

HZL/2021-SECY

July 19, 2022

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai - 400 001

National Stock Exchange of India Limited  
"Exchange Plaza"  
Bandra-Kurla Complex, Bandra (East),  
Mumbai – 400 051

**Scrip Code: 500188**

**Scrip Code: HINDZINC-EQ**

Dear Sir(s),

**Sub: Tax Transparency Report FY 2021-22**

We, at Hindustan Zinc, have made sustainability central to our growth and value-creation journey, and remain focused on ensuring safe operations with minimum environmental impact of our business across the lifecycle. We have ingrained into the organisational fabric a strong sense of respect for human rights, and the ethos of sharing the benefits of business with our stakeholders.

The company believes that transparency is an enabler of sustainable development and as a part of our voluntary initiative to be at the forefront of transparency, Hindustan Zinc is pleased to announce the release of its 5th Tax Transparency Report for the FY 2021-22.

This report ensures proactive transparency in tax reporting and greater accountability towards our stakeholders. This report is designed to share details of the taxes we pay and the contributions we make to the public finances.

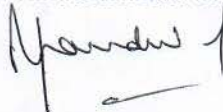
The said report is available for download on Company's website at <https://www.hzindia.com/>

Request to please take the same on record.

Thanking you,

Yours Sincerely,

**For Hindustan Zinc Limited**



**Rajendra Pandwal**  
Company Secretary

**Hindustan Zinc Limited**

Registered Office: Yashad Bhawan, Udaipur (Rajasthan) - 313 004  
Tel.: (91-294)6604000-02, Fax: (91-294) 2427739  
CIN: L27204RJ1966PLC001208, [www.hzindia.com](http://www.hzindia.com)



**TAX  
TRANSPARENCY  
REPORT**  
2021-22

Hindustan Zinc Limited (HZL) was incorporated from the erstwhile Metal Corporation of India on 10 January 1966 as a Public Sector Undertaking.

Pursuant to the April 2002 disinvestment of Government of India's (GOI) stake in Hindustan Zinc Limited,

**Vedanta Group acquired 64.92%, while GOI holds 29.54% and balance is with public and financial institutions.**

Hindustan Zinc Limited operates across the value chain - from exploration, asset development and extraction, to processing and value addition. The company continues to deliver long term value and growth across all stages.



Map not to scale, for illustrative purpose only.

## MINES

	Reserve (Million MT)	Resource (Million MT)	Reserve Grade Zn (%)	Reserve Grade Pb (%)
● Rampura Agucha Mine	47.0	28.0	11.8	1.3
● Sindesar Khurd Mine	45.4	59.3	3.0	2.0
● Zawar Mining Complex	37.9	116.1	2.8	1.2
● Rajpura Dariba Mine	28.9	38.9	4.9	1.6
● Bamnia Kalan	0	39.5	0	0
● Kayad Mine	1.9	5.0	7.6	0.9

## R&R SUMMARY

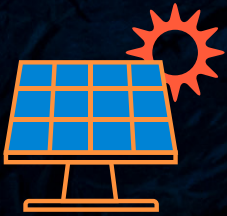
	Million MT	Grade Zn (%)	Grade Pb (%)	Grade Ag(g/t)
Reserve	161.2	5.9	1.5	58
Mineral Resource- Measured and Indicated	118.8	4.9	1.9	66
Mineral Resource- Inferred	168.0	4.4	2.1	60

## SMELTERS

	Pyro- metallurgical Zinc Smelter (TPA)	Pyro- metallurgical Lead Smelter (TPA)	Hydro- Metallurgical Zinc Smelter (TPA)	Lead Smelter (TPA)
● Chanderiya Lead- Zinc Smelter	1,05,000	90,000	4,80,000	-
● Dariba Smelting Complex	-	-	2,40,000	1,20,000
● Debari Zinc Smelter	-	-	88,000	-

Notes: Additional facilities in Pantnagar, in the state of Uttarakhand, for processing and refining of zinc, lead and silver, which does not add to our overall smelting capacity. (TPA = MT per annum)

## POWER CAPACITY MIX FY 2021-22 (MW)



Captive  
Solar Power

**40.42**



Captive Waste  
Heat Recovery  
Boiler (WHRB)

**40.67**



Wind Power  
Independent  
Power Producer  
(IPP)

**273.5**



Thermal  
Power

**505.5**

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## BRIEF ABOUT OUR BUSINESS

Hindustan Zinc is India's largest and only integrated producer of zinc, lead and silver. We are world's second largest integrated zinc producer and 6th largest silver producer globally. We currently hold over 80% market share in India's primary zinc market. Hindustan Zinc's operations comprise lead-zinc mines, hydrometallurgical zinc smelters and pyrometallurgical lead-zinc smelter. We have six mines which are situated at Rampura Agucha, Rajpura Dariba, Sindesar Khurd, Kayad, Zawar and Bamnia Kalan in the state of Rajasthan. We have three smelting operations located at Chanderia, Debari and Dariba in the state of Rajasthan. We also have zinc-lead and silver refining facilities at Pantnagar in the state of Uttarakhand. Our power generation facilities include captive thermal power plants, waste heat recovery boilers while we have also ventured into green energy by setting up solar power plants and wind power plants.

Hindustan Zinc Ltd. is subject to tax jurisdiction in India only. The primary activities viz. Production, manufacturing, sales, marketing of Hindustan Zinc are based in India and global sales are managed through sales/marketing offices based in India only. Hindustan Zinc earns all its profits from operations in India as there are no operations, sales or marketing offices outside India.

Financial Year	Revenue from Operations (Net of Excise Duty) ₹ Cr	Profit Before Tax (Earnings Before Tax) ₹ Cr	Profit After Tax (PAT) ₹ Cr	Income Tax Accrued ₹ Cr	Total Full Time Employees	Total Contract Employees
2021-22	29,440	14,101	9,629	4,471	3,500	19,414
2020-21	22,629	10,574	7,980	2,594	3,719	18,286
2019-20	18,332	8,390	6,805	1,585	4,198	14,954

## AWARDS AND RECOGNITION

**HZL Ranked 5th globally, 1st in Asia Pacific and 1st Globally** in Environment dimension in the Metal and Mining sector - Dow Jones Sustainability Index 2021

**HZL won 1st Bronze Medal &** featured in S&P Global Sustainability Yearbook 2022 for the fifth year in a row

HZL's Rampura Agucha Mine and Kayad mine received **5 Star Rated Mines** award from the Ministry of Mines, Govt. of India.

HZL certified as **Water Positive Company**

HZL certified as **'Great Place to Work 2021'**

HZL's Chanderia CPP and Debari Zinc Smelter received prestigious **'Sword of Honour' 2021** from British Safety Council

## CHAIRMAN'S VALUE STATEMENT

Our sustainability vision is centred on 'ZERO HARM, ZERO DISCHARGE, ZERO WASTE'. In the year 2020, as a part of our ambitious sustainability journey, we set out a series of goals in the shape of Sustainability Goals 2025 spanning the full breadth of Environment (E), Social (S) & Governance (G).



A sustainable business is one that serves an enduring purpose in society, and considers, in all its decision-making, the varied forms of value it can deliver to all stakeholders, including the natural environment. We, at Hindustan Zinc, have made sustainability central to our growth and value-creation journey, and remain focused on ensuring safe operations with minimum environmental impact of our business across the lifecycle. We have ingrained into the organisational fabric a strong sense of respect for human rights, and the ethos of sharing the benefits of business with our stakeholders.

Our sustainability vision is centred on '**ZERO HARM, ZERO DISCHARGE, ZERO WASTE!**' In the year 2020, as a part of our ambitious sustainability journey, we set out a series of goals in the shape of **Sustainability Goals 2025** spanning the full breadth of Environment (E), Social (S) and Governance (G). Our 2025 Sustainability Goals continue to be our goalpost across every key facet of our business. These goals are the propellers of our future growth and value creation efforts.

On the environmental front, from introduction of electric vehicles (EVs) in our mines to embarking on reporting as per task force on climate-related financial disclosures (TCFD), we have initiated a host of focussed measures to help us achieve our ESG targets. We have also undertaken a 3-year engagement with the International Union for Conservation of Nature (IUCN) for development of a Biodiversity Management Plan from no net loss approach. Our participation in the British High Commission Conference of the Parties (COP26) to tackle nature-related risks proactively, further underscore our commitment to delivering on our Net Zero goal.

On the societal front, our commitment to touching 1 million lives through our CSR initiatives by 2025 has motivated us to scale up our community outreach efforts to cover larger populations of the underprivileged members of the society in more impact-

ful ways. I am happy to share that Hindustan Zinc has won the CSR Leadership Award 2021 presented by World CSR Day for transforming the lives of communities nearby.

On the governance front, we follow a transparent and ethical approach, which is an integral component of our business strategy. We believe that transparency is an enabler of sustainable development and our Tax Transparency Report is designed to share details of the taxes we pay and the economic contributions we make in the places we work. All over the world taxes are the most important part of government funding. During the last five years we, at Hindustan Zinc, have contributed total ₹ 64,522 Cr to the Govt. exchequer while in FY 2021-22 our total contribution to exchequer amounted to ₹15,676 Cr. This contribution is an important part of our wider economic and societal impact and therefore play a key role in the development of the country in which we operate. A fair, effective and stable tax system is beneficial to both governments and businesses and we, at Hindustan Zinc, act transparently and responsibly on all tax issues and work closely with tax authorities to ensure that we pay our fair share of taxes.

All these efforts translate to getting trust from global industry bodies as we continue to strive to lead from the front. In this regard, we are both humbled and honoured by election of our CEO, Mr. Arun Misra, as the new acting Chairman of the International Zinc Association (IZA). Our leadership getting recognised at international level through this very well-deserved representation in the industry further instills confidence and puts responsibility on us to constructively contribute towards the progress of zinc industry globally.

### KIRAN AGARWAL

Chairman, Hindustan Zinc Limited

**SUSTAINABILITY GOALS 2025**



**CLIMATE CHANGE**

GHG emission savings in our operations from base year 2017

**0.5 Mn tCO<sub>2</sub>e**



**WATER STEWARDSHIP**

Water positive company & achievement of 25% reduction in freshwater

**5x**



**CIRCULAR ECONOMY**

Increase in gainful utilization of smelting process waste

**3x**



**BIODIVERSITY CONSERVATION**

Throughout the life cycle

**Protect & Enhance Biodiversity**



**ZERO HARM**

Zero work related fatalities and 50% reduction in TRIFR



**SOCIAL IMPACT**

Positively impacting lives through social, economic and environmental outcomes

**1 Mn**



**DIVERSITY IN WORKFORCE**

Diversity in an Inclusive workplace

**30%**



**RESPONSIBLE SOURCING**

Responsible sourcing in the supply chain

**100%**

**नंद घर**  
**NAND GHAR**

आंगनवाडी केन्द्र कोडनं: 08130030316  
गाँव-भेसड़ा खुर्द  
जिला-उदयपुर



Ministry of Women and  
Child Development  
Government of India

## MESSAGE FROM CEO

We strive to provide employment, strategic and sustainable development, significant community investment and pay various taxes and royalties to governments in full as required by the legislation.



Our tax transparency report aims to create a better understanding amongst the stakeholders of our businesses, our operations and the taxes we pay. At heart of this initiative is our commitment to transparency. We want to be as open about the taxes we pay as possible and build more positive relationships with the people, communities and governments where we operate. Through our operations, investments and taxes, we make an important contribution to the growth of the economy. We are committed to integrating sustainability into our business by building a strong and positive economic, social and environmental legacy. The taxes we collect and pay represent one of the ways in which we embrace this commitment to sustainability.

Hindustan Zinc is India's largest and only integrated producer of zinc, lead and silver and world's 2nd largest integrated zinc producer. We recognize that this brings significant social and economic responsibilities in the jurisdictions where we operate. We strive to provide employment, strategic and sustainable development, significant community investment and pay various taxes and royalties to governments in full as required by the legislation. Fostering societal development necessitates that we pay our fair share of tax where we operate. This concept is enshrined throughout our Tax Strategy and includes our commitments to

- Comply with both the letter and spirit of tax laws and regulations where we operate
- Adhere to international standards on transfer pricing ensuring tax is paid where value is created
- Prohibit the use of tax structures for the sole purpose of avoiding tax or tax reporting requirements.

### ARUN MISRA

Chief Executive Officer  
& Whole time Director

	<p><b>25+ Years Mine Life*</b> *Reserves &amp; Resources (R&amp;R) at current rate of Metal Production</p>	<p><b>6th largest silver Producer globally</b></p>
<p><b>India's largest &amp; only Integrated producer of zinc, lead and silver</b></p>	<p><b>World's 2nd largest integrated zinc producer and one of the lowest cost-producers of zinc globally</b></p>	<p><b>World's largest underground zinc mining operations at Rampura Agucha</b></p>
<p><b>#1 in Metals &amp; Mining category (Asia-Pacific) in Dow Jones Sustainability Index 2021 for the 5th consecutive year</b></p>	<p><b>#1 Globally in the Metals &amp; Mining sector for the Environment Dimension in the Dow Jones Sustainability Index 2021.</b></p>	<p><b>Won the Bronze Medal and has been featured in the prestigious Sustainability Yearbook for the fifth year in a row by S&amp;P Global</b></p>



## MESSAGE FROM INTERIM CFO

We are committed to be in compliance with the letter and spirit of applicable tax rules and regulations of the jurisdiction where we operate.



I am pleased to present Hindustan Zinc Ltd Tax Transparency Report for the FY 2021-22. This is our 5th Tax Transparency Report. The purpose of this report is the disclosure of the tax contributions made by the company. The details of the different types and amounts of taxes paid by Hindustan Zinc as well as the principles and strategies that guide its tax governance are provided in this report. This helps to facilitate information about our contribution to economic development, improve stakeholder understanding of our business, build trust, ensure robust tax governance, improve transparency of tax payments and compliance with tax laws where we operate.

Global tax environment has entered a new era of transparency. In today's world, the focus on transparency is not just a legal requirement, but one of the cornerstones of long-term value propositions to deliver value to shareholders and society. Stakeholders' growing demand for tax information from companies necessitate the maintenance of maximum standards of tax transparency.

We are committed to be in compliance with the letter and spirit of applicable tax rules and regulations of the jurisdiction where we operate. The timely compliance with all tax obligations, the timely payment of all taxes and the appropriate provision for tax in our financial statements are an important part of our obligations to stakeholders. We maintain highest standards of integrity with respect to tax compliance and reporting. We require all our employees, tax advisors and suppliers of tax services to act with integrity and maintain highest ethical standards in all our dealings.

I encourage you to go through our Tax Transparency Report - a voluntary effort to maintain transparent dialogue with all our stakeholders on contributions made to public finances. Voluntary publishing of Tax Transparency Report demonstrates our positive contribution to India's economy.

**Over the years, Hindustan Zinc has been consistently one of the top taxpayers in India and during the FY 2021-22 we have contributed 53% of our revenues to public finances.**

### CONTRIBUTION SUMMARY FY 2021-22

Highest-ever mined metal production, crossing the one million tonne mark at 1,017 Thousand Tonnes

967 Thousand Tonnes of Refined Metal Produced

₹ 15,676 Cr Contribution made to Public Finances

53 per cent of Our Turnover

About 14 Per cent (CAGR) Growth in contribution from 2017-18 to 2021-22

### SANDEEP MODI

Interim Chief Financial Officer

## GUIDING TAX PRINCIPLES

To maintain high standards of integrity with respect to tax compliance and reporting.

To observe all applicable laws, rules and regulations including in respect to transfer pricing. To meet all tax compliance requirements in a timely manner, through a team of qualified tax professionals and external service providers.

To maintain the Company's reputation as a fair contributor to the economy where tax forms a part of that contribution. To disclose proactively detailed information about the overall tax contribution to the government.

We only undertake transactions which will have results that are consistent with the underlying economic consequences, including tax structures with commercial substances.

To ensure that all transactions and tax positions are properly documented. As part of the Company's tax compliance, we aim to apply diligent professional care and judgment, including ensuring all decisions are taken at an appropriate level and supported by documentation that evidences the judgement involved.

Working positively, proactively and transparently with tax authorities to minimize the extent of disputes, achieve early agreement on any disputed issues and achieve certainty wherever possible.

To identify tax risks in a consistent and formal manner and communicate these to the Audit Committee and the Board.

To develop our people, through training, experience and opportunity.



## TAX STRATEGY

Hindustan Zinc is committed to be fully tax compliant and our tax strategy reflects and supports our long-term business philosophy that avoids undue tax risks and any inefficiencies in the implementation of business decisions. The Company's tax strategy basically consists of ensuring compliance with applicable tax laws and regulations. We believe in giving full, fair, accurate, timely and understandable disclosures in financial statements, reports and documents that the company files or submits to relevant authorities and in other public communications.



### Compliance with tax obligations shall be governed by the following principles:

- We are committed to be in compliance with the letter and spirit of applicable tax rules and regulations in the countries in which the company operate.
- The timely compliance with all tax obligations, the timely payment of all taxes and the appropriate provision for tax in our financial statements are an important part of our obligations to stakeholders and to the communities in which we operate. We fully cooperate on a timely basis to all government requests for information in the course of their audits.
- To maintain highest standards of integrity with respect to tax compliance and reporting.
- We require all our employees, tax advisors and suppliers of tax services to act with integrity and maintain highest ethical standards in all our dealings.
- We are committed not to use tax structures without commercial substances.
- We are committed not to use secrecy jurisdictions or 'tax havens' for tax avoidance.
- We are committed not to transfer value created to low tax jurisdictions.
- We are committed to paying tax in the jurisdiction in which value is created.
- We are committed to undertake transfer pricing using the arm's length principle while dealing with our related companies.
- To ensure that all transactions and tax positions are properly documented.
- We engage constructively in dialogue with governments and business groups when it comes to tax policy development / clarification.
- The company maintains long-term, open, transparent and cooperative relationship with tax authorities. All dealings with the tax authorities and other relevant bodies are conducted in a collaborative, courteous, timely manner and in compliance with the Hindustan Zinc's Code of Conduct.
- To proactively work on Tax disputes and engage experts for resolution (both internal/external).
- We periodically review emerging tax risks which may arise in view of multiple disruptions in business and economy including regulatory, social, political and technological changes.
- We mitigate tax risks by taking strong technical positions in accordance with applicable laws and supported by adequate documentation.
- Material tax risks or disputes are reported to the audit committee of the Board of Directors for its consideration. The audit committee then updates the Board.
- This Tax Strategy document is reviewed annually by the CFO and presented annually to the Whole-Time Director as the representative of the Board of Directors.

The content and implementation of the tax strategy are approved annually by the Whole-Time Director. The CFO and the tax team are responsible for ensuring the compliance with this Tax Policy.

## OUR TAX APPROACH

Approach to tax transparency

**WE BELIEVE IN GIVING FULL, FAIR, ACCURATE, TIMELY AND UNDERSTANDABLE DISCLOSURES IN FINANCIAL STATEMENTS, REPORTS AND DOCUMENTS THAT WE FILE OR SUBMIT TO RELEVANT AUTHORITIES.**



As a part of our voluntary initiative to be at the forefront of transparency, we have prepared this report to ensure proactive transparency in tax reporting and greater accountability towards our stakeholders. The report also provides our stakeholders detailed information about the overall economic contribution of Hindustan Zinc Limited to the local, state and central Governments.

The contributions comprise Corporate income tax, royalty related tax payments including contributions to District Mineral Foundation and National Mineral Exploration Trust, material payments made to the Government such as duties on import/export, local municipal taxes, cess etc.; indirect revenue contributions (taxes collected and paid on behalf of our employees and vendors i.e. withholding taxes and social security contributions) and corporate dividend to Govt. of India.

Disclosures made in this report are on a standalone basis which covers all Company's operating locations. During the year, two Wholly Owned Subsidiaries (Private Limited Companies), namely Hindustan Zinc Alloys Private Limited and Vedanta Zinc Football & Sports Foundation were incorporated whose activities are yet to start. Hence, this report is on standalone basis. Hindustan Zinc also has a Joint Venture named 'Madanpur South Coal Company Limited' (Madanpur JV), a Company incorporated in India. In this regard, please refer Note 9 and 38 in pages 307,308 & 406 of Annual Report of Hindustan Zinc Ltd on the link provided below.

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

## COMPLIANCE WITH LAWS & REGULATION

We, at Hindustan Zinc, maintain a compliance calendar and report compliance or non-compliance on a periodic-basis. Systems, processes and controls enable the company to fulfill its tax compliance obligations.

**OUR IN-HOUSE TAX TEAM AND ADVISORY PROFESSIONALS UNDERSTAND THE APPLICABLE TAX LAWS THOROUGHLY AND WE ALIGN OUR TAX BEHAVIOR WITH OUR CODE OF CONDUCT, CORPORATE VALUES AND PROFESSIONAL AND ETHICAL RESPONSIBILITIES.**



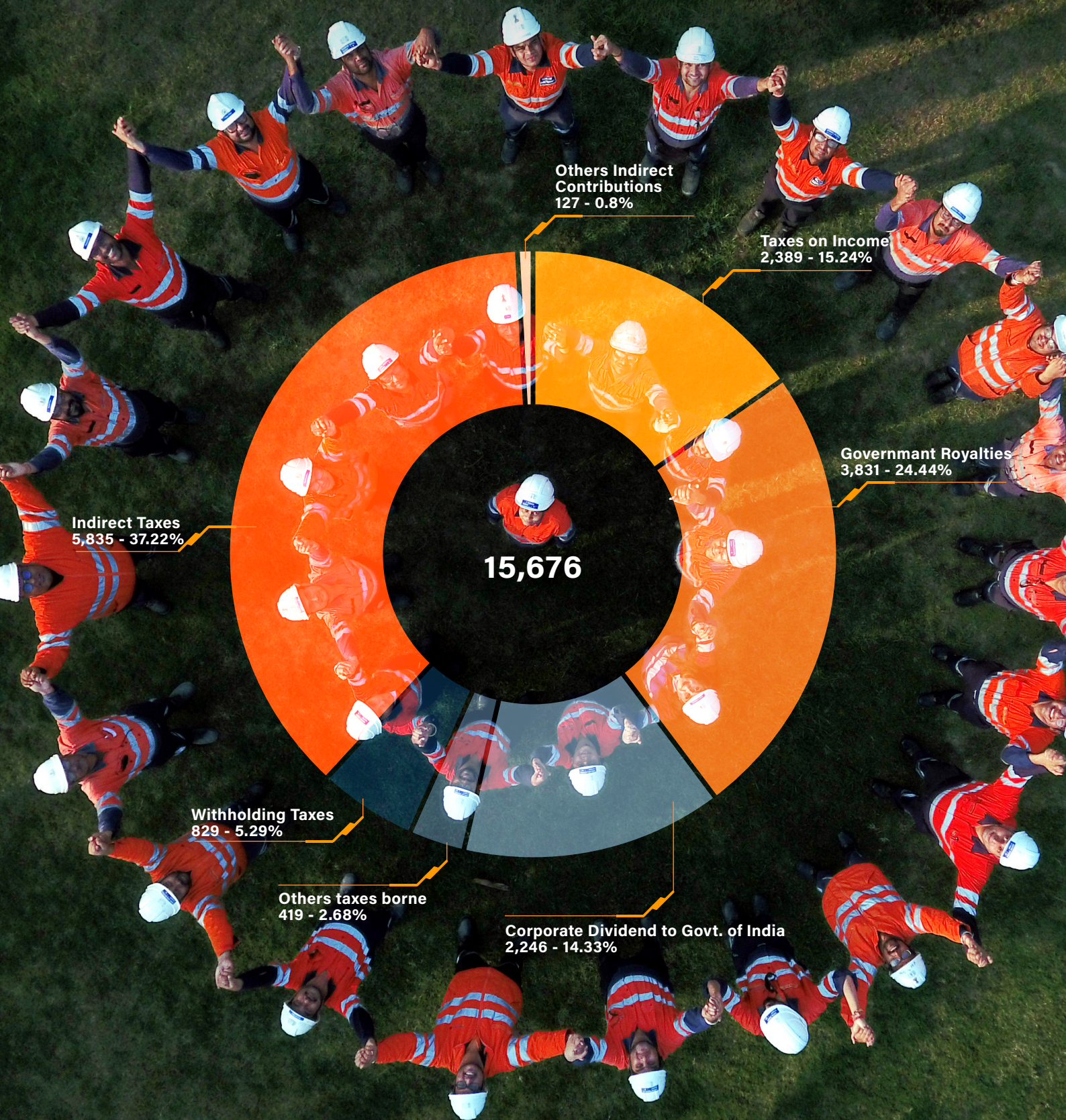
## RELATIONSHIP WITH TAX AUTHORITIES AND DISPUTE RESOLUTION

We maintain a long term, open, transparent and cooperative relationship in all our dealings with the tax authorities based on mutual trust in line with Hindustan Zinc's Code of Business Conduct and Ethics.

The company actively participates in the tax authority's formal consultation processes on matters having material impact on the company. We work with Industry chambers wherever possible to contribute in development of tax laws and policies.

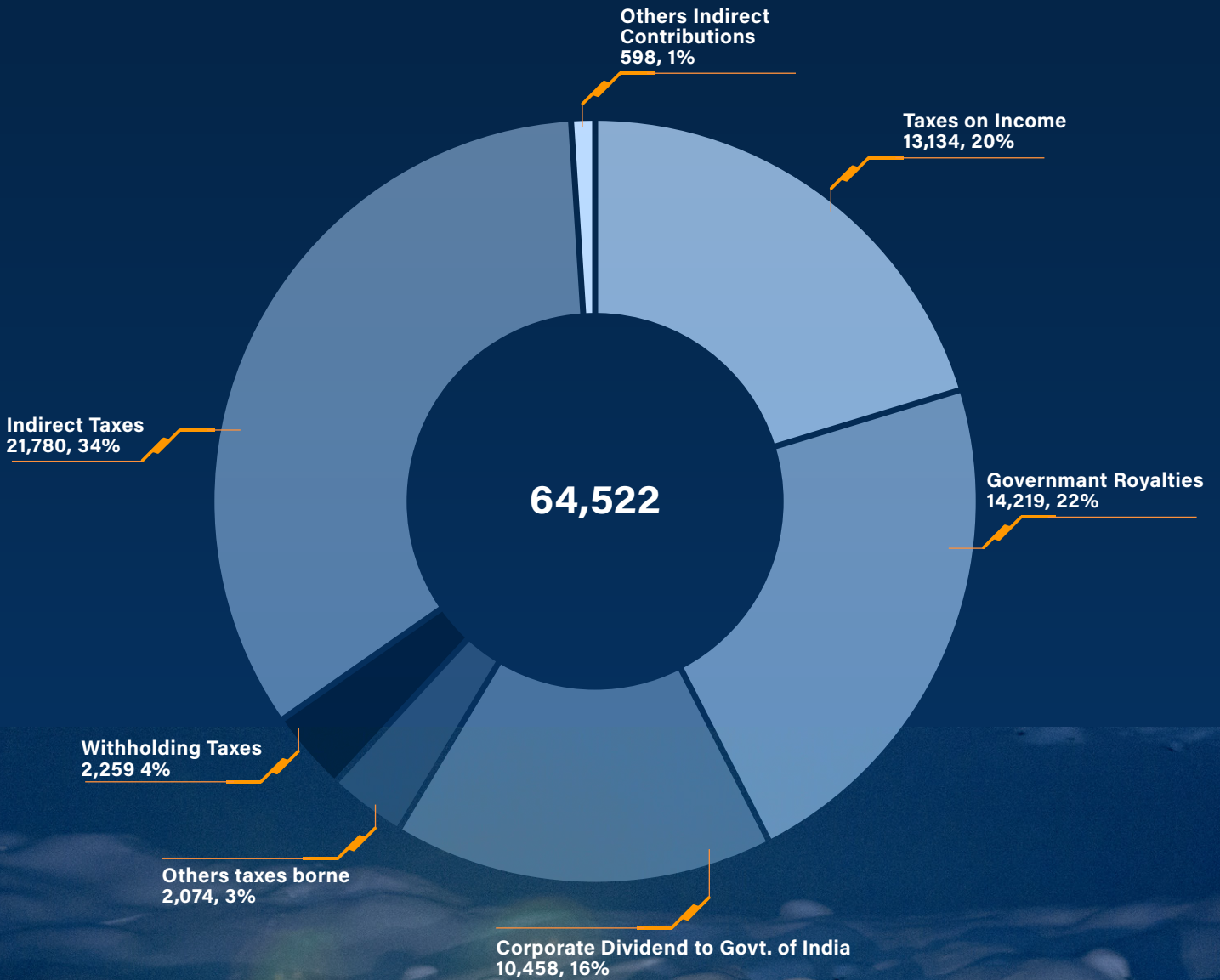
If a dispute arises with the tax authority regarding a tax position taken by the company, we seek to resolve this by filing factual documentation and making detailed legal submissions. If we continue to disagree, the decision to litigate will be assessed on the basis of technical merits and judicial precedents, cost and benefit analysis, reputational issues, cash flow implications and industry position.

# HINDUSTAN ZINC LIMITED CONTRIBUTION TO PUBLIC FINANCES- FY 2021-22 (₹ in Cr.)



■ All the taxes accrued/paid are for operations in India as there are no operations or sales/marketing offices outside India

## HINDUSTAN ZINC LIMITED CONTRIBUTION TO PUBLIC FINANCES DURING LAST 5 YEARS- (FY 2017-18 TO FY 2021-22) (₹ in Cr.)



▪ All the taxes accrued/paid are for operations in India as there are no operations or sales/marketing offices outside India

## BASIS OF PREPARATION

### NOTE-1

Amounts reported in the table above are from financial statements for FY 2021-22 and the company's contribution to the public finances are in line with the amounts reported in Vedanta Tax Transparency Report.

### NOTE-2

All data is prepared for the year from 1 April 2021 to 31 March 2022. The above contributions have been reported on cash basis. Social expenditures have not been considered in the contribution to public finances shown in the table.

### NOTE-4

HZL has not disclosed in Table above, the taxes charged by suppliers'/service providers in their invoices and paid by the company. Tax contributions under both the categories i.e. Taxes paid and Indirect Revenue Contributions shown in the table are not netted to the extent of input credits available or any other adjustments under the provision of applicable laws of taxes paid on purchase/ procurement of goods/ services and charged by supplier's/service providers in the invoice.

### NOTE-5

Taxes Paid

#### Taxes on Income

This comprises of Corporate Income Tax but does not include deferred tax. These taxes are provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Typically, these taxes would be reflected in corporate income tax returns made to Government authorities and generally tend to become payable in the year the profits were made or up to one year later.

Profits of companies in India are subject to either regular income tax or Minimum Alternate Tax ("MAT"), whichever is greater. Regular Income tax on Indian companies is charged at a statutory rate of 30% plus a surcharge of 12% on the tax and has an additional health and education cess of 4% on the tax including surcharge, which results in an effective statutory tax rate of 34.944%. The effective MAT rate during the year for Indian companies was 17.472%. The excess of amounts paid as MAT over the regular income tax amount during the year may be carried forward and applied towards regular income taxes payable in any of the succeeding fifteen years subject to certain conditions.

#### Government Royalties

This comprises of contributions made to public finances in the form of royalties on extraction of ore and contributions to District Mineral Foundation and National Mineral Exploration Trust. These form part of operating costs.

#### Other Taxes Paid

This primarily comprises of Duties on Import/Export of Goods (Considered part of Operating Costs), Municipal Taxes, Service Tax, Entry Tax/Octroi and other taxes paid. These form part of operating costs.

#### Indirect Revenue Contributions

#### Withholding Taxes

This comprises of payroll & employee taxes (including professional tax) withheld from employee remuneration and paid to Government authorities, i.e. tax collected and remitted to Governments on behalf of employees. Typically, these taxes would be reflected in payroll tax returns made to public finances and tend to be payable on a regular basis (often monthly) throughout the year, shortly after the submission of the returns. It also comprises of taxes withheld or collected from various payments made to contractors and paid to Governments, i.e. taxes collected/deducted and remitted to Governments on behalf of the service providers/vendors.

#### Indirect Taxes

This comprises of the taxes paid to the Governments on production or sale of goods like Integrated Goods and Services Tax (IGST), Central Goods & Services Tax (CGST) and State Goods & Services Tax (SGST). These taxes would not be collected if the Company does not produce and make sales to the customers.

#### Others

This includes contribution of employers and employees for funding the Social Security program of government like Provident Fund and Employee State Insurance Fund etc. Such contributions are reflected in the monthly and annual returns made to the respective organizations.

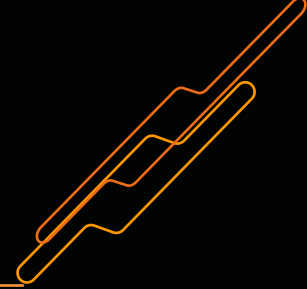
#### Dividends paid to Government

This includes dividends paid to government as the government holds shares in the company.



## APPENDIX -I TAXES PAID BY HZL

- Corporate Income Tax
- Government Royalties
- Duties on Export and Import
- Other Cesses and Surcharges
- Stamp Duty
- Municipal Taxes
- Withholding Taxes
- Goods and Service Tax
- Octroi/Entry Tax
- Provident Fund and Employee State Insurance
- Land Tax/Property Tax
- Electricity Taxes/Duty
- Corporate Dividend to Govt. of India



## APPENDIX -II - GLOSSARY OF TERMS

### Corporate income tax

All taxes that are based on the taxable profits of a company.

### Current tax

The corporate income tax due in respect of taxable profits of an accounting period, as defined in the International Financial Reporting Standard IAS 12.

### Deferred tax

The corporate income tax due in respect of temporary differences between accounting values and tax bases, as defined in the International Financial Reporting Standard IAS 12.

### Effective corporate income tax rate

The corporate income tax charge in respect of an accounting period divided by the accounting profit before tax.

### Government

Any governing body of a nation, state, region or district, but not including any commercial enterprises or financial institutions that may be controlled by a government.

### Vedanta Group/the Group

Vedanta Limited and their subsidiaries, associates and joint arrangements.

### Indirect tax

Tax that is required to be paid to a government by one person at the expense of another person.

### OECD

Organisation for Economic Co-operation and Development (OECD) is an intergovernmental economic organisation with 38 member countries, founded in 1961 to stimulate economic progress and world trade.

### Profit before tax

Accounting profit for a period before deducting a charge for corporate income taxes.

### Tax

Any amount of money required to be paid to a government, whether by law or by agreement, including without limitation corporate income tax, government royalties, licence fees, permitting fees, property taxes, dividends (where the payment is related to extractive activities), employment taxes, sales taxes, stamp duties and any other required payments.

### Tax charge

The amount of corporate income tax included in the income statement of a company for an accounting period.

### Tax collected

Tax that a person is obliged to pay to a government on behalf of another person.

### The report

Tax Transparency Report – FY 2021-22





**HINDUSTAN ZINC**  
Zinc & Silver of India

**Hindustan Zinc Limited**

Yashad Bhawan, Udaipur-313004 Rajasthan, India.  
T: +91 294 6604000-20 | [www.hzlindia.com](http://www.hzlindia.com)

Hindustan Zinc Facebook Page

<https://www.facebook.com/HindustanZinc/>

Hindustan Zinc Twitter Handle

[https://twitter.com/Hindustan\\_Zinc](https://twitter.com/Hindustan_Zinc)

Hindustan Zinc LinkedIn Page

<https://www.linkedin.com/company/hindustanzinc/>

CEO-HZL Twitter Handle

[https://twitter.com/CEO\\_HZL](https://twitter.com/CEO_HZL)

