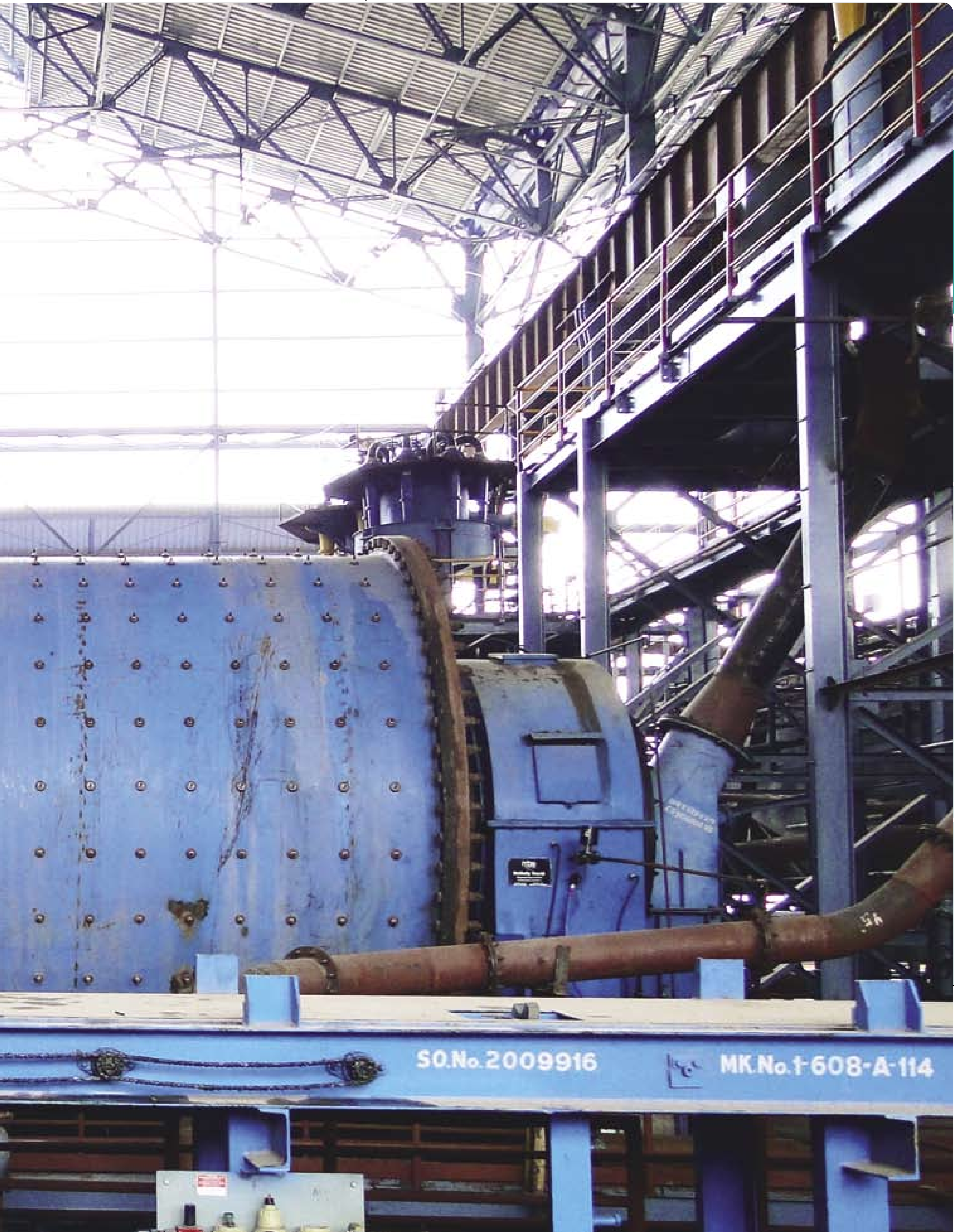
Highlights

- Revenue of ₹ 9,912 Crores, higher by 24% compared to the previous year, driven by higher volumes, increase in LME prices and improved operational efficiencies.
- Highest ever Zinc & Lead Mined metal production of 840,000 tonnes; Refined Zinc metal production of 712,000 tonnes; and 179,000 kg of Silver (!).
- PBDIT of ₹ 6,454 Crores, up by around 20% compared to FY 2010.
- EPS of ₹ 11.60 per share.
- Stable operating costs, supported by higher volumes and increased operational efficiencies.
- Strong balance sheet with shareholders fund base of ₹ 22,533 Crores and cash/bank balance and liquid investments of ₹ 14,965 Crores.
- Total contribution to exchequer of ₹ 2,602 Crores.
- Green energy contributes 24% of our total power generation capacity.
- Dividend recommended at ₹ 1 per equity share of ₹ 2/- each.

(!) Includes captive consumption of 30,997 kg Silver.

Growth Projects

- Accelerated ramp-up at Silver-rich Sindesar Khurd mine – successfully commissioned the 1.50 mt per annum concentrator.
- Successfully commissioned the 160 MW (80X2) CPP at Dariba.
- Successfully commissioned 48 MW of the total 150 MW expansion in Wind Power generation capacity, announced in January 2011.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Hindustan Zinc at a Glance

We are one of the lowest cost producers in the world and are well placed to serve the growing demand of Asian countries. Hindustan Zinc is a subsidiary of the NYSE listed – Sterlite Industries (India) Limited (NYSE: SLT) and London listed FTSE 100 diversified metals and mining major – Vedanta Resources plc.

Mining operations

Rampura Agucha Mine

— Ore Produced in FY 2011: 6,149,165 tonnes
— Type of Mine: Open Cast
— Reserves: 69.71 mt
— Resources: 44.65 mt
— Average Reserves Grade: Zinc 14.28%; Lead 1.96%
— Ore Production Capacity: 6.15 mtpa

Sindesar Khurd Mine

— Ore Produced in FY 2011: 654,050 tonnes
— Type of Mine: Underground
— Reserves: 10.10 mt
— Resources: 57.84 mt
— Average Reserves Grade: Zinc 4.93%; Lead 2.78%
— Ore Production Capacity: 1.50 mtpa

Rajpura Dariba Mine

— Ore Produced in FY 2011: 496,234 tonnes
— Type of Mine: Underground
— Reserves: 9.05 mt
— Resources: 40.34 mt
— Average Reserves Grade: Zinc 6.80%; Lead 1.77%
— Ore Production Capacity: 0.9 mtpa

Zawar Mines

— Ore Produced in FY 2011: 240,550 tonnes
— Type of Mine: Underground
— Reserves: 7.87 mt
— Resources: 57.99 mt
— Average Reserves Grade: Zinc 3.66%; Lead 2.03%
— Ore Production Capacity: 1.20 mtpa

mt - million tonnes
mtpa - million tonnes per annum

Smelting operations

Chanderiya Lead-Zinc Smelter

— Production in FY 2011:
— 424,418 tonnes of Zinc
— 63,192 tonnes of Lead (*)
— 179 tonnes of Silver (!)
— Capacity:
— 525,000 tonnes of Zinc
— 85,000 tonnes of Lead
— 168 tonnes of Silver

(*) Includes captive consumption of 5,898 tonnes Lead.
(!) Includes captive consumption of 30,997 kg Silver.

Zinc Smelter Debari

— Production in FY 2011:
— 84,839 tonnes of Zinc
— Capacity:
— 88,000 tonnes of Zinc

Zinc Smelter Vizag

— Production in FY 2011:
— 38,663 tonnes of Zinc
— Capacity:
— 56,000 tonnes of Zinc

Dariba Smelting Complex

— Production in FY 2011:
— 164,551 tonnes of Zinc
— Capacity:
— 210,000 tonnes of Zinc

Power operations

Chanderiya Lead-Zinc Smelter

— Type: Coal based Captive Power Plant
— Capacity: 234 MW
— Type: DG Set
— Capacity: 14.81 MW
— Type: Waste Heat Recovery
— Capacity: 13.7 MW

Dariba Smelting Complex

— Type: Coal based Captive Power Plant
— Capacity: 160 MW
— Type: Waste Heat Recovery
— Capacity: 4.3 MW

Zawar Mines

— Type: Coal based Captive Power Plant
— Capacity: 80 MW
— Type: DG Set
— Capacity: 6 MW

Zinc Smelter Debari

— Type: DG Set
— Capacity: 14.81 MW
— Type: Waste Heat Recovery
— Capacity: 6.5 MW

Samana Wind Power Plant

— Type: Wind energy farms
— Capacity: 88.8 MW

Gadag Wind Power Plant

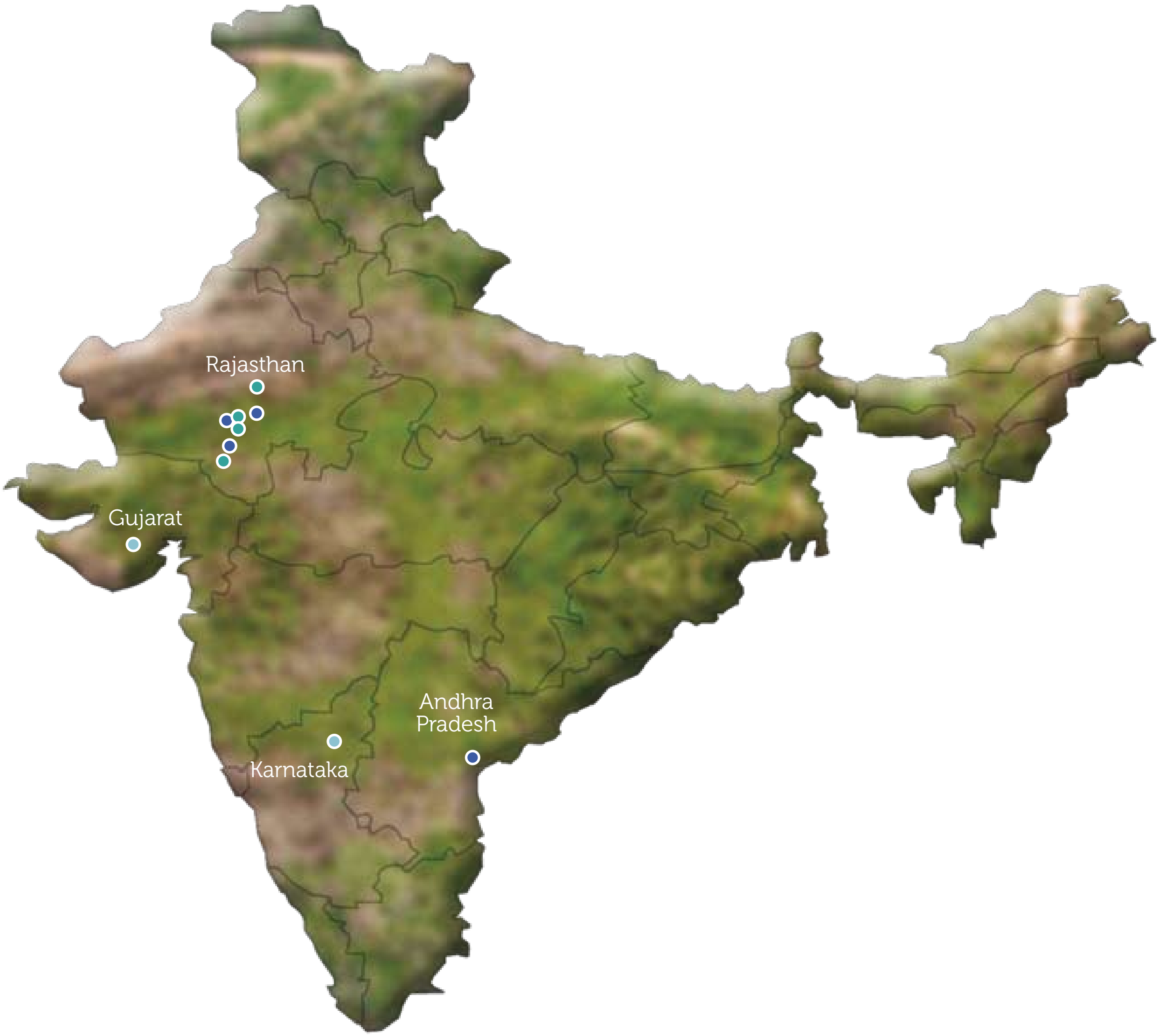
— Type: Wind energy farms
— Capacity: 34.4 MW

Mokal Wind Power Plant

— Type: Wind energy farms
— Capacity: 35.7 MW

Gopalpura Wind Power Plant

— Type: Wind energy farms
— Capacity: 12 MW


Rajasthan
Gujarat
Andhra Pradesh
Karnataka

Chairman's Statement

Focused on growth, long-term value and sustainability

"This year we have focused on enhancing the shareholder value by focusing on faster ramp-ups, leading to improvement in growth and profitability. We continue to focus on enhancing value from Silver and are committed to becoming a leading Silver producer globally."

Dear Shareholders,

I am delighted to report that FY 2011 was yet another year of record volumes, growth and profitability. We have consistently delivered on our commitments and produced strong results. Commodity prices and industrial demand have rebounded sharply; staging a return to economic growth and augmenting conviction and optimism in the global markets.

Our excellent liquidity position, strong cash flows, low-cost operations, strong organic growth pipeline and continuous upgrading of mineral resources; ensures our long-term sustainability, operational growth and profitability and enhanced shareholder value.

Financial Performance

We reported yet another set of excellent results in FY 2011; driven by strong volume growth, operational efficiencies and improved LME prices. We reported Revenues and PBDIT of ₹ 9,912 Crores and ₹ 6,454 Crores; up by 24% and 20% compared to the previous year. Even with the significant capital investment of ₹ 1,324 Crores in the period, due to our excellent cash conversion, we exited the year with a cash-rich balance sheet having cash/bank balance and liquid investments of around ₹ 14,965 Crores.

Operational Performance and Organic Growth

I have great pleasure in reporting a record production of Zinc-Lead mined metal, refined Zinc metal and refined Silver during the year. The Zinc-Lead mined metal production during the year was 840,000 tonnes, up by 9% compared to the previous year.

Refined Zinc metal production during FY 2011 was highest ever at 712,000 tonnes, up by 23% compared to the previous year. The refined Silver production for FY 2011 was higher at 179,000 kg. During the year, our total power generation increased by 14% to 2,811.8 Million Units, compared to the previous year. The wind power generation was marginally lower at 201.4 Million Units, compared to the previous year.

We have accelerated the pace of ramp-up at our Silver-rich Sindesar Khurd mine with the commissioning of 1.50 mtpa concentrator. During the year, we also successfully commissioned 160 MW (80X2) CPP at Dariba.

Commissioning of the 100 ktpa Lead smelter at Dariba is expected to be completed in Q1 of FY 2012, post which, we would achieve our stated objective of over 1 mt of metal production capacity.

Our portfolio of existing assets and recently completed expansion projects continues to yield superior performance, and we continue to make investments and pursue opportunities that drive long-term sustainable growth.

Exploration

I am delighted to report that our ongoing exploration activities have yielded significant success with an increase of 22.1 mt to the reserves and resources, prior to a depletion of 7.5 mt in FY 2011. Contained Zinc-Lead metal has increased by 1.4 mt, prior to a depletion of 0.84 mt during the same period. Contained Silver has increased to 885 million ounces from 832.8 million ounces last year. Total reserves and resources as on 31 March 2011 were 313.2 mt containing 34.7 mt of Zinc-Lead metal and 885 million ounces of Silver. Expansion of our reserves and resources base through exploration is a part of our sustainable growth strategy.

People

The investment that a Company makes in its people is one of the most important investments it can ever make. I am perennially amazed and impressed with the competency, dedication, integrity and enthusiasm of our employees at every level of the Company. We have undergone a phenomenal transformation at the back of competency and improvement-oriented work culture of our people, supported by a string of debottlenecking and expansions. Our people continue to play a vital role in helping the organisation to create value and to grow with confidence. We believe in recruiting truly outstanding people, providing them with quality assignments, training, support and international opportunities in order to help them flourish both professionally and personally. I would like to thank all our employees for their continued contribution to the growth, success and sustainability of the Company. We continue to offer exciting growth opportunities for all our employees and remain committed towards providing a safe and supportive work environment for all.

Sustainability

Sustainability is a key element of our strategy for future and is consequently, embedded into our routine management processes and practices. We view environmental and social stewardship as one of our key responsibilities. We believe that businesses play an important role in tackling and driving sustainability and climate change challenges. We are constantly involved in seeking proactive solutions to manage the environmental impact of our operations. We have established stringent management systems centred on safety, health, environment and social performance. We continue to impact the lives of over 500,000 people in the vicinity of our operations. Our focus is on nurturing leaders, conserving resources, improving health, safety and environmental performance, enhancing the quality of life and fostering innovation. We strive to ensure that our business creates sustainable benefits for each and every one of our stakeholders.

Shareholders value

Keeping in view the demand of the investor community, during the year equity share of ₹ 10/- each was sub-divided into 5 equity shares of ₹ 2/- each, and a bonus issue in the ratio of one equity share of ₹ 2/- each was issued for every one equity share of ₹ 2/- each held. Due to the issue of Bonus shares, the authorised capital of the Company was increased from ₹ 500 Crores to ₹ 1,000 Crores. The board of directors has recommended a dividend of 50%, i.e., ₹ 1/- per equity share of ₹ 2/- each, for the current year. The dividend is payable on an increased share capital following a 1:1 bonus issue.

Awards and Recognition

We are pleased and humbled to have our efforts acknowledged by the external agencies. During the year, we won numerous awards in the areas of operational excellence, quality and health-safety-environment; notable amongst these are the 'IMC Ramakrishna Bajaj National Quality Award – Performance Excellence Trophy' (RBNQA 2010); the 'CII – National Water Management Award 2010'; the 'CII - National Energy Management Award 2010'; and the 'FIMI-Gem Granites Environment Award for the Year 2009-10'.

Outlook

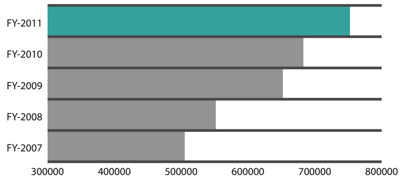
The year has witnessed a significant recovery in demand and commodity prices, which appears deep-seated and stable. Outlook for our commodities thus remains strong. We remain focused on reducing our cost of production, delivering our organic growth programme on time and at benchmark low capital costs and generating strong free cash flows. We have successfully commissioned our 1.50 mtpa concentrator at Sindesar Khurd Mine, and 160 MW (80 X2) CPP at Dariba Smelting Complex; the operational impact of which will be visible in the next fiscal. We are focused on substantially increasing our Silver production through increased mine volumes and improved recovery and efficiency. With the completion of the 100 ktpa Lead smelter and 16 million oz of Silver processing capacity in Q1 of FY 2012, we would achieve our objective of over 1 mt of metal production capacity.

Agnivesh Agarwal
Chairman

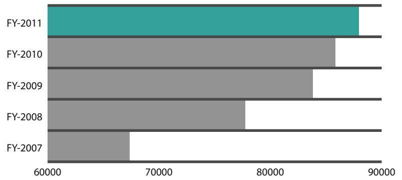
Key Performance Indicators

Operational

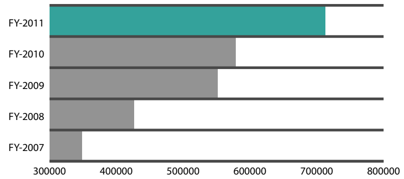
Mined Zinc (tonnes)



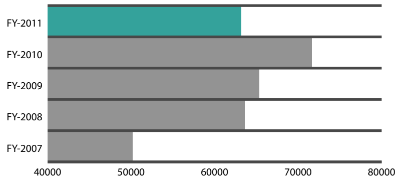
Mined Lead (tonnes)



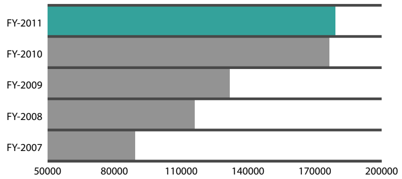
Refined Zinc (tonnes)



Refined Lead (tonnes)

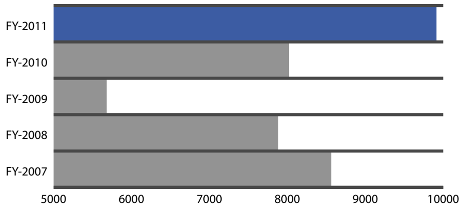


Refined Silver (kg)

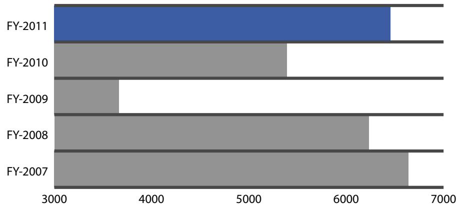


Financial

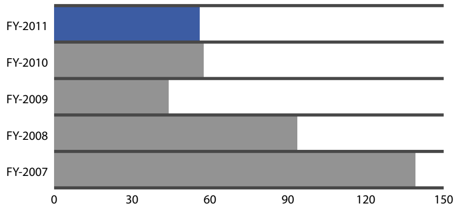
Revenue (₹ Crores) — Revenue on sale of products (net of volume rebates) is recognised on the delivery of the product and/or on the passage of title to the buyer. Sales include export benefits. Export benefits are recognised on recognition of export sales.



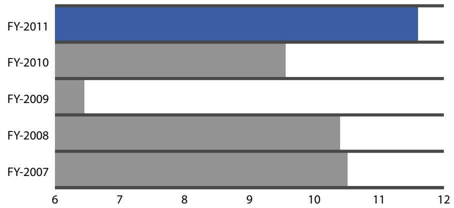
PBDIT (₹ Crores) — PBDIT is a factor of volumes, prices and cost of production. This is calculated by adjusting the operating profit plus depreciation interest and amortisation. Our objective is to take advantage of our low-cost base and achieve the best possible margins across the businesses.



ROCE (%) — This is calculated on the basis of PBIT before exceptional items and other non-operational incomes/expenses, net of effective tax; as a ratio of capital employed in business as at the balance sheet date. Capital employed is shareholders fund and loan funds, net of non-operational net cash and investments after adjusting the non-operational debt. The objective is to earn consistently a return to ensure that capital is invested efficiently. This indicator measures the efficiency of our productive capital.

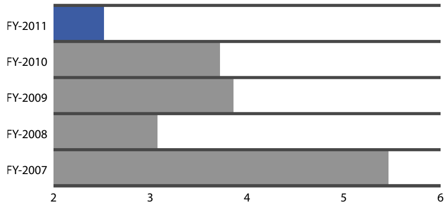


EPS (₹) — Net profit attributable to equity shareholders. By producing a stream of profits and EPS, we will be able to pay a progressive dividend to our shareholders. EPS growth also demonstrates the management of our capital structure. The EPS figures have been reworked for FY 2007-FY 2010 to give the effect of subdivision of shares and the allotment of Bonus shares. The existing equity shares of ₹ 10/- each were sub-divided into 5 equity shares of ₹ 2/- each, and Bonus Shares in the ratio of 1:1 (post split) were allotted on 9 March 2011.

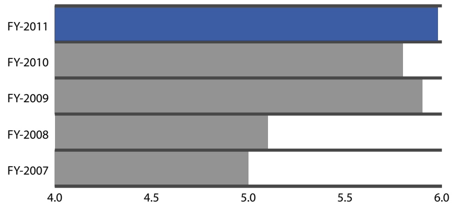


Non-Financial

LTIFR — Lost time injuries per million man-hours worked.



Diversity (%) — Total number of women in the total permanent employee workforce.



Business Overview

The demand for Indian Zinc is expected to grow over the coming years based on a positive GDP forecast.

The growth in the Indian Lead market was 7% to 380,000 tonnes in FY 2011, as compared to the previous year.

The demand for Silver remained buoyant at around 980 million ounces, a 10% growth as compared to the previous year.

Market Overview

Zinc

Global Market

In FY 2011, world Zinc consumption increased by a phenomenal 14% to 11.6 mt. The ongoing process of urbanisation and industrialisation, specially in the developing economies of China and India has contributed to this growth. At the same time, world smelter production increased by 13% to 12.8 mt, leaving the Zinc market with a surplus of over 1 mt of refined Zinc metal.

In FY 2011, the average Zinc LME price per tonne increased to $ 2,185, compared to $ 1,936 in the previous year. Asia (excluding China), which is our key exports market, is poised to grow at around 7% in the next year.

Indian Market

Indian demand for refined Zinc was around 501 kt in FY 2011. The Indian Zinc demand is expected to grow in the coming years, based on a positive GDP forecast. The key components for growth are ongoing and upcoming infrastructure projects, telecom and power projects and automobile sector. Infrastructure projects worth ₹ 70,000 Crores have already been approved by the Indian Government, including various projects for railway electrification, ports, airports and power projects, etc. In the long-term, we see a promising future for Zinc demand in India, given the low per capita Zinc consumption of 0.41 kg per capita in FY 2011, as compared to the world average of 1.7 kg per capita Zinc consumption.

We hold around 82% share of the Indian Zinc demand, where we see a continuous growth in Zinc consumption in line with a positive GDP outlook. As is typical of all developing economies, the growth rate of metal consumption in India is expected to be around the GDP growth rate.

Applications of Zinc

Galvanising: Zinc is one of the best forms of protection against corrosion and is used extensively in building, construction, infrastructure, household appliances, automobiles, steel furniture, and more. Galvanising accounts for around 48% of global Zinc usage.

Zinc Oxide: The most widely used Zinc compound, Zinc Oxide is used in the vulcanisation of rubber, as well as in ceramics, paints, animal feed, pharmaceuticals, and several other products and processes. A special grade of Zinc Oxide has long been used in photocopiers. 10% of global Zinc usage is in this segment.

Die Castings: Zinc is an ideal material for die casting and is extensively used in hardware, electrical equipments, automotive and electronic components. 17% of Zinc used in the world is through die castings.

Alloys: Zinc is extensively used in making alloys, especially brass, which is an alloy of Copper and Zinc. Alloy accounts for around 11% of global Zinc usage.

Rolled Zinc: Zinc sheets are used extensively in the building industry for roofing, flashing and weathering applications. These are also used in graphic art to make plates and blocks, as well as battery callouts and coinage.

Lead

Global Market

The demand for refined Lead increased by 9% to 9.18 mt in FY 2011, as compared to 8.43 mt in FY 2010. Replacement battery demand, mainstay of Lead consumption with the recovery in automobiles OEMs production, was able to push Lead on the path of recovery to a 9% growth. At the same time, the global Lead smelter production was 9.44 mt. This left the refined Lead market in surplus, barely by 260 kt for the year. In FY 2011, the average Lead LME price per tonne increased to $ 2,244, as compared to $ 1,990 in the previous year.

Indian Market

Indian Lead market grew by 7% to 380,000 tonnes in FY 2011, as compared to the previous year. Asia has become the new growth centre of the world, with China and India leading the way. The main growth driver in the year was the increase in the auto battery from the OEMs, with the historically high automobiles production; and India is becoming a favourite manufacturing hub for major OEMs.

The Replacement market demand is growing year after year with an increased number of vehicles on the road. Power deficit in the country is resulting in an increased need of power backup and inverter battery. With the projected automobile and infrastructure growth, the Indian Lead demand is expected to grow and sustain the 7% rate in the coming years. The demand of the Indian Battery industry is estimated to be around 90% of the Indian Lead demand. Our share in the domestic market is around 15% in the total Lead market (including alloys), and 25% in the pure Lead market (excluding alloys).

Applications of Lead

The battery sector is the single largest consumer of Lead, accounting for around three-quarters of the demand. It can be sub-divided into the following groups:

- SLI (Starting-Lighting-Ignition) batteries, which currently account for around half of the total Lead demand. These are mainly used in cars and light vehicles, but are also found in other applications such as golf carts and boats. SLI battery demand in turn can be split into original equipment and replacement, with replacement demand outstripping original equipment demand by about 4:1 in mature markets.
- Industrial batteries, which currently consume around a quarter of the total Lead produced. This sector can be split roughly 50:50 into stationary and traction batteries. Stationary batteries are principally used in back up power supply systems; traction batteries are used for motive power in equipment such as forklift trucks and motorised wheelchairs. The remainder is used in non-battery applications. The second largest current end use of Lead for non-battery applications, accounting for around 8% of Lead consumption, is the chemical industry, in the form of Lead-based pigments and other compounds. Principal markets are for cathode ray tubes used in television screens and computer monitors, and for Poly Vinyl Chloride (PVC) stabilisers.

Silver

Global Market

In FY 2011, the demand for Silver remained buoyant at around 980 million ounces, a 10% growth as compared to the previous year. The demand by fabrication has seen a growth of 10% this year, as a recovery in industrial uses and a robust growth in coins, investment and a modest rise in jewellery; but a decline in Silverware was witnessed due to losses in India on account of the price. Mine production rose by 5% and supply side (supported by higher Scrap supply) by 10% this year. Due to the higher investment demand and modest industrial growth, the Silver demand is expected to further rise in the next year. Average annual price for Silver in FY 2011 was $ 23.84 per ounce, up by 60% year on year.

Indian Market

The Indian demand for Silver was higher by 8% at around 3,120 tonnes in FY 2011, as compared to the previous year. Indian Silver demand is expected to grow on the back of prospective growth in electrical and other industrial segments, and Silver becoming a preferred investment asset along with Gold.

Applications of Silver

- Industrial applications: brazing alloys, electrical contacts, high capacity Silver-Zinc or Silver-Cadmium batteries, printed circuits and other electronic applications.
- Other applications: jewellery, Silver plating, Silverware, photography, Dental alloys and more.

Operational Performance

Introduction to Operational Performance

Our products include refined Zinc metal, refined Lead metal, Silver, Cadmium and Sulphuric Acid. We are the world's largest integrated Zinc producer and also the largest Silver producer in India. With the accelerated ramp-up at our Silver-rich Sindesar Khurd Mine, we are poised to become one of the world's largest Silver producers. We have mining and smelting operations across multiple locations in India. Our mining assets include Rampura Agucha (the largest Zinc mine in the world), Sindesar Khurd, Rajpura Dariba and Zawar in the State of Rajasthan. The smelters are situated at Chanderiya Lead-Zinc Smelter, Dariba Smelting Complex and Zinc Smelter Debari in the State of Rajasthan; and Zinc Smelter Vizag in the State of Andhra Pradesh. As a part of our project expansions, we have accomplished successful commissioning of the 1.50 mtpa concentrator at Sindesar Khurd Mine.

Most of our units are accredited with International Organisation for Standardisation (ISO) 9001, International Organisation for Standardisation (ISO) 14001, Occupational Health and Safety Assessment Series (OHSAS) 18001 and 5S certifications.

Mining Operations

Rampura Agucha Mine

The Rampura Agucha Mine (RAM) achieved a record production of 746,199 tonnes of Contained Zinc and Lead during the year, an increase of 12% as compared to the previous year. This increase in production volume is primarily on account of the successful ramp-up of the 1 mtpa Zinc concentrator commissioned in March 2010. The reserves and resources of Rampura Agucha Mine as on 31 March 2011 are 114.36 mt.

It is an open pit mine which was commissioned in 1991. It is located 230 km north of Udaipur, in the State of Rajasthan in India. It is very well connected with the road and rail networks. Power requirement is met by our Captive Power Plants.

The concentrator has four streams and is equipped with state-of-the-art automation, which includes the Proscon 2100 NT operating system, Experion process control system; Multi Stream Analyser to ensure faster and accurate readings of different metal percentages in the various streams; and Froth Image Analyser that provides an actual image of the froth bubbles in order to facilitate an effective quality control. It also possesses

Summary of operating results of Rampura Agucha Mine

Rampura Agucha Mine	FY 2011	FY 2010
Ore Mined ('000 tonnes)	6,149.17	5,135.63
Ore Milled ('000 tonnes)	5,856.38	5,152.47
Zinc		
Feed Grade (%)	13.09	12.92
Mined Metal ('000 tonnes)	677.43	612.94
Lead		
Feed Grade (%)	2.15	1.80
Mined Metal ('000 tonnes)	68.77	55.10

an excellent infrastructural as well as software support.

Rampura Agucha Open pit achieved a total excavation of 83 mt – an increase of 43% over the previous year, due to the successful ramp-up of the operation from the fleet of 34 m^3 excavators and 221 mt class dumpers. Effective implementation and the use of advanced technologies like the Truck Dispatch System for the HEMM fleet management, the Simulator for providing training to the HEMM operators, and the Slope Stability Radar for real time monitoring of any movement in the pit wall has helped ensure safe operation with high level of operational efficiency and increased overall volumes.

Rampura Agucha Open pit achieved a total excavation of 83mt – an increase of 43% over the previous year.

Rampura Agucha Underground mine development and associated infrastructure development work continues as per schedule and in conformity with the outcomes of the feasibility studies done by internationally reputed consultants. Underground mining is planned beyond the ultimate open pit depth of 372 metres from the surface. RAM underground project has state-of-the-art infrastructure facilities and mining equipments, including the Shotcreting machine (for the first time in the Indian mining industry), 17 tonne loaders, 30 tonne LPDT (Low Profile Dump Trucks), twin boom jumbo drill machines and other support equipments. The process for carrying out detailed engineering work for shaft sinking (900 metres depth) has also begun. These initiatives will facilitate a faster rate of the underground mine development and the targeted production from RAM on a sustainable basis.

Sindesar Khurd Mine

During FY 2011, our Silver-rich Sindesar Khurd Mine (SKM) achieved its highest ever Contained Zinc and Lead production of 37,110 tonnes, up by 34% as compared to the previous year. This was primarily on account of the successful commissioning of the new 1.50 mtpa concentrator, an increase in the working area and the resources, better utilisation of the resources as well as improved work practices.

Summary of operating results of Sindesar Khurd Mine

Sindesar Khurd Mine	FY 2011	FY 2010
Ore Mined ('000 tonnes)	654.05	444.72
Ore Milled ('000 tonnes)	607.43	442.87
Zinc		
Feed Grade (%)	5.38	5.44
Mined Metal ('000 tonnes)	26.69	19.75
Lead		
Feed Grade (%)	2.18	2.29
Mined Metal ('000 tonnes)	10.41	8.04

We have accelerated the pace of ramp-up at SKM with the commissioning of 1.50 mtpa concentrator. By the exit of FY 2011, the concentrator had already achieved a production run rate of around 85% of the total capacity.

Reserves and resources of the Sindesar Khurd mine as on 31 March 2011 are 67.94 mt. It is a Silver rich mine with an average Silver content of 180 ppm in the ore.

It is located 80 km north-east of Udaipur in the State of Rajasthan. It is very well connected by roads. Production at Sindesar Khurd Mine was commissioned in June 2006.

SKM is the most mechanised mine in India and is comparable to any other world class mine. It has state-of-the-art infrastructure facilities and mining equipments,

including 50 tonne LPDT (Low Profile Dump Trucks) and 17 tonne LHD (Load-Haul-Dump units) for underground mining. A new decline suitable for a 50 tonne dump truck has been excavated and made operational during the year. There are 3 personnel carriers and a host of other utilities to facilitate underground mining operations.

Mechanised mine development techniques are being adopted for better development progress and productivity.

Expansions

We have successfully commissioned the new 1.50 mtpa concentrator at SKM, thereby increasing the ore production capacity from 0.50 mtpa to 1.50 mtpa.

Rajpura Dariba Mine

Rajpura Dariba Mine (RDM) produced 28,413 tonnes of Contained Zinc and Lead during FY 2011, higher by 4% as compared to FY 2010, due to the enhancement in mill recovery and other operational efficiencies. Bulk concentrate production at Rajpura Dariba has resulted in significant recovery improvements in Zinc, Lead and Silver. Reserves and resources of Rajpura Dariba Mine as on 31 March 2011 are 49.39 mt. It is located about 76 km north-east of Udaipur in the State of Rajasthan in India and is well connected by roads. The water requirement is met from the Matrikundia dam on the Banas River. The power requirement is met by our Captive Power Plants. Any shortfall is met by the State grid.

Summary of operating results of Rajpura Dariba Mine

Rajpura Dariba Mine	FY 2011	FY 2010
Ore Mined ('000 tonnes)	496.23	501.28
Ore Milled ('000 tonnes)	497.09	499.23
Zinc		
Feed Grade (%)	5.65	5.34
Mined Metal ('000 tonnes)	23.19	21.96
Lead		
Feed Grade (%)	1.45	1.48
Mined Metal ('000 tonnes)	5.22	5.35

The mine is equipped with world-class infrastructural facilities, including a central workshop. Rajpura Dariba Mine's concentrator is a conventional grinding and froth flotation circuit. Significant technical upgradations/process improvements undertaken during the year include commissioning of the surface ramp in the North Lode area and the introduction of the 20 mt capacity LPDT 320 lowered through the Vertical Shaft (6.0 metre diameter) to a 600 metre depth. The highly efficient Ventilation Fan with VFD has been commissioned at 1900N grid in record time to improve the ventilation system in North Lode. During the year, we have completed the recovery improvement project at RDM mill, thereby improving the Zinc and Lead recoveries considerably.

Zawar Mine

During FY 2011, Zawar Mines (ZM) achieved a production level of 28,331 tonnes of Contained Zinc and Lead, 38% lower as compared to FY 2010. This was primarily due to the complete suspension of operations at three of the four mines comprising of the Zawar group of Mines, and a partial suspension at the fourth. The renewal of the mining lease for the Zawar group of mines was applied on 25 November 2008. As a part of the mining lease was falling on the forest land, approval from the forest department for diversion of the land was required. In view of the honourable Supreme Court's order dated 19 February 2010, regarding mining in the Aravali Hills of Rajasthan, forest clearance was kept pending. The Company had represented the matter at various forums and also filed a writ in the Supreme Court. The Forest Advisory Committee (FAC) has already submitted its recommendation to the Supreme Court. All other approvals, as are required for the renewal of the mining lease, are in place. The matter is now pending in the Supreme Court, and we are awaiting a final hearing. We have treated the ore produced at RAM at ZM mill during the year, in order to utilise the idle capacity of the mill. The mine lease renewal at ZM is currently pending the directions from the Supreme Court.

Summary of operating results of Zawar Mine

Zawar Mine	FY 2011	FY 2010
Ore Mined ('000 tonnes)	240.55	1,020.25
Ore Milled ('000 tonnes)	459.30	1,013.58
Zinc		
Feed Grade (%)	3.66	3.05
Mined Metal ('000 tonnes)	24.81	28.12
Lead		
Feed Grade (%)	0.89	1.89
Mined Metal ('000 tonnes)	3.52	17.37

Reserves and resources of the Zawar Mines as on 31 March 2011 are 65.86 mt. It is located about 40 km south of Udaipur, in the State of Rajasthan in India. The Zawar Mines comprise of four mines, namely, Mochia, Baroi, Zawar Mala and Balaria Mines. The Zawar Mines are very well connected by roads and have excellent infrastructural and software support. Zawar's water requirement is met from the Captive Tidi Dam with a capacity of 300 million cubic feet. Power requirement is adequately sourced from 80 MW Coal-based captive thermal power plant, Wartsila 6 MW Diesel Generator set and the State grid.

Several safety improvement and water conservation initiatives; and other technical upgradations were undertaken during the year in order to improve the operational performance.

Smelting Operations

Chanderiya Lead-Zinc Smelter

Chanderiya Lead-Zinc Smelter (CLZS) is one of the largest Zinc smelting complexes in the world with Zinc production capacity of 525,000 tonnes per annum (tpa). During FY 2011, CLZS achieved a production of 424,418 tonnes of refined Zinc metal and 63,192 tonnes of refined Lead metal. The refined Silver production during the year was 179,079 kg.

The total Zinc-Lead metal production capacity at CLZS is 610,000 tpa. The Silver production capacity at CLZS is 168 tpa. It also has 828,500 tpa Sulphuric Acid and 234 MW thermal power generation capacity. The complex includes two

Case Study **Modification of HEGP inlet circular duct to balloon type duct at Sinter plant**

Modification of Sinter plant existing circular (HEGP) duct to Balloon type-

Objectives

1. To reduce pressure drop across the duct from 20 mm to less than 5 mm, and to avoid frequent chocking of duct.
2. To reduce the variation in operating parametres, to control HEGP inlet temperature less than 350^{0}C by increasing temperature drop more than 20^{0}C across the duct as against the present drop of 3^0-4^{0}C.
3. To improve the Sulphur burning rate by improving the suction in the Sinter machine.
4. To increase the Sinter concentrate feed rate by more than 0.25 mt/hr.

Benefits Achieved

1. Achieved pressure drop across the duct lower than 5 mm and so far there is no choking of the duct.
2. Achieved the temperature drop of 15^0-24^{0}C across the duct against the previous 3^0-4^{0}C.
3. Increase in concentrate feed rate by 1.5-3.0 mt/hr.
4. Increase in Sinter plant availability on account of old HEGP duct, distribution plate and hopper cleaning by 75%.
5. Potential saving of around ₹ 1.6 Crores per annum.

The business excellence and quality improvement initiatives at CLZS have been widely recognised by way of the prestigious 'IMC Ramakrishna Bajaj National Quality Award – Performance Excellence Trophy', for the second year in succession.

Hydrometallurgical Zinc Smelters (Hydro I & Hydro II), one Pyrometallurgical Lead-Zinc Smelter and one Ausmelt Lead plant. Our Zinc from Hydro plants & Lead products are registered with the London Metal Exchange. Hydro I is a 100% Export Oriented Undertaking. In April 2010, Jumbo casting line was successfully commissioned at Hydro II. CLZS is located about 110 km north of Udaipur, in the State of Rajasthan, India and is very well connected by both rail and roadways. The Hydro Zinc Smelters operate on hydrometallurgical Zinc extraction process, conventionally

Summary of Operating Results of Chanderiya Lead-Zinc Smelter

Chanderiya Lead-Zinc Smelter	FY 2011	FY 2010
Refined Zinc (tonnes)	424,418	436,909
Refined Lead (tonnes) (*)	63,192	71,627
Refined Silver (Kg) (!)	179,079	176,381
Saleable Sulphuric Acid (tonnes)	600,753	641,313

(*) Includes captive consumption of 5,898 tonnes Lead in FY 2011 and 7,308 tonnes in FY 2010.
(!) Includes captive consumption of 30,997 kg Silver in FY 2011 and 37,831 kg in FY 2010.

known as Roast-Leach-Electro winning (RLE) process, which comprises of Roasting, Leaching and purification, Electro-winning and Melting and Casting. Pyrometallurgical Lead-Zinc Smelter employs Imperial Smelting Technology which enables the simultaneous production of Zinc and Lead metals through a pyrometallurgical process route.

The business excellence and quality improvement initiatives at CLZS have been widely recognised by way of the prestigious 'IMC Ramakrishna Bajaj National Quality Award – Performance Excellence Trophy', for the second year in succession. Winning this award is testimonial of the fact that the organisation is performing exceedingly well on critical aspects of management that contribute to performance excellence. This award is at par with Malcom Baldrige National Quality Award, USA which is the most prestigious award in the field of Business Excellence.

Zinc Smelter Debari

Zinc Smelter Debari (ZSD) produced 84,839 tonnes of refined Zinc metal, during FY 2011.

Summary of operating Results of Zinc Smelter Debari

Zinc Smelter Debari	FY 2011	FY 2010
Refined Zinc (tonnes)	84,839	87,347
Saleable Sulphuric Acid (tonnes)	306,949	290,188

It is located about 20 km from Udaipur, in the State of Rajasthan in India and very well connected with air, rail and road networks. It has a capacity of 88,000 tpa of Zinc. It also has a capacity of 419,000 tpa of Sulphuric Acid and 235 tpa of Cadmium. ZSD employs conventional Roast-Leach-Electro-winning technology (via Hydrometallurgical route). Its smelting facilities include three roaster units, one leaching unit and a cell house unit. The melting unit consists of three inductor furnaces.

The power requirement is met by our captive thermal plant located in Zawar. It also has a 14.81 MW power generation capacity from Diesel Generator set and 6.5 MW from Waste Heat Recovery.

Zinc Smelter Vizag

Zinc Smelter Vizag (ZSV) achieved a production of 38,663 tonnes of refined Zinc metal during the year.

ZSV is located in Vizag, in the State of Andhra Pradesh in India and is very well connected via rail, road and port.

Summary of Operating Results of Zinc Smelter Vizag

Zinc Smelter Vizag	FY 2011	FY 2010
Refined Zinc (tonnes)	38,663	54,184
Saleable Sulphuric Acid (tonnes)	66,514	74,945

It has a capacity of 56,000 tpa of Zinc, 91,000 tpa of Sulphuric Acid and 138 tpa of Cadmium.

It operates on the hydro-metallurgical Roast-Leach-Electro winning technology. Apart from the production plants, ZSV's state-of-the-art facilities also include the Tail Gas Treatment Plant, Effluent Treatment Plant, the Reverse Osmosis Plant, the Zinc Oxide Plant, the Diesel Power House (3.2 MWX3), the Compressor House, an Auto Garage, a Mechanical and Electrical Workshop. Its power is supplied by the Andhra Pradesh Gas and Power Corporations Limited (APGPCL) and APTRANSCO; water is supplied by the Greater Vizag Municipal Corporation.

Dariba Smelting Complex

Dariba Smelting Complex (DSC) achieved a production of 164,551 tonnes of refined Zinc metal. The successful ramp-up of the 210,000 tpa Hydro Zinc smelter commissioned in March 2010 has had a visible operational impact in the current fiscal. The year has also witnessed the successful commissioning of the 160 MW (80X2) Captive Power Plants (CPP). Commissioning of the 100,000 tpa Lead Smelter is expected to be completed in Q1 FY 2012 , post which, HZL's total Zinc – Lead metal production capacity will increase to 1064,000 tpa.

Summary of Operating Results of Dariba Smelting Complex

Dariba Smelting Complex	FY 2011	FY 2010
Refined Zinc (tonnes)	164,551	-
Saleable Sulphuric Acid (tonnes)	218,483	29,143

The total Zinc metal production capacity at DSC is 210,000 tpa. It has 306,000 tpa Sulphuric Acid and 160 MW thermal power generation capacity. DSC is located about 80 km from Udaipur, in Rajasthan, India. It is well connected by both rail and roadways. The Hydro Zinc smelter employs Roast-Leach-Electro winning (RLE) process, which comprises of Roasting, Leaching and purification, Electro-winning and Melting and Casting.

The operational excellence/quality improvement initiatives undertaken during the year include installation of an automated underflow in the Roaster, control logic with controller tuning to control furnace draft in auto mode and Calcine Pneumatic Denseveyor operation in level mode.

Case Study

Implementation of New Initiatives: Jarosite Acid Wash (JAW) At DSC – Zinc Smelter

Objective

To improve the overall Zinc recovery efficiency by about 0.5–1%.

Conversion Process (Before JAW)

— During roasting of concentrate, iron forms a compound with Zinc and Oxygen called Zinc Ferrite ($ZnOFe_2O_3$).
— In the conversion process, Zinc Ferrite is leached at higher acidity, temperature and retention time to dissociate into Zinc Sulphate and Ferric Sulphate to recover Zinc from it.
— Dissociated Zinc as $ZnSO_4$ is neutralised and recovered into the main stream and Fe is precipitated as Jarosite by the addition of Sodium Sulphate.

Drawback of Conversion Process

— Zinc recovered as conversion overflow carries high acidity and Fe, which increases Calcine consumption in NL and disturbs the main leaching process.
— At 210K, the best average value of residual Zinc in Jarosite cake observed is 3.6%.

Jarosite Acid Wash (JAW)

— JAW is an additional step after conversion. Jarosite is thickened in a thickener and pumped to JP reactors.
— In this step, residual Zinc Ferrite in Jarosite is allowed to leach at high acidity and at 100°C temperature to further recover Zinc.
— Recovered Zinc as $ZnSO_4$ with high acidity and temperature is re-circulated back to consume its acid and heat required for conversion process.
— At 210K, best average value of residual Zinc in Jarosite cake observed is 2.8%.

Benefits

— Increase in overall Zinc recovery by 0.5–1%.
— Reduction in cement consumption for Jarofix.
— Improved clarity of Neutral Thickeners.
— Better process control at higher flows.

Power

Taking a step further towards ensuring the sustainability of our operations, we have strategically installed Captive Power Plants (CPP) to cater to the power requirement of our smelters and mines. We have thermal CPP at Chanderiya and Zawar with a power generation capacity of 314 MW. To further consolidate our power generation capacity in line with the expansions in our mining and smelting capacities, we have successfully commissioned 160 MW (80X2) CPP at Dariba during the year, thereby enhancing the thermal power generation capacity to 474 MW. The first Unit of 80 MW at Dariba was synchronised in June 2010 and a full load of 80 MW was achieved in July 2010; while the second 80 MW unit was synchronised in December 2010 and full load of 80 MW was achieved in a record time of 6 hours, which is a record for any unit commissioned by BHEL in India. We also have Diesel Generation (DG) units at Debari, Chanderiya and Zawar with a total power generation capacity of 35.62 MW. With respect to our green energy initiative projects, we have 123.2 MW Wind Power Plants (WPP) in the State of Gujarat and Karnataka. We have recently commissioned 47.7 MW WPP capacity in Rajasthan and Karnataka in March 2011, taking our wind power generation capacity to 170.9 MW. Additional 102.3 MW WPP capacity will be added by Q2 FY 2012. We also generate power from the waste heat generated from Roasters. We have 24.5 MW of power generation capacity from waste heat recovery. Any surplus power generated is sold to State grid and power exchanges, thereby helping the power deficit State of Rajasthan. Operations and maintenance of our power plants are outsourced to the world's renowned power plant maintenance and operations companies.

The second 80 MW unit was synchronised in December 2010 and a full load of 80 MW was achieved in a record time of 6 hours, which is quite a record for any unit commissioned by the BHEL in India.

Coal being the main cost driver, we have taken various initiatives to reduce the cost of coal as a part of our power cost reduction measures. These initiatives include obtaining coal via coal linkages, optimising the blend of Indian and imported coal, keeping the auxiliary consumption at a minimum and operating the power plants at a high Plant Load Factor (PLF). Our CPP units in Chanderiya

Power generation capacity (MW)

Power generation capacity (MW)	Chanderiya (Rajasthan)	Dariba (Rajasthan)	Zawar (Rajasthan)	Debari (Rajasthan)	Samana (Gujarat)	Gadag (Karnataka)	Mokal (Rajasthan)	Gopalpura (Karnataka)	Total
Captive Power Plant	234	160	80	-	-	-	-	-	474
Wind Power Plant	-	-	-	-	88.8	34.4	35.7	12	170.9
Diesel Generation	14.81	-	6	14.81	-	-	-	-	35.62
Waste Heat Recovery	13.7	4.3	-	6.5	-	-	-	-	24.5

and Zawar have been maintaining consistency in generation by generating more than the installed capacity; we have achieved 100% PLF and look to further increase it with the completion of improvement initiatives in this direction. As a part of our efficiency drive, CILMS (Composite Islanding and Load Management System) was commissioned in May 2009 to keep Chanderiya station immune from heavy system disturbances, which had the potential to cause generation loss/equipment damage.

Key Statistics for FY 2011

— During FY 2011, the total power generated was 2,811.8 Million Units (MU), an increase of around 14% as compared to FY 2010.

Coal

The cost of coal has a considerable impact on our cost of production, since it is the most important raw material for our captive thermal power plants.

Our Captive Power Plants use a blend of Indian and imported coal. In order to push down the blended coal cost, we have taken various initiatives to maximise the percentage of Indian coal in our plants. We are currently maintaining a fair combination of both indigenous as well as imported coal. We have a Linkage coal/Fuel Supply Agreement (FSA) with South Eastern Coalfields Limited (a subsidiary of Coal India Limited). All of our domestic coal comes through the linkage agreement. Our requirement of imported coal is currently being catered through imports from Indonesia and South Africa. Our strategy is to procure Coal on a TCO (Total Cost of Ownership) basis, in order to reduce the ultimate cost per unit. Additionally, we had also secured, in January 2006, as a part of a consortium with five other partners, the award of a coal block from the Madanpur coal block; which is expected to help meet the coal requirements of our Captive Power Plants in the future. Our share in the coal block is 31.5 mt, which, according to the Ministry of Coal of the Government of India, are proven reserves with an ash content ranging from 28.7% to 47.0% and a gross calorific value ranging from 3,865 Kcal/kg to 5,597 Kcal/kg. The coal block is located in the 'Hasdev Arand' coal field of Chhattisgarh which is falling under the moderate to dense forest region. The environment clearance and approval for forest diversion was rejected by the MOEF and accordingly, a letter of rejection was issued by the state government on the 23 January 2010. The Company has represented the same matter to the Ministry. The PMO office has now constituted a group of ministers to review this case.

Wind Power Plants

The Company perceives wind power generation as a financially and environmentally viable solution for meeting India's rapidly increasing energy requirements.

Green energy contributes 24% of our total power generation capacity.

We have 123.2 MW of wind power generation capacity in the State of Gujarat (88.8 MW) and Karnataka (34.4 MW). Both these plants are functioning efficiently and feeding electricity to the respective state grids. Our wind energy mills have the state-of-the-art gearless synchronous wind turbine generator technology which facilitates higher power generation.

Taking our green energy initiatives a step further, we have announced an addition of 150 MW in our existing wind power capacity. Of this, we have commissioned

47.7 MW capacity in Rajasthan and Karnataka, towards the end of March 2011. An additional 102.3 MW will be commissioned by Q2 FY 2012. During the year, we produced 201.4 Million Units of wind power, moderately lower as compared to FY 2010.

Our wind energy projects in Gujarat and Karnataka have achieved the second highest per Turbine generator (WTG) power generation amongst its peer group. The wind power projects at Gujarat and Karnataka are registered under the United Nations Framework Convention on Climate Change's (UNFCCC) Kyoto protocol for Clean Development Mechanism (CDM). Both the wind projects are registered with a CER potential of 223,000 per annum. The additional 150 MW will also be registered under the UNFCCC's Kyoto protocol for CDM. It has a CER potential of approximately 270,000 per annum.

Exploration

During the year, an aggressive exploration was continued in the 5 Brownfield areas and 9 Greenfield Reconnaissance Permits (RP) covering about 9,000 sq km. A legally mandated 4th quarter relinquishment reduced the area to about 4,130 sq km and the RP count to 8. A total of 68,200 metres of core and non-core drilling was completed at various exploration sites throughout the mines and tenements, during the year.

The Brownfield exploration has successfully added a total of 22.1 mt of new reserves and resources, prior to depletion of 7.5 mt in FY 2011. Contained in-ground Zinc-Lead metal has increased by 1.4 mt, prior to the depletion of 0.84 mt during the same period. Contained Silver has increased to 885 million ounces from 832.8 million ounces as compared to last year. The total Reserves and Resources (R&R) as on 31 March 2011 were 313.2 mt, containing 34.7 mt of Zinc-Lead metal and 885 million ounces of Silver. Significant R&R additions of 18.96 mt were reported from the Rajpura Dariba belt and Zawar. Greenfield drilling has identified areas in several tenements that warrant follow-up work. Outside of drilling, the tragetting continued using state-of-the-art geophysical, geochemical as well as conceptual modelling. The current Greefield RP tenements are in Rajasthan. In addition to these, 9 new RP applications, for about 7,550 sq km, were filed for in highly prospective terrains during the year. This makes for a total of 14 RP applications in 6 states, covering about 17,865 sq km.

Reserves & Resources as on 31st March 2011

Name of the Mines	Resources								Reserves			
	Measured and indicated				Inferred				Proved and probable			
	mt	Grade %		g/t	mt	Grade %		g/t	mt	Grade %		g/t
		Zinc	Lead	Silver		Zinc	Lead	Silver		Zinc	Lead	Silver
Rampura Agucha	20.99	14.67	1.92	64	23.66	11.80	1.92	53	69.71	14.28	1.96	66
Rajpura Dariba	7.87	7.30	2.21	96	32.47	7.76	2.13	87	9.05	6.80	1.77	78
Sindesar Khurd	17.06	5.67	3.68	216	40.78	4.90	3.05	161	10.10	4.93	2.78	158
Bamnia Kalan	1.69	5.29	1.84	–	3.37	5.00	3.80	114	–	–	–	–
Zawar	25.26	5.00	1.80	59	32.73	4.90	2.61	51	7.87	3.66	2.03	36
Kayar	6.27	10.83	1.53	32	4.31	9.80	1.78	36	–	–	–	–
Total	79.14	8.41	2.26	95	137.32	6.92	2.51	94	96.73	11.74	2.03	74

Resources are addititional to reserves.

Central Research and Development Laboratory

Our in-house Research and Technology Development Centre (CRDL) strives to enhance business deliverables, either tangible like cash-flow, or intangible like quality, robustness and environment. CRDL is committed towards continuous improvement in operating practices, products and technology. We also aim to establish a world class Research and Development Centre for all the non-ferrous as well as ferrous businesses of Vedanta.

The committed and experienced team at CRDL is focused on resource development, mineral beneficiation, smelting, environment and quality aspects of the Company; and establish its image as a leading technology driven company. CRDL has undertaken various initiatives, including improvement in product quality, production processes and metal recoveries; cost reduction initiatives; path-breaking technologies; benchmarking and identifying beneficial use of solid wastes. CRDL acts as a referral laboratory/umpire for samples from export/import consignments and exploration. We take up projects in-house or work closely with technology leaders, universities, and research institutions in India and overseas.

The CRDL is recognised by the Department of Scientific and Industrial Research (DSIR) – Government of India, listed in ASTM's (American Society for Testing and Materials) online directory of testing laboratories and certified with ISO 9001, 14001 and OHSAS 18001 as well as 5S workplace management systems. Significant achievements/projects undertaken in FY 2011:

— Initiatives for the enhancement of Silver recoveries.
— Quality improvement of the concentrates by reducing impurities.
— Improved beneficiation plant performance and controls through regular plant circuit surveys and mineralogical studies.
— Optimisation of roaster feed concentrate tonnage ratio for Debari Smelter through sieve analysis.
— Improved realisation from by-products including antimony dross, Zinc dross, Ausmelt slag, enrichment cake, beta cake and low grade Lead residues.
— Initiatives for Lead bullion quality improvement for Ausmelt Lead bullion.
— Environmental campaign for minor element balance and its impact at Vizag smelter.
— Sustainable utilisation of Jarosite in cement industries and roads construction.

Growth Projects

During the year, we successfully completed the following projects:

— 1.50 mtpa concentrator at Sindesar Khurd Mine.
— 160 MW (80X2) Captive Power Plant at Dariba Smelting Complex.
— 48 MW addition in wind power generation capacity.

The Company has witnessed an exponential growth since its acquisition in the year 2002. After the successful commissioning of the 100 ktpa Lead Smelter at DSC, the Company would cross the 1 mt landmark in metal production capacity.

We have accelerated the pace of volume ramp-up at our Silver-rich Sindesar Khurd Mine with the successful commissioning of the 1.50 mtpa concentrator during the year. In March 2011, the concentrator had already achieved a production level equivalent to around 85% of the capacity. Our Silver segment is poised to treble from current levels driven by volume growth at Sindesar Khurd and Rampura Agucha along with recovery improvement at mines and smelters. The year has also witnessed the successful commissioning of our 160 MW (80X2) CPP at Dariba, increasing our total thermal power generation capacity to 474 MW.

During the year, we had announced an addition of 150 MW in our existing 123.2 MW wind power capacity. Of this 47.7 MW has been commissioned in March 2011. The balance 102.3 MW is expected to get commissioned by Q2 of FY 2012.

Our existing portfolio of assets continues to demonstrate superior performance; and we continue our perusal of further organic/inorganic growth opportunities.

Marketing

Our product quality and brand have helped us in maintaining over 82% market share in Indian Zinc. We are also fulfilling Zinc demands of Far East, Middle East and African countries that remain net importers of Zinc. We have been very determined in our efforts towards developing new customers and broadening our customer base all around the world. The year on year increase in our metal capacities through various expansions, have been fundamental basis of our marketing efforts.

Sulphuric Acid

We produced 1,192,699 tonnes and sold 1,191,847 tonnes of Sulphuric Acid during the year, up by 15% each as compared to the previous year. It is one of the important by-products from our smelting operations. With the commissioning of Dariba Hydro Smelter, the total installed production capacity of Sulphuric Acid has increased to 1.64 mtpa.

Human Resources

We believe human resource is one of the most decisive factors in developing and maintaining a company's competitive edge. Motivated workforce drives an organisation towards its goals more effectively. Hindustan Zinc has witnessed phenomenal growth in terms of volumes, profitability and sustainability; driven by significant contribution of its dedicated and productive human resource.

Over the years, we have been recruiting substantial number of graduate engineers and graduates. During the year, we recruited 200 engineers and 257 graduates, besides other professionals. Our employee strength in FY 2011 was 6,742 as against 6,986 in the previous year.

We maintain our focus on learning and development to build an enhanced and effective knowledge base and to provide skilled manpower for the new expansions. To bring operational discipline and to reduce process variability with up-gradation of operational skills, specialised technical trainings including training on SOPs were organised for our Operation & Maintenance teams. A total of 1,602 executives were trained under these initiatives. Besides the technical trainings, 1,315 employees were covered under behavioural safety training programme 'Suraksha-Jyoti' and 402 employees were imparted training under 'Navajagaran'. Training programmes on 5S, Quality Circles, Six Sigma, etc. were also organised. To inculcate strong leadership qualities in our high performers, Back-to-Basics Leadership programme was started during the year and 90 'Stars of Business' participated in this programme.

In our journey to become a world class mining and metals company and to create a learning organisation, 124 employees visited international mines & smelters to learn best practices. 26 employees were identified as 'Stars of Business' during the year. 110 Quality Circles are in operation in the Company, involving 661 employees.

Dr. P. K. Rajmeny, Associate GM – Rock Mechanics, Rampura Agucha Mines, was conferred with 'National Mineral Award 2009', by the Government of India.

Our employees Mr. Bhura Lal and Mr. Jagdish Chandra Jat from Zinc Smelter Debari have won the 'Shram Bhushan Awards'; and Mr. Dal Chand Lohar from Zinc Smelter Debari and Mr. Mahendra Kumar Soni from Rampura Agucha Mines have won the 'Shram Vir Awards', under the 'Prime Minister's Shram Awards 2009' for Private Sector Units, conferred by the Ministry of Labour & Employment (Government of India)'.

At Rampura Agucha Mines, 'Friends Quality Circle of Mill Department' won the Silver Award at 'International Convention of Quality Concept Circles – 2010'.

With the objective of cross cultural learning, HZL offered internship opportunities to 8 Mining & Geology students from the best Universities in Eastern Europe.

Financial Review

Financial Review

Financial information is presented in accordance with the Accounting Standards (AS). Our reporting currency is Indian Rupees (INR).

The current fiscal has been excellent in terms of volume ramp-ups, financial performance, enhanced operational efficiencies and improved LME prices. Hindustan Zinc continues to maintain its cost competitiveness and sustainable growth and profitability.

Table 1 presents the summary of financial performance during the year FY 2011.

Table 1: Hindustan Zinc's Abridged Profit & Loss Statement (₹ Crore)

	FY 2011	FY 2010
Net sales from operations	9,912	8,017
Other income	979	718
Total Income	10,891	8,735
Mining manufacturing and other expenses including (Accretion)/Decretion of stock	4,417	3,342
Financial expenses	19	44
Depreciation	475	334
Total expenditure	4,911	3,720
PBDIT	6,454	5,392
Income Tax	1,059	973
PAT	4,901	4,041
Earnings Per Share (₹)	11.60	9.56

Sales

The Company sold 411,617 tonnes of Zinc metal in the domestic market and exported 300,986 tonnes. Domestic Lead metal sale was 57,204 tonnes, while the export sale accounted for 25 tonnes. Sales during the year were augmented by sale of 65,957 Dry Metric Tonnes (DMT) of surplus Zinc concentrate and 38,457 DMT of surplus Lead concentrate.

Production

Driven by significant volume ramp-ups during the year, the Company recorded its highest ever Zinc-Lead mined metal production of 840,053 tonnes, up by 9% as compared to the previous year.

Refined Zinc metal production was highest ever at 712,471 tonnes in FY 2011, up by 23% compared to the previous year.

Refined Lead metal production was 12% lower at 63,192 tonnes in FY 2011, compared with the previous year. Refined Silver production for the year was higher at 179,079 kg, compared to the previous year.

Revenue

The Company reported revenues of ₹ 9,912 Crores during the year, up by 24% as compared to the previous year. This was primarily on account of the strong volume growth and higher LME realisation.

Unit Cost of Production

The Unit Cost Of Production (COP) in FY 2011 excluding royalties was around 16% higher at US$ 808 per tonne, as compared to US$ 698 per tonne in FY 2010. The increase in COP is majorly attributable to the significant increase in the commodity prices, the impact of increase in Gratuity ceiling, higher stripping costs at Rampura Agucha and the appreciation of INR against USD. Royalties were higher at US$ 182 per tonne in FY 2011 on account of the increased LME prices.

Other Income

During FY 2011, the Company reported 'Other income' of ₹ 979 Crores, higher by around 36% as compared to the previous year. This was mainly on account of the increase in the return on investments and investments base. The post tax rate of the return on investments was around 6% in FY 2011, compared to around 5% in FY 2010. The investments base has increased by around ₹ 3,000 Crores, as compared to the previous year.

Operating Margins

The PBDIT for the current fiscal was higher by 20% at ₹ 6,454 Crores, compared to the previous year. This was primarily due to significant increase in Zinc-Lead LME and Silver prices, higher volumes, and enhanced operational efficiencies.

Taxation

Current tax rate for FY 2011 was lower at 13.75% compared to 16.60% in FY 2010, despite significant increase in profits. This is on account of various tax optimisation initiatives undertaken by the Company.

Liquidity and Investment

The Company had cash/bank balance and liquid investments of ₹ 14,965 Crores, as on 31 March 2011. This includes ₹ 9,332 Crores in debt mutual funds and ₹ 5,555 Crores in fixed deposits with banks. We exited the year with a strong liquid balance sheet on the back of our excellent cash conversion, even with the significant capital investment of ₹ 1,324 Crores in the period.

Cash Flows (₹ Crore)	FY 2011	FY 2010
Operating Activities	4,272	4,077
Investing Activities	(3,658)	(3,881)
Financing Activities	(363)	(187)

Working Capital

Gross working capital represented by inventory, sundry debtors, and loans and advances; increased from ₹ 1,068 Crores to ₹ 1,956 Crores as at 31 March 2011. The working capital cycle was 60 days in FY 2011.

Increase in inventory, debtors, other current assets and loan and advances was mainly due to increase in number of operating locations and turnover.

Gross Block

In FY 2011, the gross block increased to ₹ 10,678 Crores from ₹ 9,354 Crores in FY 2010. This was primarily due to the commissioning of our 1.50 mtpa concentrator at the Sindesar Khurd, 160 MW (80X2) Captive Power Plants at the Dariba Smelting Complex, a 47.7 MW addition in the wind power capacity and other sustainable capex.

Capital Employed

The Company in FY 2011, had a total capital employed of ₹ 7,566 Crores, as compared to ₹ 6,248 Crores in FY 2010. The increase in capital employed was primarily on account of the significant increase in the profits for the year. The ratio of sales to the capital employed was 1.31 times in FY 2011, as compared to 1.28 times in FY 2010.

Risks and Uncertainties

Our business and operations are subject to a variety of risks and uncertainties which are no different from any other company in general and our competitors in particular. Such risks are the result of not only the business environment within which we operate but also of other factors over which we have little or no control. These risks may be categorised between operational, financial, environmental, health and safety, political, market-related and strategic risks. We have well documented and practised risk management policies that act as an effective tool in minimising various risks to which our businesses are exposed to during the course of their day-to-day operations as well as in their strategic actions.

Risks are identified through a formal risk management programme with the active involvement of business managers and senior management personnel. Each significant risk has an 'owner' within the Company at a senior level, and the impact to the Company if a risk materialises and its likelihood of crystallisation is regularly reviewed and updated. A risk register and matrix is maintained, which is regularly updated in consultation with business managers.

The risk management process is coordinated by the Management Assurance system (MAS) – a team that is not connected with the day-to-day management of the Company; and is regularly reviewed by our Audit Committee. Key business decisions are discussed at the monthly meetings of the Executive Committee and the senior managers address risk management issues when presenting the initiatives to the Executive Committee. The overall internal control environment and the risk management programme is reviewed by our Audit Committee on behalf of the Board. Our risk management framework includes:

- Hindustan Zinc – Risk management policy.
- The risk organisation structure.
- Roles and responsibilities for managing risks.
- Guidelines on the risk assessment process.
- Possible response to identified risks.
- Templates for documenting and reporting risks.

The risks that we regard as the most relevant to our business are identified below. We have also commented on certain mitigating actions that we believe help us manage such risks.

Commodity Price Risks

Our revenues are directly linked with the global market for our products, viz. Zinc and Lead which are priced with reference to LME prices. Adverse fluctuation in prices of these commodities could have a significant impact on financial performance.

While we aim to achieve the average LME prices for a month or for a year, average realised prices may not necessarily reflect the LME price movements because of a variety of reasons including uneven sales during the year. Any fluctuation in the prices of the metals that we produce and sell will have a direct impact upon the profitability of our business.

As a general policy, we aim to sell our products at prevailing market prices. Hedging activity in commodities is undertaken on a strategic basis (with the objective to achieve month's average CSP) to a limited degree and is subject to both strict limits laid down by our Board and strictly defined internal controls

and monitoring mechanisms. Decisions relating to the hedging of commodities are approved by the executive committee with clearly laid down guidelines for their implementation.

Political, Legal, Economic and Regulatory Risks

The political, legal, fiscal and other regulatory regimes in the country may result in higher operating costs or restrictions such as the imposition or increase in royalties, mining rights, taxation rates and so on. Changes to government policies such as changes in royalty rates, reduction in assistance given by Government of India for exports and reduction or curtailment of income tax benefits available are some of the examples of risks under this category. Any downturn in the overall health of the economy, any political and/or regional instability may impact our margins.

We strive to maintain harmonious relationships with the governmental bodies and actively monitor developments in political, regulatory, fiscal and other areas which may have a bearing on our business. We perform thorough risk assessment to review the risks and to ensure that risks have been properly identified and managed.

Reserves and Resources

The ore reserves stated in this report are estimates and represent the quantities of Zinc and Lead that we believe could be mined, processed, recovered and sold at prices sufficient to cover the estimated future total costs of production, remaining investment and anticipated additional capital expenditures. Our future profitability and operating margins depend upon our ability to access mineral reserves that have geological characteristics enabling mining at competitive costs. Replacement reserves may not be available when required, or, if available, may not be of a quality capable of being mined at costs comparable to the existing or exhausting mines. Moreover, these estimates are subject to numerous uncertainties inherent in estimating quantities of reserves and could vary in the future as a result of actual exploration and production results, depletion, new information on geology and fluctuations in production, operating and other costs and economic parameters such as metal prices, smelter treatment charges and exchange rates, many of which are beyond our control.

We continue to access our mineable reserves and resources using the latest available techniques. We engage the services of independent experts normally once every year to ascertain and verify the quantum of reserves and resources including ore grade and other geological characteristics. Our technical team continuously keeps monitoring the mineralogy of our future mineable resources and backs it up with required technological inputs to address any adverse changes in mineralogy.

Delivery of Expansion Projects on Time and Within Budget

We have a strong pipeline of growth projects. Our current and future projects may be significantly delayed by failures to receive regulatory approvals or renewal of approvals in a timely manner, technical difficulties, human resources constraints, technological or other resource constraints or for other unforeseen reasons, events or circumstances.

As a result, these projects may incur significant cost overruns and may not be completed on time, or at all.

We continue to invest ensuring having best in class human resources to maintain our track record of completing large projects on time and within budgeted cost. We also have in place rigorous monitoring systems to track the projects progress and over time developed skills to overcome challenges.

Assets Use Continuity and Insurance

Productive assets in use in mining and smelting operations and the associated power plants may face break downs in the normal course of operations or due to abnormal events such as fire, explosion, environmental hazards or other natural calamities. Our insurance policies may not cover all forms of risks due to certain exclusions and limitations. It may also not be commercially feasible to cover all such risks. Consequently, our insurance coverage may not cover all the claims including for environmental or industrial accidents or pollution.

We regularly carry out extensive review on the adequacy of our insurance coverage by engaging consultants and specialists and decide on the optimal levels of insurance coverage typical of our industry.

Safety, Health and Environment Risks

We are engaged in mining activities which are inherently hazardous, and any accident or explosion may cause personal injury or death, property damage or environmental damage at, or to, its mines, smelters, refineries or related facilities, and also to the communities that live near the mines and plants. Such incidents may not only result in expensive litigation, damage claims and penalties but also cause the loss of reputation.

We accord high priority to safety, health and environment matters which is regularly monitored and reviewed by the senior management team. Simultaneously, we invest in training our people on these matters besides time to time interventions for improvements by the experts. We also have audits by independent and reputed agencies.

Operational Risks

Our operations are subject to conditions and events beyond our control that could, among other matters, increase our mining, transportation or production costs, disrupt or halt operations at our mines, smelters and power plants and production facilities for varying lengths of time or even permanently.

It is our policy to realise market prices for our commodities and therefore the profitability of our operations is dependent upon our ability to produce metals at a low cost.

These conditions and events include disruptions in mining and production due to equipment failures, unexpected maintenance problems and other interruptions, non-availability of raw materials of appropriate quantity and quality for our energy requirements, disruptions to or increased cost of transport services or strikes and industrial actions or disputes. While many of these risks are beyond our control, we have adequate and competent experience in these areas and have consistently demonstrated our ability to actively manage these problems proactively. It is our policy to realise market prices for our commodities and thus the profitability of our operations is dependent upon our ability to produce metals at a low cost which in turn is a factor of our commercial and operational efficiencies and higher throughput. Prices of many of our input materials are influenced by a variety of factors including demand and supply as well as inflation. Increase in the cost of such input materials would adversely impact our competitiveness. We have consistently demonstrated our ability to manage our costs. We have a strong commercial function and we identify the best opportunities for cost reduction and quickly implement them. We are focused on costs and volumes. All operational and cost-efficiencies are discussed and reviewed regularly.

Currency Risks

Our exposure to currency markets comes from the US dollar determined Zinc and Lead pricing. Appreciation of the Indian rupee vis-à-vis the US dollar affects our revenues. Currency exposures exist in the nature of capital expenditure and services denominated in currencies other than the Indian rupee. We have review and control mechanisms to mitigate this risk. Foreign currency exposures are managed through a hedging policy, as per which we don't keep our net exposure open and don't hedge our net receivable. The policy is reviewed periodically to ensure appropriate risk management.

Financial Risks and Sensitivities

Within the areas of financial risk, our Board has approved policies which embrace liquidity, currency, interest rate, counterparty and commodity risks; and are strictly monitored at our Executive Committee meetings. Our core philosophy in treasury management revolves around three main pillars, namely (a) capital protection, (b) liquidity maintenance, and (c) yield maximisation. Day-to-day treasury operations are managed by our finance teams within the framework of the overall treasury policies. We have a strong internal control system including segregation of front office and back office functions with a separate reporting structure. We have a strong system of internal control which enables effective monitoring of adherence to our policies. The internal control measures are effectively supplemented by regular management assurance audits. We do not purchase or issue derivative financial instruments for trading or speculative purposes and neither do we enter into complex derivative transactions to manage our treasury and commodity risks. Derivative transactions in both treasury and commodities are normally in the form of forward contracts and interest rate swaps and currency swaps, which are subject to strict guidelines and policies. The conservative financial policies have enabled us to minimise, wherever possible, the negative impact of the recent global recession.

Counterparty Risks

We are exposed to counterparty credit risks on our investments and receivables. We have clearly defined policies to mitigate counterparty risks. Cash and high quality liquid investments are held primarily in debt mutual funds and banks with high credit ratings. Emphasis is given to the security of investments. Limits are defined for exposure to individual counterparties in the case of mutual fund houses and banks. We also review the underlying investment portfolio of mutual fund houses to ensure that indirect exposures or latent exposures are minimised. The investment portfolio is monthly being reviewed by external agency i.e. CRISIL (subsidiary of S&P). A large majority of receivables due from third parties are secured either as advance receipt of money or by use of trade financial instruments such as letters of credit. Our history of the collection of trade receivables shows a negligible provision for bad and doubtful debts. Therefore we do not expect any material risk on account of non-performance by any of the counterparties.

Employees

People are one of our key assets and we derive our strengths to maintain our competitive position from our people. Therefore, people in general and key personnel in particular leaving the organisation is a risk. Additionally, our inability to recruit and retain good talent would adversely affect us. Our vision is to build a fast, flexible and flat organisation with world class capabilities and a high performance culture. We believe in nurturing leaders from within and providing opportunities for growth across all levels. We have robust processes and systems in place for leadership development, training and growth to deliver value to the organisation and society. We provide superior rewards for outstanding performance. We actively communicate and enter into dialogue with our workforce and believe in maintaining a positive atmosphere by being proactive with respect to resolution of labour issues. We have long-term settlement with the trade unions.

Internal Controls

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

Cautionary Statement

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

Sustainable Development

Occupational health experts across all mines and smelters for regular health examination of employees, contract workmen and workplaces.

Benefiting more than 68,000 students in 682 rural government schools.

Empowering village women towards being independent and providing them with an additional source of income.

Sustainable Development

Health, Safety and Environment

Health, Safety and Environment (HSE) is indispensable for the sustainability of our business and thus, a key element of our business strategy and philosophy. It is entrenched in our routine operations and practices. We are committed towards creating and maintaining sustainable growth for our stakeholders and we accordingly strive to balance social environment and economic aspects of our business. Zero harm to people, our host communities and the environment are our key focus areas.

Our HSE efforts are centered on the below pillars:

- Safety: Provide a safe workplace.
- Environment: Minimum harm to environment by conserving natural resources through efficient use.
- Health: Eliminate occupational illness.

Our HSE focus is pervasive all across the Company. Each unit has devoted HSE teams including water and energy managers. As a regular practice, we engage reputed consultants including KPMG, Chillworth global, National Safety Council and Synergic Safety Engineers, for assessment of our performance, identification of gaps and suggestions for improvement. Most of our operations maintain formal HSE management systems aligned to the international standards like OHSAS 18001 and ISO 14001.

Health, Safety and Environment Committee

Our Health, Safety and Environment ('HSE') Committee has been reconstituted and revamped this year, having members from various functions including HSE, Operations, Projects, Commercial, Human Resources and Finance.

The role of the HSE Committee is to support and advise the Company in fulfilling its HSE responsibilities and to achieve excellence in HSE performance.

Occupational Health

It is our paramount endeavour to eliminate occupational illness by providing a workplace that is free from occupational health risk and hygiene hazards; and proactively work with employees and contractors to contribute towards healthier lifestyles. Apart from being our social responsibility, this also facilitates enhanced productivity and reduced absenteeism.

We have engaged occupational health experts across all mines and smelters for regular health examination of employees, contract workmen and workplaces. Specific examination including blood Lead test, audiometric tests, spriometry test, ECG and chest x-rays are done frequently.

The health of our employees is monitored by our internal system which ensures the regularity of medical examinations. During the year 11,663 initial and periodical medical examination have been done.

Safety

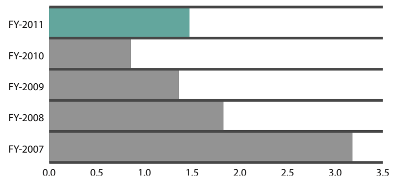
We believe, we can be a business without fatalities, serious injuries or occupational illnesses and firmly consider that every safety incident is preventable. The health and safety of employees and contractors is a driving concern at HZL. We believe that continuous improvement on this aspect is instrumental for the sustainable success of our organisation.

Performance

We follow the 'Lost Time Injuries Frequency Rate (LTIFR)' index system for evaluating safety performance. It is the number of lost time injuries per million man-hours worked. A Lost Time Injury (LTI) is a work-related injury resulting in the employee/contract employee being unable to attend work on the next calendar day after the day of the injury.

Over the years, we have consistently improved our LTIFR at smelters, from 3.18 in FY 2007 to 1.47 in FY 2011, translating in reduction of around 54% over the last four years. These continuous improvements have made our smelters comparable to other benchmark global smelters in safety performance.

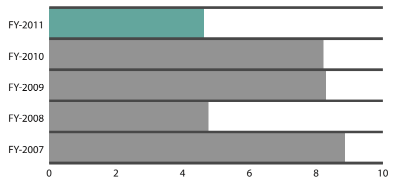
Smelter - LTIFR



We have a very strong and resolute focus on safety at mines, as mining activities and minerals processing require the management of significant hazards, including controlling rock strata, operating high voltage equipment, heavy machinery and large mobile equipment, working underground, at a great height or in confined spaces, and using explosives and chemicals in pressurised systems.

Due to our persistent efforts and our approach towards safety, the LTIFR performance over the last four years at mines has improved from 8.86 in FY 2007 to 4.64 in FY 2011, marking a significant decrease of 48%.

Mine - LTIFR



Despite our relentless efforts towards safety improvement, we unfortunately lost six lives during the year. Four of them were lost in operations while the remaining two were lost in projects. Strict disciplinary actions were taken against the responsible employees as well as the contract supervisor in order to bring the safety accountability.

Strengthening of Safety Systems

During the year, we have undertaken several initiatives focused on improving safety systems and building and strengthening our 'safety culture'. Notable amongst those are:

- Visible commitment by senior management towards safety improvement.
- 45,623 man-days of safety training to employees (including contract employees).
- Five fundamental safety cardinal rules have been prepared. These are under implementation across all locations. Violation of any rule will be subjected to disciplinary actions as per the rules.

Safety Cardinal Rules

- Do not override or interfere with any safety provision, nor let anyone else override or interfere, regardless of their seniority.
- Personal Protective Equipments (PPEs) applicable to the given task must be adhered to.
- Always follow the isolation and lock out procedure.
- No person will be allowed to work if under the influence of alcohol or drugs.
- Report all injuries and illness.

Safety management of the contract workforce is also one of our key focus areas.

Contractor Management

We give an equal importance to contract workmen safety, as in case of our own employees. Contractors are included in our safety data and must comply in full with our safety standards and procedures.

During the year, we have reviewed the safety performance of major contractors, and communications were made to the senior management of the agency deteriorating on the safety aspects. Our contractors also participate actively in all Safety Committee meetings in order to facilitate the further strengthening of the safety systems. Wherever appropriate, we have minimised the number of contractor companies used, in order to improve accountability and enable us to ensure consistent safety standards. We monitor high risk activities closely, provide regular feedback on performance and promptly act on any failures by contractors in complying with our safety procedures.

- Uniform near miss reporting reward policy was launched during the year to enhance the reporting of incidents. ₹ 100/- is rewarded for each near miss reported along with reward of ₹ 1,000/- to 10% of near miss reported in the month as per lottery. Due to this initiative, we have recorded 1,207 near misses across all the units during the year. All near misses reported are promptly analysed and appropriate corrective actions are taken.

- Safety theme of the month "Road and traffic safety" was launched across all units in July 2010. Road safety signages were increased and 250 persons were imparted external safety trainings on Safe two-wheeler riding by 'Honda'.
- Safety awareness videos and audio systems are run at strategic locations at various operations for increasing safety awareness.
- Safety e-learning designed by DuPont has been launched at Chanderiya. This learning module is a self-training programme implemented for training, educating and creating awareness among the employees.
- Safety workshop on Accident investigation was organised under the guidance of HSE committee for safety professionals.
- HSE Quiz launched for all HZL employees on the occasion of National safety day to create HSE awareness.
- Acid burn spray kit of Diphoterine installed at acid loading station at Chanderiya Lead-Zinc Smelter.
- Regular safety management system audits are carried out across locations through inter-unit & inter-group company audits. We also have external consultants for safety audits and recommendations. Actions on critical observations are taken immediately and others are complied in time bound manner.
- Focus on PPE compliances by enforcement.

Environment

We recognise that mining and smelting operations have the potential to unfavourably effect the environment through emissions, waste generation, water consumption and land-use changes. We are persistently focused on minimising the environmental impacts of our operations through the adoption of the best available technology and resources, recycle/reuse practices and conserving bio-diversity in and around our operating locations.

Our key focus area is to conserve the Lead-Zinc ore, judiciously use the other natural resources including water, energy and land; and reduce air emissions, to ensure sustainability of our operations.

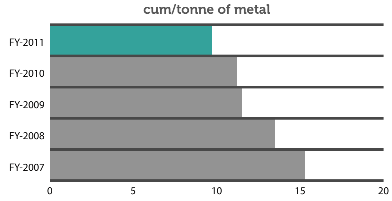
Water

Water is an absolutely scarce resource with social, environmental as well as economic value at both the local and global level. Our activities are often located in remote and arid environments with limited access to fresh water. Water is a critical input for our mining and smelting operations, our paramount focus, therefore, is on the identification of business risks and opportunities for water access, reuse or recycling, efficient use and responsible waste water disposal. We are committed to continually improve the water usage efficiency and avoid the negative impacts of our operations on water quality.

With our determined efforts over the years, we have been successful in reducing our water-footprints by reducing our specific water consumption (i.e. water consumed per tonne of output) at our mines and smelters.

Specific water consumption at smelters has improved from 15.29 in FY 2007 to 9.72 in FY 2011, indicating a reduction of 36% over the last four years.

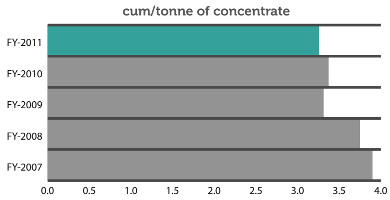
Sp. Water consumption, Smelters



126 water conservation projects were completed during the year with estimated potential saving of 19,167 cum/day.

Specific water consumption at mines has improved from 3.90 in FY 2007 to 3.26 in FY 2011, demonstrating a reduction of 16% over the last four years.

Sp. Water consumption, Mines



Initiatives

We have taken up several projects during the year to reduce our specific water consumption. 126 projects were completed during the year with an estimated potential saving of 19,167 cum/day. The major initiatives undertaken include:

- Reduced evaporation losses by using evaporation retardant chemicals at open water storage ponds, Tidi dam and over tailing dam at all the mines and smelters.
- Use of dust suppression chemicals on haul roads at Rampura Agucha has reduced water consumption as well as

improved working conditions due to reduction of dust load.

- The tailing generated at mines during the beneficiation process is transported to the tailing dam in slurry form through pipe lines. The water which gets stored in tailing dam is then reclaimed and is recycled back in the process. This year we have increased the reuse of tailing dam and reclaimed water at all mines.
- Existing water pressing filters at Rampura Agucha have been replaced with air pressing filters.
- To further improve process water recovery, a paste thickener (Deep cone thickener) has been constructed at Rampura Agucha.
- To improve water availability at Rampura Agucha, six bore wells have been drilled & one open well has been deepened. The fresh water system is now capable of supplying approved quantity even during a draught year.
- Grouting of the dam body & porous area at Tidi dam at Zawar has prevented a loss of approximately 4,000 cum/day. This has also improved structural safety of the dam.
- Installation of push cocks, ferules in quarters/public water points has reduced wastage of water.
- A collection sump of 1.4 Lacs cum capacity has been constructed at Rampura Agucha for rain water harvesting. The water collected in this sump has helped us in running our Rampura Agucha operations during the summer of 2010 when there was an acute water crisis.

We have maintained zero-discharge at most of our operations.

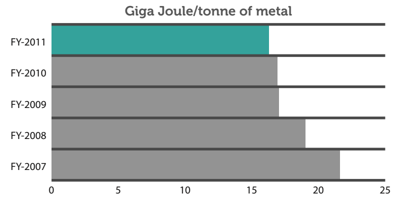
Energy

We are focused on optimisation and efficient use of energy, which is one of the most critical resources today. Effective utilisation of energy helps in reducing the operating costs as well as the direct and indirect greenhouse gas emissions. As a part of our green energy initiatives, we have also set up our wind power plants. We strive to ensure a secured and cost-effective supply of energy to all our operations, which is crucial for the sustainability and growth of our operations.

Through our continuous energy conservation and captive power generation efforts over the years, we have been successful in reducing the specific energy consumption (i.e. energy consumed per tonne of metal produced) at our mines and smelters.

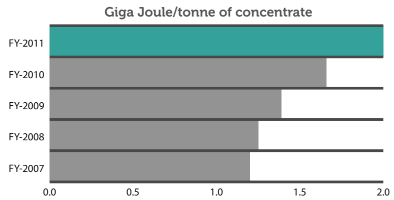
The specific energy consumption at smelters has reduced from 21.59 in FY 2007 to 16.29 in FY 2011, signifying a reduction of 25% in the last four years.

Sp. Energy consumption, Smelters



At our mines, the specific energy consumption has increased from 1.20 in FY 2007 to 2.00 in FY 2011. Higher excavation at Rampura Agucha and the recently commissioned projects have increased the specific energy consumption. This is however, expected to reduce in the coming years.

Sp. Energy consumption, Mines



Initiatives

We have undertaken several projects during the year to reduce our specific energy consumption. Of these, 82 projects have been completed during the year with significant potential saving. Notable few include:

- Automation of the atmospheric cooling tower blowers and the GR thickener cooler in the Chanderiya Cell House.
- Substitution of all the halogen lights (500 & 1000 W) from the fields with metal halide lights (125 & 250 W) at Dariba and Debari has facilitated reduction of 7,500 units/annum.
- Installation of 9 energy efficient motors for spent cooling pumps at Vizag.
- Solenoid valve installation in oil lift pumps and installation of solar water heater at Debari.
- Several rounds on internal energy audits for exploring new energy consumption reduction opportunities at Chanderiya.
- Installation of VFD in cooling tower fan, ISF slag venturi fan and Copper drossing ventilation fan at Chanderiya.
- Replacement of Sinter Ignition burner system to reduce 20% oil consumption at Chanderiya.

Managing Climate Change

Climate change is one of the biggest global challenges of our times. We recognise the significance of this colossal global threat and strive to mitigate the socio-environmental impact of our operations.

India is one of the non-Annexure '1' countries as per the Kyoto Protocol, consequently Hindustan Zinc does not hold any carbon liabilities. However, being a responsible organisation, we endeavour to reduce our operational impacts on the environment.

We have two Wind Power Plants having combined capacity of 123.2 MW and CER potential of 223,000 per annum, located in the States of Gujarat and Karnataka. Last year both of our Wind Power Plants got registered as CDM projects under United Nations Framework Convention on Climate Change (UNFCCC). This year, we have reiterated our commitment towards promoting green energy with the announcement of 150 MW addition in the existing wind power capacity located across four states, namely, Rajasthan, Karnataka, Maharashtra and Tamil Nadu. Of the total 150 MW, we have successfully commissioned 47.7 MW in March 2011, the balance 102.3 MW is scheduled to commission by Q2 FY 2012.

LCV Boiler at Chanderiya Pyro Smelter

In line with our commitment towards environmental protection and preservation of natural resources, we have taken up an initiative to utilise the heat of Low Calorific Value (LCV) gases generating from Pyro Zinc operations, which were otherwise being flared in stack.

In Imperial Smelting furnace of Pyro Zinc operation, sintered lumps of Zinc and Lead Oxide are charged with the preheated coke. During burning process of coke around 65 to 70 KNM^3/H (LCV) gas gets generated, of which approximately. 42 KNM^3/H is consumed for preheating the coke and blast air. Remaining 23 to 25 KNM^3/H was being flared in stack. However, we have now installed a boiler to utilise this cleaned gas for generating steam. This project is presently under CDM registration, having a CER potential of 33,000 tonnes of equivalent CO_2 / year.

The additional 150 MW will also be registered under the UNFCCC's Kyoto protocol for CDM. It has a CER potential of approximately 270,000 per annum.

We also generate power by utilising waste heat at Smelters. Of the total waste heat generation capacity, 9.4 MW is UNFCCC registered CDM project.

During the year, we have sold 134,138 CERs generating revenues of around ₹ 9.76 Crores. This year we have received Host country approval for one waste heat recovery based boilers at Chanderiya.

Over the years, we have been voluntarily filing Carbon Disclosure Project (CDP) responses as a proactive step towards reporting our carbon foot-printing. We have filed CDP 8 response this year.

Waste Management

Non-ferrous mining and metal industry, owing to the nature of operations, generates a large quantity of hazardous/ non-hazardous wastes. The wastes include mine overburden, beneficiation tailings, slag, jarosite, fly-ash and other process residues.

We have a strong focus on recycling our wastes back to the processes, which has the potential to replace virgin material, thereby conserving the natural resources. We are on constant look out for opportunities to prevent waste generation, minimise the generation of waste and enhance waste re-use and waste recycling. The wastes which are not usable are disposed in a scientific manner as per the best environmental practices. Most of the mine overburden generated is utilised for secondary construction work including rising of tailing dam heights and mine backfilling, with the remaining being disposed in waste dump in a systematic manner. Similarly some of the tailings are used for mine back filling and the remaining is disposed in the tailing dams constructed specially for the purpose. These tailing dams (designed by Central Water Commission and Indian Institute of Science, Bangalore) are made of rock fill with lining to avoid any seepage into groundwater. We have had Aquifer Vulnerability Study (AVS) done by NEERI using DRASTIC model of USEPA, which was done for the first time in India. The study concluded that the aquifer is least vulnerable to any seepage from dam. Safety of our tailing dam is ensured through periodic examinations.

At our Debari and Vizag smelters, waste Jarosite is disposed in the Jarosite disposal yard, specially constructed for the purpose. At Chanderiya smelter, jarosite is converted into an inert material called Jarofix by adding lime and cement. Hindustan Zinc is the first company in Asia to employ this state-of-the-art technology of Jarosite stabilisation called Jarofix technology (patented by Canadian Environmental Zinc (CEZ)). This Jarofix is disposed in lined Jarofix disposal yard in a systematic manner. Jarofix disposal yard is lined with an impervious layer underneath to avoid any possibility of leaching. We have constructed garland drains all around the disposal yard to collect run-off water during monsoons.

The hazardous wastes generated are being disposed in the secured landfills in environment-friendly manner, designed with state-of-the-art technologies and approved by statutory bodies. Also, we have taken Construction Quality Assurance (CQA) at various stages of construction to ensure the efficacy of construction. Hazardous wastes such as used oil and waste oil along with few other process wastes are sold to authorised recyclers registered with the regulatory authorities.

We hold a clear focus on waste minimisation and strive to utilise the wastes in alternative gainful use. The slag generated from our Pyro operations of Chanderiya is gainfully utilised for cement manufacturing. Likewise, fly ash is used in cement production, brick manufacturing and other secondary constructions.

This year around 246,921 MT (100% of generation) of Fly ash and 237,950 MT of ISF slag (more than our generation) has been sent for cement manufacturing. This has helped us reduce waste inventories and conserve natural resources by replacing virgin material at the other end where it's gainfully utilised.

Extensive R&D has been undertaken for gainful utilisation of Jarosite (a waste from Hydro operations), in road construction and cement manufacturing. We have associated with premier research institutes and industries including National Council for Cement and Building Materials (NCCBM) and Cement industries and Tiles industries, for the same. We have obtained positive results and are hopeful on alternative gainful utilisation of Jarosite.

Air quality

We strive to minimise the impact of air emissions from our operations through adaptation of clean technologies. We installed cleaner tail gas treatment plants at all our smelting locations to prevent SO_2 emissions. This technology does not produce any waste. All our new acid plants adopted the Double Conversion Double Absorption (DCDA) technique.

Several technical upgradations including improved bag filters, wet scrubbers and electrostatic precipitators have helped in minimising the impact from air emissions. We have a robust air monitoring system through online stack monitors and ambient air quality monitoring stations.

Few of the initiatives in this direction, undertaken during the year are:

— Reduced dust emission at Rampura Agucha by:
— Spraying water on mine haul roads.
— Use of chemicals for dust suppression on haul roads.
— High pressure jet water spray nozzles provided at primary crusher.
— Cleaning industrial roads by mechanical road sweeper.
— Revamping of de-dusting system to improve work environment in Melting and Casting section at Chanderiya.
— Roaster dome top brick lining job done to arrest SO_2 emissions in Hydro-1 at Chanderiya.
— Vetiver plantations done on waste disposal heap to minimise dust fly-over in the area.

Biodiversity

Biodiversity – the variety of life on earth – provides a range of goods and services termed as ecosystems services. As a business, we rely on these services and have a responsibility to reduce the impact of our operations on the surrounding environment. We aim to avoid losses or degradation of natural habitats, biodiversity and landscape functions.

Biodiversity management is an integral part of our environmental management plan, linked to initial site-level environmental impact assessments as well as within operational ISO 14001 management systems. All our Greenfield projects and expansions undergo Environmental Impact Assessment (EIA) studies to understand the biodiversity value status of the region in which we operate. None of our operations qualify as artisanal and/or small scale mining.

— We do not own any land in the protected areas or in the areas with high biodiversity value. There are no significant impacts of our activities, products and services on biodiversity rich areas. Several initiatives have been taken towards conservation and enhancement of biodiversity. However there are patches of notified reserve forest in the buffer zone, surrounding some of our smelters and mines. We are also progressively developing the greenbelt area surrounding our operational site. Inactive benches of waste dump are being systematically stabilised with a green cover.

We continue to develop the green-belt in and around our operations with the help of expert botanists and horticulturists engaged across our units. Green belt is assessed from time to time for efficacy and appropriateness of species diversity and remedial measures are initiated wherever necessary. Responsible closure of mines is embedded in the respective mine plans.

The objective is to rehabilitate exhausted open pit mine areas and convert them into usable lands through forestry management programmes. Several units have undertaken plantation rallies involving school children and local communities.

Over the years we have planted 1.10 million plants at all our operating locations. We continue to further improve the density and greenbelt coverage.

Corporate Social Responsibility

We strongly believe in giving back to the society and are resolute on enhancing the socio-economic well being of the communities in the vicinity of our operations. We are conscientious of the impact of our operations on the society and environment, and strive to manage the same with high degree of efficiency and empathy. We have several high impact initiatives/projects in place to achieve sustainable socio-economic development of communities. Our community development efforts are focused on fostering self-reliance through education, livelihood interventions, vocational trainings, integrated village development, empowerment of women and social mobilisation.

Our community development approach is based on Public-Private-Panchayat-Partnership (4P) model. Our strategy for community engagement is intensive, comprehensive, long-term and sustainable. We have constructive partnerships with like-minded organisations including government agencies, Non-Governmental Organisations (NGOs), local communities and Panchayats, for functionalising our community development initiatives. Our community development process involves comprehensive engagement/ interactions with the local community and various other stakeholders. The data for need assessment and baseline studies is collected based on the 'Participatory Rural Appraisal' interviews with village heads, Sarpanchs, Panchayat members, farmers, SHG members and other stakeholders. Their feedback is used to develop new programmes and improve on the existing ones.

We are signatories to the United Nations Global Compact, TERI-BCSD, and National Population Stabilisation Fund and network with the national bodies including the Federation of Indian Chambers of Commerce and Industry (FICCI), Confederation of Indian Industries (CII), Federation of Indian Mineral Industries (FIMI) and Sustainable Mining Initiative (SMI).

Our community development efforts are focused on fostering self-reliance through education, livelihood interventions, vocational trainings, integrated village development, empowerment of women and social mobilisation.

With a strong team of 150 CSR professionals, subject matter specialists and grass root level functionaries; we have a total outreach of 180 villages, 5 Lac people and 54,000 households, in four districts of Rajasthan (Rajsamand, Bhilwara, Chittorgarh and Udaipur) and one district of Andhra Pradesh (Vizag). We have done intensive interventions in 90 villages of 24 Panchayats (12 each in Rajsamand and Bhilwara District) through the 'Integrated Panchayat Development Programme'. In the rest of the identified villages, we adopt an extensive approach. Internal reviews and audits of our community interventions are periodically conducted to facilitate timely

Project	Objective	Partners	Impact	Going forward
Integrated Panchayat Development Programme	Holistic development of the identified poverty stricken villages and improve the overall quality of life of the communities through livelihood, health, sanitation, safe drinking water and skill enhancement initiatives.	Ministry of Rural Development, Government of India, Panchayat, District Rural Development Agency (DRDA), Zila Parishad, Panchayati Raj Institutions (PRIs) and Action for Community Empowerment (ACE).	Improvement in overall quality of life in 90 villages of 24 Panchayats (12 each in Rajsamand and Bhilwara District).	Quality of life of more than 1 Lac people of 90 poverty stricken villages will be improved.

implementation of corrective measures, transfer of autonomy to the villages and expand our reach.

MoUs Signed

- MoU signed with District Administration, Techpeople, Vishvas Sansthan and HZL for the Integrated Panchayat Development programme.
- MoU signed for 4 Districts of Rajasthan with IL&FS and respective District Administration for imparting vocational training to 7,800 unemployed rural youth in five years @ 1,560 youth per year.
- MoU signed with the Government of Rajasthan and Vedanta Foundation for 1,100 Anganwadi Centers (AWCs) of Phase-II & Phase-III.
- MoU signed with Government of Rajasthan and Vedanta Foundation for 482 upper Primary Schools for providing computer education under CALP model.

Case Study

Transforming lives

Khatiheda is a small village in Bhilwara with a population of around 500, where the major population depends on agriculture and animal husbandry for its livelihood.

For centuries, maize and wheat has been the staple crop of the local population. Since the last few years, erratic rainfall diminished the scope of two crops within a year's time, and the farmers could harvest only the rain-fed maize crop. Most of the farmers in the village were marginally poor, having less than 1 hectare of farmland. The farmers continued to remain poor and debt ridden largely due to small farms, unpredictable rainfalls, poor yields and diminishing ground water level.

Realising the miserable condition of the village, HZL has undertaken 'Integrated Village Development Programme' to address the major issues including rural infrastructure especially water conservation structures, SHG, health, hygiene & sanitation and nutrition.

HZL undertook the construction of Roof-Water-Harvesting (RWH) Structure in collaboration with the district administration based on 4P approach, where HZL contributed ₹ 2.75 Lacs and the remaining ₹ 1.55 Lacs were mobilised from the Government. The RWH structure stores the rain water and diverts it to the farms for irrigation.

For the socio-economic empowerment of women, two women Self-Help-Groups (SHGs) were formed, with the total strength of 38 members. The members started saving an amount of ₹ 100 per month in the joint account of the SHG. After six months, both the groups jointly received a loan of ₹ 10 Lacs from a local bank. Out of which, HZL spent ₹ 4 Lacs in digging 2 bore wells in the village. The remainder of ₹ 6 Lacs were invested in vegetable cultivation and establishing fruit orchards of 'guava' and 'awala' by the SHG members. The CSR team of HZL then approached the 'Panchayat Samiti' to share the success story with the PRI authorities. The local administration visited the village and they certified the SHG for getting concession in the loan amount. On the basis of this certification, the bank waived off 40% of their loan amount.

In a bid to boost production and productivity in the farming sector, the CSR team conducted various trainings and capacity building programmes in the village on organic farming, mixed cropping etc. These training programmes improved the traditional crop production methods in the village. Besides this, HZL supported 7 farmers in adopting Fruit plantation (Lemon, Guava etc.) and micro irrigation method. Efforts were also made by HZL for the market linkages of these fruits and crops.

HZL has undertaken livestock development activities like artificial insemination, cattle immunisation and fodder cultivation in this village, under the 'Integrated Village Development programme'.

HZL is also carrying out health and hygiene and other programmes for overall development of the village. Periodic health camps are being organised (once every two months) by HZL in the village, especially for immunisation along with preventive and curative health treatments. Significant efforts towards improvement in hygiene and sanitation have been made by HZL under its Sanitation Programme, which focuses on community partnership. HZL, along with ACE (Action for Community Empowerment), has done extensive social mobilisation with an aim to inculcate a sense of sanitation. Today, of the total 60 households, 24 have toilets constructed with the help of ACE.

To effectively address malnutrition, HZL is providing supplementary nutrition to the children in the 'Anganwadi Centres'. Backed by HZL's determined initiatives, the village has witnessed 95% immunisation of mother and the child, with no malnourished children in the village.

These efforts have gone a long way in improving the villagers' standard of living , with an increase in the average annual family income from ₹ 1 Lac two years back, to ₹ 1.5 Lacs - ₹ 4 Lacs. Today 'Khatiheda' village is self reliant and moving towards prosperity.

Snapshots FY 2011

Health and Hygiene

- Organised rural medical camps in collaboration with HelpAge India, ACE and District Health Department benefiting around 1 Lac patients; and medical check-up camps at all Child-Welfare-Centers (CWC) benefiting 544 children in 18 centres.
- Organised several need based camps like Homeopathic, Ayurvedic, Dental, BMD, Anemia Detection, Hepatitis B&C, Blood Sugar, Blood Pressure, blood donation and other health awareness camps etc., benefitting around 57,349 people.
- Organised 7 days Mega Surgical Camps in collaboration with 'Chitranjan Mobile Surgical unit (R.N.T. Medical College-Udaipur)' at CLZS benefiting 944 patients.
- Organised Mega Health Camp at 'Gudli' benefiting 604 patients at ZSD in joint collaboration with the Indian Red Cross Society.
- Organised Family Planning Camps benefiting 3,984 eligible couples, of which 441 males and 3,543 females underwent tubectomy/vasectomy operation.
- Organised physical disable help camp's benefiting 150 disabled persons at RDM in joint venture with 'Mahveer Viklang Sahayta Samiti' and District Administration.
- Eye care campaigns were conducted in collaboration with Sankar Foundation—benefiting around 1,814 students at Vizag.
- Free medical treatment to 86,878 rural people through Company-run hospitals; and providing free medicines to 1,413 widow through 'Swami Vivekanand Seva Nyas'.
- Installed 8 R.O. plants to provide safe drinking water and reduce water borne diseases in 8 IPDP villages.

Education

- Provided scholarship to 164 talented students for higher education through SUMEDHA & District Education Dept.
- Sponsored 11 girls of Zawar and Rampura Agucha for higher education at Vedanta PG Girls College (Ringus).
- Benefited 3,510 students in 26 schools at Rampura Agucha, Rajpura Dariba and Zawar under 'Siksha Sambal Project'.
- Organised remedial classes for poor performers, benefiting 1,200 students from grade VIII to XII.
- Benefited 388 adults through Adult Education Camps.
- Regular monitoring of existing 18 CWCs. Vedanta Bal Chetna Anganwadi Project – benefitting more than 50,000 children in the age group of 3-6 years, through 1,500 centers ensuring health care, imparting non-formal education in play-way method to improve the attendance in record time at each centre. Regular monitoring of existing computer education programmes in 682 government schools benefiting 68,000 students.
- Support to schools at Vizag by distributing lab items benefiting 890 students.
- Distributed 150 sets of table chairs in Senior Secondary School (Narela) benefiting 250 students at Chanderiya; distributed notebooks, bags and stationery items for the school children at Vizag benefiting 960 students; and distributed uniforms to BPL students in 185 schools benefiting 1,350 students at Rampura Agucha in collaboration with Bharat Vikas Parishad.
- Under Project 'Mukhydhara' provided financial support of ₹ 2.85 Lacs for conducting remedial classes for poor

Project	Objective	Partners	Impact	Going forward
Sanitation Project	To reduce incidence of diseases arising out of poor sanitation and unhygienic practices.	Action for Community Empowerment, Local Community.	Constructed 940 toilets in identified villages. Reduced incidence of poor sanitation and hygiene related diseases by 80% in targeted villages. Constant endeavour to sustain the system.	1,800 low-cost toilets in identified operational villages.
Vedanta Heart Hospital (Udaipur)	Upgradation of existing cardiology centre at Udaipur with state-of-the-art Heart Care Centre benefiting the needy population of Southern Rajasthan, suffering from heart ailments.	Government of Rajasthan, RNT Medical College-Udaipur, Nous Hospital & Consultants Pvt. Ltd.	Reduced turn around period for indoor patients. Networked referral with national level health institutions for higher clinical management.	Vedanta Heart Hospital will provide all medical facilities related to heart ailments free of cost, to Below Poverty Line (BPL) families.

students in joint collaboration with SVSN.

Sustainable Livelihood

- Tailoring training to 350 village women, handloom training to 50 SHG members and meenakari training to 30 women at Rampura Agucha.
- Distributed 15 sewing machines to trained women at Vizag.
- SHG women of Chanderiya participated in 'Mewar Udyog Utsav 2010' for 6 days, wherein they had exhibited SHG products and sold various domestic items amounting to ₹ 32,000. 20 SHG members put their handmade product exhibition at 'Shrawan Mela' at Gramin Haat (Chittorgarh) and 38 women participated in the 'Literacy Programme' at CLZS.
- Distributed tool kits to 63 rural artisans (including carpenters, cobblers, drummers, pipe fitters, blacksmith and cycle repairing) at Chanderiya for enhancing the family income levels by promoting traditional vocations in villages.

Agriculture, Watershed & Animal Husbandry

- Benefited more than 121,195 cattle through various cattle camps, ensuring 100% cattle vaccination.
- Organised farmers' trainings in joint collaboration with the government agriculture department, benefiting over 193 farmers.

Project	Objective	Partners	Impact	Going forward
Mid Day Meal Programme	To improve school enrolment, attendance, retention and nutritional status among Primary and Secondary School underprivileged students.	Nandi Foundation, District Administration & Government of Rajasthan (GoR).	Catering to more than 180,000 students through six hi-tech centralised kitchens. Overall school attendance has improved by 90% and girls attendance by 70% as per World Bank Study report.	Setting up of Organic Waste Management Plants at Centralised Hi-tech Kitchens.
Vedanta Bal Chetna Anganwadi Project	Holistic development of children in the age group of 3–6 years through adoption of Anganwadi Centres for improvement in health, pre-school education and linkage with formal education.	GoR, Vedanta Foundation, Integrated Child Development Service (ICDS).	1,500 centers benefitting more than 50,000 children. Improvement in nutritional status, overall health indicators and increase in average attendance by 36%.	Scaling up to an additional 500 Anganwadi Centers in FY 2011-12.
Vedanta Computer Education Project	The Project aims to achieve benchmark computer education through Computer Aided Learning Programme (CALP) model of GoR in rural government schools to make the students literate with basic computer knowledge.	GoR, Vedanta Foundation, District Education Department and Manipal K12.	Benefitting more than 68,000 students in 682 rural government schools in seven districts, of which 68% of the students are equipped with basic computer knowledge in Word, Excel and Power Point.	Scaling up to additional 3,000 rural schools in FY 2011-12 on Computer Aided Learning Programme (CALP) model of GoR with 100% coverage of girls' schools.

— Distributed hi-yield seeds and fertiliser kits to 897 farmers.
— Wadi project started for 42 farmers at Chanderiya and Rampura Agucha. Wadi structure developed consisting of Guava and lemon plants.
— Constructed Green House structure at RAM, RDM and CLZS.
— Constructed 4 Roof water harvesting, 2 each at RAM and CLZS.
— Support in the development of a canal for bringing water from the grazing land to the pond. Benefited more than 10,000 of the population in the Kothiya village.
— Supported an orphan animal centre at 'People for Animals', benefiting around 500 orphan animals at RAM. 100% vaccination at three 'Gao Shala' in Gulabpura and Agucha benefited 750 orphan cows.
— Celebrated the 'Kissan Kharif Mahotsav 2010' at Chanderiya in collaboration with the Veterinary Department (Chittorgarh), benefiting 2,603 animals and 328 farmers of 8 Panchayats.

Social Mobilisation

— Distributed tricycles to 48 youth at Chittorgarh.
— Organised exposure visits for SHG women to the training centres of Vishwaas Sansthan.
— Organised the 'Gramin Swarozgar Mela' in joint collaboration with Vishvas Sansthan at Udaipur benefiting more than 500 SHG women.
— Provided a one time financial support of ₹ 1.5 Lacs to 'Viklang Kalyan Samiti' for mentally challenged children .
— Provided financial support of ₹ 2.5 Lacs for organising the 'Convention of Ram Krishna Vivekanand Bhav Prachar Parishad' in a joint collaboration with SVSN.
— Distributed solar lamps to 45 BPL families at ZM.
— Sponsored one day Buyers-Sellers meet, Rozgar Mela, Udhyog Mela benefiting 6,200 villagers at Rajsamand and Chittorgarh.
— A specialised training programme has been undertaken with an objective to build the capacity of grassroots level functionaries. The trainings were imparted in two batches covering all the 36 coordinators of Rampura Agucha, Rajpura Dariba, Debari, Zawar and Chanderiya.
— Organised 84 cultural awareness programmes on various social issues like HIV/AIDS, Swine Flu and Family Planning, benefiting more than 40,000 villagers; and 'Nukkad Nataks' in 10 villages to create awareness on issues including child marriage, education, alcoholism and sanitation.
— Provided safe drinking water in 32 affected villages and benefiting 28,000 people.
— Provided financial support in organising the 'National Youth Festival 2011' at Udaipur.

Infrastructure Development

— Installed 2 tube wells (one each) at the Maton and Rajpura Dariba Mine, which benefited around 3,500 villagers.
— The Kanpur Drinking Water Project

Project	Objective	Partners	Impact	Going forward
Vocational training to unemployed rural youth	To generate employability among unemployed rural youth through market driven vocational training and ensure 75% employability.	Rajasthan Mission on Livelihood, Aid-et Action, IL&FS, Ministry of Rural Development, Government of India.	Imparted training to 763 rural youth. More than 70% trained youth are self-employed with monthly income of ₹ 4,000/- to ₹ 8,000/-	Impart Vocational training to 1,560 unemployed youth in various market driven traits.
Women Empowerment–Self-Help-Groups (SHG's)	Socio-Economic empowerment of rural women by formation and strengthening of SHGs and imparting income generation trainings .	Vishwas Sansthan, Centre of the Study of Values, District Rural Development Agency, Women & Child Development Department, Local Non-Governmental Organisations (NGOs).	Imparted training to 311 SHG members in different traits. Through Income Generation trainings, more than 50% of the SHG women are linked with micro enterprise with additional monthly incomes up to ₹ 4,000/-	Formation of new 100 women SHGs and further strengthening of the existing SHGs.

has been successfully completed and handed over to the Panchayat.

- Constructed, repaired and renovated, Community centres, school buildings, boundary walls, drainage systems, CC roads, pipelines, and more, benefiting more than 20,000 villagers.
- Laid down a 700 metre pipe-line for the water supply at Kamlod village (Maton).
- Provided 200 brick tree guards in 4 schools at Rampura Agucha.
- Laying of the foundation stone of the Vedanta Stadium at RDM by the Honourable Rajasthan Chief Minister in the presence of the Minister of MoRD.
- Constructed the 'Thokar Choraha' at Udaipur.

Case Study

Realising a lost Dream through HZL's Vocational Training Programme

Kamla Kumari, 32, is a mother of two children and lives in Chittorgarh. Kamla got married at the age of 20 and has been a victim of regular domestic violence since then. Initially she kept silent due to social and family pressures. When the situation became unbearable, she left her husband to stay with her parents. However, she was a burden on her parents and was living a pitiful life without hope.

Kamla came to know about HZL's 'Vocational Training Programme' running in collaboration with I-Lead, in an employment exchange fair. The counsellors there explained the salient features of the programme, various courses/traits offered, and the placement opportunities available after completing the course.

With an inclination towards stitching, she joined the basic sewing machine operator course. The faculty at the training centre gave her the basic knowledge of computers along with some personality development tips. Her inherent potential, hardwork and effective guidance facilitated the successful completion of her training, after which, she got placed at the famous Ladies Tailor Shop in Chittorgarh.

Today, she is earning ₹ 3,500-4,000 per month. From a shy, timid person, Kamla has come a long way and become a confident and independent woman proudly taking care of her entire family. Now, she is also planning to start her own tailoring work at home, for which HZL has provided her with a sewing machine, too. Her unshakable spirit has made Kamla a heroic figure for many!

Social Forestry

- Planted 1.25 Lac plants through District Forest Department in Udaipur district under 'Harit Rajasthan' Drive.

Corporate Awards

We are pleased to have our efforts towards operational excellence and sustainable development recognised by awards at national and international levels. Notable amongst those are:

Quality

- 'IMC Ramakrishna Bajaj National Quality Award – Performance Excellence Trophy' (RBNQA – 2010) – Chanderiya Lead-Zinc Smelter.

HSE

- International Safety Award — 2010 by British Safety Council — Debari Zinc Smelter.
- CII — National Energy Management Award 2010 — Rampura Agucha Mine.
- CII - National Water Management Award 2010 — Chanderiya Lead-Zinc Smelter.
- CII — National Water Management Award 2010 — Zawar Mines.
- FIMI — Gem Granite Environment Award for the year 2009-10 — Zawar Mines.

Project	Objective	Partners	Impact	Going forward
Integrated Agriculture & Livestock Development Plan	To increase agricultural productivity and improve livestock health status through targeted interventions.	BAIF, District Agriculture Department, District Horticulture Department, Veterinary Department.	4,478 animals artificially inseminated; pregnancy conception in 2,685 cattle; 39,384 cattle benefited through 110 veterinary camps; fodder demonstration to 190 farmers; farmers' trainings provided to 265 farmers; feed support & insurance to 44 female calves; farmers exposure visit to 220 farmers, reduction in cattle mortality by 30% and 17% improvement in agriculture yield.	The project will be implemented in all operational villages, ensuring 100% cattle vaccination and farmers trainings for improved agricultural practices.

Board of Directors

Mr. Agnivesh Agarwal
Chairman

Mr. Agnivesh Agarwal is Chairman and was appointed on the Board with effect from 15 November 2005. Mr. Agarwal is an eminent industrialist with a strong knowledge of business operations, has an extensive experience in managing large projects, business restructuring and strategy. Over the years, he has developed an excellent commercial knowledge with hands on experience. He is also the Director of MALCO, Sterlite Iron and Steel Company Ltd. and Sterlite Infrastructure Pvt. Ltd. Mr. Agarwal has completed his graduation in commerce from Sydhenam College, Mumbai

Mr. Navin Agarwal
Director

Mr. Navin Agarwal is the Deputy Executive Chairman of Vedanta Resources Plc. He was appointed to our Board of Directors on 11 April 2002. He is also the Chairman of Konkola Copper Mines and the Madras Aluminium Co. Ltd., Executive Vice Chairman of Sterlite Industries (India) Ltd. and Director of -

— Vedanta Aluminium Limited,
— Sterlite Iron and Steel Company Limited,
— Sterlite Infrastructure Private Limited,
— Sterlite Infrastructure Holdings Private Limited,
— Vedanta Resources Holdings Limited,
— Vedanta Resources Investment Limited,
— Bharat Aluminium Company Limited.

Mr. Agarwal has over 20 years of experience in strategic and operational management. He has been the driver behind our growth. He holds a Bachelor of Commerce degree from Sydenham College, Mumbai, and has also completed the Owner/President Management Programme at Harvard University.

Mr. A. R. Narayanaswamy
Director

Mr. A. R. Narayanaswamy is the Director and was appointed on the Board w.e.f. 30 March 2009. He is a member of The Institute of Chartered Accountants of India and has vast experience in the industry. He is also on the Board of Madras Aluminium Company Limited and Sterlite Technology Limited, IBIS Softec Solutions (P) Ltd., IBIS Logistics (P) Ltd. and IBIS Systems & Solutions (P) Ltd.

Ms. Anjali Anand Srivastava
Director

Ms. Anjali Anand Srivastava is Director and was appointed on the Board with effect from 10 January 2011. Ms. Srivastava is an Indian Audit & Accounts Service officer presently holding the post of Joint Secretary & Financial Advisor in the Ministry of Coal. In addition to looking after the work of Joint Secretary & Financial Advisor of the Ministry of Mines & Ministry of Youth Affairs & Sports, she is also the Director of Coal India Limited (CIL), Hindustan Copper Limited (HCL) and Bharat Aluminium Company Ltd. (BALCO).

Mr. R.K. Malhotra
Director

Mr. R. K. Malhotra is the Director and was appointed on the Board w.e.f. 27 October 2010. Mr. Malhotra is an IAS (Indian Administrative Service) officer and presently holding the post of Director, Government of India, Ministry of Mines, New Delhi. He is also the Director of Bharat Gold Mines Limited.

Mr. Akhilesh Joshi
COO & Whole-time Director

Mr. Akhilesh Joshi is Chief Operating Officer and Whole-time Director and was appointed on the Board w.e.f. 21 October 2008. He joined the company in 1976. Prior to becoming COO of Hindustan Zinc, he was senior vice president (Mines), responsible for the overall operations at all mining units. Mr. Joshi has a mining engineering degree from MBM Engineering College, Jodhpur and post graduate diploma in economic evaluation of mining projects from School of Mines of Paris. He also has a first class mine manager certificate of competency. He is the recipient of the National Mineral Award (GOI) in 2006 for his outstanding contribution in the field of mining technology.

Corporate Information

Board of Directors

Mr. Agnivesh Agarwal	-	Chairman
Mr. Navin Agarwal	-	Director
Mr. A. R. Narayanaswamy	-	Director
Ms. Anjali Anand Srivastava	-	Director
Mr. R. K. Malhotra	-	Director
Mr. Akhilesh Joshi	-	COO & Whole-time Director

Chief Financial Officer

Mr. S. L. Bajaj

Company Secretary

Mr. Rajendra Pandwal

Registered Office

Yashad Bhawan
Udaipur - 313 004

Bankers

— State Bank of Bikaner & Jaipur
— IDBI Bank Limited
— ICICI Bank Limited
— HDFC Bank Limited
— Citi Bank
— Calyon Bank
— Development Bank of Singapore

Statutory Auditors

M/s. Deloitte Haskins & Sells
Chartered Accountants
12, Dr. Annie Besant Road
Opp. Shiv Sagar Estate, Worli
Mumbai - 400 018.

Directors' Report

Dear Members,

The Directors have pleasure in presenting the 45th Annual Report together with the statement of Audited Accounts for the financial year ended 31 March 2011.

Financial Results and Dividend

(₹ Crores)	FY 2011	FY 2010
Total Revenue	**10,891.35**	8,734.65
Profit before depreciation, interest and tax	**6,453.69**	5,392.28
Less: Interest	**19.40**	43.92
Less: Depreciation	**474.74**	334.25
Profit before tax	**5,959.55**	5,014.11
Taxation	**1,059.06**	972.70
Net Profit for the year	**4,900.49**	4,041.41
Add: Balance brought forward from the previous year	**9,895.06**	6,649.28
Amount available for appropriation	**14,795.55**	10,690.69
Appropriation		
General Reserve	**500.00**	500.00
(a) Proposed dividend on equity shares (including corporate tax thereon)	**491.08**	295.63
Balance carried forward to next year	**13,804.47**	9,895.06

Share Capital and Dividend

During the year under review, the authorised share capital of the Company was increased from ₹ 500 Crores to ₹ 1,000 Crores. The existing equity share of ₹ 10/- each was sub-divided into 5 equity shares of ₹ 2/- each, and bonus shares in the ratio of 1:1 (post split) were issued to all the shareholders of the Company. After issue of the Bonus shares, the paid up capital of the Company has increased from ₹ 422.53 Crores to ₹ 845.06 Crores.

The Board of Directors has recommended dividend of 50%, i.e., ₹ 1 per equity share of ₹ 2/- each on the increased capital after issue of Bonus shares for the year 2010-11. The total outgo on account of dividend including tax on dividend will be ₹ 491 Crores during FY 2011 as compared to ₹ 296 Crores in FY 2010.

Performance Review

FY 2011 has been remarkable in terms of volume growth and capacity additions. We have successfully commissioned our 1.50 mtpa concentrator at Sindesar Khurd. It is ramping up well and is expected to achieve its rated capacity in FY 2012. The 100 ktpa Lead smelter at Dariba is expected to commission by Q1 FY 2012, post which our Zinc-Lead metal production capacity will increase to 1,064 ktpa.

Driven by significant volume ramp-ups during the year, the Company recorded its highest ever Zinc-Lead mined metal production of 840,053 tonnes, up by 9% compared to the previous year.

Refined Zinc metal production was highest ever at 712,471 tonnes in FY 2011, up by 23% compared to the previous year.

Refined Lead metal production was 12% lower at 63,192 tonnes in FY 2011, compared to the previous year.

Refined Silver production for the year was higher at 179,079 kg, compared to the previous year.

Exploration

Ongoing exploration activities have yielded significant success with an increase of 22.1 million tonnes to the reserves and resources, prior to a depletion of 7.5 million tonnes in FY 2011. Contained Zinc-Lead metal has increased by 1.4 million tonnes, prior to a depletion of 0.84 million tonnes during the same period. Contained Silver has increased to 885 million ounces from 832.8 million ounces last year. Total reserves and resources as at 31 March 2011 were 313.2 million tonnes containing 34.7 million tonnes of Zinc-Lead metal and 885 million ounces of Silver. The reserves and resources position has been independently reviewed and certified as per the JORC standard.

Renewal of Mining Lease

The renewal of the mining lease for Zawar group of mines was applied on 25 November 2008. As a part of the mining lease was falling on the forest land, approval from the Forest department for diversion of the land was required. In view of the honorable Supreme Court's order dated 19 February 2010, regarding mining in Aravali Hills of Rajasthan, forest clearance was kept pending. Company had represented the matter at various forums and also filed a writ in the Supreme Court. The Forest Advisory Committee (FAC) has already submitted its recommendation to the Supreme Court. All other approvals, as are required for renewal of the mining lease, are in place. Now the matter is pending in the Supreme Court, awaiting final hearing.

Sales

Zinc metal sales in the domestic market during the year were 411,617 tonnes, while export sales accounted for 300,986 tonnes. Lead metal sales in the domestic market during the year were 57,204 tonnes, with the export sales accounting for 25 tonnes. Sales during the year were augmented by sale of 65,957 Dry Metric Tonnes (DMT) of surplus Zinc concentrate and 38,457 DMT of surplus Lead concentrate.

Financial Performance

The Company reported Net profits of ₹ 4,901 Crores during the year, up by 21% compared to the previous year. This was primarily on account of higher volumes, increased LME prices and improved operational efficiencies.

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

Projects

The current fiscal has witnessed successful commissioning of the 1.50 mtpa concentrator at Sindesar Khurd. We have also added 160 MW (80X2) captive power generation capacity at Dariba, during the year.

The pace of volume ramp up at Sindesar Khurd has been accelerated with the commissioning of the 1.50 mtpa concentrator. The concentrator had already achieved a production level of around 85% of the capacity, as we exited the year. Our Silver production capacity is expected to leap to 500 tonnes by the end of FY 2012, on the back of volume ramp up at Sindesar Khurd & Rampura Agucha and various recovery improvement measures.

Directors' Report (continued)

After the commissioning of the 100 ktpa Lead Smelter, the Company will cross the one million tonne landmark in metal production capacity.

We have also announced an addition of 150 MW in our existing 123.2 MW wind power capacity. Of this 47.7 MW has been commissioned in March 2011. The balance is expected to get commissioned towards the end of Q2 of FY 2012.

Our existing portfolio of assets continues to deliver superior performance; and we continue to pursue further organic/ inorganic growth opportunities.

Contribution to the Exchequer

Your Company has contributed ₹ 2,602 Crores in terms of taxes and duties to the exchequer.

Directors

During the year under review, following changes took place in the Board of Directors of your Company. Mr. R. K. Malhotra and Ms. Anjali Anand Srivastava were nominated as Directors on the Board in place of Ms. Ajita Bajpai Pande and Mr. S. K. Mittal. Further Mr. M. S. Mehta ceased to be director on the board of the Company w.e.f. 30 June 2010.

Mr. A. R. Narayanswamy and Mr. Navin Agarwal retire by rotation and being eligible; offer themselves for reappointment at the ensuing Annual General meeting. None of the retiring directors hold any shares in the Company. Your Directors recommend their reappointment.

Management Discussion and Analysis

The Management Discussion and Analysis Report, which gives a detailed account of operations of your Company and the market in which it operates, including initiative taken by the Company to expand its business and in areas such as human resources, and risk management, forms a part of this Annual Report.

Corporate Governance

Report on Corporate Governance along with a certificate from the auditors of the Company regarding the compliance of conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement is annexed to this report.

Group

The Agarwal Group being a group defined under the Monopolies and Restrictive Trade Practices Act, 1969, controls the Company.

A list of its group entities is given below:

Sr. No.	Name of the Group Companies
1.	Volcan Investments Limited
2.	Vedanta Resources Plc.
3.	Vedanta Resources Holding Limited
4.	Vedanta Resources Jersey Limited
5.	Vedanta Resources Jersey II Limited
6.	Vedanta Resources (Jersey) Limited
7.	Vedanta Resources Investments Limited
8.	Vedanta Jersey Investments Limited
9.	Bharat Aluminum Company Limited
10.	Copper Mines of Tasmania Pty Limited
11.	Fujariah Gold
12.	The Madras Aluminium Company Limited
13.	Monte Cello BV
14.	Monte Cello Corporation NV
15.	Konkola Copper Mines PLC
16.	Sterlite Energy Limited
17.	Sesa Goa Limited
18.	Sesa Industries Limited
19.	V S Dempo Private Limited
20.	Dempo Mining Corporation Private Limited
21.	Sterlite Industries (India) Limited
22.	Sterlite Opportunities and Venture Limited
23.	Sterlite Infra Limited
24.	Thalanga Copper Mines Pty Limited
25.	Twin Star Holding Limited
26.	Vedanta Aluminium Limited
27.	Richter Holding Limited
28.	Westglobe Limited
29.	Finsider International Company Limited
30.	Vedanta Resources Finance Limited
31.	Vedanta Resources Cyprus Limited
32.	Welter Trading Limited
33.	Lakomasko BV
34.	THL Zinc Ventures Limited - Former THL KCM Limited
35.	Twinstar Energy Holdings Limited - Former THL Aluminium
36.	THL Zinc Limited - Former KCM Holdings Limited
37.	Sterlite (USA) Inc.
38.	Talwandi Sabo Power Limited
39.	Allied Port Services Pvt. Ltd.
40.	Konkola Resources Plc
41.	Vizag General Cargo Berth Pvt. Limited
42.	Twin Star Mauritius Holding Limited
43.	Vedanta Namibia Holdings Limited
44.	Skorpoin Zinc (Pty) Limited
45.	Namzinc (Pty) Limited
46.	Skorpion Mining Company (Pty) Limited
47.	Amica Guesthouse (Pty) Ltd.
48.	Rosh Pinah healthcare (Pty) Ltd.
49.	Black Mountain Mining (Pty) Ltd.
50.	THL Zinc Holding BV - Former Labaume BV
51.	Lisheen Mine Partnership
52.	THL Zinc Holding Cooperative U.A.
53.	Pecvest 17 Pvt. Ltd.
54.	Vedanta Lisheen Finance Limited
55.	Vedanta Base Metals (Ireland) Limited
56.	Vedanta Lisheen Mining Limited
57.	Killoran Lisheen Mining Limited
58.	Killoran Lisheen Finace Limited
59.	Lisheen Milling Limited
60.	Killoran Concentrates Limited
61.	Killoran Lisheen Limited
62.	Killoran Lisheen Holdings Limited
63.	Azela Limited
64.	Paradip Port Services Pvt. Limited
65.	MALCO Power Company Limited
66.	Malco Industries Limited

Directors' Responsibility Statement

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

i. In the preparation of Annual Accounts, applicable accounting standards have been followed along with proper explanation relating to material departures, if any.

Directors' Report (continued)

ii. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on 31 March 2011 and of the profit of the Company for that year.

iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and, for detecting and preventing fraud and other irregularities.

iv. The Directors have prepared the Annual Accounts on a 'Going Concern' basis.

Auditors

Your Company had appointed M/s. Deloitte Haskins & Sells, Chartered Accountants, as statutory auditors of the Company for the conduct of audit of accounts for the year ended 31 March 2011. Their term of appointment expires at the conclusion of the forthcoming Annual General Meeting (AGM), and being eligible, they offer themselves for reappointment. Your Directors propose their reappointment.

Auditors' Qualification on Accounts

Notes to the accounts, as referred to in the Auditors' Report are self-explanatory and a practice consistently followed, and therefore do not call for any further comments and explanations.

Particulars of Technology Absorption and Foreign Exchange Earnings and Outgo

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

Particulars of Employees

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

Acknowledgements

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

For and on behalf of the Board of Directors

Akhilesh Joshi
COO & Whole-time Director

A. R. Narayanswamy
Director

Place: Mumbai
Date : April 21, 2011

Annexure 1

Particulars of technology absorption and foreign exchange earnings and outgo as per Section 217 (1) (e) of the Companies Act, 1956 and the rules made therein and forming part of the Directors' Report for the year ended 31 March 2011.

A) Conservation of Energy

1. Replacement of Cooling Tower fan blades with ENCON CT fan blades and optimisation of blade angle, facilitating increase in air flow and reduction in power consumption in CLZS-CPP.
2. Installation of Emulsification system to save the furnace oil consumption (approximately 8%) at Pyro in CLZS.
3. Installation of Variable Frequency Drives (VFDs) in Seal Air Fan, Hot well Make up Pump and Cooling tower fan in CLZS- CPP.
4. Control of Cooling tower operation by temperature controller taking feedback from the output.
5. Use of weather compatible digital timer installed at Hydro -1 in CLZS.
6. Running of one higher rating pump (110 KW) instead of two pumps (90 KW) in 1,310 A/Bat at RAM.
7. Replacement of Mill components with HPMS system in CLZS- CPP.
8. Renovation of solar distillation unit for DM water at DZS laboratory.
9. Optimisation of power consumption of lighting by replacing traditional light fittings with MH lights.
10. Optimisation of power consumption of air compressor by arresting air leakage.
11. Use of energy efficient motors for spent cooling pumps at VZS.
12. Installation of Variable Frequency Drives in selected pumps.
13. Automation of atmospheric spent cooler blower at Hydro-1 & Hydro -11 in CLZS.

B) Technology Absorption

a. Specific areas in which R&D carried out by the Company in FY 2010-11.

1. Treatment of Rampura Agucha ore with and without blending with Zawar ore at Zawar mines to produce bulk concentrate. The achieved benefit is about 1.25% improvement in Silver recovery and 0.3% in Lead recovery.
2. Evaluation of Silver and Lead flotation performance enhancing reagents at Rampura Agucha.
3. Mineralogical studies for Silver minerals mapping in the ore and flotation streams of Rampura Agucha. This was done in collaboration with JKTech (Australia), using the Mineral Liberation Analyzer (MLA).
4. Plant audits of the grinding and flotation circuits at Rampura Agucha to indicate opportunity for Lead recovery improvement by limiting excessive liberation and unwanted fine grinding and reduced recycling loads within flotation circuits through improved parameters control.
5. Sieve analysis campaign with the roaster feed concentrate samples at Zinc Smelter Debari, helped in optimising different concentrate tonnage ratio.
6. Environmental campaign for minor element in Vizag Zinc Smelter, preparation of circuit mass balance and technical justifications.
7. Studies for the recovery of Antimony rich residue from Antimony dross of Pyro smelter for better realisation.
8. Quality improvement studies for Ausmelt Lead bullion by advancing Copper drossing.
9. Assistance in the selection of import concentrates for Hydro smelters, for improvement in throughput.
10. Detailing of Copper and Cadmium recovery project from enrichment cake to bring it for project engineering stage.
11. Chloride removal from Zinc dross for its maximum consumption in Pyro plants.
12. Production of Cobalt oxide from waste residue of Zinc Smelter Debari.
13. Thermal and mass balance for the consumption of Ausmelt slag in fuming furnace at Dariba Smelter and its consumption with Moore cake in Waelz Kiln.
14. Data analysis for the consumption of lumpy Copper dross in reverberatory furnace along with Copper dross of Dariba Smelter.
15. Studies on the impact of gum arebic on cell performance and cathode morphology.

b. Benefits derived as result of above R&D

1. Improvements in metal recovery (especially in Silver) and product quality via using alternate reagents in beneficiation plants and adjusting process parameters in smelters.
2. Reduction in cost of production by reduction in energy and reagent consumption by process modifications in beneficiation plants through plant audits and mineralogical studies.
3. Improved recovery of by-products like Cadmium and Silver in smelters.
4. Optimisation of plant operations by improvement in existing processes at concentrators and smelters.
5. Effective utilisation of waste products like Jarosite and ISF & Ausmelt slag at smelters.

c. Future projects for R&D for FY 2011-12

1. Performance evaluation of different ore types of Rajpura Dariba in different blend-ratios to establish suitable ratio, so that the east and south lenses ore dominated by carbonaceous gangue could be treated up to a considerable extent.
2. Amenability assessment of normal flotation treatment for extreme-north Rajpura Dariba ore deposit in order to be considered as a useful resource deposit.
3. Flotation amenability test work for the low-grade phosphate rock ore at Maton, which has convincing value for phosphate-based commercial products.
4. Improvement of low grade Lead residue for better realisation at Dariba smelter.
5. Studies on the reduction of acid mist in cell house using depressants.
6. Improvement in Cadmium sponge quality for plant performance improvement.
7. Separation of carbon values from Wealz Kiln slag.
8. Production of high purity Cadmium.
9. Improvising the grade of low grade Lead residue produced in CLZS Hydro smelters.

C) Foreign Exchange Earnings and Outgo

During the year, foreign exchange outgo was ₹ 1,114 Crores (which includes import of capital goods, stores and spares, consultancy and travelling); while the foreign exchange earned was ₹ 3,686 Crores. The details have been given under item nos. 21 to 23 of Schedule 18 annexed to the accounts.

Form 'A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Particulars	Unit	Year ended 31.03.2011	Year ended 31.03.2010
A	**Electricity, Power Generation & Fuel Consumption**			
	Purchase Units	Million Kwh	477	379
	Total Amount	₹ Cr.	197.01	134.04
	Average rate of purchasing	₹/kwh	4.13	3.53
	CPP - Units generated from Fuel Oil			
	Own Generation Units (From Fuel Oil)	Million Kwh	8	67
	Quantity Consumed			
	– LSHS/FO	MT	904	13,275
	– HSD	KL	1,598	2,772
	Total Amount	₹ Cr.	7.19	29.87
	Average cost of fuel per Kg	₹/kg	32.47	19.21
	Average cost of generation	₹/kwh	8.49	4.47
	Unit generated per unit of fuel (LSHS/FO/HSD)	kwh/kg	3.82	4.30
	CPP - Units generated from Coal			
	Own Generation Units (From Coal)	Million Kwh	2,801.28	2,406.27
	Quantity Consumed			
	– Coal	MT	13,88,427	11,90,529
	– LDO	KL	2,278	1,703
	Total Amount	₹ Cr.	752.42	533.18
	Average cost per Kg (Coal)	₹/kg	5.42	4.47
	Average cost per Kg (LDO)	₹/kg	34.02	32.01
	Average cost of generation	₹/kwh	3.02	2.40
	Unit generated per unit of fuel (Coal)	kwh/kg	2.24	2.26
B	**Fuel consumption for Metal Production**			
	(a) L.P.G./Propane			
	Quantity	Million Kg	9.03	8.36
	Total Amount	₹ Cr.	38.83	28.66
	Average cost per Kg	₹/Kg	43.01	34.27
	(b) L.D.O./LSHS/FO			
	Quantity	KL	17,807	19,036
	Total Amount	₹ Cr.	48.82	44.65
	Average cost per Ltr	₹/Ltr	27.41	23.45
	(c) Met Coke & Coke breez			
	Quantity	MT	117,329	1,16,397
	Total Amount	₹ Cr.	225.82	172.19
	Average cost per MT	₹/MT	19,246.64	14,793.34

Certificate of Compliance with the Code of Conduct Policy

As provided under clause 49 of the listing agreement with the Bombay Stock Exchange Limited and the National Stock Exchange (India) Limited, the Board members and the senior management personnel have confirmed compliance with the code of conduct and ethics for the year ended on 31 March 2011.

for Hindustan Zinc Limited

Akhilesh Joshi
COO & Whole-time Director

Place: Mumbai
Date : April 21, 2011

Secretarial Compliance Report

To,

The Members,
Hindustan Zinc Limited,
Udaipur.

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

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

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

We report that for the financial year ended on 31 March 2011 the Company has complied with the provisions of Companies Act, 1956 and Rules, Regulations framed thereunder, as given hereunder:

1. Maintained all the statutory registers required under the Companies Act, 1956 ("the Act") and the Rules made thereunder.
2. Filed all the forms and returns and furnished all the necessary particulars to the Registrar of Companies, Rajasthan, as required by the Act.
3. Filed all the quarterly, half-yearly and annual disclosures physically and electronically with the Stock Exchanges and SEBI, as per the applicable clauses of the Listing Agreement (as amended from time to time) and other rules, regulations, bye-laws, etc.
4. Issued all notices required to be given for convening of Board / Committee Meetings and General Meeting, within the time limit prescribed by law.
5. Conducted the Board/Committee Meetings and Annual General Meeting as per the requirement of the Act.
6. Complied with all the requirements relating to the minutes of the proceedings of the meeting of the Directors/Committee and the Shareholders.
7. The Company closed its Register of Members from 24 July 2010 to 30 July 2010 (both days inclusive) during the financial year.
8. The Board of Directors of the Company is duly constituted. The appointment of directors has been made in accordance with the provisions of the Act.
9. Payment of Remuneration to the Directors including sitting fees, commission, etc. in compliance with the provisions of the Act.
10. Filed disclosures as on 31 March, as well as, from the record date fixed for the purpose of declaration of Dividend, as required under Regulation 8(3) of the SEBI Takeover Code.
11. The Company had constituted the Audit Committee as required under Section 292A of the Act.
12. Paid dividend to the shareholders within the time limit prescribed and has also transferred the unpaid dividends to the Central Government within the time limit from time to time.
13. Made due disclosure required under the other applicable provisions of the Act.

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

Manoj Maheshwari
Partner
Fcs: 3355; C P No. : 1971

Place: Jaipur
Date : April 21, 2011

Corporate Governance Report

Corporate Governance is the application of best management practices, compliances of law and adherence to ethical standards to achieve the Company's objective of enhancing the shareholders value and discharge the social responsibilities. It is a systematic process by which the companies are directed and controlled to enhance their wealth generating capacity. The Governance process should ensure that these resources are utilised in a manner that meets stakeholder's aspirations and societal expectations.

Hindustan Zinc remained resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance practices. The Company strongly believes that good corporate governance practices go a long way to achieve the objective of enhancing shareholder value and the interest of all stakeholders.

The Company has set up a three tier governance structure, which helps it in strategic decision making, operations and project implementation:

(i) **Strategic Supervision:** Overall strategic supervision and control is exercised by the Board of Directors in laying down strategic goals, major expansion projects and capital expenditure and business plans approvals to ensure that Company is progressing to fulfil shareholder aspirations;

(ii) **Operation Management and Control:** Business Management Group comprising of functional heads and unit/plant heads steered by COO and CFO, handles the management and coordination with a regular reviews and meetings with the objective to seek continuous improvement in the Company's working and to harness the potential.

(iii) **Plant/Unit Executive Management:** Comprising of several strategic business units (SBUs) for an overall execution and empowered through decentralised decision making.

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

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports HZL's compliance with the Clause 49.

Board of Directors

The Board of Directors of the Company are in a fiduciary position, empowered to oversee the management function with a view to ensure its effectiveness and enhancement of shareholders value. The Board reviews and approves management strategic plan and business objectives and monitors the Company's strategic direction. The board sets strategic goals and seeks accountability for their fulfilment. Acting as trustees on behalf of the shareholders, board ensures that the Company has clear goals relating to shareholders value and growth.

Composition of the Board

As on 31 March 2011 Hindustan Zinc's Board comprised of six directors, two of whom are nominee directors from Government of India. According to the Shareholders' Agreement with the Government of India, which can nominate upto 5 Directors where as the strategic promoters, Sterlite Opportunities and Ventures Limited can nominate 6 Directors to the Board of the Company. The Chairman and Whole-time Director, are nominees of Sterlite Opportunities and Ventures Limited. All others are non-executive Directors.

The composition of the Board is in conformity with the Clause 49, which stipulates that at least 50 per cent of the Board should consist of non-executive Directors and in case the Chairman is a non-executive Director, at least one-third of the Board should be independent. HZL is also compliant with SEBI circular dated 8 April 2008, which stipulates that at least 50 per cent of the Board should be independent if the Chairman is either a promoter or related to the promoters or senior management as defined under the Clause 49 of the listing agreement.

No Director is a member of more than ten committees, or acts as Chairman of more than five committees across all Companies in which they are Directors. Note that directorships in foreign companies and private limited companies do not count towards this limit.

The non-executive Directors are appointed or re-appointed with the approval of the shareholders. All non-executive Directors are liable to retire by rotation unless otherwise approved by the shareholders. One third of the Directors who are liable to retire by rotation retires every year and are eligible for re-appointment. According to the terms of the Company's Articles of Association, the strength of the Board shall not be less than three and more than twelve.

Number of Board Meetings

The Board of Directors met six times during the year on 21 April 2010, 24 July 2010, 20 October 2010, 19 November 2010, 1 December 2010, and 19 January 2011. The maximum gap between any two meetings was less than 4 months. The agenda for each meeting is prepared well in advance along with explanatory notes wherever required and distributed to all directors.

Directors' Attendance Record and Directorships Held

As mandated by the Clause 49, none of the Directors are members of more than ten Board level committees nor are they Chairman of more than five committees in which they are members. The composition of Board of Directors during the year 2010-11 is given in Table 1.

Corporate Governance Report (continued)

Table 1: Composition of the Board of Directors

Name of Director	Relationship with other directors	Category	No. of meetings held	No. of meetings attended	Whether attended last AGM	No. of outside Directorships of public companies	No. of Committee Member-ships#	No. of Chairman-ships of Committees#
Mr. Agnivesh Agarwal, Chairman	Nephew of Mr. Navin Agarwal	Non-Executive	6	6	No	3	–	–
Mrs. Ajita Bajpai Pande $***	None	Independent	3	2	No	3	–	–
Mr. Sanjiv Kumar Mittal $****	None	Independent	5	4	No	3	–	–
Mr. Bhupal Nanda $*	None	Independent	1	1	No	–	–	–
Mr. Navin Agarwal	Uncle of Mr. Agnivesh Agarwal	Non-Executive	6	6	No	9@	1	–
Mr. M. S. Mehta **	None	Executive	1	1	No	4@	–	–
Mr. Akhilesh Joshi	None	Executive	6	6	Yes	1	–	–
Mr. A. R. Narayanaswamy	None	Independent	6	6	Yes	2	1	3
Mr. R. K. Malhotra $^	None	Independent	3	3	No	1	–	–
Mrs. Anjali Anand Srivastava $^^	None	Independent	1	1	No	3	–	–

Notes:

* Ceased to be Director w.e.f. 24.05.2010
** Ceased to be Director w.e.f. 30.06.2010
*** Ceased to be director w.e.f. 27.10.2010
**** Ceased to be Director w.e.f. 10.01.2011
^ Appointed as Director w.e.f. 27.10.2010
^^ Appointed as Director w.e.f. 10.01.2011
$ Nominees of Government of India
# Only Audit Committee and Shareholder Grievance Committee
@ Include foreign companies: Mr. Navin Agarwal – 4, Mr. M. S. Mehta – 3

Information Supplied to the Board

The Board has complete access to all information of the Company. The following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting. Annual operating plans and budgets and any update thereof:

- Major capital budgets and any updates thereof
- Quarterly results for the Company
- Minutes of the meetings of the Audit Committee and other Committees of the Board
- 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
- Materially important show cause, demand, prosecution notices and penalty notices
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
- Any issue, which involves 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 collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions. Any significant development in human resources/industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material
- Quarterly disclosure of all the investments made
- Quarterly performance report on the on going projects
- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

The Board periodically reviews compliance reports of all laws applicable to the Company.

Corporate Governance Report (continued)

Remuneration to Directors

Non-executive Directors are paid the sitting fee, which is approved by the Board. As approved by the Board, the remuneration of Mr. M. S. Mehta, Whole-time Director was reimbursed upto 30 June 2010 by the Company to Sterlite Industries (India) Limited. The remuneration paid to Mr. Akhilesh Joshi is as per the approval granted by the board and approved in the 43rd Annual General Meeting. The details of managerial remuneration are given in note 20 of schedule 18 of the annual report.

As approved in the 43rd AGM, Mr. A. R. Narayanaswamy, independent director is entitled to commission of ₹ 4 Lacs for the year 2010-11, which is within the limits of Section 309(4) and computed in the manner referred to in Section 198(1) of the Companies Act 1956.

Table 2 A: Sitting fee and Commission to Directors for 2010-11 (₹)

Name of Director	Category	Sitting fees*	Commission
Mr. Agnivesh Agarwal, Chairman	Non-Executive	120,000	–
Mr. M. S. Mehta	Executive	–	–
Mrs. Ajita Bajpai Pande	Independent	–	–
Mr. Sanjiv Kumar Mittal	Independent	–	–
Mr. Navin Agarwal	Non-Executive	120,000	–
Mr. R. K. Malhotra	Independent	–	–
Mr. A. R. Narayanaswamy	Independent	180,000	400,000
Mr. Akhilesh Joshi	Executive	–	–
Mrs. Anjali Anand Srivastava	Independent	–	–
Mr. Bhupal Nanda	Independent	–	–

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

Table 2 B: Remuneration reimbursed/paid to Executive Directors for 2010-11 (₹)

Name of Director	Category	Salary and perquisites	Contribution to P.F., Pension and Gratuity	Stock option of holding company	Total
Mr. M. S. Mehta*	Whole-time Director	4,271,017	397,273	4,163,936	8,832,226
Mr. Akhilesh Joshi	COO and Whole-time Director	12,339,540	463,356	9,047,597	21,850,493

* Ceased to be director w.e.f. 30.06.2010

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

During 2010-11, the Company did not advance any loans to any of its Directors.

Code of Conduct

Hindustan Zinc's Board has laid down a code of conduct for all Board members and senior management of the Company. The code of conduct is available on the website of the Company www.hzlindia.com. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Operating Officer & Whole-time Director (COO & WTD) to this effect is enclosed at the end of this report.

Risk Management

The Company has developed a very comprehensive risk management policy and the same is reviewed by the Audit Committee at periodical intervals, which in turn, informs the Board about the risk assessment and minimisation procedures adopted by the management. Suggestions or guidance given by the audit committee members are immediately implemented. Company has unit wise risk register, which provides for root cause of the risk, and its mitigation procedure. Unit head periodically reviews the identified risks, and updates the control measures. At the corporate level major risks are reviewed by the COO and CFO and directions are issued accordingly.

Corporate Governance Report (continued)

Committees of the Board

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

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

a) Audit Committee

As on 31 March 2011, the Audit Committee comprises four Directors, out of which majority are independent directors.

Mr A. R. Narayanaswamy is the Chairman of the committee.

The time gap between any two meetings was less than four months. The Committee met four times in the year under review on 21 April 2010, 24 July 2010, 20 October 2010, and 19 January 2011. The details of the Audit Committee are given in Table 3.

Table 3: Attendance record of Hindustan Zinc's Audit Committee Meetings

Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended	Sitting fees (₹)
Mr. A. R. Narayanaswamy	Chairman	Independent	4	4	40,000
Mr. R. K. Malhotra*	Member	Independent	1	1	—
Mr. Akhilesh Joshi**	Member	Executive	2	2	—
Mr. Sanjiv Kumar Mittal****	Member	Independent	3	2	—
Mrs. Ajita Bajpai Pande*****	Member	Independent	3	2	—
Mr. M. S. Mehta***	Member	Executive	1	1	—
Ms. Anjali Anand Srivastava******	Member	Independent	–	–	–

* Appointed as member of the committee w.e.f. 07.01.2011
** Appointed as member of the committee w.e.f. 24.07.2010
*** Ceased to be member w.e.f. 30.06.2010
**** Ceased to be member w.e.f. 10.01.2011
***** Ceased to be member w.e.f. 27.10.2010
****** Appointed as member w.e.f. 19.01.2011

The Chief Financial Officer, the head of internal audit and the representative of the statutory auditors (M/s. Deloitte Haskins & Sells), internal auditors (M/s. KPMG) are invitees to the Audit Committee meetings. The Company Secretary, Mr. R. Pandwal, is the Secretary to the Committee.

Mr. A. R. Narayanswamy is the Financial expert in the Audit committee and all the members of the Audit Committee have accounting and financial management knowledge. The quorum for the meeting of the committee is 2 members. The Chairman of the Audit Committee Mr. A. R. Narayanaswamy attended the 44th Annual General Meeting (AGM) held on 30 July 2010.

The functions of the Audit Committee of the Company include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956
  - Changes, if any, in accounting policies and practices and reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgement by management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
- Reviewing the adequacy of internal audit plan

Corporate Governance Report (continued)

- Discussion with internal auditors on any significant findings and follow up there of
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors
- Reviewing the functioning of the Whistle Blower mechanism
- Appointment of the Chief Financial Officer of the Company
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

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

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

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

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

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

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

b) Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee consists of three members. The Committee met twice in the year under review on 21 April 2010 and 20 October 2010.

Mr. A. R. Narayanswamy is the chairman of the committee.

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

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

Name of the Member	Position	Status	No. of Meetings held	No. of Meetings Attended	Sitting fees (₹)
Mrs. Ajita Bajpai Pande***	Chairman	Independent	2	1	–
Mr. M. S. Mehta****	Member	Executive	1	1	–
Mr. A. R. Narayanaswamy	Chairman	Independent	2	2	20,000
Mr. Akhilesh Joshi*	Member	Independent	1	1	–
Mr. R. K. Malhotra**	Member	Independent	0	0	–

* Appointed as member of the committee w.e.f. 24.07.2010
** Appointed as member of the committee w.e.f. 19.01.2011
*** Ceased to be member w.e.f. 19.01.2011
**** Ceased to be member w.e.f. 24.07.2010

Corporate Governance Report (continued)

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

Details of queries and grievances received and attended by the Company during the year 2010-11 is given in Table 5.

Table 5: Nature of complaints received and attended to during 2010-11

1.	Number of complaints received from the investors comprising of Non-receipt of Dividend Warrants, Non-receipt of securities sent for transfer and transmission, complaints received from SEBI etc.	14
2.	Number of complaints resolved.	14
3.	Number of complaints not resolved to the satisfaction of the investors as at 31 March 2011.	NIL
4.	Complaints pending as at 31 March 2011.	NIL
5.	Number of Share Transfers pending for approval as at 31 March 2011.	NIL

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

Management

Management Discussion and Analysis

Annual Report has a detailed chapter on Management Discussion and Analysis.

Disclosures

Details of materially significant related party transactions i.e. transactions of the Company of a material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. are present under in Note in Schedule No. 18 to Annual Accounts of the Annual Report.

Related Party Transactions

There have been no materially significant related party transactions with the Company's promoters, directors, management or their relative which have a potential conflict with the interests of the Company. Members may refer to disclosures of transactions with related parties i.e. Promoters, Directors, Relatives, Subsidiary or Management made in the Balance Sheet in Schedule No. 18 "Notes to Accounts at Note No.12 in compliance of Clause 32 of the Listing Agreement and Accounting Standard 18.

Disclosure of Accounting Treatment in Preparation of Financial Statements

Hindustan Zinc has followed the guidelines of accounting standards referred to in Section 211(3C) of The Companies Act, 1956 including Accounting Standard (AS)-30 on 'Financial instruments: Recognition and Measurement' and Limited revision arising out of it in other Accounting Standards, issued by 'The Institute of Chartered Accountants of India'.

Details of Non-Compliance by the Company

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

Code for Prevention of Insider Trading Practices

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of Company, and cautioning them of the consequences of violations.

COO/CFO Certification

The COO and CFO certification of the financial statements for the year is enclosed at the end of the report.

Directors

As per the law, two-thirds of the Directors should retire by rotation. One-third of these Directors are required to retire every year and, if eligible, offer themselves for re-appointment. Mr. A. R. Narayanswamy and Mr. Navin Agarwal would retire this year and, being eligible, have offered themselves for re-appointment. A brief profile of both of them are as follows.

1. **Mr. A. R. Narayanaswamy**

   Mr. A. R. Narayanaswamy is the Director and was appointed on the Board w.e.f. 30 March 2009. He is a member of The Institute of Chartered Accountants of India and has vast experience in the industry. He is also on the Board of Madras Aluminium Company Limited and Sterlite Technology Limited, IBIS Softec Solutions (P) Limited, IBIS Logistics (P) Limited and IBIS Systems & Solutions (P) Limited.

Corporate Governance Report (continued)

2. **Mr. Navin Agarwal**

   Mr. Navin Agarwal is Deputy Executive Chairman of Vedanta Resources Plc and was appointed to our Board of Directors on 11 April 2002. He is also the Chairman of Konkola Copper Mines and the Madras Aluminium Co Ltd., Executive Vice Chairman of Sterlite Industries (India) Ltd., Vice Chairman of Bharat Aluminium Company Limited and Director of Vedanta Aluminium Limited, Sterlite Iron and Steel Company Limited, Sterlite Infrastructure Holdings Private Limited, Vedanta Resources Holdings Limited, Vedanta Resources Investment Limited, Malco Power Company Limited, Malco Industries Limited, and Hare Krishna Packaging (P) Ltd.

Means of Communication with Shareholders

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

The financial results and official news releases etc. are also displayed on the website of the Company www.hzlindia.com. Annual Report containing inter-alia Audited Annual Accounts, Directors' Report, Auditor's Report and other important and statutory information are circulated to all members and to others entitled. The Management Discussion and Analysis Report along with COO and CFO certificate forms part of the Annual Report.

Table 6: Details of the Announcement of the Financial Results for 2010-11

Description	Date
Unaudited Financial Results for the quarter ended on 30 June 2010	24 July 2010
Unaudited Financial Results for the quarter/half year ended on 30 September 2010	22 October 2010
Unaudited Financial Results for the quarter/Nine months ended on 31 December 2010	19 January 2011
Audited Financial Results for the quarter/year ended on 31 March 2010	21 April 2011

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

General Body Meetings

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

Table 7: Annual/Extra-Ordinary General Meetings

Date	AGM	Location	Time
21 August 2008	42nd AGM	Yashad Bhawan, Udaipur, Rajasthan	3.30 P.M.
07 August 2009	43rd AGM	Yashad Bhawan, Udaipur, Rajasthan	3.30 P.M.
30 July 2010	44th AGM	Yashad Bhawan, Udaipur, Rajasthan	3.30 P.M.

In the last 3 AGM's, under ordinary business – special resolution was passed for the reappointment of Statutory auditors.

Further for payment of commission to independent directors under special business, special resolution was passed in the 43rd AGM.

Postal Ballot

During the current year Shareholders approval through Postal ballot process was obtained for the following;

a) Increase in the Authorised share capital and the alteration of the capital clause in the Memorandum of association of the Company

b) Alteration of the Articles of association of the Company

c) Sub-division of the equity shares of ₹ 10/- each into 5 equity shares of ₹ 2/- each

d) Issue of Bonus shares

The procedure for Postal Ballot followed is as per Section 192A of the Companies Act, 1956 and Rules made thereunder namely Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.' Special resolution was passed for alteration in the Articles of Association through postal ballot. The voting pattern for the same was as follows:

Number of valid Postal Ballot forms received	248
Votes in favour of the Resolution	402,614,387
Votes against the Resolution	None
Number of invalid Postal Ballot forms received	13

Corporate Governance Report (continued)

Compliance

Mandatory Requirements

The Company is fully compliant with the applicable mandatory requirements of the revised Clause 49 of the Listing Agreements entered into with the Stock Exchanges as well as regulations and guidelines of the Securities and Exchange Board of India (SEBI). Consequently, no penalties were imposed or strictures passed against your Company by SEBI, Stock Exchanges or any other statutory authorities. The Company has complied with and adopted the mandatory requirements of Corporate Governance Code. However, it has not adopted the following non-mandatory requirements of the Code which the Board may consider, adopting in due course of time:

i. Maintenance of the Chairman's office and tenure of Independent Directors.

ii. Setting up of Remuneration Committee.

iii. Communication of half-yearly results to each household of Members – The Company publishes its results in leading newspapers and also posts the same on the Company's website.

iv. Training of Directors – All the Directors have expertise in their areas of specialisation.

v. Mechanism for evaluating Non-Executive Directors.

Adoption of Non-mandatory Requirements

a) Tenure of Independent Directors

No specific tenure has been specified for the Independent Directors

b) Remuneration Committee

The sitting fee paid to the non-executive directors, commission to independent director, and remuneration paid to the whole-time director is approved by the Board itself and hence no separate remuneration committee had been formed.

c) Half-yearly Declaration

A half-yearly declaration of financial performance including summary of the significant events in last six-months is currently not being sent to each household of shareholders. However, the Company publishes its results in national and state level newspapers having wide circulation. The results are also posted on the website of the Company i.e. www.hzlindia.com

d) Audit Qualifications

Management response on audit qualification, if any, is covered in Directors' Report.

e) Mechanism for Evaluation of Non-executive Directors

The Company does not have a mechanism to review performance of non-executive Directors.

f) Whistle Blower Policy

The Company has formalised a whistle blower policy and its working is reviewed by the Audit Committee regularly. The directors and senior management are obligated to ensure that the whistle blower is not subjected to any discriminatory practices. The Company has established a mechanism for employees to report. The designated Email ID for reporting is hzlwhistle.blower@vedanta.co.in. The access to this Email ID is provided to the Head, Management Assurance at Mumbai.

g) Secretarial Audit/Reconciliation of Share Capital Audit

Even though there is no mandatory requirement for Corporate Secretarial Audit/Reconcilation of share capital audit, the Company carries out a Quarterly Secretarial Audit/Reconcilation of share capital audit with regard to share transfers and other compliances and presents it to the Board.

h) Secretarial Standards

The Institute of Company Secretaries of India had brought out Secretarial Standard called SS 1 to SS 10. The Company is compliant with these standards even as it is recommendatory in nature.

Additional Shareholder Information

Annual General Meeting

Date : 25 June 2011
Time : 3.30 pm
Venue : Yashad Bhawan, Udaipur

Financial Calendar

Financial year: 1 April to 31 March 2011
For the year ended 31 March 2011, results were announced on:
24 July 2010 : First quarter
20 October 2010 : Half-yearly
19 January 2011 : Third quarter
21 April 2011 : Fourth quarter and annual.

For the year ending 31 March 2012, results will be announced by:
End July 2011 : First quarter
End October 2011 : Half-yearly
End January 2012 : Third quarter
End April 2012 : Fourth quarter and annual

Book Closure

The dates of book closure are from 18.06.2011 to 25.06.2011 both days inclusive.

Dividend

Dividend @50% i.e. ₹ 1/- per equity share will be paid on or after 30.06.2011, subject to approval by the shareholders at the Annual General Meeting.

Listing

At present, the equity shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai (BSE), and The National Stock Exchange (NSE). After the sub-division of the existing equity share of ₹ 10/- each into 5 equity shares of ₹ 2/- each NSDL and CDSL has assigned new ISIN number to the shares of the Company. The new ISIN number is **INE 267A01025**. The Bonus shares of the Company has also been listed and the trading of the same had been made effective from 15 March 2011. The annual listing fees for the financial year 2010-11 to NSE and BSE has been paid.

Table 1: Hindustan Zinc's Stock Exchange Codes

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

Stock Market Data

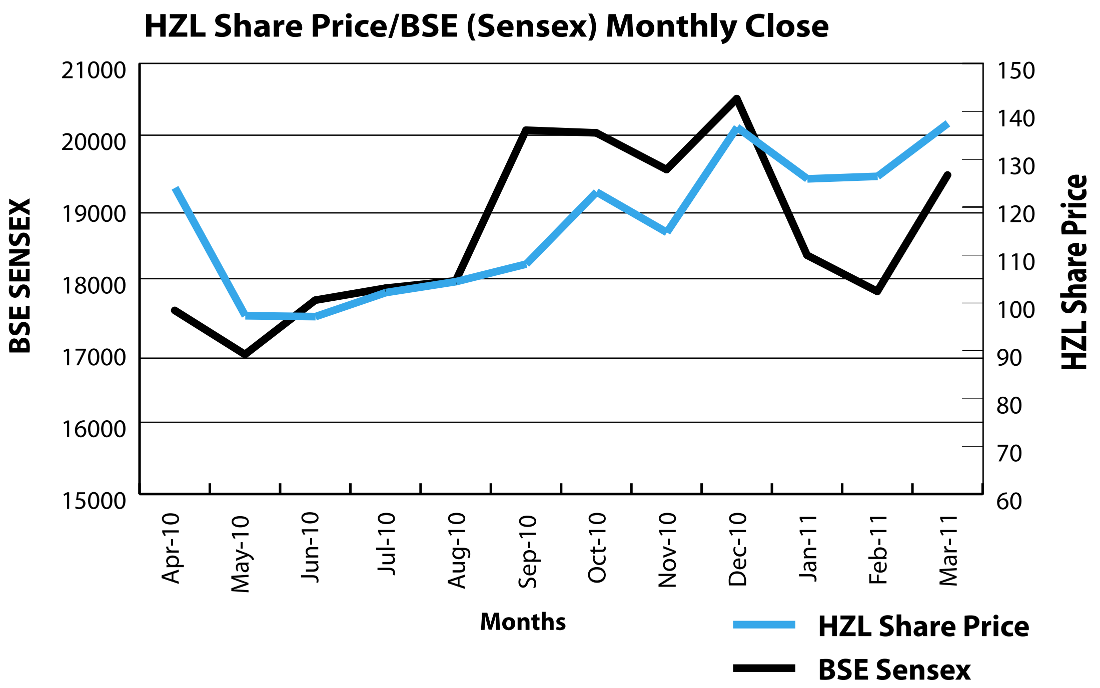
Table 2: High, Lows and Volumes of Company's Shares for 2010-11 at BSE and NSE

	BSE			NSE		
	High	Low	Volume (No. of Shares)	High	Low	Volume (No. of Shares)
April 2010	1,274.70	1,177.00	516,466	1,274.70	1,167.30	2,251,305
May 2010	1,239.80	900.00	786,491	1,238.40	896.30	4,188,113
June 2010	1,033.00	920.00	903,807	1,034.70	915.00	3,523,537
July 2010	1,037.00	936.15	758,900	1,038.90	935.00	2,761,872
August 2010	1,169.00	1,023.00	638,757	1,170.00	1,012.50	3,286,670
September 2010	1,139.95	1,051.05	584,783	1,140.95	1,051.00	3,694,602
October 2010	1,274.00	1,090.00	809,533	1,275.00	1,090.00	3,378,202
November 2010	1,328.00	1,086.15	380,047	1,330.00	1,087.00	1,818,743
December 2010	1,396.00	1,122.00	473,374	1,397.50	1,120.00	2,202,707
January 2011	1,438.00	1,217.05	1,097,980	1,443.00	1,214.05	4,708,165
February 2011	1,313.95	1,176.00	417,086	1,313.55	1,173.00	2,024,482
March 2011	1,355.00	125.00	5,033,754	1,355.00	125.10	26,772,426

Note: During March 2011, the existing equity share of ₹ 10/- each was subdivided into 5 equity shares of ₹ 2/- each, and bonus shares in the ratio of 1:1 (post-split) was allotted.

Additional Shareholder Information (continued)

Chart: Hindustan Zinc's Share Performance versus BSE Sensex



Note: During March 2011, the existing equity share of ₹ 10/- each was subdivided into 5 equity shares of ₹ 2/- each, and bonus shares in the ratio of 1:1 (post-split) was allotted.

However the above graph has been redrawn to give effect of subdivsion and allotment of bonus shares from April 2010.

Distribution of Shareholding

Table 3 and 4 lists the distribution of the shareholding of the equity shares of the Company by size and by ownership class as on 31 March 2011.

Table 3: Shareholding Pattern by Size on 31 March 2011

No. of equity shares	No. of shareholders	% of shareholders	No. of shares held	% of share-holding
Up to 500	37,226	73.33	6,658,002	0.16
501 - 1,000	6,317	12.44	5,460,478	0.13
1,001 - 2,000	2,867	5.65	4,794,708	0.11
2,001 - 3,000	1,088	2.14	2,946,257	0.07
3,001 - 4,000	544	1.07	2,033,553	0.05
4,001 - 5,000	791	1.56	3,876,771	0.09
5,001 - 10,000	940	1.85	7,507,410	0.18
10,001 - 20,000	518	1.02	7,880,476	0.19
20,001 - 30,000	138	0.27	3,529,418	0.08
30,001 - 40,000	66	0.13	2,343,685	0.06
40,001 - 50,000	45	0.09	2,087,694	0.05
50,001 - 100,000	82	0.16	5,843,049	0.14
100,001 and above	143	0.28	4,170,357,499	98.70
Total	**50,765**	**100.00**	**4,225,319,000**	**100.00**

Additional Shareholder Information (continued)

Table 4: Shareholding Pattern by Ownership as on 31 March 2011

		Category	No. of Shares Held	% of Share Holding
A		**Promoter's Holding**		
	1.	Promoters		
		– Indian Promotors Sterlite Opportunities and Ventures Ltd.,	2,743,154,310	64.9218
		– Foreign Promotors	—	—
		Sub-Total	2,743,154,310	64.9218
B		**Non-Promoter Holding**		
	2.	Institutional Investor		
		a. Mutual Funds and UTI	56,986,737	1.3487
		b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Institutions)	25,440,370	0.6021
		c. FII's	62,430,358	1.4775
		Sub-Total	144,857,465	3.4283
	3.	Others		
		a. Private Corporate Bodies	39,186,975	0.9274
		b. Indian Public	46,974,109	1.1117
		c. NRI's/OCB's	1,733,338	0.0410
		d. NRI Company	140,000	0.0033
		e. Bank Foreign	10,000	0.0002
		f. Foreign National Individual	2,750	0.0001
		g. Any Other	1,309,463	0.0310
		h. GOI-President of India	1,247,950,590	29.5351
		Sub-Total	1,337,307,225	31.6499
		Total	**4,225,319,000**	**100.00**

Dematerialisation of Shares

The shares of the Company are compulsory traded in dematerialised form only. The Company's shares are available for trading in the depository system of both NSDL and CDSL. As on 31 March 2011, 2,974,359,435 equity shares forming 70.39% of the share capital of the Company stand dematerialised. After sub-division of the Company's share the new International Securities Identification Number (ISIN) allotted to the Company under the depository system is INE 267A01025.

The Company's share is among the most actively traded share on the Indian stock exchanges and is consistently ranked among the top frequently traded shares, both in terms of volume and value.

Outstanding GDRs/ADRs/Warrants/Options

The Company had not issued any GDRs/ADRs/Warrants/Options etc.

Details of Public Funding Obtained in the Last Three Years

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

Registrar and Transfer Agent

Address:

M/s. Sharepro Services (India) Pvt. Ltd.
13 AB, Samitha Warehousing Complex,
Behind Sakinaka Telephone Exchange,
Kurla-Andheri Road, Sakinaka
Mumbai – 400 072.
Phone: 022-6672 0329, 6672 0354
Fax: 022-2850 8927

Share Transfer System

Shares lodged in physical form for transfer, are usually transferred within 7 days if the documents are clear in all respects. Shares under objection are in general returned within a week's time. For transfer of shares in physical form, the Board of Directors have authorised the

Additional Shareholder Information (continued)

Company Secretary to process and approve the transfer of share and registration.

Request received for dematerialisation of shares are processed and the confirmation is given by the Registrar and Transfer Agents to the depositories within 15 days.

Bank Details

Shareholders holding shares in physical form are requested to notify/send the following information to the Company/Registrar and Transfer Agent of the Company:

- Any change in their address/mandate/bank details etc.; and
- Particulars of the bank account in which they wish their dividend to be credited, in case the same has not been furnished earlier and should include the following: particulars viz. bank name, branch name, account type, account number and MICR code (9 digit)

Permanent Account Number (PAN)

The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Members holdings shares in electronically form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Registrar and Share Transfer Agent.

Nomination Facility

Shareholders, holding shares in physical form and desirous of submitting/changing nomination in respect of their shareholding in the Company may submit Form 2B (in duplicate) as per the provisions of Section 109A of the Companies Act, 1956 to the Company/Registrar and Share Transfer Agent.

Company's Registered Office Address:

Hindustan Zinc Limited
Yashad Bhawan
Udaipur – 313004
Rajasthan

Plant Locations

Mining Units:

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

Smelting Units:

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

Wind Power Farms:

Samana	:	Jamnagar District (Gujarat)
Gadag	:	Gadag District (Karnataka)
Gopalpura	:	Hassan District (Karnataka)
Mokal	:	Jaisalmer District (Rajasthan)

Address for Correspondence

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

Certification by Chief Operating Officer and Chief Financial Officer of the Company

We, Akhilesh Joshi, COO & Whole-time Director and S. L. Bajaj, Chief Financial Officer of Hindustan Zinc Limited, to the best of our knowledge and belief, certify that:

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

S. L. Bajaj
Chief Financial Officer

Akhilesh Joshi
COO & Whole-time Director

Place : Mumbai
Date : April 21, 2011

Auditors' Certificate

To the Members of Hindustan Zinc Limited

1. We have examined the compliance of conditions of Corporate Governance by Hindustan Zinc Limited, for the year ended on 31 March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.
4. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

Shyamak R. Tata
Partner
M. No. 38320

Place : Mumbai
Date : April 21, 2011

Auditors' Report

To the members of Hindustan Zinc Limited

1. We have audited the attached balance sheet of Hindustan Zinc Limited (the Company) as at 31 March 2011, the profit and loss account and cash flow statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. We draw attention to Note 15 on Schedule 18, relating to long-term investment in equity shares of a power Company being classified as an intangible asset (Schedule 4) and amortised. This treatment is in preference to requirements of Accounting Standard 30 'Financial Instruments: Recognition and Measurement', Accounting Standard 26 'Intangible Assets'; and Schedule XIV of the Companies Act, 1956. This has resulted in profit after tax being lower by ₹ 3.49 Crores (2010: ₹ 3.41 Crores), investments being lower by ₹ 98.41 Crores (2010: ₹ 98.41 Crores), fixed assets being higher by ₹ 51.36 Crores (2010: ₹ 56.03 Crores), deferred tax liability being lower by ₹ 15.27 Crores (2010: ₹ 14.08 Crores) and reserves and surplus being lower by ₹ 31.78 Crores (2010: ₹ 28.30 Crores).

5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. in our opinion, proper books of accounts 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 Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d. in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 except for Paragraph 4 above. Additionally, the Company has chosen to early adopt Accounting Standard 30, Financial Instruments: Recognition and Measurement arising from the Announcement of the Institute of Chartered Accountants of India on 29 March 2008 as stated in Note 16 on Schedule 18.

   e. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2011;

      ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and

      iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

6. On the basis of written representations received from the directors as on 31 March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

Shyamak R. Tata
Partner
M. No. 38320

Place: Mumbai
Date : April 21, 2011

Annexure to the Auditors' Report

(Referred to in paragraph 3 of Auditors' Report of even date)

1. In our opinion and according to the information and explanation given to us, the nature of the Company's business/activities during the year are such that clauses (iii), (v), (vi), (x), (xii), (xiii), (xv), (xvi), (xviii), (xix), and (xx) of Companies (Auditor's Report) Order 2003, are not applicable to the Company. In respect of the other clauses, we report as under:

2. In respect of its fixed Assets:
   i. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   ii. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
   iii. In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

3. In respect of its inventories:
   i. As explained to us, the inventories were physically verified during the year by the management which is at reasonable intervals.
   ii. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of Company and the nature of its business.
   iii. In our opinion, and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

4. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regards to purchases of inventory and fixed assets and the sale of goods. There are no sale of services. During the course of our audit, we have not observed any major weakness in such internal control system.

5. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.

6. We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of Zinc, Lead, Sulphuric Acid and generation of electricity, pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, and are of the opinion that prima facie the prescribed accounts and records have been maintained and being made up. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

7. According to the information and explanations given to us, and the records of the Company examined by us:
   i. The Company has been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues.
   ii. Disputed sales tax, excise duty, and Income-tax dues aggregating ₹ 21.24 Crores, ₹ 63.88 Crores and ₹ 561.08 Crores respectively, have not been deposited since the matters are pending with the relevant forum as per annexure 'A' attached.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions.

9. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments. The Company has maintained proper records of transactions and contracts in respect of shares, securities, debentures and other investments and timely entries have been made therein. All shares, securities, debentures and other investments have been held by the Company in its own name.

10. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.

11. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no significant fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117366W)

Shyamak R. Tata
Partner
M. No. 38320

Place : Mumbai
Date : April 21, 2011

Annexure A

Nature of statute	Nature of dues	Amount (₹ in Crores)	Forum pending at
Company's appeals:			
(a) Sales Tax Claim	Disputes in respect of Sales Tax rate difference/classification and stock transfers treated as sales for the financial year 1980-81 to 2009-10	21.24	Dy Commissioner, Joint Commissioner, CTO, Tribunal and High Court.
(b) Central Excise Duty	Admissibility of Modvat/Cenvat credit on inputs, capital goods, alleged duty demand on captive use of intermediate goods, reversal of the amount on dispatch of by-products, duty on valuation and storage/handling losses, for the FY 1985-86 to FY 2009-10	63.88	CESAT, Commissioner (Appeals) and High Court/ Supreme Court
(c) Income Tax	Disputes in respect appeals pending before CIT(A) for AY 1996-97 and AY 2008-09	124.40	CIT(A)
	Disputes in respect appeals pending before Tribunal for AY 1998-99 to AY 2003-04 and AY 2006-07	4.62	Tribunal
	Disputes in respect appeals pending before High Court for AY 1992-93 to AY 1994-95, AY 1996-97, AY 1997-98 and AY 2003-04	25.00	High Court
	Sub Total (a):	**154.02**	
Department's appeals: Income Tax	Relief granted by CIT (A) for AY 1989-90 to AY 1991-92, AY 1996-97 to AY 2009-10 for differences in computation, allowances of certain expenses and enhancement of rebate, etc.	331.69	Tribunal/Assessing Officer
	Relief granted by Tribunal for AY 1990-91 to AY 1994-95 & AY 1996-97 for differences in computation, allowances of certain expenses and enhancement of rebate, etc.	75.37	High Court/Supreme Court
	Sub Total (b):	**407.06**	
	Sub Total (a) + (b):	**561.08**	
TOTAL		**646.21**	

Balance Sheet

As at March 31, 2011

(₹ in Crores)

	Schedule	2011		2010	
SOURCES OF FUNDS					
Shareholders' funds					
Capital	1	**845.06**		422.53	
Reserves and surplus	2	**21,688.13**	**22,533.19**	17,701.44	18,123.97
Loan funds	3				
Unsecured Loans			**0.39**		60.47
Deferred tax liability (net) (note 14 of Schedule 18)			**944.70**		711.23
TOTAL			**23,478.28**		18,895.67
APPLICATION OF FUNDS					
Fixed assets	4				
Gross block		**9,802.33**		8,240.66	
Less : Depreciation		**(2,548.12)**		(2,076.57)	
Net block		**7,254.21**		6,164.09	
Capital work-in-progress (includes advances)		**875.23**	**8,129.44**	1,112.96	7,277.05
Investments	5		**9,334.59**		10,949.17
Current assets, loans and advances					
Inventories	6	**762.38**		451.74	
Sundry debtors	7	**208.89**		151.83	
Cash and bank balances	8	**5,632.91**		927.53	
Other current assets	9	**232.44**		6.96	
Loans and advances	10	**752.31**		457.19	
		7,588.93		1,995.25	
Less: Current liabilities and provisions	11				
Current liabilities		**1,007.60**		986.26	
Provisions		**567.08**		339.54	
		1,574.68		1,325.80	
Net current assets			**6,014.25**		669.45
TOTAL			**23,478.28**		18,895.67
Notes	18				

Schedules 1 to 18 Form Integral Part of Accounts

In terms of our report of even date

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Shyamak R. Tata
Partner
Membership No: 38320

Akhilesh Joshi
COO & Whole-time Director

A. R. Narayanaswamy
Director

Date: April 21, 2011
Place: Mumbai

S. L. Bajaj
Chief Financial Officer

R. Pandwal
Company Secretary

Profit and Loss Account

For the year ended March 31, 2011

(₹ in Crores)

	Schedule	2011	2011	2010	2010
INCOME					
Sales		**10,489.82**		8,437.87	
Less: Excise		**(577.68)**	**9,912.14**	(420.90)	8,016.97
Other income	12		**979.21**		717.68
TOTAL			**10,891.35**		8,734.65
EXPENDITURE					
Mining and manufacturing	13		**3,712.86**		2,498.66
(Accretion)/Decretion of stock	14		**(155.64)**		75.32
Employees' remuneration and benefits	15		**510.78**		457.36
Administrative and selling	16		**348.50**		311.03
Finance	17		**19.40**		43.92
Depreciation			**474.74**		334.25
TOTAL			**4,910.64**		3,720.54
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX			**5,980.71**		5,014.11
Exceptional Item (note 17 of Schedule 18)			**21.16**		—
PROFIT BEFORE TAX			**5,959.55**		5,014.11
Provision for					
Current tax - for the year			**1,142.22**		831.12
- prior year			**6.04**		(0.19)
MAT Credit Entitlement			**(322.75)**		—
Deferred Tax - for the year			**221.29**		141.77
- prior year			**12.26**		—
PROFIT AFTER TAX			**4,900.49**		4,041.41
Balance being surplus brought forward			**9,895.06**		6,649.28
PROFIT AVAILABLE FOR APPROPRIATION			**14,795.55**		10,690.69
APPROPRIATION					
Dividend			**422.53**		253.52
Corporate dividend tax			**68.55**		42.11
General reserve			**500.00**		500.00
Balance being surplus carried forward			**13,804.47**		9,895.06
			14,795.55		10,690.69
Basic and diluted earnings per share (in ₹)(note 10 of Schedule 18)			**11.60**		9.56
Notes	18				
Schedules 1 to 18 Form Integral Part of Accounts					

In terms of our report of even date

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Shyamak R. Tata
Partner
Membership No: 38320

Akhilesh Joshi
COO & Whole-time Director

A. R. Narayanaswamy
Director

Date: April 21, 2011
Place: Mumbai

S. L. Bajaj
Chief Financial Officer

R. Pandwal
Company Secretary

Cash Flow Statement

For the year ended March 31, 2011

(₹ in Crores)

			2011		2010
(A)	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net profit before tax	**5,959.55**		5,014.11	
	Adjustments for :				
	Depreciation	**474.98**		334.52	
	Interest and finance charges	**19.40**		43.92	
	Interest and dividend earned	**(588.00)**		(453.77)	
	Mark to Market adjustment on financial instruments	**(236.87)**		(103.72)	
	Provision for expenses written back	**(2.02)**		(7.46)	
	(Profit) / Loss on sale of fixed asset (net)	**(0.13)**		0.30	
	Profit on sale of current Investment (net)	**(27.18)**		(42.76)	
	Operating profit before working capital changes	**5,599.73**		4,785.14	
	Changes in working capital				
	Inventories	**(310.64)**		93.92	
	Sundry Debtors	**(57.06)**		13.11	
	Loans and Advances	**27.63**		(95.87)	
	Current Liabilities	**128.50**		65.57	
	Cash generated from operations	**5,388.16**		4,861.87	
	Income taxes paid during the year	**(1,116.25)**		(784.63)	
	Net cash generated from operating activities		**4,271.91**		4,077.24
(B)	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of fixed assets	**(1,447.57)**		(2,249.17)	
	Interest and dividend received	**372.56**		487.64	
	Fixed deposits placed with banks	**(6,830.00)**		(900.01)	
	Fixed deposits placed with banks—repaid	**2,375.00**		2,700.00	
	Purchase of investments	**(25,532.47)**		(16,828.16)	
	Sale of investment	**27,402.43**		12,906.34	
	Sale of fixed assets	**1.83**		1.87	
	Net cash used in investing activities		**(3,658.22)**		(3,881.49)
(C)	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Proceeds from borrowings	**—**		1,441.96	
	Repayment of borrowings	**(60.08)**		(1,398.63)	
	Interest and finance charges paid	**(7.58)**		(32.97)	
	Dividend and tax thereon paid	**(295.63)**		(197.74)	
	Net cash used in financing activities		**(363.29)**		(187.38)
	Net increase in cash and cash equivalents		**250.39**		8.37
	Cash and cash equivalents at the end of the year		**277.91**		27.52
	Cash and cash equivalents at the beginning of the year		**27.52**		19.15
			250.39		8.37
	Cash and cash equivalent at the end of the year		**277.91**		27.52
	Fixed deposit with banks with maturity of three months and above		**5,355.00**		900.01
	Cash and Bank balance as per Schedule 8		**5,632.91**		927.53

Note: Previous year's figures have been recast/regrouped, wherever necessary.

In terms of our report of even date

For Deloitte Haskins & Sells
Chartered Accountants

Shyamak R. Tata
Partner
Membership No: 38320

Akhilesh Joshi
COO & Whole-time Director

A. R. Narayanaswamy
Director

Date: April 21, 2011
Place: Mumbai

S. L. Bajaj
Chief Financial Officer

R. Pandwal
Company Secretary

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011

(₹ in Crores)

		2011		2010
1. CAPITAL				
Authorised				
5,000,000,000 (2010 : 500,000,000) equity shares of ₹ 2/- (2010: ₹ 10/-) each.		**1,000.00**		500.00
		1,000.00		500.00
Issued, subscribed and paid up				
4,225,319,000 (2010: 422,531,900) equity shares of ₹ 2/- (2010 : ₹ 10/-) each fully paid up		**845.06**		422.53
		845.06		422.53
Of the above:				
(a) 213,700,000 (2010 : 21,370,000) equity shares of ₹ 2/- (2010: ₹ 10/-) each allotted for consideration other than cash.				
(b) 2,743,154,310 (2010: 274,315,431) equity shares of ₹ 2/- (2010: ₹ 10/-) each are held by Sterlite Opportunities and Ventures Limited (SOVL) - holding company. SOVL is a subsidiary of Sterlite Industries (India) Limited (SIIL) and the ultimate holding Company is Vedanta Resources Plc, United Kingdom (VRP). SIIL and VRP do not hold any shares in the company.				
(c) In 2010-11 each existing Share of the face value of ₹ 10/- each was subdivided into 5 shares of face value of ₹ 2/- each. Post this split, 2,112,659,500 (2010: nil) equity shares of ₹ 2/- each were alloted as Bonus shares by capitalisation of General Reserves.				
2. RESERVES AND SURPLUS				
Balance provisions after adjustment as per Metal Corporation (Nationalisation and Miscellaneous Provision) Act, 1976 – balance as per last balance sheet		**0.61**		0.61
General reserve				
As per last balance sheet	**7,805.71**		7,305.71	
Less: Transferred to Share Capital towards Bonus shares issue during the year	**(422.53)**		–	
Add: Transferred from profit and loss account	**500.00**		500.00	
		7,883.18		7,805.71
Hedging Reserves				
As per last balance sheet	**0.06**		(20.55)	
Cash flow hedge transfer during the year	**(0.27)**		31.21	
Less: - Deferred tax provided/reversed	**0.08**		(10.60)	
		(0.13)		0.06
Surplus in Profit and loss account		**13,804.47**		9,895.06
		21,688.13		17,701.44
3. LOAN FUNDS				
Unsecured loans				
Buyer's credit from Bank (payable within one year)	–		60.08	
From other than Banks	**0.39**	**0.39**	0.39	60.47
		0.39		60.47

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

4. FIXED ASSETS

(₹ in Crores)

	GROSS BLOCK (AT COST)					
	As at 31.03.2010	Additions	Deduction / Adjustment	As at 31.03.2011	Adjustment for grant	**Net gross block as at 31.03.2011**
Land (including development expenditure)						
Free-hold	15.29	17.15	–	32.44	–	**32.44**
Lease-hold	45.67	0.20	0.51	45.36	–	**45.36**
Buildings and roads @	600.37	307.46	0.55	907.28	0.25	**907.03**
Mine Development expenditure	59.88	–	–	59.88	–	**59.88**
Railway sidings, locomotives and wagons	11.00	–	–	11.00	–	**11.00**
Plant and machinery	7,257.98	1,206.78	2.48	8,462.28	14.11	**8,448.17**
Other equipments	119.41	28.24	1.04	146.61	2.04	**144.57**
Furniture and fittings	15.30	3.44	0.10	18.64	–	**18.64**
Vehicles	17.01	4.07	0.99	20.09	–	**20.09**
Assets retired from active use	5.69	–	–	5.69	–	**5.69**
Intangible asset						
Investment in Shares	98.41	–	–	98.41	–	**98.41**
Computer Software	11.05	–	–	11.05	–	**11.05**
Total	**8,257.06**	**1,567.34**	**5.67**	**9,818.73**	**16.40**	**9,802.33**
Previous year (Total)	5,871.91	2,395.86	10.71	8,257.06	16.40	8,240.66

@ Buildings includes ₹ 1.03 (2010: ₹ 1.03) Crores where bifurcation of the cost between land and building is not ascertained.

(₹ in Crores)

	DEPRECIATION / AMORTISATION				NET BLOCK	
	Upto 31.03.2010	Provided during the year	Deductions/ Adjustment	Upto 31.03.2011	**As at 31.03.2011**	As at 31.03.2010
Land (including development expenditure)						
Free-hold	–	–	–	–	**32.44**	15.29
Lease-hold	–	–	–	–	**45.36**	45.67
Buildings and roads	69.19	18.68	–	87.87	**819.16**	530.93
Mine Development expenditure	59.88	–	–	59.88	**–**	–
Railway sidings, locomotives and wagons	7.02	0.47	–	7.49	**3.51**	3.98
Plant and machinery	1,831.20	434.78	2.36	2,263.62	**6,184.55**	5,412.67
Other equipments	44.21	11.12	0.94	54.39	**90.18**	73.16
Furniture and fittings	7.32	1.02	0.09	8.25	**10.39**	7.98
Vehicles	5.46	1.65	0.58	6.53	**13.56**	11.55
Assets retired from active use	5.03	0.11	–	5.14	**0.55**	0.66
Intangible asset						
Investment in Shares	42.38	4.67	–	47.05	**51.36**	56.03
Computer Software	4.88	3.02	–	7.90	**3.15**	6.17
Total	**2,076.57**	**475.52**	**3.97**	**2,548.12**	**7,254.21**	**6,164.09**
Previous year (Total)	1,750.59	334.52	8.54	2,076.57	6,164.09	4,104.92
Capital work in progress					**594.82**	869.85
Advance towards capital goods and services considered good					**280.41**	243.11
Total :					**8,129.44**	**7,277.05**

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

Depreciation provided has been accounted for as under :	**2011**	2010
Profit and loss account	**474.74**	334.25
Capitalised in fixed asset	**0.54**	—
Research and development expenditure	**0.24**	0.27
	475.52	334.52
100% depreciation has been charged on following assets:		
- Plant and machinery and vehicles	**1.29**	0.74
- Furniture and fixtures	**0.25**	0.16
Cumulative	**9.85**	8.31

5. INVESTMENTS - Non-trade and unquoted unless stated otherwise

Long-term investments - at cost

₹ in Crores

In fully paid-up equity shares (Trade Investment)	Face value (in ₹)	Total No. of shares	**Value as at 31.03.2011**	Total No. of shares	Value as at 31.03.2010
Madanpur South Coal Company Limited	10	164,600	**2.08**	164,600	2.08

Current Investment - (Held for Trading)

In mutual Funds	**Face value (in ₹)**	**Total No. of units**	**Market Value as at 31.03.2011**	**Total No. of units**	**Market Value as at 31.03.2010**
Birla Sun Life Fixed Term Plan Series CD	10	100,000,000	**106.65**	100,000,000	100.03
Birla Sun Life Fixed Term Plan Series CF	10	100,000,000	**103.05**	—	—
Birla Sun Life Fixed Term Plan Series CJ	10	85,000,000	**87.19**	—	—
Birla Sun Life Fixed Term Plan Series CK	10	105,000,000	**107.15**	—	—
Birla Sun Life Fixed Term Plan Series CL	10	50,000,000	**51.02**	—	—
Birla Sun Life Fixed Term Plan Series CM	10	200,000,000	**203.80**	—	—
Birla Sun Life Fixed Term Plan Series CO	10	100,000,000	**101.68**	—	—
Birla Sun Life Fixed Term Plan Series CP	10	75,000,000	**76.17**	—	—
Birla Sun Life Fixed Term Plan Series CR	10	100,000,000	**101.33**	—	—
Birla Sun Life Fixed Term Plan Series CT	10	130,000,000	**131.41**	—	—
Birla Sun Life Fixed Term Plan Series CU	10	100,000,000	**100.79**	—	—
Birla Sun Life Fixed Term Plan Series CW	10	75,000,000	**75.60**	—	—
Birla Sun Life Floating Rate Fund Long Term - IP	10	—	**—**	588,119,580	636.16
Birla Sun Life Interval Income Fund - Series 1 - IP	10	—	**—**	150,000,000	150.86
Birla Sun Life Interval Income Fund - Series 2 - IP	10	—	**—**	250,000,000	251.66
Birla Sun Life Short Term Fund - IP - Growth	10	—	**—**	154,844,984	169.42
Birla Sun Life Short Term Opportunities Fund - Growth	10	—	**—**	385,742,372	403.52
Canara Robeco FMP - Series 6 - 13 Months (Plan A)	10	40,000,000	**40.59**	—	—
Canara Robeco Interval Series - 2 - (Quarterly Plan - 2)	10	—	**—**	75,000,000	75.26
Canara Robeco Treasury Advantage Fund - Super IP - Growth	10	—	**—**	174,569,180	242.62
Deutsche Fixed Term Fund - Series 67	10	50,000,000	**53.36**	50,000,000	50.08
DSP Blackrock FMP 12M - Series 10 - IP	10	70,000,000	**71.36**	—	—

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

In mutual Funds	Face value (in ₹)	Total No. of units	Market Value as at 31.03.2011	Total No. of units	Market Value as at 31.03.2010
DSP Blackrock FMP 12M - Series 12 - IP	10	60,000,000	**60.89**	—	—
DSP Blackrock FMP 12M - Series 13 - IP	10	250,000,000	**253.10**	—	—
DSP Blackrock FMP 12M - Series 14 - IP	10	150,000,000	**151.68**	—	—
DSP Blackrock FMP 12M - Series 15 - IP	10	100,000,000	**100.64**	—	—
DSP Blackrock FMP 12M - Series 17 - IP	10	125,000,000	**125.53**	—-	—
DSP Blackrock FMP 12M - Series 18 - IP	10	40,000,000	**40.05**	—	—
DSP Blackrock FMP 13M - Series 3 - IP	10	20,000,000	**21.32**	20,000,000	20.03
HDFC Cash management Fund -Treasury Advantage Plan - Growth	10	—	**—**	144,788,891	292.28
HDFC Floating Rate Income Fund - Long Term Plan	10	131,372,668	**221.91**	131,372,668	207.89
HDFC Floating Rate Income Fund - Short Term Plan WP - Growth	10	—	**—**	303,621,464	476.23
HDFC FMP 100D - March 2010 - 1 - IP	10	—	**—**	50,000,000	50.04
HDFC FMP 13M - March 2010 - 2 - IP	10	35,000,000	**37.41**	35,000,000	35.00
HDFC FMP 14M - March 2010 - IP	10	50,000,000	**53.49**	50,000,000	50.10
HDFC FMP 367D - March 2010 - 1 - IP	10	20,000,000	**21.42**	20,000,000	20.00
HDFC FMP 370D - June 2010 - 1 - IP	10	25,000,000	**26.19**	—	—
HDFC FMP 370D - June 2010 - 2 - IP	10	35,000,000	**36.49**	—	—
HDFC FMP 370D - March 2011 - 2 - IP	10	40,000,000	**40.44**	—	—
HDFC FMP 370D - March 2011 - 3 - IP	10	50,000,000	**50.41**	—	—
HDFC FMP 370D - March 2011 - 4 - IP	10	50,000,000	**50.22**	—	—
HDFC FMP 370D - March 2011 - 5 - IP	10	35,000,000	**35.09**	—	—
HDFC Quarterly Interval Fund - Plan C - IP	10	—	**—**	65,000,000	65.50
ICICI Prudential Banking and PSU Fund - IP - Growth	10	—	**—**	198,436,992	200.55
ICICI Prudential FMP Series 51 - 13 Months - Plan C - IP	10	50,000,000	**53.52**	50,000,000	50.14
ICICI Prudential FMP Series 51 - 14 Months - Plan D - IP	10	40,000,000	**42.91**	40,000,000	40.18
ICICI Prudential FMP Series 51 - One Year Plan B - IP	10	30,000,000	**32.08**	30,000,000	30.01
ICICI Prudential FMP Series 52 - One Year Plan A - IP	10	20,000,000	**21.27**	20,000,000	20.00
ICICI Prudential FMP Series 53 - One Year Plan A - IP	10	100,000,000	**103.14**	—	—
ICICI Prudential FMP Series 53 - One Year Plan D - IP	10	100,000,000	**102.45**	—	—
ICICI Prudential FMP Series 53 - One Year Plan E - IP	10	90,000,000	**91.84**	—	—
ICICI Prudential FMP Series 53 - One Year Plan F - IP	10	95,000,000	**96.88**	-	—
ICICI Prudential FMP Series 54 - One Year Plan A - IP	10	35,000,000	**35.09**	—	—
ICICI Prudential FMP Series 55 - One Year Plan A - IP	10	200,000,000	**203.49**	—	—
ICICI Prudential FMP Series 55 - One Year Plan B - IP	10	225,000,000	**228.68**	—	—
ICICI Prudential FMP Series 55 - One Year Plan C - IP	10	93,000,000	**94.46**	—	—
ICICI Prudential FMP Series 55 - One Year Plan D - IP	10	50,000,000	**50.72**	—	—
ICICI Prudential FMP Series 55 - One Year Plan F - IP	10	130,000,000	**131.26**	—	—
ICICI Prudential FMP Series 56 - One Year Plan A - IP	10	200,000,000	**201.84**	—	—
ICICI Prudential FMP Series 56 - One Year Plan B - IP	10	125,000,000	**125.99**	—	—
ICICI Prudential FMP Series 56 - One Year Plan D - IP	10	50,000,000	**50.18**	—	—
ICICI Prudential Interval Fund - Half Yearly Interval Plan I - IP	10	133,542,075	**133.78**	—	—
ICICI Prudential Interval Fund- Annual Interval Plan II - IP	10	21,129,902	**27.83**	—	—
ICICI Prudential Interval Fund- Annual Interval Plan III - IP	10	49,991,002	**51.51**	—	—
ICICI Prudential Interval Fund IV - QIP B - IP	10	—	**—**	30,000,000	30.02

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

In mutual Funds	Face value (in ₹)	Total No. of units	Market Value as at 31.03.2011	Total No. of units	Market Value as at 31.03.2010
ICICI Prudential Medium Term Plan Premium Plus	10	–	**–**	151,071,707	151.22
ICICI Prudential Ultra Short Term Plan - Super Premium - Growth	10	–	**–**	759,594,743	784.91
IDFC Fixed Maturity Plan - 13 Month - Series 1	10	–	**–**	40,000,000	43.09
IDFC Fixed Maturity Plan - 13 Month - Series 5	10	25,000,000	**26.60**	25,000,000	25.02
IDFC Fixed Maturity Plan - 14 Month - Series 1	10	45,000,000	**48.29**	45,000,000	45.22
IDFC Fixed Maturity Plan - Half Yearly Series 9 - Plan A - IP	10	–	**–**	100,488,000	100.52
IDFC Fixed Maturity Plan Yearly Series 35 -IP	10	75,000,000	**76.53**	–	–
IDFC Fixed Maturity Plan Yearly Series 36 -IP	10	30,000,000	**30.55**	–	–
IDFC Fixed Maturity Plan Yearly Series 37 -IP	10	100,000,000	**101.59**	–	–
IDFC Fixed Maturity Plan Yearly Series 40 -IP	10	50,000,000	**50.51**	–	–
IDFC Fixed Maturity Plan Yearly Series 41 -IP	10	50,000,000	**50.43**	–	–
IDFC Fixed Maturity Plan - Quarterly Series 55 - Plan A - IP	10	–	**–**	100,000,000	100.20
IDFC Money Manager Fund Treasury Plan C IP - Growth	10	–	**–**	156,024,446	170.35
IDFC Money Manager Investment Plan Plan B IP - Growth	10	–	**–**	142,161,304	203.74
Kotak Flexi Debt Fund - IP - Growth	10	–	**–**	468,837,771	531.05
Kotak FMP 13 M Series 5 IP	10	–	**–**	50,000,000	53.90
Kotak FMP 13 M Series 6	10	75,000,000	**80.82**	75,000,000	75.30
Kotak FMP 370 Days Series 1	10	–	**–**	50,000,000	51.45
Kotak FMP 370 Days Series 2	10	60,000,000	**63.95**	60,000,000	60.08
Kotak FMP 370 Days Series 3	10	70,000,000	**74.64**	70,000,000	70.06
Kotak FMP 370 Days Series 7	10	50,000,000	**51.49**	–	–
Kotak FMP 370 Days Series 8	10	25,000,000	**25.74**	–	–
Kotak FMP Series 28 - IP	10	60,000,000	**60.98**	–	–
Kotak FMP Series 29 - IP	10	100,000,000	**101.61**	–	–
Kotak FMP Series 30 - IP	10	50,000,000	**50.79**	–	–
Kotak FMP Series 32 - IP	10	40,000,000	**40.63**	–	–
Kotak FMP Series 34 - IP	10	100,000,000	**101.09**	–	–
Kotak FMP Series 37 - IP	10	50,000,000	**50.44**	–	–
Kotak FMP Series 40 - IP	10	125,000,000	**125.49**	–	–
Kotak FMP Series 41 - IP	10	50,000,000	**50.06**	–	–
Kotak FMP Series 42 - IP	10	55,000,000	**55.28**	–	–
Kotak FMP Series 43 - IP	10	75,000,000	**75.09**	–	–
Kotak Quarterly Interval Plan Series 1	10	–	**–**	140,000,000	140.26
Kotak Quarterly Interval Plan Series 3	10	–	**–**	100,407,768	100.49
Kotak Quarterly Interval Plan Series 6	10	–	**–**	351,931,170	352.21
Kotak Quarterly Interval Plan Series 7	10	–	**–**	100,410,790	100.49
Kotak Quarterly Interval Plan Series 8	10	–	**–**	170,000,000	170.50
Reliance Fixed Horizon Fund - XII Series 3 Super IP	10	–	**–**	100,000,000	107.65
Reliance Fixed Horizon Fund - XII Series 4 Super IP	10	–	**–**	450,000,000	485.84
Reliance Fixed Horizon Fund - XIII Series 3 Super IP	10	–	**–**	60,000,000	61.00
Reliance Fixed Horizon Fund - XIV Series 1 Super IP	10	100,000,000	**107.56**	100,000,000	101.11
Reliance Fixed Horizon Fund - XIV Series 5 Super IP	10	50,000,000	**53.15**	50,000,000	50.04
Reliance Fixed Horizon Fund - XIX Series 1 Super IP	10	70,000,000	**70.95**	–	–
Reliance Fixed Horizon Fund - XIX Series 10 Super IP	10	50,000,000	**50.00**	–	–
Reliance Fixed Horizon Fund - XIX Series 11 Super IP	10	75,000,000	**75.38**	–	–
Reliance Fixed Horizon Fund - XIX Series 8 Super IP	10	100,000,000	**101.14**	–	–
Reliance Fixed Horizon Fund - XIX Series 9 Super IP	10	70,000,000	**70.61**	–	–
Reliance Fixed Horizon Fund - XV Series 4 Super IP	10	50,000,000	**52.95**	–	–
Reliance Fixed Horizon Fund - XV Series 6 Super IP	10	200,000,000	**208.71**	–	–

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

In mutual Funds	Face value (in ₹)	Total No. of units	Market Value as at 31.03.2011	Total No. of units	Market Value as at 31.03.2010
Reliance Fixed Horizon Fund - XV Series 9 Super IP	10	40,000,000	**41.34**	–	–
Reliance Fixed Horizon Fund - XVI Series 1 Super IP	10	50,000,000	**51.65**	–	–
Reliance Fixed Horizon Fund - XVII Series 1 Super IP	10	120,000,000	**123.01**	–	–
Reliance Fixed Horizon Fund - XVII Series 2 Super IP	10	100,000,000	**102.06**	–	–
Reliance Fixed Horizon Fund - XVII Series 4 Super IP	10	245,000,000	**250.09**	–	–
Reliance Fixed Horizon Fund - XVII Series 6 Super IP	10	200,000,000	**203.73**	–	–
Reliance Monthly Interval Plan Series I - Super IP	10	–	**–**	124,962,511	125.32
Reliance Quarterly Interval Fund Series I - IP	10	152,055,454	**155.52**	–	–
Reliance Quarterly Interval Fund Series III - IP	10	–	**–**	224,928,023	225.84
Religare Fixed Maturity Plan Series II - Plan A - IP	10	125,000,000	**134.50**	125,000,000	125.38
Religare Fixed Maturity Plan Series II - Plan B - IP	10	125,000,000	**134.50**	125,000,000	125.80
Religare Fixed Maturity Plan Series II - Plan C - IP	10	150,000,000	**160.16**	150,000,000	150.29
Religare Fixed Maturity Plan Series II - Plan F - IP	10	100,000,000	**106.59**	100,000,000	100.05
Religare Fixed Maturity Plan Series III - Plan A - IP	10	50,000,000	**52.53**	–	–
Religare Fixed Maturity Plan Series III - Plan C - IP	10	50,000,000	**52.21**	–	–
Religare Fixed Maturity Plan Series III - Plan D - IP	10	40,000,000	**41.56**	–	–
Religare Fixed Maturity Plan Series IV - Plan E - IP	10	30,000,000	**30.77**	–	–
Religare Fixed Maturity Plan Series IV - Plan F - IP	10	35,000,000	**35.73**	–	–
Religare Fixed Maturity Plan Series V - Plan A - IP	10	45,000,000	**45.80**	–	–
Religare Fixed Maturity Plan Series VI - Plan B - IP	10	25,000,000	**25.28**	–	–
Religare Fixed Maturity Plan Series VI - Plan D - IP	10	35,000,000	**35.29**	–	–
Religare Fixed Maturity Plan Series VI - Plan E - IP	10	25,000,000	**25.00**	–	–
SBI SDFS 13 Months - 10 IP	10	–	**–**	150,000,000	161.00
SBI SDFS 13 Months - 9 IP	10	–	**–**	95,000,000	101.92
SBI SDFS 370 Days - Series 10 - IP	10	75,000,000	**76.04**	–	–
SBI SDFS 370 Days - Series 3 - IP	10	100,000,000	**106.04**	100,000,000	100.00
SBI SDFS 370 Days - Series 9 - IP	10	100,000,000	**101.70**	–	–
TATA Fixed Income Portfolio Fund Scheme B3	10	–	**–**	60,000,000	60.08
TATA Fixed Maturity Plan Series 26 - Scheme A	10	20,000,000	**21.31**	20,000,000	20.04
TATA Fixed Maturity Plan Series 27 - Scheme A	10	50,000,000	**51.92**	–	–
TATA Fixed Maturity Plan Series 29 - Scheme B	10	40,000,000	**41.03**	–	–
TATA Fixed Maturity Plan Series 29 - Scheme C	10	50,000,000	**51.21**	–	–
TATA Fixed Maturity Plan Series 30 - Scheme A	10	100,000,000	**102.00**	–	–
TATA Fixed Maturity Plan Series 31 - Scheme B	10	40,000,000	**40.42**	–	–
TATA Fixed Maturity Plan Series 31 - Scheme C	10	22,000,000	**22.13**	–	–
TATA Floater Fund - Growth	10	–	**–**	479,768,934	658.87
TATA Liquid Super High Inv. Fund	1,000	337,013	**61.02**	–	–
UTI FIIF - QIP III - IP	10	–	**–**	100,000,000	100.59
UTI FIIF - Series II - QIP V - IP	10	–	**–**	201,142,962	201.21
UTI Fixed Income Interval Fund - Monthly Interval Plan - II	10	–	**–**	100,000,000	100.32
UTI Fixed Maturity Plan - Yearly FMP Series - YFMP (01 / 11)	10	50,000,000	**51.03**	–	–
UTI Fixed Maturity Plan - Yearly FMP Series - YFMP (11 / 09)	10	–	**–**	50,000,000	50.83
UTI Fixed Maturity Plan Yearly Series March 2009 IP	10	–	**–**	40,000,000	43.30
UTI Floating Rate Fund - STP - IP - Growth	1,000	–	**–**	3,292,251	340.65
UTI Short Term Income Fund	10	–	**–**	198,791,349	202.27
UTI Treasury Advantage Fund - IP - Growth	1,000	–	**–**	1,212,863	150.02
Total Current Investment			**9,332.51**		10,947.09
Aggregate of unquoted investments			**9,334.59**		10,949.17

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

Investment - Non-trade and unquoted unless stated otherwise

Following Investments purchased and sold during the year	2010-11			2009-10		
	Purchased Amount	**Purchased Units**	**Sold Units**	Purchased Amount	Purchased Units	Sold Units
Equity Shares of Company						
Madanpur South Coal Company Limited - Joint Venture	–	–	–	–	13538	–
Units in Mutual Fund						
Birla Sun Life Cash Manager Fund - IP	**12,632,562,165**	**1,262,877,353**	**1,262,877,353**	–	–	–
Birla Sun Life Cash Plus Institutional Premium	**23,178,373,396**	**2,042,636,921**	**2,042,636,921**	26,086,526,810	2,603,575,708	2,603,575,708
Birla Sun Life Fixed Term Plan Series AD	–	–	–	–	–	18,000,000
Birla Sun Life Fixed Term Plan Series AE	–	–	–	–	–	10,000,000
Birla Sun Life Fixed Term Plan Series AJ	–	–	–	–	–	10,000,000
Birla Sun Life Fixed Term Plan Series AN	–	–	–	–	–	100,000,000
Birla Sun Life Fixed Term Plan Series BD	–	–	–	–	–	100,000,000
Birla Sun Life Fixed Term Plan Series CD	–	–	–	1,000,000,000	100,000,000	–
Birla Sun Life Fixed Term Plan Series CF	**1,000,000,000**	**100,000,000**	–	–	–	–
Birla Sun Life Fixed Term Plan Series CJ	**850,000,000**	**85,000,000**	–	–	–	–
Birla Sun Life Fixed Term Plan Series CK	**1,050,000,000**	**105,000,000**	–	–	–	–
Birla Sun Life Fixed Term Plan Series CL	**500,000,000**	**50,000,000**	–	–	–	–
Birla Sun Life Fixed Term Plan Series CM	**2,000,000,000**	**200,000,000**	–	–	–	–
Birla Sun Life Fixed Term Plan Series CO	**1,000,000,000**	**100,000,000**	–	–	–	–
Birla Sun Life Fixed Term Plan Series CP	**750,000,000**	**75,000,000**	–	–	–	–
Birla Sun Life Fixed Term Plan Series CR	**1,000,000,000**	**100,000,000**	–	–	–	–
Birla Sun Life Fixed Term Plan Series CT	**1,300,000,000**	**130,000,000**	–	–	–	–
Birla Sun Life Fixed Term Plan Series CU	**1,000,000,000**	**100,000,000**	–	–	–	–
Birla Sun Life Fixed Term Plan Series CW	**750,000,000**	**75,000,000**	–	–	–	–
Birla Sun Life Floating Rate Fund Long-term - IP	**15,938,334,725**	**1,591,681,394**	**2,179,800,974**	10,561,157,044	1,014,510,200	526,369,624
Birla Sun Life Interval Income Fund - Series 1 - IP	**18,416,700**	**1,841,670**	**151,841,670**	1,500,000,000	150,000,000	–
Birla Sun Life Interval Income Fund - Series 2 - IP	**29,366,000**	**2,936,600**	**252,936,600**	2,500,000,000	250,000,000	–
Birla Sun Life Medium Term Fund - IP	–	–	–	39,340,000	3,933,961	203,933,961
Birla Sun Life Savings Fund IP	**8,300,115,794**	**829,447,555**	**829,447,555**	27,551,090,681	2,753,236,867	2,961,120,835
Birla Sun Life Short Term FMP - Series 3 - IP	**1,526,562,750**	**150,000,000**	**150,000,000**	–	–	–
Birla Sun Life Short Term Fund - IP	–	–	–	4,887,822,442	474,060,538	319,215,554
Birla Sun Life Short Term Opportunities Fund	**8,689,900,856**	**868,631,760**	**1,254,374,132**	8,069,662,689	789,186,955	403,444,583
Birla Sun Life Ultra Short Term Fund - IP	**18,578,533,928**	**1,856,832,135**	**2,011,677,119**	–	–	–
Canara Robeco FMP - Series 6 - 13 Months (Plan A)	**400,000,000**	**40,000,000**	–	–	–	–
Canara Robeco Interval Series - 2 - (Quarterly Plan - 2)	**846,730,945**	**84,673,065**	**159,673,065**	750,000,000	75,000,000	–
Canara Robeco Liquid - Super IP	**9,661,112,768**	**940,518,530**	**940,518,530**	4,840,380,827	482,061,630	482,061,630
Canara Robeco Treasury Advantage Fund - Super IP	**11,504,613,692**	**927,260,495**	**1,101,829,675**	7,277,038,639	565,573,147	391,003,967
DSP Blackrock Cash Manager Fund - Institutional - Daily Dividend	–	–	–	2,750,170,954	2,749,896	2,749,896
DSP Blackrock Floating Rate Fund - IP	–	–	–	2,756,872,180	2,755,370	2,755,370
DSP Blackrock FMP 12M - Series 10 - IP	**700,000,000**	**70,000,000**	–	–	–	–
DSP Blackrock FMP 12M - Series 12 - IP	**600,000,000**	**60,000,000**	–	–	–	–
DSP Blackrock FMP 12M - Series 13 - IP	**2,500,000,000**	**250,000,000**	–	–	–	–
DSP Blackrock FMP 12M - Series 14 - IP	**1,500,000,000**	**150,000,000**	–	–	–	–
DSP Blackrock FMP 12M - Series 15 - IP	**1,000,000,000**	**100,000,000**	–	–	–	–
DSP Blackrock FMP 12M - Series 17 - IP	**1,250,000,000**	**125,000,000**	–	–	–	–
DSP Blackrock FMP 12M - Series 18 - IP	**400,000,000**	**40,000,000**	–	–	–	–
DSP Blackrock FMP 12M - Series 3	–	–	–	–	–	40,000,000
DSP Blackrock FMP 13M - Series 1	–	–	–	–	–	45,000,000
DSP Blackrock FMP 13M - Series 3 - IP	–	–	–	200,000,000	20,000,000	–
DSP Blackrock FMP 18M - Series 1	–	–	–	–	–	15,000,000

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For the year ended March 31, 2011 (continued)

Following Investments purchased and sold during the year	2010-11			2009-10		
	Purchased Amount	**Purchased Units**	**Sold Units**	Purchased Amount	Purchased Units	Sold Units
DSP Blackrock FMP 3M - Series 22 - IP	**1,015,890,900**	**100,000,000**	**100,000,000**	—	—	—
DSP Blackrock FMP 3M - Series 25 - IP	**1,526,796,000**	**150,000,000**	**150,000,000**	—	—	—
DSP Blackrock Liquidity Fund - IP	**1,220,000,000**	**882,491**	**882,491**	—	—	—
DSP Blackrock Strategic Bond Fund - IP	**—**	**—**	**—**	250,066,566	249,531	249,531
DWS Fixed Term Fund - Series- 41	**—**	**—**	**—**	—	—	15,000,000
DWS Fixed Term Fund - Series- 67	**—**	**—**	**—**	500,000,000	50,000,000	—
DWS Insta Cash Plus Fund - Institutional Plan	**—**	**—**	**—**	3,270,398,053	326,008,855	326,008,855
DWS Ultra Short Term Fund - Super IP	**—**	**—**	**—**	5,051,601,572	504,257,536	657,503,252
HDFC Cash Management Fund -Savings Plan	**9,341,283,581**	**878,237,334**	**878,237,334**	19,731,804,370	1,825,682,096	1,825,682,096
HDFC Cash management Fund -Treasury Advantage Plan	**16,254,777,451**	**1,620,373,568**	**1,765,162,459**	24,981,329,151	2,343,774,821	2,536,488,391
HDFC Floating Rate Income Fund - Long-term Plan	**—**	**—**	**—**	1,000,000,000	63,263,912	—
HDFC Floating Rate Income Fund - Short-term Plan WP	**10,557,867,697**	**1,047,313,999**	**1,350,935,464**	17,616,137,194	1,578,779,976	1,275,158,512
HDFC FMP 100D - March 2010 - 1 - IP	**6,060,000**	**—**	**50,000,000**	500,000,000	50,000,000	—
HDFC FMP 13M - March 2010 - 2 - IP	**—**	**—**	**—**	350,000,000	35,000,000	—
HDFC FMP 14M - March 2010 - IP	**—**	**—**	**—**	500,000,000	50,000,000	—
HDFC FMP 35D - August 2010 (2)	**502,795,000**	**50,000,000**	**50,000,000**		—	—
HDFC FMP 35D - August 2010 (3)	**1,005,950,000**	**100,000,000**	**100,000,000**		—	—
HDFC FMP 367D - March 2010 - 1 - IP	**—**	**—**	**—**	200,000,000	20,000,000	—
HDFC FMP 370D - August 2008 - 3 - IP	**—**	**—**	**—**	—	—	20,000,000
HDFC FMP 370D - June 2010 - 1 - IP	**250,000,000**	**25,000,000**	**—**	—	—	—
HDFC FMP 370D - June 2010 - 2 - IP	**350,000,000**	**35,000,000**	**—**	—	—	—
HDFC FMP 370D - March 2011 - 2 - IP	**400,000,000**	**40,000,000**	**—**	—	—	—
HDFC FMP 370D - March 2011 - 3 - IP	**500,000,000**	**50,000,000**	**—**	—	—	—
HDFC FMP 370D - March 2011 - 4 - IP	**500,000,000**	**50,000,000**	**—**	—	—	—
HDFC FMP 370D - March 2011 - 5 - IP	**350,000,000**	**35,000,000**	**—**	—	—	—
HDFC FMP 90 D - June 2010	**759,262,500**	**75,000,000**	**75,000,000**	—	—	—
HDFC Liquid Fund - Premium Plus Plan - IP	**2,550,000,000**	**131,367,458**	**131,367,458**	—	—	—
HDFC Quarterly Interval Fund - Plan B - IP	**406,191,703**	**40,565,129**	**40,565,129**	—	—	—
HDFC Quarterly Interval Fund - Plan C - IP	**514,013,000**	**51,401,300**	**116,401,300**	650,000,000	65,000,000	—
HDFC Short Term Opportunity Fund	**1,004,830,000**	**100,483,000**	**100,483,000**	—	—	—
HSBC Fixed Term Series 44	**—**	**—**	**—**	—	—	15,000,000
ICICI Prudential Banking and PSU Fund - Premium Plus	**4,094,401,030**	**407,725,323**	**606,162,315**	4,009,192,824	398,403,649	199,966,657
ICICI Prudential Blended Plan - B - IP	**19,347,210,754**	**1,905,913,951**	**1,905,913,951**		—	—
ICICI Prudential Flexible Income Plan - Premium	**30,154,208,501**	**285,186,632**	**285,186,632**	43,940,764,443	2,298,038,072	3,002,018,137
ICICI Prudential Floating Rate Fund - Long Term - Plan C - IP	**2,510,433,910**	**250,912,949**	**250,912,949**	—	—	—
ICICI Prudential FMP Series 41 - 18 Months Plan	**—**	**—**	**—**	—	—	10,000,000
ICICI Prudential FMP Series 42 - 16 Months Plan	**—**	**—**	**—**	—	—	15,000,000
ICICI Prudential FMP Series 47 - One Year Plan B IP	**—**	**—**	**—**	—	—	100,000,000
ICICI Prudential FMP Series 51 - 13 Months - Plan C - IP	**—**	**—**	**—**	500,000,000	50,000,000	—
ICICI Prudential FMP Series 51 - 14 Months - Plan D - IP	**—**	**—**	**—**	400,000,000	40,000,000	—
ICICI Prudential FMP Series 51 - One Year Plan B - IP	**—**	**—**	**—**	300,000,000	30,000,000	—
ICICI Prudential FMP Series 52 - One Year Plan A - IP	**—**	**—**	**—**	200,000,000	20,000,000	—
ICICI Prudential FMP Series 53 - One Year Plan A - IP	**1,000,000,000**	**100,000,000**	**—**	—	—	—
ICICI Prudential FMP Series 53 - One Year Plan D - IP	**1,000,000,000**	**100,000,000**	**—**	—	—	—
ICICI Prudential FMP Series 53 - One Year Plan E - IP	**900,000,000**	**90,000,000**	**—**	—	—	—
ICICI Prudential FMP Series 53 - One Year Plan F - IP	**950,000,000**	**95,000,000**	**—**	—	—	—
ICICI Prudential FMP Series 54 - One Year Plan A - IP	**350,000,000**	**35,000,000**	**—**	—	—	—
ICICI Prudential FMP Series 55 - One Year Plan A - IP	**2,000,000,000**	**200,000,000**	**—**	—	—	—

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For the year ended March 31, 2011 (continued)

Following Investments purchased and sold during the year	2010-11			2009-10		
	Purchased Amount	**Purchased Units**	**Sold Units**	Purchased Amount	Purchased Units	Sold Units
ICICI Prudential FMP Series 55 - One Year Plan B - IP	**2,250,000,000**	**225,000,000**	**—**	—	—	—
ICICI Prudential FMP Series 55 - One Year Plan C - IP	**930,000,000**	**93,000,000**	**—**	—	—	—
ICICI Prudential FMP Series 55 - One Year Plan D - IP	**500,000,000**	**50,000,000**	**—**	—	—	—
ICICI Prudential FMP Series 55 - One Year Plan F - IP	**1,300,000,000**	**130,000,000**	**—**	—	—	—
ICICI Prudential FMP Series 56 - One Year Plan A - IP	**2,000,000,000**	**200,000,000**	**—**	—	—	—
ICICI Prudential FMP Series 56 - One Year Plan B - IP	**1,250,000,000**	**125,000,000**	**—**	—	—	—
ICICI Prudential FMP Series 56 - One Year Plan D - IP	**500,000,000**	**50,000,000**	**—**	—	—	—
ICICI Prudential Interval Fund - Half Yearly Interval Plan I - IP	**1,335,576,731**	**133,542,075**	**—**	—	—	—
ICICI Prudential Interval Fund - II - QIP - D - IP	**516,337,895**	**51,633,790**	**51,633,790**	—	—	—
ICICI Prudential Interval Fund - II - QIP - IP	**565,256,524**	**56,525,652**	**56,525,652**	—	—	—
ICICI Prudential Interval Fund- IV - QIP - B - IP	**3,435,000**	**343,500**	**30,343,500**	307,835,000	30,783,500	50,783,500
ICICI Prudential Interval Fund- Annual Interval Plan II - IP	**270,000,000**	**21,129,902**	**—**	—	—	—
ICICI Prudential Interval Fund- Annual Interval Plan III - IP	**500,000,000**	**49,991,002**	**—**	—	—	—
ICICI Prudential Liquid Super Institutional Plan	**40,321,593,728**	**366,321,993**	**366,321,993**	13,591,338,672	886,803,552	886,803,552
ICICI Prudential Medium Term Plan Premium Plus	**30,990,389**	**3,090,857**	**154,162,564**	1,511,826,249	151,071,707	—
ICICI Prudential Ultra Short Term Plan - Super Premium	**10,221,326,661**	**1,019,990,686**	**1,779,585,428**	20,460,108,212	2,018,205,102	1,258,610,359
IDFC Cash Fund Plan C - Super IP	**14,249,849,187**	**1,373,640,264**	**1,373,640,264**	9,170,767,715	916,847,560	916,847,560
IDFC Fixed Maturity Plan - 13 Month - Series 1	**—**	**—**	**40,000,000**	—	—	—
IDFC Fixed Maturity Plan - 13 Month - Series 5	**—**	**—**	**—**	250,000,000	25,000,000	—
IDFC Fixed Maturity Plan - 14 Month - Series 1	**—**	**—**	**—**	450,000,000	45,000,000	—
IDFC Fixed Maturity Plan - Half Yearly Series 9 - Plan A - IP	**20,637,106**	**2,063,711**	**102,551,711**	1,004,880,000	100,488,000	—
IDFC Fixed Maturity Plan - Monthly Series 25 - IP	**301,659,000**	**30,000,000**	**30,000,000**	—	—	—
IDFC Fixed Maturity Plan - Quarterly Series 55 - Plan A - IP	**12,120,000**	**—**	**100,000,000**	1,000,000,000	100,000,000	—
IDFC Fixed Maturity Plan - Quarterly Series 59 - IP	**1,015,110,000**	**100,000,000**	**100,000,000**	—	—	—
IDFC Fixed Maturity Plan - Quarterly Series 61 - IP	**1,019,300,000**	**100,000,000**	**100,000,000**	—	—	—
IDFC Fixed Maturity Plan - Yearly Series 17 - Plan B	**—**	**—**	**—**	—	—	30,000,000
IDFC Fixed Maturity Plan - Yearly Series 19 - Plan B	**—**	**—**	**—**	—	—	35,000,000
IDFC Fixed Maturity Plan Yearly Series 35 -IP	**750,000,000**	**75,000,000**	**—**	—	—	—
IDFC Fixed Maturity Plan Yearly Series 36 -IP	**300,000,000**	**30,000,000**	**—**	—	—	—
IDFC Fixed Maturity Plan Yearly Series 37 -IP	**1,000,000,000**	**100,000,000**	**—**	—	—	—
IDFC Fixed Maturity Plan Yearly Series 40 -IP	**500,000,000**	**50,000,000**	**—**	—	—	—
IDFC Fixed Maturity Plan Yearly Series 41 -IP	**500,000,000**	**50,000,000**	**—**	—	—	—
IDFC Money Manager Investment Plan Plan B IP	**7,242,608,662**	**723,134,959**	**865,296,263**	4,074,286,108	345,570,496	203,409,192
IDFC Money Manager Treasury Plan C IP	**9,700,167,297**	**969,871,249**	**1,125,895,695**	16,112,599,199	1,596,747,291	1,859,744,830
JM High Liquidity Super Institutional	**—**	**—**	**—**	800,080,824	79,876,287	79,876,287
JM Money Manager Fund Super Plus Plan	**—**	**—**	**—**	800,931,758	80,050,749	80,050,749
Kotak Flexi Debt Fund - IP	**10,193,053,627**	**1,014,486,552**	**1,483,324,322**	16,319,688,764	1,564,619,836	1,095,782,065
Kotak Floater - Long -term	**18,621,031,861**	**1,847,361,243**	**1,847,361,243**	28,780,838,174	2,855,298,535	2,927,525,257
Kotak Floater - Short-term	**15,860,381,212**	**1,330,635,265**	**1,330,635,265**	—	—	—
Kotak FMP 12 M Series 6	**—**	**—**	**—**	—	—	20,000,000
Kotak FMP 12 M Series 9	**—**	**—**	**—**	—	—	30,000,000
Kotak FMP 13 M Series 3	**—**	**—**	**—**	—	—	30,000,000
Kotak FMP 13 M Series 5	**—**	**—**	**50,000,000**	—	—	—
Kotak FMP 13 M Series 6	**—**	**—**	**—**	750,000,000	75,000,000	—
Kotak FMP 14 M Series 3	**—**	**—**	**—**	—	—	25,000,000
Kotak FMP 14 M Series 4	**—**	**—**	**—**	—	—	20,000,000
Kotak FMP 370 Days Series 1	**—**	**—**	**50,000,000**	500,000,000	50,000,000	—

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For the year ended March 31, 2011 (continued)

Following Investments purchased and sold during the year	2010-11			2009-10		
	Purchased Amount	Purchased Units	Sold Units	Purchased Amount	Purchased Units	Sold Units
Kotak FMP 370 Days Series 2	–	–	–	600,000,000	60,000,000	–
Kotak FMP 370 Days Series 3	–	–	–	700,000,000	70,000,000	–
Kotak FMP 370 Days Series 7	**500,000,000**	**50,000,000**	–	–	–	–
Kotak FMP 370 Days Series 8	**250,000,000**	**25,000,000**	–	–	–	–
Kotak FMP Series 28 - IP	**600,000,000**	**60,000,000**	–	–	–	–
Kotak FMP Series 29 - IP	**1,000,000,000**	**100,000,000**	–	–	–	–
Kotak FMP Series 30 - IP	**500,000,000**	**50,000,000**	–	–	–	–
Kotak FMP Series 32 - IP	**400,000,000**	**40,000,000**	–	–	–	–
Kotak FMP Series 34 - IP	**1,000,000,000**	**100,000,000**	–	–	–	–
Kotak FMP Series 37 - IP	**500,000,000**	**50,000,000**	–	–	–	–
Kotak FMP Series 40 - IP	**1,250,000,000**	**125,000,000**	–	–	–	–
Kotak FMP Series 41 - IP	**500,000,000**	**50,000,000**	–	–	–	–
Kotak FMP Series 42 - IP	**550,000,000**	**55,000,000**	–	–	–	–
Kotak FMP Series 43 - IP	**750,000,000**	**75,000,000**	–	–	–	–
Kotak Liquid (Institutional Premium)	**7,031,198,414**	**575,003,346**	**575,003,346**	25,159,720,535	2,040,619,959	2,040,619,959
Kotak Quarterly Interval Plan Series 1	**1,480,208,287**	**141,640,142**	**281,640,142**	2,106,964,350	210,696,435	70,696,435
Kotak Quarterly Interval Plan Series 10	**1,014,806,600**	**100,000,000**	**100,000,000**	–	–	–
Kotak Quarterly Interval Plan Series 2	**763,318,091**	**74,933,309**	**74,933,309**	10,540,888	1,054,089	71,054,089
Kotak Quarterly Interval Plan Series 3	**7,562,380**	**756,147**	**101,163,915**	1,004,080,000	100,407,768	–
Kotak Quarterly Interval Plan Series 4	**1,540,228,418**	**154,022,621**	**154,022,621**	–	–	–
Kotak Quarterly Interval Plan Series 5	**1,538,935,171**	**150,000,000**	**150,000,000**	–	–	–
Kotak Quarterly Interval Plan Series 6	**1,033,296,255**	**101,990,651**	**453,921,820**	3,519,320,000	351,931,170	–
Kotak Quarterly Interval Plan Series 7	**8,001,254**	**800,085**	**101,210,876**	1,004,110,000	100,410,790	–
Kotak Quarterly Interval Plan Series 8	**1,066,161,484**	**102,105,700**	**272,105,700**	1,700,000,000	170,000,000	–
Kotak Quarterly Interval Plan Series 9	**1,014,801,508**	**99,992,248**	**99,992,248**	–	–	–
Principal PNB Cash Management Fund Liquid Option Instl. Prem. Plan	–	–	–	250,019,485	25,000,198	25,000,198
Principal PNB Fixed Maturity Plan 460 Days Series IV	–	–	–	–	–	8,000,000
Principal PNB Floating Rate Fund FMP-IP	–	–	–	250,570,604	25,026,278	25,026,278
Reliance Fixed Horizon Fund - IV Series 6 Super IP	–	–	–	–	–	20,000,000
Reliance Fixed Horizon Fund - VII Series 1 Super IP	–	–	–	–	–	15,000,000
Reliance Fixed Horizon Fund - VII Series 3 Super IP	–	–	–	–	–	50,000,000
Reliance Fixed Horizon Fund - X Series 2 Super IP	–	–	–	–	–	150,000,000
Reliance Fixed Horizon Fund - X Series 5 Super IP	–	–	–	–	–	185,000,000
Reliance Fixed Horizon Fund - XII Series 3 Super IP	–	–	**100,000,000**	–	–	–
Reliance Fixed Horizon Fund - XII Series 4 Super IP	–	–	**450,000,000**	–	–	–
Reliance Fixed Horizon Fund - XIII Series 3 Super IP	–	–	**60,000,000**	600,000,000	60,000,000	–
Reliance Fixed Horizon Fund - XIV Series 1 Super IP	–	–	–	1,000,000,000	100,000,000	–
Reliance Fixed Horizon Fund - XIV Series 5 Super IP	–	–	–	500,000,000	50,000,000	–
Reliance Fixed Horizon Fund - XIX Series 1 Super IP	**700,000,000**	**70,000,000**	–	–	–	–
Reliance Fixed Horizon Fund - XIX Series 10 Super IP	**500,000,000**	**50,000,000**	–	–	–	–
Reliance Fixed Horizon Fund - XIX Series 11 Super IP	**750,000,000**	**75,000,000**	–	–	–	–
Reliance Fixed Horizon Fund - XIX Series 8 Super IP	**1,000,000,000**	**100,000,000**	–	–	–	–
Reliance Fixed Horizon Fund - XIX Series 9 Super IP	**700,000,000**	**70,000,000**	–	–	–	–
Reliance Fixed Horizon Fund - XV Series 1 Super IP	**1,026,271,153**	**100,000,000**	**100,000,000**	–	–	–
Reliance Fixed Horizon Fund - XV Series 4 Super IP	**500,000,000**	**50,000,000**	–	–	–	–
Reliance Fixed Horizon Fund - XV Series 6 Super IP	**2,000,000,000**	**200,000,000**	–	–	–	–
Reliance Fixed Horizon Fund - XV Series 9 Super IP	**400,000,000**	**40,000,000**	–	–	–	–
Reliance Fixed Horizon Fund - XVI Series 1 Super IP	**500,000,000**	**50,000,000**	–	–	–	–
Reliance Fixed Horizon Fund - XVII Series 1 Super IP	**1,200,000,000**	**120,000,000**	–	–	–	–
Reliance Fixed Horizon Fund - XVII Series 2 Super IP	**1,000,000,000**	**100,000,000**	–	–	–	–
Reliance Fixed Horizon Fund - XVII Series 4 Super IP	**2,450,000,000**	**245,000,000**	–	–	–	–

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Following Investments purchased and sold during the year	2010-11			2009-10		
	Purchased Amount	Purchased Units	Sold Units	Purchased Amount	Purchased Units	Sold Units
Reliance Fixed Horizon Fund - XVII Series 6 Super IP	2,000,000,000	200,000,000	—	—	—	—
Reliance Liquid Fund Cash Plan	25,843,905,825	1,641,326,725	1,641,326,725	—	—	—
Reliance Liquidity Fund	31,192,528,638	2,644,979,203	2,644,979,203	17,959,554,118	1,795,359,495	1,795,359,495
Reliance Medium Term Fund	—	—	—	10,671,372,463	624,221,138	711,256,992
Reliance Money Manager Fund - IP	21,835,891,823	21,805,985	21,805,985	16,228,990,149	16,210,568	16,210,568
Reliance Monthly Interval Plan Series I - Super IP	6,492,269,503	649,036,687	773,999,199	1,250,000,000	124,962,511	—
Reliance Monthly Interval Plan Series II - Super IP	2,314,931,134	231,418,361	231,418,361	—	—	—
Reliance Quarterly Interval Fund Series I - IP	3,041,167,733	303,811,096	151,755,642	—	—	—
Reliance Quarterly Interval Fund Series III - IP	3,162,653,274	316,149,690	541,077,713	2,250,000,000	224,928,023	—
Religare Fixed Maturity Plan Series II - Plan A - IP	—	—	—	1,250,000,000	125,000,000	—
Religare Fixed Maturity Plan Series II - Plan B - IP	—	—	—	1,250,000,000	125,000,000	—
Religare Fixed Maturity Plan Series II - Plan C - IP	—	—	—	1,500,000,000	150,000,000	—
Religare Fixed Maturity Plan Series II - Plan F - IP	—	—	—	1,000,000,000	100,000,000	—
Religare Fixed Maturity Plan Series III - Plan A - IP	500,000,000	50,000,000	—	—	—	—
Religare Fixed Maturity Plan Series III - Plan C - IP	500,000,000	50,000,000	—	—	—	—
Religare Fixed Maturity Plan Series III - Plan D - IP	400,000,000	40,000,000	—	—	—	—
Religare Fixed Maturity Plan Series IV - Plan E - IP	300,000,000	30,000,000	—	—	—	—
Religare Fixed Maturity Plan Series IV - Plan F - IP	350,000,000	35,000,000	—	—	—	—
Religare Fixed Maturity Plan Series V - Plan A - IP	450,000,000	45,000,000	—	—	—	—
Religare Fixed Maturity Plan Series VI - Plan B - IP	250,000,000	25,000,000	—	—	—	—
Religare Fixed Maturity Plan Series VI - Plan D - IP	350,000,000	35,000,000	—	—	—	—
Religare Fixed Maturity Plan Series VI - Plan E - IP	250,000,000	25,000,000	—	—	—	—
Religare FMP-15 Months -Series II	—	—	—	—	—	10,001,712
Religare Liquid Fund - Super IP	7,580,622,455	695,840,168	695,840,168	7,440,655,253	743,589,628	743,589,628
Religare Ultra Short Term Fund - IP	4,597,160,825	458,931,310	458,931,310	6,497,643,159	648,745,785	648,745,785
SBI Magnum Insta Cash	—	—	—	820,066,602	48,958,323	48,958,323
SBI SDFS 13 Months - 10 IP	—	—	150,000,000	—	—	—
SBI SDFS 13 Months - 9 IP	—	—	95,000,000	—	—	—
SBI SDFS 370 Days - Series 10 - IP	750,000,000	75,000,000	—	—	—	—
SBI SDFS 370 Days - Series 3 - IP	—	—	—	1,000,000,000	100,000,000	—
SBI SDFS 370 Days - Series 9 - IP	1,000,000,000	100,000,000	—		—	—
SBI SHDF - Ultra Short Term - IP	1,616,154,869	161,518,576	161,518,576	821,413,267	82,094,892	82,094,892
TATA Fixed Horizon Fund Series 18 Scheme B IP	—	—	—	—	—	50,000,000
TATA Fixed Horizon Fund Series 18 Scheme D IP	—	—	—	—	—	20,000,000
TATA Fixed Income Portfolio Fund Scheme A2	1,004,639,536	100,453,908	100,453,908	—	—	—
TATA Fixed Income Portfolio Fund Scheme A3	2,520,522,903	252,052,290	252,052,290	—	—	—
TATA Fixed Income Portfolio Fund Scheme B3	515,347,000	51,534,700	111,534,700	600,000,000	60,000,000	—
TATA Fixed Investment Plan 2 Scheme A IP	—	—	—	—	—	15,000,000
TATA Fixed Maturity Plan Series 26 - Scheme A	—	—	—	200,000,000	20,000,000	—
TATA Fixed Maturity Plan Series 27 - Scheme A	500,000,000	50,000,000	—	—	—	—
TATA Fixed Maturity Plan Series 29 - Scheme B	400,000,000	40,000,000	—	—	—	—
TATA Fixed Maturity Plan Series 29 - Scheme C	500,000,000	50,000,000	—	—	—	—
TATA Fixed Maturity Plan Series 30 - Scheme A	1,000,000,000	100,000,000	—	—	—	—
TATA Fixed Maturity Plan Series 31 - Scheme B	400,000,000	40,000,000	—	—	—	—
TATA Fixed Maturity Plan Series 31 - Scheme C	220,000,000	22,000,000	—	—	—	—
TATA Floater Fund	16,953,979,152	1,689,383,709	2,169,152,643	23,511,893,202	2,166,193,455	1,942,974,583
TATA Liquid Super High Inv. Fund	13,516,437,404	10,242,521	9,905,508	14,755,186,175	12,606,924	12,606,924
Templeton Fixed Horizon Fund -Series XI Plan C IP	—	—	—	—	—	20,000,000
UTI FIIF - Monthly Interval Plan I - IP	—	—	—	4,359,615	435,962	75,435,962
UTI FIIF - Monthly Interval Plan II - IP	1,010,346,432	101,002,653	201,002,653	1,000,000,000	100,000,000	—
UTI FIIF - QIP III - IP	12,133,120	1,213,312	101,213,312	1,000,000,000	100,000,000	—
UTI FIIF - Series II - QIP V - IP	11,099,129	1,109,891	202,252,852	2,011,429,960	201,142,962	—

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

Following Investments purchased and sold during the year	2010-11			2009-10		
	Purchased Amount	**Purchased Units**	**Sold Units**	Purchased Amount	Purchased Units	Sold Units
UTI Fixed Maturity Plan - Yearly FMP Series - YFMP (01 / 11)	**500,000,000**	**50,000,000**	**—**	—	—	—
UTI Fixed Maturity Plan - Yearly FMP Series - YFMP (03 / 09)	**—**	**—**	**40,000,000**	—	—	—
UTI Fixed Maturity Plan - Yearly FMP Series - YFMP (11 / 09)	**—**	**—**	**50,000,000**	500,000,000	50,000,000	—
UTI Floating Rate Fund - STP - IP	**12,678,970,104**	**12,669,206**	**15,961,457**	10,350,109,962	10,231,044	6,938,793
UTI Liquid Cash Plan Institutional	**10,524,943,402**	**10,137,634**	**10,137,634**	33,876,810,822	33,230,618	33,230,618
UTI Short Term Income Fund	**16,112,277**	**1,595,733**	**200,387,082**	2,000,000,000	198,791,349	—
UTI Treasury Advantage Fund - IP	**18,023,878,167**	**18,020,020**	**19,232,884**	34,689,433,631	34,394,645	39,370,377
	617,667,514,342	**44,923,940,940**	**45,457,035,549**	573,450,781,351	41,217,722,881	36,713,911,520

(₹ in Crores)

		2011		2010
6. INVENTORIES				
Stores and spares		**334.01**		198.68
(Including in transit ₹ 61.33 Crores : previous year ₹ 13.07 Crores)				
Raw Material		**19.67**		—
Stock in process				
- Ore	**51.07**		19.24	
- Concentrates	**199.49**		110.37	
- Others	**126.86**		106.57	
		377.42		236.18
Finished goods		**31.28**		16.88
		762.38		451.74
7. SUNDRY DEBTORS - UNSECURED CONSIDERED GOOD				
Debts outstanding for a period of more than six Months	**2.95**		0.73	
Other Debts	**205.94**		151.10	
		208.89		151.83
		208.89		151.83
8. CASH AND BANK BALANCES				
Cash/cheques in hand	**0.15**		0.12	
Bank balances				
Schedule banks:				
- Current account	**77.76**		27.40	
- Short term deposits	**5,555.00**	**5,632.91**	900.01	927.53
		5,632.91		927.53
9. OTHER CURRENT ASSETS				
Interest accrued on deposits, Advances etc.,		**231.07**		6.96
Derivative Assets		**1.37**		—
		232.44		6.96

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

(₹ in Crores)

		2011		2010
10. LOANS AND ADVANCES				
(Unsecured considered good unless stated otherwise)				
Loans (secured) - staff		**15.61**		17.54
(Secured by hypothecation of property/vehicle)				
Advances recoverable in cash or in kind or for value to be received		**344.59**		380.52
MAT Credit Entitlement		**322.75**		—
Deposits with government departments etc.,		**69.36**		59.13
		752.31		457.19
11. CURRENT LIABILITIES AND PROVISIONS				
Current liabilities				
Sundry creditors (Refer note 24 of Schedule 18)		**474.84**		477.66
Advance from customers		**45.82**		47.83
Security and other deposits		**298.31**		354.08
Investor education and protection fund				
- matured fixed deposits		**0.08**		0.08
- unpaid dividend		**0.68**		0.62
Other liabilities		**187.87**		105.99
		1,007.60		986.26
Provisions				
Dividend	**422.53**		253.52	
Corporate dividend tax	**68.55**		42.11	
Taxation (net)	**76.00**		43.91	
		567.08		339.54
		1,574.68		1,325.80
12. OTHER INCOME				
Interest on - gross *				
- deposits	**322.87**		125.52	
- staff loans	**0.48**		0.61	
- others	**24.05**		30.38	
		347.40		156.51
Dividend from current/non trade investments		**240.60**		297.26
Profit on sale of current investments (net)		**27.18**		42.76
Adjustment (net) to mark to market on investments in Financial Instruments		**236.87**		103.72
Rent		**2.35**		1.94
Profit on sale of fixed assets (net)		**0.13**		—
Provision for expenses written back		**2.02**		7.46
Miscellaneous income		**122.66**		108.03
		979.21		717.68

* Tax deducted at source ₹ 33.07 Cr (2010: ₹ 26.24 Cr)

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

(₹ in Crores)

		2011		2010
13. MINING AND MANUFACTURING EXPENSES				
Consumption of raw materials		**165.11**		–
Stores, spares and components		**881.81**		587.61
Power and fuel		**1,022.60**		723.86
Royalty		**803.33**		612.79
Repairs :				
- buildings	**25.30**		15.83	
- machinery	**431.43**		328.65	
- others	**35.62**		21.95	
		492.35		366.43
Freight on concentrate and other inputs		**141.48**		53.15
Other factory expenses		**201.97**		161.01
Excise		**4.21**		(6.19)
		3,712.86		2,498.66
14. (ACCRETION)/DECRETION OF STOCK				
Closing stock				
Stock in process				
- Ore	**51.07**		19.24	
- Concentrates	**199.49**		110.37	
- Others	**126.86**		106.57	
		377.42		236.18
Finished goods		**31.28**		16.88
Total		**408.70**		253.06
Opening stock				
Stock in process				
- Ore	**19.24**		12.31	
- Concentrates	**110.37**		238.73	
- Others	**106.57**		67.92	
		236.18		318.96
Finished goods		**16.88**		9.42
Total		**253.06**		328.38
(Accretion)/Decretion of stocks		**(155.64)**		75.32
15. EMPLOYEES' REMUNERATION AND BENEFITS				
Salary, wages and bonus		**418.43**		409.67
Contribution to provident/other funds		**77.10**		39.41
Staff welfare expenses		**44.11**		36.89
		539.64		485.97
Less: Capitalised		**28.86**		28.61
		510.78		457.36

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

(₹ in Crores)

		2011		2010
16. ADMINISTRATIVE AND SELLING				
Rent		**1.18**		1.05
Rates and taxes		**4.48**		5.00
Insurance		**23.17**		16.06
Watch and ward		**13.75**		9.88
Exploration expense		**34.64**		39.98
Research and development expenses:				
Salary, wages and bonus	**2.25**		1.78	
Materials and services	**0.54**		4.36	
Others	**0.64**		0.39	
Depreciation	**0.24**		0.27	
	3.67		6.80	
Less : grants received	**0.05**		0.05	
		3.62		6.75
Directors' fees		**0.08**		0.07
Directors' travelling expenses		**0.37**		0.24
Auditors remuneration and expenses				
Audit fees	**0.63**		0.53	
Tax audit fees	**0.13**		0.12	
Other audit related fees	**0.50**		0.46	
Out of pocket expenses	**0.09**		0.23	
		1.35		1.34
Cost audit and expenses		**0.01**		0.01
Donation		**5.50**		3.70
Selling and distribution				
- freight and forwarding		**172.22**		170.60
- other selling expenses		**1.91**		2.29
Exchange difference (net)		**(9.74)**		(4.52)
Loss on sale of fixed assets (net)		**—**		0.30
Other expenses		**110.01**		71.61
		362.55		324.36
Less: Capitalised		**14.05**		13.33
		348.50		311.03
17. FINANCE				
Interest				
- Bank	**0.01**		15.95	
- Others	**13.67**		13.69	
Interest		**13.68**		29.64
Exchange difference		**1.12**		3.17
Other Finance cost		**4.60**		11.11
		19.40		43.92

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

18. NOTES

(A) Significant accounting policies

BASIS OF ACCOUNTING

The financial statements are prepared as a going concern under historical cost convention on an accrual basis and comply in all material respects with the Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 1956, except those items covered under 'Accounting Standard-30' on 'Financial instruments: Recognition and Measurement' which are measured at fair value.

USE OF ESTIMATES

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

FIXED ASSETS

Fixed assets (including research and development assets) are recognised at cost of acquisition including expenditure upto the date of commissioning, net of cenvat/Value Added Tax less accumulated depreciation and impairment loss. Grant received towards fixed assets is reduced from the cost of the related assets.

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

IMPAIRMENT OF FIXED ASSETS

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

DEPRECIATION AND AMORTISATION

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

- Additions and disposals are reckoned on the first day and the last day of the month respectively.
- Individual items of plant and machinery and vehicles costing upto ₹ 25,000/- are wholly depreciated.
- In respect of additions arising on account of Insurance spares, on additions/extensions forming an integral part of existing plants and on the revised carrying amount of the assets identified as impaired on which depreciation has been provided over residual life of the respective fixed assets.

Intangible assets are amortised over its expected useful life.

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

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

FINANCIAL ASSET INVESTMENTS

i) Investments are recorded as Long Term Investments unless they are expected to be sold within one year. Investments in associates are valued at cost less provision for impairment if any. Investments are reviewed for impairment.

ii) Investments classified as Held for Trading that have a market price are measured at fair value and gains and losses arising on account of fair valuation is routed through Profit and Loss account. Investments in unquoted equity instruments that do not have a market price and whose fair value cannot be reliably measured are measured at cost.

INVENTORIES

- Ore, Concentrate, stock in process and finished products are valued at lower of cost and net realisable value on weighted average basis.
- Stores and spares are valued at lower of cost and net realisable value on weighted average basis.
- Byproducts, aluminum scrap, chemical lead scrap, anode scrap and coke fines are valued at net realisable value. Other scraps/residuals are not valued.
- Stock pile of moore cake, neutral sand, lime sludge, beta cake, lead sulphate, lead hydroxide and copper cadmium cake are valued at ₹ 1 per MT.

REVENUE AND EXPENSES

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

All other revenue and expenses are recognised on accrual basis. Revenue relating to interest on staff loans for conveyance, insurance/railway claims is recognised when recoverability is certain.

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

Expenditure on projects is:

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

Technical know-how, not directly identifiable to any plans, layout of buildings/plant and machinery, etc. are written off. Expenditure relating to fixed assets not owned by Company is charged to revenue.

Prior period/prepaid expenses exceeding ₹ 0.05 Crore is appropriately disclosed.

All revenue expenses on research and development are written off.

FOREIGN CURRENCY TRANSACTIONS

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

DERIVATIVE FINANCIAL INSTRUMENT

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

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

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

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

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecast transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the year.

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

BORROWING COST

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

EMPLOYEE BENEFITS

(i) Short-term

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

(ii) Long-term

a) Defined contribution plan and family pension scheme:

The Company's Contribution to the recognised Provident Fund and family pension scheme paid / payable during the year is recognised to the Profit and Loss Account. The shortfall, if any, between the return guaranteed by the statute and actual earnings of the Fund is provided for by the Company and contributed to the Fund.

b) Defined Benefit plan: Gratuity

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

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

c) **Other Long term benefit plan: Compensated absences**

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

VOLUNTARY RETIREMENT EXPENSES

Voluntary retirement expenses are charged to the profit and loss account.

TAXATION

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

Provision for current tax is made after taking into account rebate and relief available under the Income-tax Act, 1961.

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

DIVIDEND

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

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

(B) NOTES

1. Contingent Liability: (₹ in Crores)

	As at 31st March 2011	As at 31st March 2010
Claims against the Company not acknowledged as debts (Matters pending in court/arbitration. No cash out flow is expected in future)		
- Suppliers and contractors	**64.59**	60.62
- Employees, ex-employees and others	**19.93**	12.83
- Land Tax	**0.27**	0.27
- Mining cases	**333.90**	333.90
Guarantees issued by the banks (Bank guarantees are provided under legal/contractual obligation. No cash out flow is expected in future)	**46.02**	27.91
Sales tax demands (This pertain to disputes in respect of tax rate difference/classification, stock transfer matters. No cash out flow is expected in future)	**34.78**	37.02
Income tax (No cash out flow is expected in future)	**556.86**	396.64
Excise Duty demands (This pertain to Modvat/Cenvat credit availed on inputs, capital goods, alleged duty demand on captive use of the goods. No cash out flow is expected in future)	**71.19**	49.09
Bills Discounted (No cash out flow is expected in future)	**345.11**	105.81
Claim for compensation (CLZS land)	**Not ascertainable**	Not ascertainable

2. Estimated amount of contracts remaining to be executed on capital account not provided for ₹ 643.64 Crores (2010: ₹ 470.40 Crores)
3. The Company has export obligations of ₹ 360.00 Crores (2010 : ₹ 465.37 Crores) against the import licenses taken for import of capital goods under Export Promotion Capital Goods & Advance License Scheme.
4. The title deeds are still to be executed in respect of 10.63 acres of freehold land at Vishakapatnam.

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

5. Joint Venture :

a. The Company has access upto 31.5 million tonnes of coal as a partner in the joint venture "Madanpur South Coal Company Limited" where it holds 18.05% of ownership interest (2010 : 18.05%).

b. Interest in joint venture:

Name	Country of incorporation	Percentage of ownership Interests as at 31 March 2011	Percentage of ownership Interests as at 31 March 2010
Madanpur South Coal Company Limited	India	**18.05%**	18.05%

The Company's interest in these Joint Ventures is reported as Long Term Investment (Schedule-5) and stated at cost. However, the Company's share of each of the assets, liabilities, income and expenses etc. (each without elimination of the effect of transactions between the Company and the joint venture) related to its interests in these Joint Ventures are :

(₹ in Crores)

			As at 31 March 2011	As at 31 March 2010
I.	**Assets**			
	1.	Fixed assets	**1.24**	1.19
	2.	Current assets, Loans and Advances	**0.45**	0.48
		Cash and Bank Balances	**0.51**	0.06
	3.	Loss being excess of expenses over income	**0.40**	0.36
II.	**Liabilities**			
	1.	Share Holders funds	**2.08**	2.08
	2.	Share application monies	**0.51**	—
	3.	Unsecured Loan	**0.01**	0.01
III.	**Income**		**—**	—
IV.	**Expenses**		**0.04**	0.17

6. Matured fixed deposits of ₹ 0.08 Crore (2010: ₹ 0.08 Crores) due for transfer to Investor Education and Protection Fund have not been transferred in view of pending legal litigation between the beneficiaries.

7. Long-term Incentive Plan (LTIP)

The Company offers equity-based award plans to its employees, officers and directors through its parent, Vedanta (The Vedanta Resources Long-term Incentive Plan (the "LTIP").

The LTIP is the primary arrangement under which share-based incentives are provided to the defined management group. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference to the balance of basic salary and share-based remuneration consistent with local market practice. The performance condition attaching to outstanding awards under the LTIP is that of Vedanta's performance, measured in terms of Total Shareholder Return ("TSR") compared over a three year period with the performance of the companies as defined in the scheme from the date of grant.

Under this scheme, initial awards under the LTIP were granted in February 2004 with further awards being made in June 2004, November 2004, February 2006, November 2007, August 2009, January 2010, July 2010, October 2010 and January 2011. The awards are indexed to and settled by Vedanta shares. The awards provide for a fixed exercise price denominated in Vedanta's functional currency at 10 US cents per share, the performance period of each award is three years and the same is exercisable within a period of six months from the date of vesting beyond with the option lapse. Under the scheme, Vedanta is obligated to issue the shares. Further, in accordance with the terms of agreement between Vedanta and SIIL, the grant date fair value of the awards is recovered by Vedanta from SIIL.

Amount recovered by Vedanta and recognised by the Company in the statement of income for the financial year ended 31 March 2010 and 2011 was ₹ 11.14 Crores and ₹ 15.52 Crores respectively. The Company considers these amounts as not material and accordingly has not provided further disclosures.

8. Employee benefits

Long-term

(a) <u>Defined Contribution Plans: Provident Fund and Family Pension Scheme</u>

The Company offers its employees benefits under defined contribution plans in the form of provident fund and family pension scheme. Provident fund and family pension scheme cover all employees on roll. Contributions are paid during the year into separate funds under certain statutory/fiduciary type arrangements. While both the employees and the Company pay predetermined contributions into the provident fund, the contribution to family pension fund is made only by the Company based on prescribed rules of family pension scheme. The contributions are based on a fixed percentage of the employee's salary prescribed in the respective scheme.

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

A sum of ₹ 22.03 Crores (2010 : ₹ 19.87 Crores) has been charged to the profit and loss account in this respect, the components of which are tabulated below:

(₹ in Crores)

Defined contribution plan	2010-11	2009-10
Provident fund	**18.15**	16.01
Family Pension Scheme	**3.88**	3.86

The Company's provident fund is exempted under Section 17 of Employees Provident Fund Act, 1952. Conditions for grant of exemption stipulates that the employer shall make good deficiency, if any, in the interest rate declared by Trust over statutory limit. Having regard to the assets of the Fund and the return in the investments, the Company does not expect any deficiency in the foreseeable future.

The Guidance on implementing AS 15 (revised 2005) issued by the Accounting Standards Board states that benefit plans involving employer established provident funds, which require interest shortfall to be recompensed are to be considered as defined benefit plan. Pending the issuances of the guidance note from the actuarial society of India, the Company's actuary has expressed an inability to reliably measure provident fund liabilities. Accordingly the Company is unable to exhibit the related information.

(b) Defined benefit plans : Gratuity

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

i) Movement in the present value of defined benefit obligation

(₹ in Crores)

	2010-11	2009-10
Obligation at the beginning of the year	**123.93**	98.33
Current service cost	**7.50**	5.82
Interest cost	**9.91**	7.38
Actuarial losses and (gains)	**49.98**	16.12
Benefits paid	**(19.22)**	(3.72)
Obligation at the end of the year	**172.10**	123.93

ii) Movement in the fair value of plan assets

(₹ in Crores)

	2010-11	2009-10
Fair value at the beginning of the year	**103.42**	91.79
Expected return on the plan assets	**9.82**	8.26
Actuarial gains/(losses)	**0.76**	0.41
Employers' contribution	**20.51**	6.68
Benefits paid	**(19.22)**	(3.72)
Fair value at the end of the year	**115.29**	103.42

(iii) Amount recognised in the Balance Sheet

(₹ in Crores)

	As at 31.03.2011	As at 31.03.2010
Present value of the obligation at the end of the year	**172.10**	123.93
Fair value of the plan assets at the end of the year	**115.29**	103.42
Unfunded status/Excess of funding over obligation	**(56.81)**	(20.51)
Excess of actual over estimated	**0.76**	0.41
Net liability/asset recognised in the Balance Sheet	**(56.81)**	(20.51)

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

(₹ in Crores)

	2010-11	2009-10
Current service cost	**7.50**	5.82
Interest cost	**9.91**	7.38
Expected return on plan assets	**(9.82)**	(8.26)
Actuarial losses and (gains)	**49.22**	15.71
Total expense/income recognised in the Profit and Loss Account	**56.81**	20.65

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

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

(vi) Actual return on plan assets (₹ in Crores)

	2010-11	2009-10
Expected return on plan assets	**9.50 %**	9.00 %
Actuarial losses and (gains)	**0.76**	0.41

(vii) Actuarial assumptions

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

(₹ in Crores)

	2010-11	2009-10
Discount rates	**8.00%**	7.50%
Expected return on plan assets	**9.50 %**	9.00 %
Salary escalations	**5.50 %**	5.00 %
Mortality	**LIC (1994-96) Ultimate**	LIC (1994-96) Ultimate

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

(viii) Experience adjustment (₹ in Crores)

	2010-11	2009-10	2008-09
Present value of the obligation	**172.10**	123.93	98.33
Fair value of plan assets	**115.29**	103.42	91.79
Surplus/deficit in the plan	**(56.81)**	(20.51)	(6.54)
Experience adjustment on plan liabilities	**(3.65)**	(16.12)	(2.98)
Experience adjustment on plan assets	**1.28**	–	0.54

The details of experience adjustments arising on account of plan assets and plan liabilities as required by paragraph 120(n)(ii) of AS 15 (Revised) on "Employee Benefits" are not readily available in the valuation statement for the year 2007-08 received from Charan Gupta Consultants Pvt. Ltd. and hence, are not furnished.

(ix) The contributions expected to be made by the Company during the financial year 2011-12 are ₹ 9.55 Crores (2010 : ₹ 9.77 Crores)

(c) Other Long Term Benefit Plan - Compensated absences

The Company has provided for the liability on the basis of actuarial valuation.

9. Excise duty: (₹ in Crores)

		2011	2010
a)	Excise duty shown as a reduction from turnover	**577.68**	420.90
	Total	**577.68**	420.90
b)	Excise duty charged to profit and loss account		
	i) difference between closing and opening stock	**4.21**	(6.26)
	ii) shortages, etc.	—	0.07
	Total	**4.21**	(6.19)

10. Earnings per share (EPS):

Particulars	2011	2010
Net profit after taxation for the year (₹ in Crores)	**4,900.49**	4,041.41
Weighted average number of ordinary shares for Basic/Diluted EPS	**4,225,319,000**	4,225,319,000*
Nominal value of ordinary shares (in ₹)	**2/-**	2/-
Basic/Diluted earnings per ordinary shares (in ₹)	**11.60**	9.56*

*After considering Split and Bonus Issue

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

During the year the existing Equity Shares of ₹ 10/- each were subdivided into 5 equity shares of ₹ 2/- each, and Bonus Shares in the ratio of 1 : 1 (post split) were allotted on 9 March 2011. Previous year figures have been restated accordingly for the purpose of computation of EPS.

11. Segment reporting

(i) Segment Information for the year ended 31 March 2011 (₹ in Crores)

Particulars	31.03.2011 Zinc, Lead & Silver	31.03.2011 Others	31.03.2011 Unallocated	31.03.2011 Total	31.03.2010 Zinc, Lead & Silver	31.03.2010 Others	31.03.2010 Unallocated	31.03.2010 Total
REVENUE								
External Sales	**9,844.44**	**67.70**	**—**	**9,912.14**	7,943.39	73.58	—	8,016.97
Inter Segment Sales	**—**	**—**	**—**	**—**	—	—	—	—
Total Revenue	**9,844.44**	**67.70**	**—**	**9,912.14**	7,943.39	73.58	—	8,016.97
RESULTS								
Segment result	**5,132.18**	**2.38**	**—**	**5,134.56**	4,446.86	16.74		4,463.60
Unallocated Corporate Income net of unallocated Expenses	**—**	**—**	**—**	**844.39**	—	—	—	594.43
Interest Expense	**—**	**—**	**—**	**(19.40)**	—	—	—	(43.92)
Net Profit before tax	**—**	**—**	**—**	**5,959.55**	—	—	—	5,014.11
Income Tax	**—**	**—**	**—**	**(1,059.06)**	—	—	—	(972.70)
Net Profit / (Loss)	**—**	**—**	**—**	**4,900.49**	—	—	—	4,041.41
OTHER INFORMATION								
Segment Assets	**8,773.21**	**737.81**	**15,541.94**	**25,052.96**	7,816.09	453.25	11,952.13	20,221.47
Segment Liabilities	**927.58**	**79.26**	**1,512.93**	**2,519.77**	1,035.28	10.75	1,051.47	2,097.50
Capital Expenditure	**982.90**	**346.71**	**—**	**1,329.61**	2,400.43	—	—	2,400.43
Depreciation	**409.47**	**64.92**	**0.35**	**474.74**	271.60	62.19	0.46	334.25
Non- cash expenses other than Depreciation	**—**	**—**	**—**	**—**	—	—	—	—

(ii) Information about Secondary Business Segments (₹ in Crores)

	31.03.2011 India	31.03.2011 Outside India	31.03.2011 Total	31.03.2010 India	31.03.2010 Outside India	31.03.2010 Total
Revenue by geographical market on FOB basis	**6,226.05**	**3,686.09**	**9,912.14**	5,226.81	2,790.16	8,016.97
Inter-Segment	**—**	**—**	**—**	—	—	—
Total	**6,226.05**	**3,686.09**	**9,912.14**	5,226.81	2,790.16	8,016.97
Carrying amount of segment assets	**9,414.37**	**96.65**	**9,511.02**	8,209.72	59.62	8,269.34
Additions to Fixed Assets	**1,329.61**	**—**	**1,329.61**	2,400.43	—	2,400.43

(iii) Note:

a) Business Segment

The Company is engaged in the business of mining and smelting of zinc, lead & silver operations. The Company has also entered into wind energy business; however, its operations for the year are within the threshold limits stipulated under AS-17 "Segment Reporting" and hence, it does not require disclosure as a separate reportable segment.

b) Geographical Segment

The Geographical segments considered for disclosure are as follows:

- Revenue within India includes sales to customers located within India and earnings in India.
- Revenue outside India includes sales to customers located outside India and earnings outside India.

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

12. Related party disclosures:

a. Names of related parties and description of relation:

(i)	Holding companies:	Immediate: Ultimate in India: Ultimate in U. K:	Sterlite Opportunities and Ventures Limited Sterlite Industries (India) Limited Vedanta Resources Plc. U. K.
(ii)	Fellow subsidiaries		Bharat Aluminum Company Limited Sterlite Paper Limited* Monte Cello BV* Copper Mines of Tasmania Pty Limited Thalanga Copper Mines Pty Limited* Konkola Copper Mines Plc Sterlite Energy Limited* Sterlite (USA) Inc.* Fujairah Gold FZE* Talwandi Sabo Power Limited Sesa Goa Limited VS Dempo & Co. Private Limited Sesa Industries Limited* The Madras Aluminum Company Limited Vedanta Aluminium Limited Dempo mining Corporation Ltd. THL Zinc Ventures Ltd.* THL Zinc Ltd.* THL Zinc Holding BV* THL Zinc Namibia Holdings (Pty) Ltd.* Skorpion Zinc (Pty) Ltd.* Skorpion Mining Company (Pty) Ltd.* Namzinc (Pty) Ltd.* Amica Guesthouse (Pty) Ltd.* Rosh Pinah Health Care (Pty) Ltd.* Black Mountain Mining (RSA)* Vedanta Lisheen Finance Limited* Vedanta Base Metals (Ireland) Limited* Vedanta Lisheen Mining Limited* Killoran Lisheen Mining Limited* Killoran Lisheen Finance Limited* Lisheen Milling Limited* Killoran Concentrates Limited* Killoran Lisheen Limited* Azela Limited* Killoran Lisheen Holdings Limited* Malco Power Company Ltd.* Konkola Resources Plc* Malco Industries Ltd.*
(iii)	Joint Venture		Madanpur South Coal Company Limited
(iv)	Key personnel		Mr. M. S. Mehta**, Mr. Akhilesh Joshi
(v)	Others		Vedanta Foundation

*No Transaction during the year.
** Up to 30 June 2010.

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

b. Transactions with related parties:

(₹ in Crores)

Nature of transactions	Holding company		Fellow subsidiaries		Assoc companies		Key personnel		Joint Venture		Others		Total amount	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
Purchase of goods[3]	**—**	–	**7.71**	8.92	**—**	–	**—**	–	**—**	–	**—**	–	**7.71**	8.92
Sale of goods[2]	**1.07**	–	**—**	–	**—**	–	**—**	–	**—**	–	**—**	–	**1.07**	–
Dividend [1]	**164.59**	109.73	**—**	–	**—**	–	**—**	–	**—**	–	**—**	–	**164.59**	109.73
Personnel Services	**50.32[2]**	37.78[2]	**0.06**	0.07	**—**	–	**—**	–	**—**	–	**—**	–	**50.38**	37.85
Apportionment of common group expenses[2]	**30.43**	23.29	**—**	–	**—**	–	**—**	–	**—**	–	**—**	–	**30.43**	23.29
Remuneration – Key personnel	**—**	–	**—**	–	**—**	–	**3.07**	3.64	**—**	–	**—**	–	**3.07**	3.64
Donation	**—**	–	**—**	–	**—**	–	**—**	–	**—**	–	**4.44[4]**	3.26[5]	**4.44**	3.26
Investment in Joint Venture—														
Madanpur South Coal Company Limited	**—**	–	**—**	–	**—**	–	**—**	–	**—**	0.27	**—**	–	**—**	0.27
Amount due from :														
Konkola Copper Mines Plc	**—**	–	**0.09**	–	**—**	–	**—**	–	**—**	–	**—**	–	**0.09**	–
Sesa Goa Limited	**—**	–	**—**	0.03	**—**	–	**—**	–	**—**	–	**—**	–	–	0.03
Madanpur South Coal Company Limited	**—**	–	**—**	–	**—**	–	**—**	–	**0.52**	0.02	**—**	–	**0.52**	0.02
Vedanta Resources Plc. U. K.	**—**	–	**—**	–	**—**	–	**—**	–	**—**	–	**—**	–	**—**	–
VS Dempo & Co. private limited	**—**	–	**0.01**	–	**—**	–	**—**	–	**—**	–	**—**	–	**0.01**	–
Amount due to :														
Copper Mines of Tasmania Pty Ltd.	**—**	–	**—**	0.01	**—**	–	**—**	–	**—**	–	**—**	–	**—**	0.01
Madras Aluminium Company Limited	**—**	–	**0.02**	–	**—**	–	**—**	–	**—**	–	**—**	–	**0.02**	–
Bharat Aluminium Company Limited	**—**	–	**0.18**	0.42	**—**	–	**—**	–	**—**	–	**—**	–	**0.18**	0.42
Vedanta Aluminium Limited	**—**	–	**0.29**	0.39	**—**	–	**—**	–	**—**	–	**—**	–	**0.29**	0.39
Sesa Goa Limited	**—**	–	**—**	–	**—**	–	**—**	–	**—**	–	**—**	–	**—**	–
Sterlite Industries (India) Limited	**7.42**	5.20	**—**	–	**—**	–	**—**	–	**—**	–	**—**	–	**7.42**	5.20

Note: 1. represents transaction with Sterlite Opportunities and Ventures Limited.

2. represents transaction with Sterlite Industries (India) Limited.

3. represents transaction with Bharat Aluminium Company Limited (₹ 6.95 Cr., 2010 ₹ 7.82 Cr.) and SESA Goa Ltd. (₹ 0.76 Cr., 2010 ₹ 1.10 Cr.).

4. represents transaction with Vedanta Foundation .

5. represents transaction with Sterlite Foundation.

13. Financial and derivative instruments disclosure

a) The following are the outstanding Forward Exchange Contracts entered into by the Company as at 31 March 2011.

As at 31 March 2011					As at 31 March 2010				
Currency	**Foreign currency in Crore**	**INR in Crore**	**Buy/Sell**	**Cross Currency**	Currency	Foreign currency in Crore	INR in Crore	Buy / Sell	Cross Currency
Euro	**0.55**	**34.89**	**Buy**	**USD**	Euro	1.76	106.34	Buy	USD
USD	**0.49**	**22.02**	**Sell**	**INR**	USD	1.34	60.47	Buy	INR
AUD	**0.02**	**0.79**	**Buy**	**USD**	AUD	0.03	1.45	Buy	USD
JPY	**3.00**	**1.62**	**Buy**	**USD**	JPY	1.90	0.92	Buy	USD
					GBP	0.05	3.23	Buy	USD
					CAD	0.02	0.95	Buy	USD
					SEK	1.33	8.27	Buy	INR

b) For hedging commodity related risks :- Zinc forwards/futures sale for 4925 MT (2010 : 2200 MT).

c) All derivative and financial instruments acquired by the Company are for hedging purposes.

d) Unhedged foreign currency exposure

(₹ in Crores)

	As at 31 March 2011	As at 31 March 2010
Debtors	**96.65**	59.62
Creditors	**66.26**	53.51

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

14. Deferred taxes:

Breakup of deferred tax assets/liabilities:

(₹ in Crores)

Particulars		As at 31 March 2011	As at 31 March 2010
i)	Deferred tax asset:		
	- Voluntary retirement expenditure	**5.49**	0.64
	- On timing differences on expenses	**1.52**	1.85
	- On others	**0.06**	—
		7.07	2.49
ii)	Deferred tax liability:		
	- Related to fixed assets	**902.52**	698.08
	- On investments	**40.55**	5.74
	- On others	**8.70**	9.90
		951.77	713.72
	Net deferred tax asset/(liability)	**(944.70)**	(711.23)

15. Intangible assets represents ₹ 98.41 Crores (2010 : ₹ 98.41 Crores) being long-term investment in equity shares of Andhra Pradesh Gas Power Corporation Limited, Hyderabad, which entitles the Company to draw power in Andhra Pradesh for its Vishakapatnam unit. This has been amortised as a fixed asset. Amortisation for the year is ₹ 4.67 Crores (2010 : ₹ 4.67 Crores.), cumulative ₹ 47.05 Crores (2010 : ₹ 42.38 Crores).

16. Arising from the Announcement of the Institute of Chartered Accountants of India (ICAI) on 29 March 2008, the Company has, since 2007-08, chosen to early adopt Accounting Standard (AS) 30, Financial Instruments: Recognition and Measurement. Coterminous with this, in the spirit of complete adoption, as have been announced by the ICAI, the Company has also implemented the consequential limited revisions in view of AS-30 to certain Accounting Standards.

Accordingly, current investments which under AS-13 Accounting for Investments are carried at the lower of cost and fair value, have been accounted for at fair value resulting in investment being valued at ₹ 248.73 Crores (2010 : ₹ 105.01 Crores) above their cost and the profit before tax for the year is higher by ₹ 143.72 Crores (2010 : higher by ₹ 0.60 Crore).

17. Exceptional item represents the amount incurred on Voluntary Retirement Scheme in respect of Zinc, Lead and Silver segment.

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

18. Details of Capacity and Production*

Product	Unit	Installed capacity		Actual production	
		2011	2010	**2011**	2010
MAIN PRODUCT					
Zinc metals	MT	**879,000**	879,000	**712,471**	578,411
Lead metals	MT	**93,000**	93,000	**63,192**	71,627**
Power from wind energy	MW	**171**	123	**23**	25
BY PRODUCT					
Silver	Kg	**180,000**	180,000	**148,082**	138,550
Sulphuric acid	MT	**1,644,496**	1,644,496	**1,192,699**	1,035,588
Cadmium metals	MT	**833**	833	**493**	487
Copper cathode	MT	**2,100**	2,100	**—**	—

* As certified by management

** Production includes high silver lead 5898 MT (2010 : 7308 MT)

PARTICULARS REGARDING OPENING STOCK, SALES AND CLOSING STOCK OF GOODS PRODUCED

(Value ₹ in Crores)

	Unit	Quantity		Value	
		2011	2010	**2011**	2010
OPENING STOCK					
Zinc metals	MT	**999**	284	**5.46**	1.04
Lead metals	MT	**614**	585	**2.82**	2.29
Silver	Kg	**1,774**	2,354	**4.71**	5.09
Sulphuric acid	MT	**16,095**	19,377	**3.77**	0.83
Cadmium metals	MT	**4**	2	**0.11**	0.04
Others		**—**	—	**0.01**	0.13
				16.88	9.42
SALES@					
Zinc metals	MT	**712,603**	577,685	**8,071.21**	6,103.33
Lead metals	MT	**57,229**	64,391	**728.35**	729.10
Silver	Kg	**146,558**	139,130	**543.59**	343.98
Sulphuric acid	MT	**1,191,847**	1,038,496	**311.59**	101.83
Cadmium metals	MT	**492**	485	**10.64**	9.91
Wind Energy	MW	**23**	25	**67.70**	74.03
Zinc & Lead concentrate	DMT	**104,414**	254,418	**640.24**	933.20
Others				**116.50**	142.49
				10,489.82	8,437.87
CLOSING STOCK					
Zinc metals	MT	**848**	999	**4.56**	5.46
Lead metals	MT	**385**	614	**2.14**	2.82
Silver	Kg	**3,298**	1,774	**18.28**	4.71
Sulphuric acid	MT	**16,947**	16,095	**5.53**	3.77
Cadmium metals	MT	**5**	4	**0.11**	0.11
Others		**—**	—	**0.66**	0.01
				31.28	16.88

@ Excludes transit shortage of zinc 19 MT (2010: 11 MT) fully recovered, internal consumption of high silver lead 6192 MT (2010: 7205) and transit loss nil MT (2010: 2 MT) fully recovered.

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

19. Particulars of consumption of concentrates, stores, etc.

				2011		2010	
				Quantity	**Value**	Quantity	Value
				in MT	**₹ in Crore**	in MT	₹ in Crore
1.	a)	**Company's own products**					
		i)	Zinc concentrate	**1,324,633**	**1,213.21**	1,134,576	868.99
		ii)	Lead concentrate	**91,045**	**140.23**	85,924	75.20
		iii)	Bulk Concentrate	**70,168**	**153.99**	89,867	184.38
					1,507.43		1,128.57
	b)	**Bought out ore/concentrate**					
		i)	Concentrate indigenous	**3,593**	**13.00**	–	–
		ii)	Concentrate	**36,179**	**152.11**	–	–
	Total (a+b)				**1,672.54**		1,128.57

			Value (₹ in Crores)		Percentage	
			2011	2010	**2011**	2010
2.	i)	**Ore/concentrate**				
		Indigenous	**1,520.43**	1,128.57	**90.91**	100.00
		Imported	**152.11**	–	**9.09**	–
			1,672.54	1,128.57	**100.00**	100.00

		2011		2010	
ii)	**Stores and spares, components etc., consumed**	**Indigenous**	**Imported**	Indigenous	Imported
	- Direct consumable	**780.69**	**101.12**	547.47	40.14
	- Repairs and Maintenance, Power generation etc.,	**423.84**	**650.39**	236.50	369.74
		1,204.53	**751.51**	783.97	409.88

20. Notes

(₹ in Crores)

			2011	2010
A.	**Payment to Directors**			
	a)	Salary and allowances *	**1.66**	2.53
	b)	Contribution to PF, pension, gratuity etc.*	**0.09**	0.14
	c)	Medical reimbursement and leave travel concession	**–**	0.04
	d)	Long-term Incentive Plan	**1.32**	0.93
	e)	Directors' fees	**0.04**	0.03
	f)	Commission **	**0.04**	0.04
			3.15	3.71

* Excluding perquisite valued under Income-tax Act, 1961 and contribution for encashable leave and gratuity fund as separate valuation for the same is not available.

** Commission payable to non-executive Director.

Schedule Annexed to and Forming Part of the Accounts

For the year ended March 31, 2011 (continued)

(₹ in Crores)

		2011	2010
	COMPUTATION OF NET PROFIT IN ACCORDANCE WITH SECTION 309(5) OF COMPANIES ACT, 1956		
	Profit before tax	**5,959.55**	5,014.11
	Add: depreciation as per accounts	**474.74**	334.25
	Add: Loss on sale of fixed assets	**—**	0.30
	Add: Managerial remuneration to Directors	**3.15**	3.71
		6,437.44	5,352.37
	Less: depreciation under companies Act, 1956	**474.74**	334.25
	Less: Profit on sale of assets	**0.13**	—
	Less: Profit on sale of investment	**27.18**	42.76
	Less: Gain on mark to market on financial assets/liabilities	**236.87**	103.72
	Net profit for the year	**5,698.52**	4,871.64
	Commission to:		
	Commission maximum as per terms of appointment/special resolution	**56.99**	48.72
	Commission as recommended by the Board	**0.04**	0.04
B.	**COMMISSION TO NON-EXECUTIVE DIRECTORS AS DETERMIND BY THE BOARD**	**0.04**	0.04

		2011	2010
21.	**CIF Value of imports**		
	Raw Material	**184.79**	—
	Components, stores and spare parts	**723.39**	302.48
	Capital goods	**172.46**	727.24
		1,080.64	1,029.72
22.	**Expenditure in foreign currency**		
	Consultancy	**32.19**	41.41
	Travelling expenses	**0.81**	1.52
23.	**Earning in foreign exchange**		
	Export of goods on F.O.B. basis	**3,686.09**	2,790.16

24. The disclosures relating to Micro, Small and Medium Enterprises has been furnished to the extent such parties have been identified on the basis of the intimation received from the suppliers regarding their status under the Micro, Small and Medium Development Act, 2006 (the Act).

    There is no interest paid/payable as at 31 March 2011

Sr. No.	Particulars	2011	2010
1	Amount Outstanding	**4.24**	4.76
2	Interest Outstanding	**—**	—

25. Previous year's figures have been regrouped and rearranged, wherever necessary.

For and on behalf of the Board of Directors

Akhilesh Joshi
COO & Whole-time Director

A. R. Narayanaswamy
Director

Place : Mumbai
Date : April 21, 2011

S. L. Bajaj
Chief Financial Officer

R. Pandwal
Company Secretary

Balance Sheet Abstract and Company's General Business Profile

(As per schedule VI, part (iv) of the Companies Act, 1956)

I. Registration details

Registration No.	1208	State Code	17
Balance sheet date	31 03 2011		

II. Capital raised during the year (Amount in ₹ Thousands)

Bonus issue	4225319	Rights issue	NIL
Public issue	NIL	Private placement	NIL

III. Position of mobilisation and deployment of funds (Amount in ₹ Thousands)

Total liabilities	234782826	Total assets	234782826
Sources of funds:		**Application of funds:**	
Paid-up capital	8450638	Net fixed assets	81294383
Reserves & surplus	216881315	Investments	93345887
Secured loans	NIL	Net current assets	60142556
Unsecured loans	3900	Misc. expenditure	NIL
Deferred Tax	9446973	Accumulated losses	NIL

IV. Performance of the Company (Amount in ₹ Thousands)

Turnover	99121388	Total expenditure	49318422
Profit/Loss before tax	59595531	Profit/Loss after tax	49004911
Earning per share (₹)	11.60	Dividend Rate (%)	50

V. Generic names of principal products/services of Company

(As in monetary terms)

Item code No. (ITC code)	79011200
Product description	ZINC NOT ALLOYED CONTAINING BY WEIGHT LESS THAN 99.99% ZINC
Item code No. (ITC code)	78011000
Product description	REFINED LEAD

For and on behalf of the Board

R. Pandwal
Company Secretary

S. L. Bajaj
Chief Financial Officer

Akhilesh Joshi
COO & Whole-time Director

A. R. Narayanaswamy
Director

Place : Mumbai
Date : April 21, 2011

Financial Highlights

(₹ in Crores)

Particulars	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Turnover	8,560	7,878	5,680	8,017	**9,912**
Profit before depreciation, interest & tax (PBDIT)	6,639	6,231	3,665	5,392	**6,454**
Tax	2,012	1,589	631	973	**1,059**
Profit after tax (PAT)	4,442	4,396	2,728	4,041	**4,901**
Gross Block	4,135	5,647	6,964	9,354	**10,678**
Net Block	2,871	4,163	5,213	7,277	**8,129**
Share Capital	423	423	423	423	**845**
Reserves & Surplus	7,205	11,426	13,935	17,701	**21,688**
Net Worth	7,628	11,849	14,358	18,124	**22,533**
Total Debt	—	—	9	60	**—**
Capital Employed	3,104	4,153	4,718	6,248	**7,566**
Market Capitalisation	23,803	22,246	18,904	50,837	**58,119**
Return on capital employed (%)	138.96%	93.58%	44.07%	57.51%	**56.06%**
Earnings per Share (₹) *	10.51	10.40	6.45	9.56	**11.60**
Dividend per Share (₹)	5.00	5.00	4.00	6.00	**1.00**
Book Value per Share (₹) *	18.05	28.04	33.98	42.89	**53.33**

(*) The figures have been reworked for FY 2007 to FY 2010, to give effect of sub-division of shares and the allotment of Bonus shares. The existing equity shares of ₹ 10/- each were sub-divided into 5 equity shares of ₹ 2/- each, and Bonus Shares in the ratio of 1:1 (post split) were allotted on 09 March 2011.

Hindustan Zinc Limited

www.hzlindia.com

Hindustan Zinc Limited

Yashad Bhawan,

Udaipur – 313 004, Rajasthan

Tel: +91 6604000-02