HINDUSTAN ZINC
Zinc & Silver of India

HZL/2023-SECY/

July 28, 2023

BSE Limited
P.J. Towers, Dalal Street,
Mumbai - 400001

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

Scrip Code: 500188

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

Trading Symbol: HINDZINC-EQ

Dear Sir/Ma'am,

Sub: - Notice of "57th Annual General Meeting" of the members of the Company and Integrated Annual Report for the Financial Year 2022-23

1) This is to inform that the fifty-seventh Annual General Meeting ("AGM") of the members of the Company will be held on Thursday, August 24, 2023 at 12:00 noon IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, to transact the businesses as set forth in the Notice dated July 21, 2023 convening the AGM ("Notice").

2) Pursuant to Regulation 34(1) and 53(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, please find enclosed herewith the Integrated Annual Report for the Financial Year 2022-23, which also contains Business Responsibility and Sustainability Report, along with the Notice being sent to all Members in electronic mode whose email addresses are registered with the Company / Depository Participant(s).

3) The Integrated Annual Report and Notice of the 57th AGM is also available on the website of the Company at www.hzlindia.com.

4) The details such as manner of (i) registering / updating email addresses, (ii) casting vote through e-voting and (iii) attending the AGM through VC / OAVM has been set out in the Notice of the AGM.

5) The Company has fixed Thursday, August 17, 2023 as the "Cut-off Date" for the purpose of determining the members eligible to vote on the resolutions set out in the Notice of the AGM or to attend the AGM.

6) The Register and Share Transfer Books of the Company will remain closed from Saturday, August 19, 2023 to Wednesday, August 23, 2023 (both days inclusive).

We request you to please take the above on record.

Thanking You,

Yours Faithfully,

For **Hindustan Zinc Limited**

Rajendra Pandwal Digitally signed by Rajendra Pandwal Date: 2023.07.28 16:24:37 +05'30'

Rajendra Pandwal
Company Secretary & Compliance Officer

Encl: As above

Copy to:

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

KFin Technologies Limited
(formerly known as KFin Technologies Private Limited)
Registrar & Transfer Agent
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad –32

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

Axis Trustee Services Limited
Debenture Trustee
The Ruby, 2nd Floor (SW)
29, Senapati Bapat Marg,
Dadar West, Mumbai - 400 028

vedanta
transforming for good

HINDUSTAN ZINC
Zinc & Silver of India

Achieving More Milestones Chasing New Horizons

INTEGRATED
ANNUAL REPORT
2022-23

SAFE SMART SUSTAINABLE

MILLION TONNE

Refined Metal Production

The Hindustan Zinc journey has crossed new milestones, and touched new frontiers of growth with the Company crossing the 1 million tonne refined metal production mark during the year

HINDUSTAN ZINC
Zinc & Silver of India

Contents

White-breasted Kingfisher at Debari
Photo courtesy: International Union for Conservation of Nature (IUCN) Team

Our Approach to Integrated Reporting

About The Report

This is the fourth Integrated Report of Hindustan Zinc Limited (Hindustan Zinc) prepared in line with the guiding principles of the Integrated Reporting <IR> framework of the International Integrated Reporting Council (IIRC), now part of the IFRS Foundation.

Through such reporting, we provide a holistic information on our value creation process, encompassing six capitals and the resultant outcomes generated for our key stakeholders. We provide holistic disclosure on the operating context and prospects, key material issues impacting us, our stakeholders and our strategy. We also discuss about our governance practices which has brought greater accountability and transparency to ensure accurate and reliable information is disseminated. This empowers investors in making informed decisions, and determine their engagement with the Company.

Reporting Scope and Boundary

The information covered in the Report is for the period of April 1, 2022 - March 31, 2023. The reporting scope and boundary is applicable for financial and sustainability disclosure made by the Company. The Report covers relevant details of Hindustan Zinc's primary operations, including all activities under its operational control, covering the five mining locations, three smelting locations and one refinery. It includes all the activities consolidated for financial reporting purposes. The key material aspects discussed in the Report are of significance to our operations as well as our value chain partners, customers, communities and other stakeholders. To provide investors a comprehensive understanding of our value creation process, we have outlined a five-year trend, wherever relevant, for the Key Performance Indicators (KPIs) including the Environmental, Social and Governance (ESG) Indicators.

Reporting Principles

The Integrated Report adheres to the guidelines of the IIRC's <IR> framework. Certain data related to <IR> might be management estimates. The statutory reports, including the Board's Report, Corporate Governance Report and Business Responsibility and Sustainability Report, comply with the regulations of the Companies Act, 2013; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and the prescribed Secretarial Standards. This Report should be read in conjunction with our Sustainability Review Report, which offers comprehensive insights into the key non-financial aspects of our business. The Sustainability Review Report can be accessed on our website www.hzlindia.com.

Approach to Materiality

Issues, opportunities and challenges that have material impact on our business and the ability to create value for stakeholders form the basis of the contents of the Integrated Report. We have arrived at these by applying the principles of materiality to identify information that holds significance to our stakeholders. This involves taking inputs from all our business units and key stakeholders to identify the potential material matters, and rank them in order of their relevance and potential impact on our stakeholders, strategy and ability to create value.

Material matters are key to determining our business strategies and the goals over a period of time. We endeavour to ensure that our strategy remains relevant in the evolving operating environment.

Read more on our material topics on **page 62** of this Report

Board and Management Assurance

The Board of Directors and the Management of Hindustan Zinc have applied their collective knowledge in the preparation of this Report and acknowledge their responsibility to the integrity of information in it. They believe that the Report captures all the key material issues and presents the integrated performance of Hindustan Zinc and its impact in a fair and accurate manner.

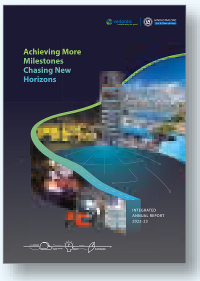
Forward-Looking Statements

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

Robust & Transparent Reporting Practices

Our Reporting Suite

Hindustan Zinc's annual reporting suite is in line with its established practice of sharing proper and transparent disclosures with its stakeholders. As part of our reporting suite for FY 2022-23, we have published our Integrated Report and the Tax Transparency Report for the fiscal. The digital versions of these reports can be accessed through the relevant links below. Similar links have been provided for the Digital Report ,Sustainability Review Report and the Task Force on Climate-Related Financial Disclosures (TCFD) Report for FY 2021-22. The latest versions of these for the current fiscal will also be available soon.

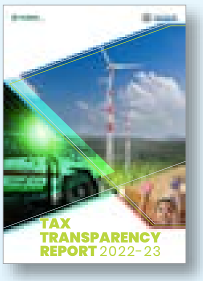


Integrated Report

PDF https://www.hzlindia.com/wp-content/uploads/Integrated-Annual-Report-2022-23.pdf

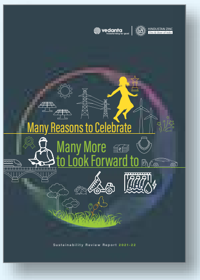
Digital Report

PDF https://www.hzlindia.com/E-Annual-Report/2021-22/



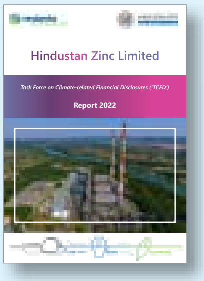
Tax Transparency Report

PDF https://www.hzlindia.com/wp-content/uploads/HZL_TTR_22-23_FF.pdf



Sustainability Review Report

PDF https://www.hzlindia.com/wp-content/uploads/Sustainability-Review-Report-2021-22.pdf



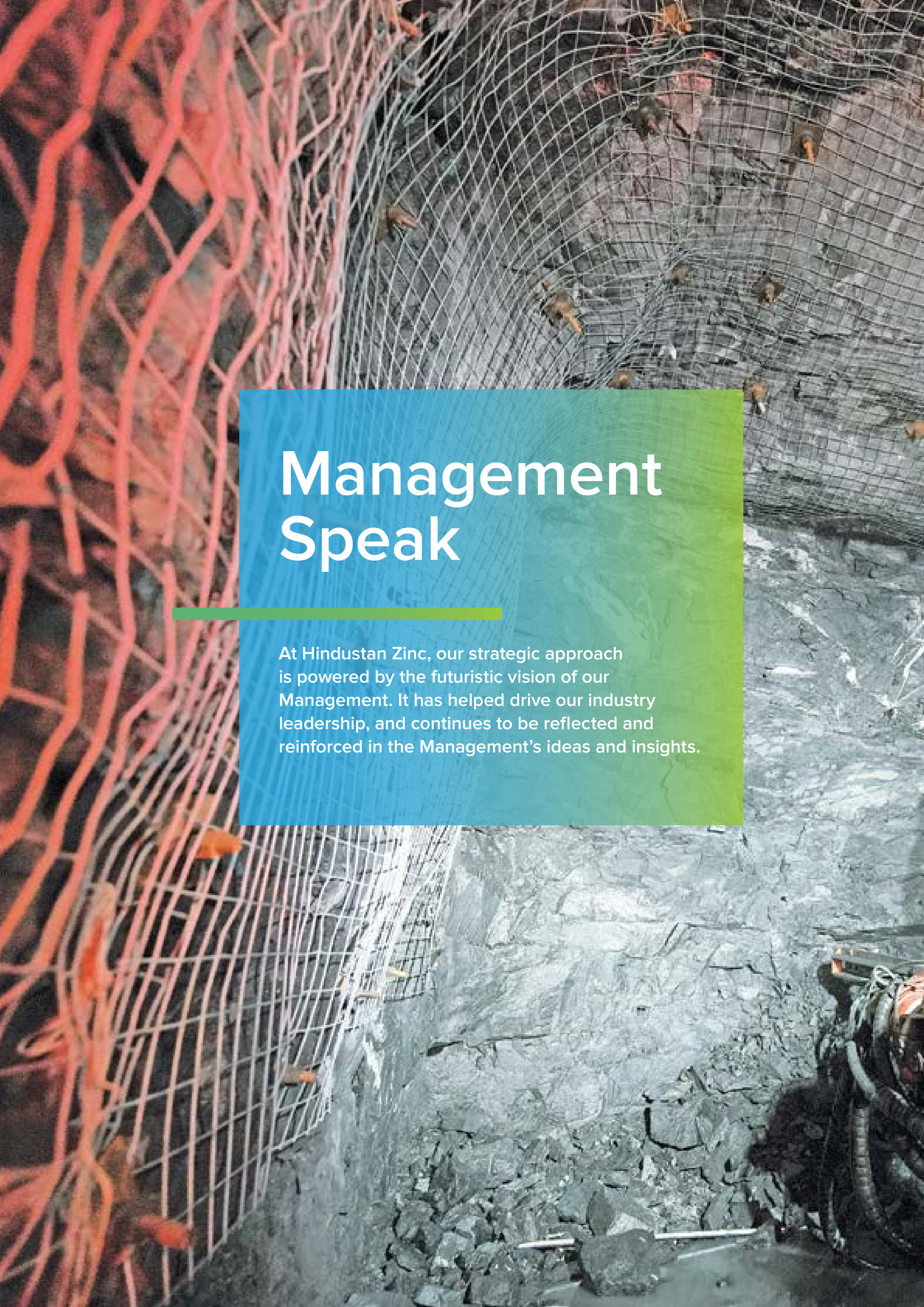
TCFD Report

PDF https://www.hzlindia.com/wp-content/uploads/HZL-TCFD-Report-21-22.pdf

The disclosures made by Hindustan Zinc through its various reports have been continuously ranked high in the assessments made by external agencies.

External Assessment

Indices and Ratings	Best Possible Rating/Score	2022	2021	2020
Sustainalytics	Negligible Risk (0-10)	29.6	47.0	44.0
DJSI	100	80.0	77.0	74.0
CDP Climate	A	A	B	A
CDP Water	A	A(-)	A(-)	B
FTSE4Good	5	4.2	4.0	4.3
Environment		*4.2*	*3.6*	*4.5*
Social		*4.0*	*4.0*	*4.0*
Governance		*4.6*	*4.3*	*4.6*



Management Speak

At Hindustan Zinc, our strategic approach is powered by the futuristic vision of our Management. It has helped drive our industry leadership, and continues to be reflected and reinforced in the Management's ideas and insights.

Message from the Chairperson

Dear Stakeholders,

I would like to first thank the Board and the shareholders of the Company for reposing their trust in me for steering Hindustan Zinc as its new Chairperson. This is indeed an honour, and I hope, together we will be able to work towards achieving our ambitious goals, in line with the landmark accomplishments of my predecessor Ms. Kiran Agarwal.

Hindustan Zinc is a shining beacon in the Group's portfolio. Since assuming the role of Chairperson, I have witnessed the organisation achieve many milestones. Not only did Hindustan Zinc remain on course to realise its goals, but also stayed ahead of the market curve to deliver an excellent performance during the year.

Setting New Records of Excellence

It gives me immense pleasure to share that we reported yet another record-breaking annual performance, with historic highs in terms of revenue, EBITDA, net profit and cash flow generation during the year. Technology and digitisation have been key in boosting operational efficiencies, while enabling continual volume enhancement and cost optimisation through agile decision-making.

Committed to People Safety

I also want to take this opportunity to thank our stellar team for their dedication, hard work and for their belief in our ambitious goals. I am confident that together we can scale unfathomable heights.

I would like to reiterate our commitment to people safety by implementing all possible measures to identify gaps and ensure zero fatalities across all our facilities. I would like to assure you all that we shall continue to leverage the power of automation and technology to enhance employee safety across all our operations.

Promoting Diversity to Drive Inclusive Growth

In an endeavour to ensure inclusivity and promote diversity, we have developed a robust recruitment strategy and we encourage our business partners to have a diverse and inclusive workforce. I am pleased to share that across the Company, as many as 501 women employees, including 146 women engineers, are breaking the glass ceiling in mining and smelting operations. At Hindustan Zinc, women are working and flourishing in all the key functions, from driving large mining vehicles to operating plants and working in nightshifts – and we are all proud of them.

At present, women make up 19.5% of our executive workforce, 35% of our Management Committee and 21% of our Executive Committee. As a frontrunner in promoting gender, geographical, cultural and racial inclusivity, we have set a target to achieve and maintain 30% diversity among all our Executive and Management Committees.

Our commitment to develop a conducive and inclusive work environment is also visible through the induction of transgender employees across roles at Hindustan Zinc.

Powering our Sustainability Goals

At the heart of our futuristic growth strategy is our strong commitment to sustainability, which continues to be pivotal to our success as a market and industry leader. In 2020, Hindustan Zinc listed a set of goals for steering its Environmental, Social and Governance (ESG) journey over the next 5 years. We had also laid out a clear strategic roadmap to achieve these goals, especially through implementation of innovations and digitisation.

Aligning ourselves with global trends and the United Nations Sustainable Development Goals (UN SDGs), we have prioritised climate change, water stewardship, circular economy, biodiversity conservation, zero harm, social impact, diversity in workforce and responsible sourcing as key tenets of our sustainability efforts.

In addition to signing a long-term renewable energy (RE) power delivery agreement, we are also the first in the country to introduce electric vehicles in underground mining. We have also set a target of converting all 900 diesel-run mining vehicles into battery-operated ones and have earmarked an investment of over US$ 1 billion for the same. Furthermore, an 'A' rating in climate change by CDP is testament to our commitment towards achieving net-zero emissions by 2050.

Preserving and enriching biodiversity is an integral part of Hindustan Zinc's commitment to sustainable development. The Company's biodiversity policy and management standards are designed to conserve and promote biodiversity, while working to protect the natural ecosystem in its areas of operation.

I am confident that we will accomplish many more milestones and work together proactively to maintain and augment our position as an industry leader

Expanding our CSR Ambit

Social impact initiatives are a key to sustainability, and are a base for us to create a strong societal foundation for collective growth and development.

Our initiatives to give back to the community are, thus, a significant investment area for us, and we continued to expand the ambit of our social programmes during FY 2022-23. The prestigious 'Corporate Social Responsibility' award, won by Hindustan Zinc at the esteemed S&P Global Metal Award ceremony held in London in October 2022, was an important validation of our CSR focus. Projects such as Sakhi, Khushi-Nandghar, Shiksha Sambal and Unchi Udaan, to name a few, are aimed to ensure that we continue to positively impact lives at the grassroot level and empower the women and children in our communities through education and skilling opportunities, while focussing on creating people-led institutions. Our Zinc Football Academy is another feather in our cap. With state-of-the-art facilities,

Wood Sandpiper at Zawar Mines
Photo courtesy: International Union for Conservation of Nature (IUCN) Team

the football academy currently hosts over 60 students who are not only excelling in the field of sports but also academics. With steadfast belief in the transformative power of training, mentoring, and their relentless efforts, we envision our athletes reaching new heights and represent India on the global arena in the years to come.

Looking Forward to Bigger Milestones

As Chairperson, Hindustan Zinc, I am confident that we will accomplish many more milestones and work together proactively to maintain and augment our position as an industry leader. With a strong leadership, robust operational mechanisms and best-in-class digitisation efforts, we are at the inflection point of unprecedented growth. As a responsible organisation and a recognised industry leader over the years, I am confident we will achieve our targets sustainably and efficiently.

Our core strengths, experience and expertise will help us to maximise the growth opportunities available to us, while opening new vistas of expansion for the Company. Capacity expansion, volume growth, improved safety, better operational and financial performance and enhanced value creation for all stakeholders will be the key areas of focus in our growth story.

I am confident that with the continued support of our customers, partners, shareholders, investors, communities and employees, we will find many more reasons to celebrate and I look forward to a fruitful fiscal.

Sincerely,
Priya Agarwal Hebbar

Q&A

WITH ARUN MISRA, CEO

The milestones that we, at Hindustan Zinc, cross year-on-year are much more than the realisation of our short-term goals and vision. They are manifestation of the deep-rooted strengths that enable us to deliver on our goals. They reflect our leadership position in the domestic market and our growing global presence, which we continue to strengthen through our strategic initiatives. These milestones are the catalysts that propel our journey of sustainable, long-term growth and holistic value creation.

Looking back at FY 2022-23, we feel a sense of deep satisfaction at the notable achievements that gave us many reasons to celebrate our collective accomplishments. From the historically high annual operational and financial performance to the progress we reported on the path of sustainable growth, it was undeniably a landmark year for Hindustan Zinc.

This short question and answer session with Mr. Arun Misra, CEO of Hindustan Zinc, provides insights into the key developments of FY 2022-23. This dialogue aims to highlight the major achievements, financial outcomes, strategic initiatives and future goals of the Company, reflecting its growth trajectory, commitment to sustainability, diversity initiatives and overall corporate vision.

Q How do you rate Hindustan Zinc's performance during the year?

A Hindustan Zinc has a consistent track record of delivering sustained performance excellence across its key financial and operational metrics. During FY 2022-23, we further raised the bar of performance, while unveiling new horizons for our sustainable future growth. I am pleased to share that we successfully delivered on our commitments and targets across our business framework, from crossing the exceptional milestone of 1 million tonne refined metal mark, to driving our ESG goals.

Our integrated yet diversified approach, high-grade reserves, robust business model and strong relationships once again emerged as the key propellers of our strategic vision and enabled us to stay on track with our plans.

I am also happy to share that Hindustan Zinc is now ranked as the 5^{th} largest silver producer globally, a truly remarkable feat that will drive greater inclusive growth and value creation.

At the same time, we continued to push ahead on our sustainability goals through targeted initiatives steering our ESG journey through the year. Sustainability, both environmental and social, remains a key priority for Hindustan Zinc as we surge ahead towards greater progress.

Q How has Hindustan Zinc performed financially in the past fiscal year, and what role did metal production play in this performance?

A Our mined metal production was up 4% at 1,062 kt, while refined metal production was at a record high of 1,032 kt up 7% year-on-year. Our historically high refined metal production helped us to deliver our highest ever profit after tax (PAT) of ₹ 10,511 crore during the fiscal, along with record numbers in annual revenue and EBITDA. While revenue from operations was up 16% at ₹ 34,098 crore, EBITDA was 8% higher at ₹ 17,590 crore over the previous fiscal, driven mainly by improved metal and silver volume, higher zinc LME and gains from strategic hedging partly offset by higher input commodity inflation and lower lead and silver prices. Our EBITDA margin for the year stood at a robust 52%.

I am also happy to share that we have delivered a strong dividend yield with a record pay-out of around ₹ 32,000 crore during the year.

What makes our landmark achievements of the year particularly noteworthy are the challenges amid which they were delivered.

Highest ever profit after tax (PAT) of ₹ 10,511 crore during the fiscal along with record numbers in annual revenue and EBITDA

Q **Could you highlight the challenges faced by the Company, and how has Hindustan Zinc navigated these obstacles?**

A The global economy continued to be impacted on account of monetary tightening, input cost pressures and supply chain disruptions amid the continuing Russia-Ukraine conflict. The situation was further aggravated by the muted demand for zinc, as global consumption declined due to the slowdown in China's economic recovery. With the US banking crisis threatening to impact the construction and automotive sectors, the demand scenario remained subdued.

We effectively negotiated these tough challenges through our persistent focus on volume delivery and operational efficiency, coupled with our cost optimisation efforts. These efforts helped us deliver growth across the key operational and financial metrics.

Resilience and dynamism in decision-making enabled us to achieve our annual guidance and generate record cash flows.

Q **What were the measures taken by the Company to boost growth in a tepid economic environment? Any key initiatives that you would like to share with us.**

A Operational efficiency was the key and our strategic investments promoted innovation, digitisation and automation that enabled us to deliver greater efficiencies all around.

We reported our highest ever mine development, crossing the 110 km mark. This was an outcome of our innovative interventions, which included commissioning and operationalisation of the Life of Mine Ventilation System at Rampura Agucha. The system is also in progress at Sindesar Khurd and Zawar Mine, promising continuity of superior performance while maintaining our mine life at over 25 years.

Besides improvement in efficiencies, our investments in digitalisation, automation and innovation also helped to boost productivity and safety thereby enhancing business outcomes.

Some of the key initiatives launched as part of our automation campaign were smoke hours drilling, deployment of advanced process control, use of drones in stack health inspection and AI/ML based analytical modules. The benefits of these initiatives are already visible and we expect them to further augment our efficiencies and cost leadership, which we remain committed to strengthening as part of our strategic priority.

Our long-term power delivery agreement for sourcing up to 450 MW renewable energy will help the Company avoid 2.7 mn MT of carbon emissions

Coupled with the safety and security of our systems and processes, these initiatives will enable the realisation of our goal to provide best-in-class metals worldwide, produced with the highest commitment to ESG standards.

Q **How is the Company progressing towards its sustainability goals, particularly in relation to its environmental commitments?**

A We have in place a well-articulated ESG roadmap for the execution of our overall strategic vision and plans, and moved proactively forward on the same during the year. While we have discussed these in detail in our Integrated Annual Report, including the Business Responsibility and Sustainability Report, I would like to share with you here some of our key milestone achievements of FY 2022-23.

Taking forward our mission of decarbonising our operations, we have signed a long-term power delivery agreement for sourcing up to 450 MW renewable energy to steer our environment protection efforts. The project, to be executed with a special purpose vehicle (SPV), will be funded on a 70:30 debt to equity basis. The agreement characterises a major step towards the realisation of our sustainability goals. It also corroborates our commitment to deliver on our ESG roadmap of achieving net-zero by 2050. It will help the Company avoid 2.7 mn MT of carbon emissions.

Q **Any other key ESG highlights that you would like to talk about?**

A In another historic initiative on our ESG journey, Hindustan Zinc flagged off India's first battery electric vehicle (BEV) in underground mining. This marked an important addition to our ever-expanding EV fleet. In order to further our agenda of achieving ESG goals, a market leading electric vehicle purchase policy was also introduced with broader coverage for all employees across grades.

Our ESG initiatives including our zero liquid discharge plants and water treatment plants helped the Company to successfully leapfrog into the next phase of its sustainability journey. The various awards and rankings we received during the year on the ESG front endorsed the success of our initiatives and reinforced our commitment to sustainable growth. Details of these recognitions have been shared in the milestones section at the beginning of our Integrated Annual Report and in the ESG chapters.

Q How does Hindustan Zinc prioritise employee safety, welfare and professional development?

A We remain unwavering in our efforts to promote employee welfare, well-being, safety and growth. We continued to invest in building the capacities and capabilities of our people during the year. I feel immense pain to recall the tragic loss of 7 lives in accidents at the mining and smelting sites during FY 2022-23. However, our analysis of the causes underlying these mishaps has given us strong learnings for the future and it will be our sustained endeavour to ensure zero harm to our people, going forward.

We are also committed to the adoption of, and strict adherence to global best practices for enhancing the security, occupational health and safety of our people. The recent launch of Vihan, a critical risk management (CRM) initiative, is aligned with our focus on people safety. The initiative was launched to improve managerial control over rare and potentially catastrophic events, and ensure that adequate safeguard systems are in place.

We strive to provide best-in-class infrastructure and quality of life to our employees and our 'Great Place to Work' score of 85 in FY 2022-23 is a testimony of our best-in-class people practices and endeavours for their welfare and development. We shall continue to take concerted steps to provide career progression opportunities to our employees through our structured, learning and development programmes.

Q Could you elaborate on some of the key initiatives promoting diversity and inclusion?

A As a responsible corporate, it is our constant endeavour to promote diversity and inclusion at the workplace. Under our inclusion project, we have been consistently focussing on workforce composition with thrust on diversity and inclusion.

Our approach to inclusion covers gender, regions, education, physical ability, age, ethnicity, and communities. We have also officially declared an Equal Employment Opportunity Policy as well as a Diversity Policy, validating the Company's standing as an organisation that is non-discriminatory in its business philosophy and approach. Additionally, we have launched an Inclusion Policy for LGBTQ+ community with the aim of providing an environment of equality, safety and respect for all our employees from this community.

At the same time, we continued to strengthen our focus on gender diversity during the year. I am proud of the fact that our women employees are themselves steering the change in the traditionally male-dominated mining industry. We remained focussed on empowering women employees and helping them unlock their potential, testimony of which is the fact that we have reached 19.5% gender diversity in FY 2022-23 and aim to reach 30% as a way forward.

We aim to further strengthen our diversity focus in the coming years.

Q Can you highlight in brief the nature and impact of your Corporate Social Responsibility (CSR) initiatives?

A Our CSR framework has emerged as a major pillar of our robust organisational foundations. Our social activities are centred around enhancing the quality of life and well-being of the communities in our earmarked regions. They underscore our commitment to the principles of harmonious and sustainable development, along with protection of human life, health and environment among the communities.

FY 2022-23 witnessed Hindustan Zinc positively impacting over 1.7 million lives across 237 villages with sustained CSR interventions and 2,512 villages through initiatives aimed at reducing malnutrition, promoting education, livelihoods and infrastructure developments besides establishing strong community institutions. As part of our efforts to promote sustainable livelihoods and skill development, Hindustan Zinc's Kaushal Kendra successfully trained its first all-female batch for unarmed security guards and a hospitality batch for

Launched Inclusion Policy for LGBTQ+ community with the aim of providing an environment of equality, safety and respect for all our employees from this community

differently abled youth with 100% placement at reputed organisations. Sahil Poonia, our young footballer from Zinc Football Academy, now represents our country as a member of the Indian team in the U-17 category and has made us proud of his achievements. We also continued to support sporting events in Rajasthan, while investing in evolving grassroot institutions and promoting microenterprises.

Needless to say, our commitment to social sustainability remains unwavering, and we shall continue to create more avenues for expanding our CSR outreach going forward.

Q What significant progress has been made in the Company's ongoing and future strategic projects?

A We remained on track with our strategic projects that will drive sustainable growth for the Company in the future. As a future-ready organisation, we remain focussed on expanding our production capacity to harness the unfolding demand opportunity. We aim to become the world's largest and most admired zinc, lead and silver company. The development of the new roaster at Debari is aligned with this target. We have onboarded a technology partner, OEC and OMC, to support us in the project.

During the year, on the back of our continued focus on strategic growth, we launched our fertiliser project by incorporating Hindustan Zinc Fertilisers Private Limited (HZFPL). Further, our Alloy plant as part of Hindustan Zinc Alloys Private Limited (HZAPL) is all set to be commissioned in FY 2023-24. The expansion in our product portfolio resulting from these projects promises to open new vistas of growth for the Company.

I am confident that our focussed initiatives will continue to drive the Company's progress on its strategic development projects in the years ahead. Our strategic priorities of capacity and product expansion and maintaining a portfolio of mines with long life will steer our growth journey, with our synergistic and integrated approach ensuring that we move steadfastly forward towards the realisation of these priorities.

> As a future-ready organisation, we remain focussed on expanding our production capacity to harness the unfolding demand opportunity

Q Looking forward, what are the Company's operational and sustainability objectives?

A Going forward, we are targeting higher production of mined and refined metal in the year ahead, complemented by increased saleable silver production. At the same time, we shall continue to scale new peaks in our journey towards the realisation of our ESG commitments.

These objectives are in line with our strategic priorities, which we have discussed in detail in our Integrated Annual Report. We are confident about our potential to achieve our future targets, just as we have been delivering on all our promises in the past.

Q What is the Company's outlook for the coming year, given the prevailing external challenges?

A Notwithstanding the prevailing global uncertainty and the related challenges, projections related to zinc demand in the country are promising. Estimates suggest further decline in the global economic growth in CY 2023 to 2.8% from 3.4% in CY 2022. The Russia-Ukraine conflict and the rise in central bank rates to combat inflation are continuing to put pressure on economic activity in 2023. The slowdown in the Chinese economy also has the potential of triggering a ripple effect around the globe. Amid these persisting risks, there is an optimism of continued stable performance from the Company in the coming quarters, at the back of the Government's thrust on expenditure on infrastructure and expectations of sustained growth in India.

Hindustan Zinc is ideally placed to harness the strong demand and emerging growth opportunities, led by the Indian growth story. We look forward to many more operational, financial and sustainability-led milestones and celebrations in the year ahead.

Q Finally, what is your message to your team, your investors?

A First of all, I would like to thank all of them, including our employees, business partners and team members as well as our investors and shareholders for their sustained support and confidence in the organisation. They have partnered with us in our journey of many milestones and played a major role in giving us multiple reasons, once again, to celebrate. We share our stakeholders' ambitions and vision of sustainable and inclusive growth and will continue to work with them to scale new milestones, going forward.

A JOURNEY OF MANY MILESTONES

A journey begins with one small step, and is steered towards new horizons by the many milestones of achievements it crosses on the way. The Hindustan Zinc journey of the past 57 years is mapped by many such game-changing moments, which have inspired the organisation's progress through continued focus on innovation, investment, efficiencies, diversification, integration, growth and value creation.


20 MILESTONES
FY 2022-23

Milestones FY 2022-23

Strategic Highlights

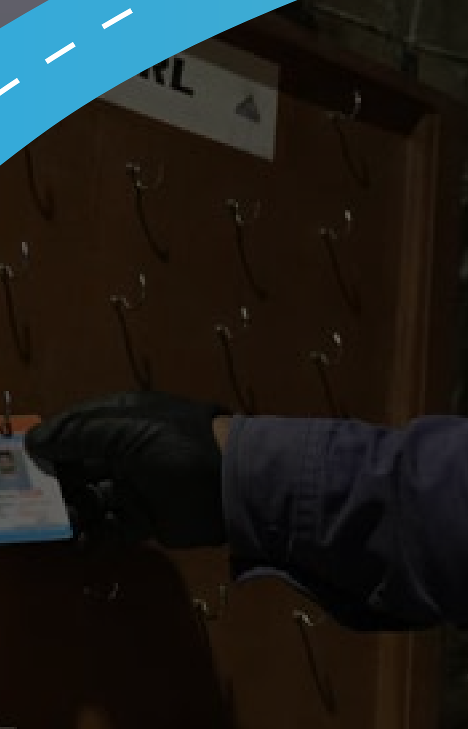
- Long-term renewable energy (RE) power delivery agreement signed under group captive scheme for sourcing 450 MW of RE power
- Wholly owned subsidiary, Hindustan Zinc Fertilisers Private Limited formed after Board approval
- Setting up of a new roaster plant, with a capacity of 160 Ktpa, approved by the Board

Business/Operational Highlights

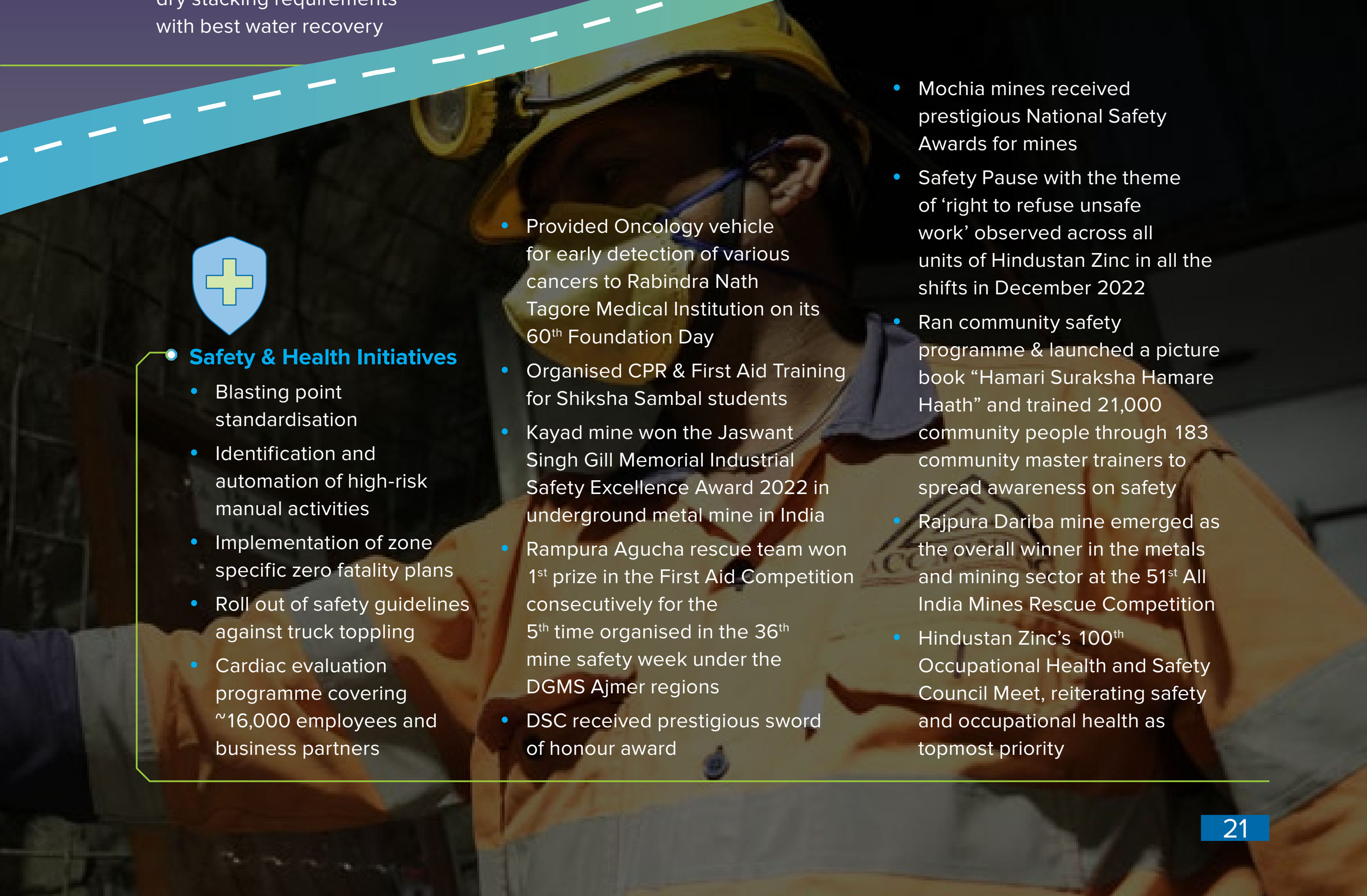
- Highest ever refined and mined metal production
- Historic high in terms of revenue, EBITDA & net profits
- Launched 30 kt value addition project, commissioning planned in FY 2023-24
- Hindustan Zinc now REACH registered, which will enable penetration into the US and European market
- Sustaining 25+ years of mine life on a continuous basis

Sustainability Highlights

- Ranked 3rd in S&P Global Corporate Sustainability Assessment (CSA) & 1st in Asia-Pacific region in metals and mining sector
- Ranked amongst top 5% ESG score in metals & mining sector in S&P Global Sustainability Yearbook 2023, featured for the 6th consecutive year
- Recognised as A/A- category in climate change and water security in CDP 2022
- Recognised as supplier engagement leader by CDP for cascading environmental action across the supply chain
- India's first battery electric vehicle deployed in an underground mine at Sindesar Khurd



- Flagged off 1^{st} 55 MT capacity EV truck and LNG vehicle from zinc smelter at Debari
- EV policy rolled out for all employees under 'EVolving for Good' initiative, steering Hindustan Zinc forward on its journey of decarbonisation of light motor vehicles by 2030
- Reframed biodiversity policy and prepared an Integrated Biodiversity Assessment Tool for Rajasthan locations
- 550 TPH paste fill plant inaugurated at Rajpura Dariba Complex (RDC) having equipment compatibility for catering paste fill as well as dry stacking requirements with best water recovery
- Successful commissioning of a 3,200 KLD zero liquid discharge plant at Dariba smelter
- Initiated work for installation of a 4,000 KLD zero liquid discharge plant at Zawar and Rampura Agucha mines
- Dariba Smelting Complex (DSC) and Chanderiya Lead-Zinc Smelter (CLZS) received the GreenCo rating of gold and Zinc Smelter Debari (ZSD) received silver rating
- Rampura Agucha and Zawar mines received the GreenCo rating of silver
- Pantnagar plant became the first unit of the Group to use 100% green power
- Successfully transformed 2.4 hectares across its operational units in Debari, Dariba and Chanderiya. The Company has planted 32,500 saplings of 65 diverse species in its operational units



Safety & Health Initiatives

- Blasting point standardisation
- Identification and automation of high-risk manual activities
- Implementation of zone specific zero fatality plans
- Roll out of safety guidelines against truck toppling
- Cardiac evaluation programme covering ~16,000 employees and business partners
- Provided Oncology vehicle for early detection of various cancers to Rabindra Nath Tagore Medical Institution on its 60^{th} Foundation Day
- Organised CPR & First Aid Training for Shiksha Sambal students
- Kayad mine won the Jaswant Singh Gill Memorial Industrial Safety Excellence Award 2022 in underground metal mine in India
- Rampura Agucha rescue team won 1^{st} prize in the First Aid Competition consecutively for the 5^{th} time organised in the 36^{th} mine safety week under the DGMS Ajmer regions
- DSC received prestigious sword of honour award
- Mochia mines received prestigious National Safety Awards for mines
- Safety Pause with the theme of 'right to refuse unsafe work' observed across all units of Hindustan Zinc in all the shifts in December 2022
- Ran community safety programme & launched a picture book "Hamari Suraksha Hamare Haath" and trained 21,000 community people through 183 community master trainers to spread awareness on safety
- Rajpura Dariba mine emerged as the overall winner in the metals and mining sector at the 51^{st} All India Mines Rescue Competition
- Hindustan Zinc's 100^{th} Occupational Health and Safety Council Meet, reiterating safety and occupational health as topmost priority

Milestones FY 2022-23

CSR Highlights

- Awarded the 'Industry Leadership Award – Base, Precious and Specialty Metals' and 'Corporate Social Responsibility' at the prestigious S&P Global Platts Global Metals Awards
- Won 7 awards at the 26th Bhamashah Awards for initiatives and projects in the education sector
- Partnered with Rajasthan Cricket Association for developing India's second largest cricket stadium
- Honoured with GoI's National CSR Award for contribution at Ajmer Dargah under Swachh Iconic Place
- Zinc Football Academy goalkeeper Sahil Poonia selected in U-17 National Team
- Highest ever revenue generation of ₹ 3.31 crore under the community owned and community led Microenterprises
- Two of Company's Zinc Football Academy players selected for India Camp
- Hosted 180 volunteers from external institutions to extend their skill-based services to Hindustan Zinc led community initiatives

Major Awards & Recognitions

- Hindustan Zinc certified as a ‘Great Place to Work’ for the fifth consecutive year
- Hindustan Zinc recognised as ‘Kincentric Best Employer India’
- Awarded with the CII EXIM Business Excellence Award 2022 in its maiden attempt reflecting its commitment towards excellence across the value chain including all stakeholders
- Hindustan Zinc won the JURY Award under ‘Non-Deemed Corporate above ₹ 5,000 crore Turnover’ category at TIOL 2022 awards
- Hindustan Zinc’s CEO appointed as the Chairman of Governing Council of Sustainable Mining initiative of Federation of Indian Mineral Industries (FIMI) and elected as Vice Chairman of CII, Rajasthan Chapter
- Hindustan Zinc’s CFO won Leading CFO of the year award in Industrial & Manufacturing Sector at CII CFO Awards 2022
- Prestigious People First HR Excellence Award for leading practices in diversity and inclusion initiatives and talent management
- Dariba Smelting Complex awarded with Five Star Grading by British Safety Council Occupational Health and Safety Audit
- CII ITC Sustainability Award received by CLZS on Corporate Excellence and by ZSD on Environment Management
- Hindustan Zinc’s Kayad mine bagged 5-Star Rating Award at the 6th National Conclave of Mines and Minerals
- Awarded in the ‘Oriented Award’ category at the 3rd edition of the CII Climate Action Programme (CAP) 2.0
- Four mines won 5-Star Rating under ‘A’ list category of mines by Indian Bureau of Mines

Key Certifications

- Hindustan Zinc’s risk management system certified as per ISO 31000:2018
- Hindustan Zinc’s Chanderiya Lead-Zinc Smelter received SA 8000:2014 standard certification by RINA

Corporate Overview

Strong foundations, evolving strategies, and a future-driven approach have led to Hindustan Zinc's evolution into a leading global player in the mining business. The robust assets we have built over the years are enabling us to grow from strength to strength, while our automation and digitalisation efforts are empowering us with future-readiness to capture the emerging opportunities.

Hindustan Zinc

A Company Rooted in Strengths

- Fully Integrated & Responsible Player
- Driven by Sustainability Ethos
- Focussed on Value Creation
- Powered by Robust Governance Framework
- Led by Technology & Innovation
- Founded on Strong People Practices

Hindustan Zinc is an integrated mining and metal producer of zinc, lead and silver. It is listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). A subsidiary of Vedanta Limited, Hindustan Zinc operates out of Rajasthan, with its headquarters located in Udaipur and mining facilities spread across the state.

Since its acquisition, two decades ago by Vedanta Limited, Hindustan Zinc has built a strong legacy of progressive growth, underscored by its performance excellence

Refined Metal Production
4x+

Revenue
22x+

Profit After Tax
74x+

Earnings Per Share
7x+

Dividend Yield
5x+

Market Capitalisation
200x+

CSR Spend
90x+

Contribution to Exchequer
75x+

(During FY 2002-03 to FY 2022-23)

The Company continues to celebrate new milestones of success at the back of over five decades of experience and expertise in delivering accretive value to its stakeholders.

Integrated producer of zinc, lead and silver
India's Largest

Market share in India's primary zinc industry
~75%

Silver producer globally[1]
5th Largest

Integrated zinc producer[2]
2nd Largest Globally

Underground zinc mining operations at Rampura Agucha[2]
World's Largest

Wind power producers with a generation capacity of 273.5 MW across 5 states
Among India's Largest

Global zinc cost curve and one of the lowest-cost producers of zinc globally[2]
1st Quartile

Ranking at S&P Global Corporate Sustainability Assessment in metals and mining sector
#3 Globally **#1 in Asia-Pacific**

Mine Life[3]
25+ Years

Ranked amongst top 5% ESG Score in metals & mining sector in S&P Global Sustainability Yearbook 2023, featured for the 6th consecutive year

(As on March 31, 2023)

Source:

[1] World Silver Institute for silver producer rankings

[2] Wood Mackenzie for global mine/smelter rankings for zinc-lead mine and cost

[3] Ore Reserves and Mineral Resources (R&R) at current rate of metal production

It gives me immense pleasure to be a part of an organisation that has a history of setting benchmarks and has delivered yet another historic year crossing the milestone of 'million tonnes of metal' for the first time in its history. The robust foundation based on excellence in operations and business processes augmented by incremental and transformative innovations including digitisation and automation has set Hindustan Zinc on the path to profitable growth while delivering on its ESG commitments. With the vision of achieving more milestones going forward, it will be our strategic endeavour to grow sustainably and smartly.

Krishnamohan Narayan
Deputy CEO

How We Operate Our Business

Hindustan Zinc's business operations span key process-critical areas

- Exploration
- Mines (Lead & Zinc)
- Smelters & Refineries (Hydrometallurgical Zinc Smelters, Lead Smelters, Pyrometallurgical Zinc-Lead Smelters)
- Captive Power Plants

The synergistic alignment between these processes ensures high level of operational efficiencies and productivity, responsible business operations, innovation and safety.

The Hindustan Zinc Business Edge

Exploration (Ore Reserves and Mineral Resources)

Total R&R

460.05 Mt

- Powered by technology and innovation
- Long mine life of 25+ years
- Sustained delineation and upgradation efforts
- Focussed on enhancing R&R base to over 500 Mt and reserve to 200 Mt

Mines

Ore production

16.74 Mt

- Located in Rajasthan (Rampura Agucha, Sindesar Khurd, Rajpura Dariba, Zawar and Kayad)
- World-class operations supported by high safety standards and trained workforce
- Best-in-class and sustainable practices
- Focussed on operational efficiencies and cost optimisation
- Driving volume growth through sustained underground operations

Smelters & Refineries

Metal capacity

1.12 Mt

- Strategic location of smelters near the mines, in Chanderiya, Dariba and Debari in Rajasthan
- Zinc-Lead-Silver metal refineries situated at Pantnagar in Uttarakhand
- Fully integrated operations, supported by captive power
- Focussed on debottlenecking of smelters, expansion of value-added product portfolio and recycling/reuse of waste

Captive Power Plants (CPPs)

Total captive capacity

586.74 MW

- Captive thermal, solar and waste heat recovery power plants
- Ensures supply of low-cost and reliable power for Company's sustained operations
- Focussed on augmenting solar power capacity to drive climate change goals
- Investment in innovation to boost thermal power capacity (more energy from same amount of fuel)

Robust Portfolio of Products and Applications

Principal Products
Refined Zinc Metal
Refined Lead Metal

By-Products
Silver
Sulphuric Acid

Refined Zinc

Applications

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

Value-Added Products

- Continuous Galvanising Grade
- Die-cast alloys
- SHG Jumbos

Production Volume
821 kt

Revenue
₹ 24,180 crore

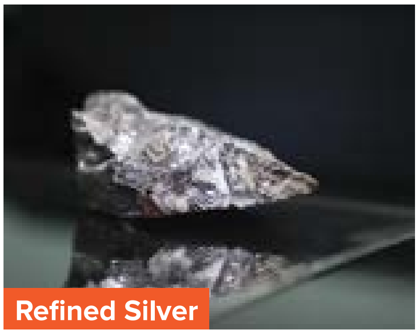
Refined Lead

Applications

- Lead acid batteries
- Construction
- Defence applications
- Electrical cables

Production Volume
211 kt

Revenue
₹ 3,913 crore



Refined Silver

Applications

- Jewellery
- Tableware
- Electrical contacts
- Investment

Value-Added Products

- 1 kg bars
- Silver powder
- Silver nitrate

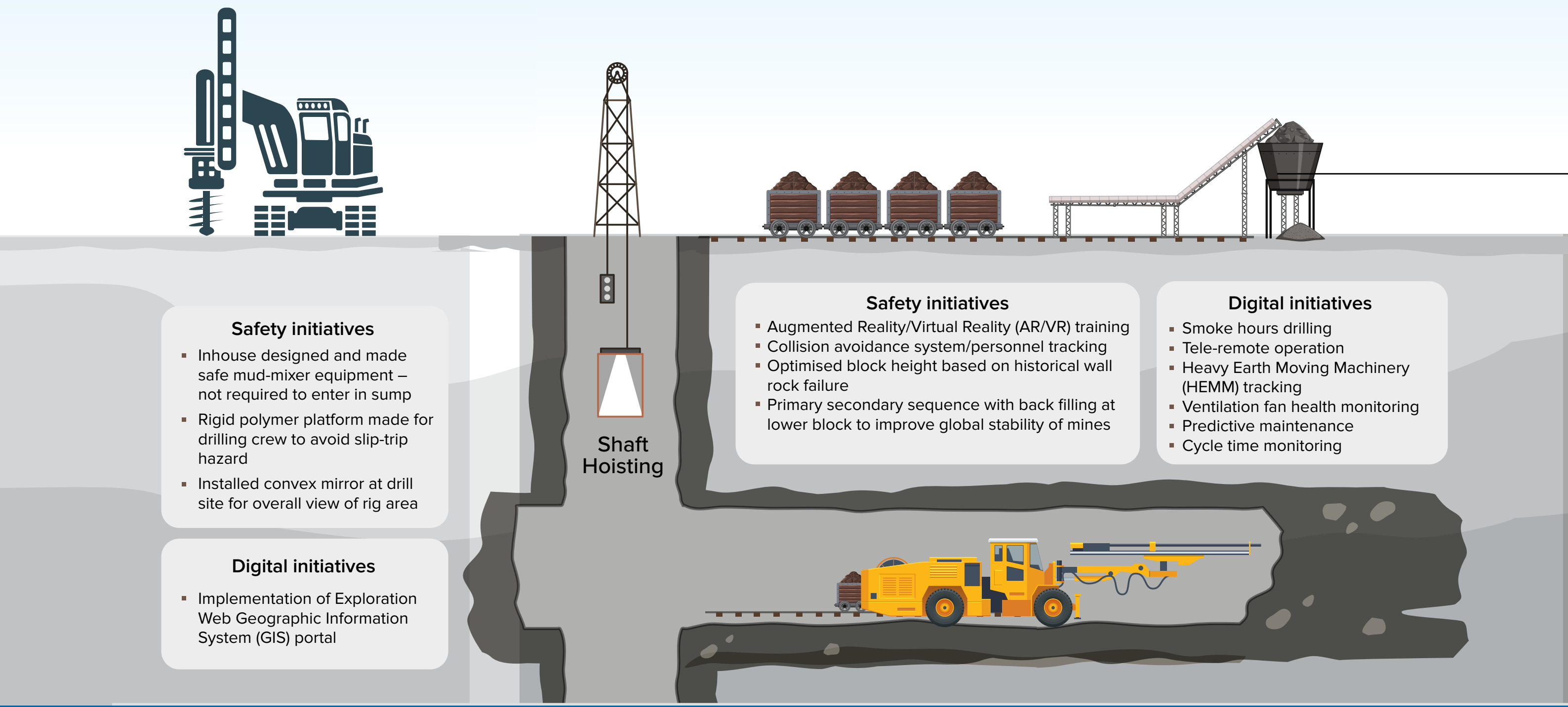
Production Volume
714 MT

Revenue
₹ 4,388 crore

Mining Process

Exploration

Mine Planning and Development



Exploration

Safety initiatives

- Inhouse designed and made safe mud-mixer equipment – not required to enter in sump
- Rigid polymer platform made for drilling crew to avoid slip-trip hazard
- Installed convex mirror at drill site for overall view of rig area

Digital initiatives

- Implementation of Exploration Web Geographic Information System (GIS) portal

Mine Planning and Development

Safety initiatives

- Augmented Reality/Virtual Reality (AR/VR) training
- Collision avoidance system/personnel tracking
- Optimised block height based on historical wall rock failure
- Primary secondary sequence with back filling at lower block to improve global stability of mines

Digital initiatives

- Smoke hours drilling
- Tele-remote operation
- Heavy Earth Moving Machinery (HEMM) tracking
- Ventilation fan health monitoring
- Predictive maintenance
- Cycle time monitoring

Milestone Celebrations through 57 Years

1966
- Established foundation of Debari Smelter

1978
- Vizag Smelter commissioned
- Balaria Mine at Zawar commissioned

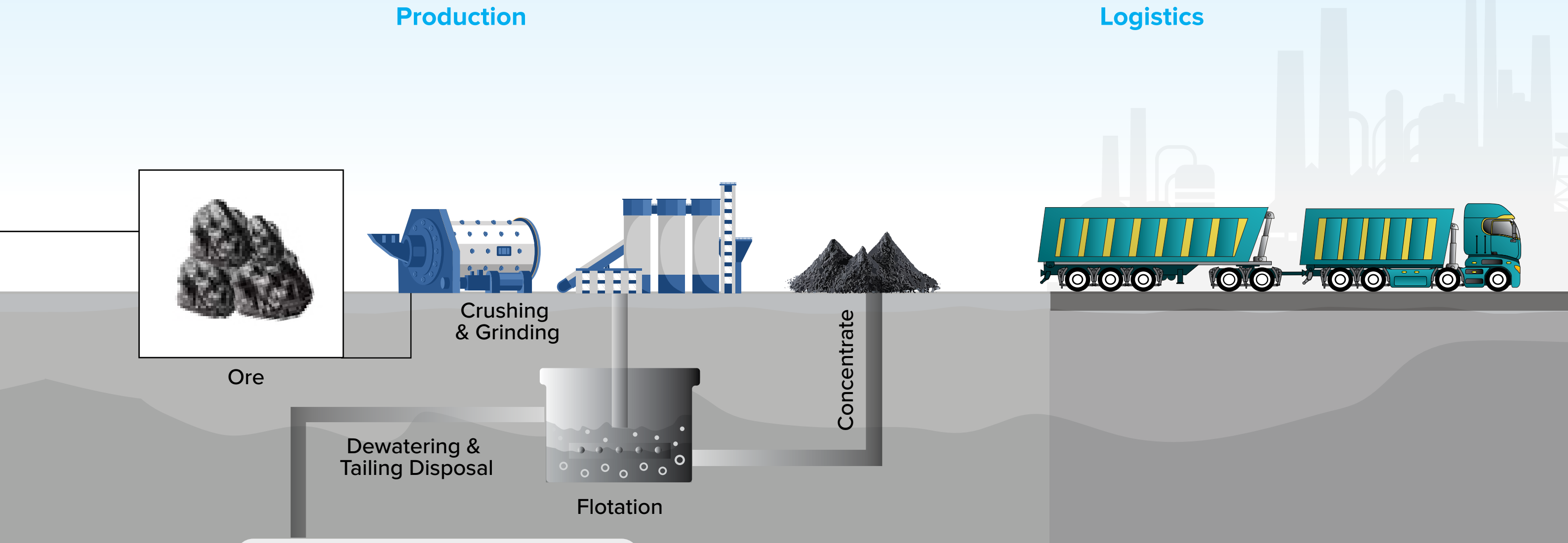
1984
- Rajpura Dariba Mine commissioned

1989
- Chanderiya Smelter inaugurated
- Rampura Agucha production commenced

2002
- Sterlite Group (now known as Vedanta Ltd.) acquired 26% equity stake in Hindustan Zinc

2005
- Hydro-I commissioned
- Hindustan Zinc became 3rd largest integrated zinc producer in the world

2007
- Sindesar Khurd Mine commissioned with production capacity of 0.3 Mtpa
- Hydro-II commissioned



Safety initiatives

- Implementation of narrow vein mining practices
- Hydraulic-operated ventilation door installed at 57 mRL, Mochia, ease of operation by HEMM operator, ventilation improvement

Digital initiatives

- Advanced Process Control (APC) at mills

2009

- Hindustan Zinc became the 2nd largest integrated zinc producer in the world

2010

- Rajpura Dariba Hydro-III zinc smelter commissioned, with production capacity of 0.21 Mtpa

2012

- New silver refinery at Pantnagar with capacity of 500 MT commissioned

2016

- Hindustan Zinc shared a special dividend of 1,200% with its shareholders – the largest single dividend in India's private sector

2018

- Secured the London Good Delivery (LGD) status with London Bullion Market Association (LBMA) for silver

2020

- Ranked #1 in the metals and mining category in Asia Pacific in the Dow Jones Sustainability Index 2019
- Hindustan Zinc became 6th largest producer of primary silver and the fastest growing silver company in the world

2022

- Hindustan Zinc crosses 1 million tonne mined metal mark

Refer pages 20-23 for 2023 milestones

Celebrating the Strength of our Operational Asset Base

Our investments in building on our operational asset base have led to the augmentation of our operational efficiencies through the years. We continued to celebrate the strength of our world-class, low-cost, scalable asset base during FY 2022-23, with our key statistics reflecting the success of our efforts.

MINES

Mines	KEY STATISTICS			
	Reserve (Mt)	Resource (Mt)	Reserve Grade Zinc (%)	Reserve Grade Lead (%)
Rampura Agucha Mine	44.8	25.2	11.2	1.3
Sindesar Khurd Mine	43.4	67.2	3.0	2.0
Rajpura Dariba Mine	34.3	39.3	5.4	1.6
Bamnia Kalan	-	41.4	-	-
Kayad Mine	1.5	6.0	5.2	0.9
Zawar Mines	49.4	107.4	2.8	1.3

R&R SUMMARY

Category	KEY STATISTICS			
	Tonnage (Mt)	Zinc (%)	Lead (%)	Silver (g/t)
Reserve	173.5	5.6	1.6	56
Mineral Resource – Measured and Indicated	126.7	4.6	1.8	62
Mineral Resource – Inferred	159.9	4.3	2.1	57

SMELTERS

Smelters	KEY STATISTICS			
	Pyrometallurgical Zinc Smelter (TPA)	Pyrometallurgical Lead Smelter (TPA)	Hydrometallurgical Zinc Smelter (TPA)	Lead Smelter (TPA)
Chanderiya Lead-Zinc Smelter	105,000	90,000	480,000	-
Dariba Smelting Complex	-	-	240,000	120,000
Debari Zinc Smelter	-	-	88,000	-

SMELTING & POWER SUMMARY

Zinc Smelting
913,000 TPA

Lead Smelting
210,000 TPA

Silver Refining
800 TPA

Thermal Power
505.50 MW

Wind Power
273.50 MW

Solar Power
40.57 MW

WHRB Power
40.67 MW

Centre of Excellence

Integrating excellence in our operations through technological advancements, automation and innovation

Hindustan Zinc's new milestones in productivity and efficiencies are the result of its sustained investments in technological advancements, digitalisation and automation.

We keep a close eye on the technological changes taking place globally in the mining industry. We move with agility to adopt the latest technologies to steer our innovation-led journey towards newer and bigger horizons of growth.

FY 2022-23 saw Hindustan Zinc initiate several groundbreaking innovations to enhance the overall outcomes of our business.

Continuous improvement through people engagement initiatives like Focussed Improvement Project, Kaizen, Quality Circles and SGA are bringing innovative solutions which help achieve productivity and cost advantage.

Digitally Scaling Wider Horizons

Smoke Hours Drilling Using Automation Features

Additional production in drilling by utilising automation features and tele-remote operations of production drills during shift changeover duration. We have achieved +10% additional drilling at both Sindesar Khurd and Rampura Agucha Mines.

Use of Artificial Intelligence (AI)/Machine Learning (ML) -based Analytical Modules

Use of image processing technologies enable identification of any unsafe act or conditions on the shop floor. We developed a video analytics-based model to inspect the physical surface quality of finished goods (FG), i.e., zinc ingots, and detect any physical defects for timely corrective action.

Drone-based Stack Health Inspection

Helps to monitor frequently the health of an inaccessible structure - safely and remotely. Based on visual, thermal and ultrasonic inspection (non-destructive testing), we can assess the condition, such as thickness of steel structure, and can accordingly ensure timely maintenance.

LiDAR-based Scanning of Ore-pass

Drone-based light detection and ranging (LiDAR) mapping system enables data capture of critical underground (UG) mine excavations for new insights to optimise mine development and operations.

Heavy Earth Moving Machinery (HEMM) Idle Time Reduction by Monitoring through Internet of Things (IoT) Sensors

Installation of IoT-based smart sensors to identify and minimise idle time of low-profile dump trucks (LPDTs) has helped to reduce diesel consumption and overall cost per hour (CPH).

Deployment of Advanced Process Control (APC) at Mills

APC eliminates operator-induced variations and ensures consistent and stable plant operations, which has resulted in consistent concentrate grade and recovery improvement by 1% with optimised throughput.

Collision Avoidance System and Personnel Tracking

The collision avoidance system helps to improve an operator's situational awareness in UG mining, and thereby prevents the machine-to-machine and man-to-machine interaction.

Personnel tracking system enables a two-way communication channel for sending alert messages from control room to individual tag and vice-versa.

Predictive Maintenance (PdM), Condition Based Maintenance (CBM) & Real-time Reliability Health Index (RHI) of Critical Assets

Improves the availability, reliability and efficiency of critical assets, by using AI-based solutions that runs auto-fault diagnostics to detect any anomalies for taking timely corrective actions.

Use of IoT Technologies to Deploy Smart Sensors on Remote Equipment

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

AR/VR-based Winder Training Simulator System

Helps to provide training and awareness for operators through use of the virtual reality (VR) and augmented reality (AR)-based training and simulation system. It improves workplace safety and accelerates the training speed as well as proficiency.

Hindustan Zinc's London Metal Exchange (LME) certified finished goods i.e. zinc and lead ingots are now also certified for the BIS Standard Marking. This certification of purity of metal ensures conformity with the best quality standards.

Case Study

Augmenting Drilling Productivity through Automation

Deployment of automated and tele-remote controlled drilling operations during shift-change (termed as smoke hours), particularly in a challenging environment or where the operator needs to view objects not visible from the cabin, lends flexibility for increased production, visibility, and control from outside the drill cabin. The tele-remote control offers more range and features than other remotes thereby enhancing productivity by enabling the operator to work from a comfortable space, such as a control room in a remote location.

Advantages

- Significant increase in productivity during smoke hours
- Improvement in safety
- Increased consistency of daily operations

Outcome

- 10% additional drilling achieved during FY 2022-23
- Complete drilling of stopes with geotechnical challenges using tele-remote operations, thereby eliminating risk

Enhancing Value through Innovations, Collaborations and Benchmarking

Silver (Ag) Promoter for Improving Ag Recovery at Zawar

Silver promoter/modified collector helps in enriching silver grade and recovery (~4%). Additional Ag metal in concentrate (MIC) at Zawar in FY 2022-23: 6 tonnes per annum (TPA).

Special High Grade (SHG) Zinc Production at Zinc Smelter Debari (ZSD)

Developed and implemented process changes which helps in reducing lead (Pb) impurity in the cathode, producing SHG zinc FG. This change will improve payable premiums.

Replacement of Flotation Reagent with Efficient Non-Hazardous Reagent

Replaced hazardous reagent with eco-friendly reagent, while also achieving cost saving.

Current Efficiency Improvement in Electrowinning at ZSD Plant

ZSD electrolyte composition achieved as desired, resulting in increase in current efficiency by ~5%.

Utilisation of Na_2SO_4 Crystal Produced In-house at ZSD Plant

As part of waste to wealth drive, consumption of in-house produced Na_2SO_4 crystals in Jarosite Precipitation process at ZSD, led to reduction in the cost of production.

Enhancing Equipment Efficiency

With the objective of setting a new benchmark for asset performance, we have identified and developed Model Workplaces – 'Utthan - Model Mines' at Rampura Agucha Mines, 'Aadarsh - Model Mills' at Zawar Mines and 'Utkrisht - Model Digital Mine' at Sindesar Khurd Mines. The programme has improved safety, productivity, utilisation, recovery, and reliability performance, through intervention of various best practices and focussed approach on pilot areas and equipment.

The equipment under Model Workplace has shown 5% more availability and 44% more utilisation in mines, along with 5% improvement in overall equipment effectiveness (OEE) at mills, in addition to increased zinc, lead and silver recovery.

Collaborations for Integrating Best Practices

'Samvad – Integrating Best Practices' is a platform developed to identify excellence in pockets and spread it across the value chain through collaboration. Apart from Community of Practices, collaboration sessions under various themes like hydrocarbon management, condition monitoring, shutdown management were conducted throughout the year. Visits to other industries were also organised to inculcate best practices from across the spectrum.

NABL Accreditation of our QC Labs

Quality consciousness is imbued in the Hindustan Zinc's organisational fabric. Our technological upgradations and innovations are aimed to ensure sustained quality across our systems and processes. The competence of our quality control (QC) laboratories is validated by National Accreditation Board for Testing and Calibration Laboratories (NABL) accreditation, awarded as per ISO/IEC 17025:2017 standards for our raw material zinc concentrate, lead concentrate, coal, biomass and met coke, as well as FG testing. As a standard, we have also deployed laboratory information management system (LIMS) in all our labs to record and report on various quality metrics, integrated into our enterprise resource planning (ERP) and historian system for data analysis.

Digitalising the Procurement Process

At Hindustan Zinc, adoption of the latest technologies, digitalisation and automation is an all-encompassing activity, extending across the entire value chain, right from the process of procurement. Besides adoption of digitalised procurement processes in mining operations, we have in place a cloud-based case management module for risk mitigation.

Automation of inbound and outbound logistics, along with e-invoicing and paperless working are among some key digitalisation initiatives undertaken in the procurement process. We are working towards launch of a cloud-based supplier sustainability platform in CY 2023 to enhance our responsible sourcing programme in the areas of human rights. The initiative is also aimed at establishing supply chain decarbonisation of all value chain partners by helping us to connect digitally with our business partners.

Towards Safe and Secure Cyber Horizons

Cybersecurity is an imperative for businesses in the digital age and for the increasingly connected world we live in. The rapid shift to remote working for employees, coupled with the faster pace of digitalisation, presented significant technological challenges across industries during the COVID-19 pandemic. At Hindustan Zinc, however, we experienced no significant disruption on account of our consistent investment in technology and stringent processes.

The operating and control systems at our mines are increasingly leveraging high-tech solutions. These systems, though crucial for operating the mines safely and efficiently, are vulnerable to the perils of cyber threats and security breaches. Cybersecurity has, thus, emerged as one of our most significant business risks. Cyber-related threats will continue to grow, with malicious actors targeting organisations with extortion through ransomware. Maintaining tight cybersecurity across our operations is an ongoing process, and we remain committed to ensuring that our technology is protected from attacks, confidential information remains safe, data integrity is protected, and business continuity is maintained in case of any disastrous event.

Leadership & Governance Structure

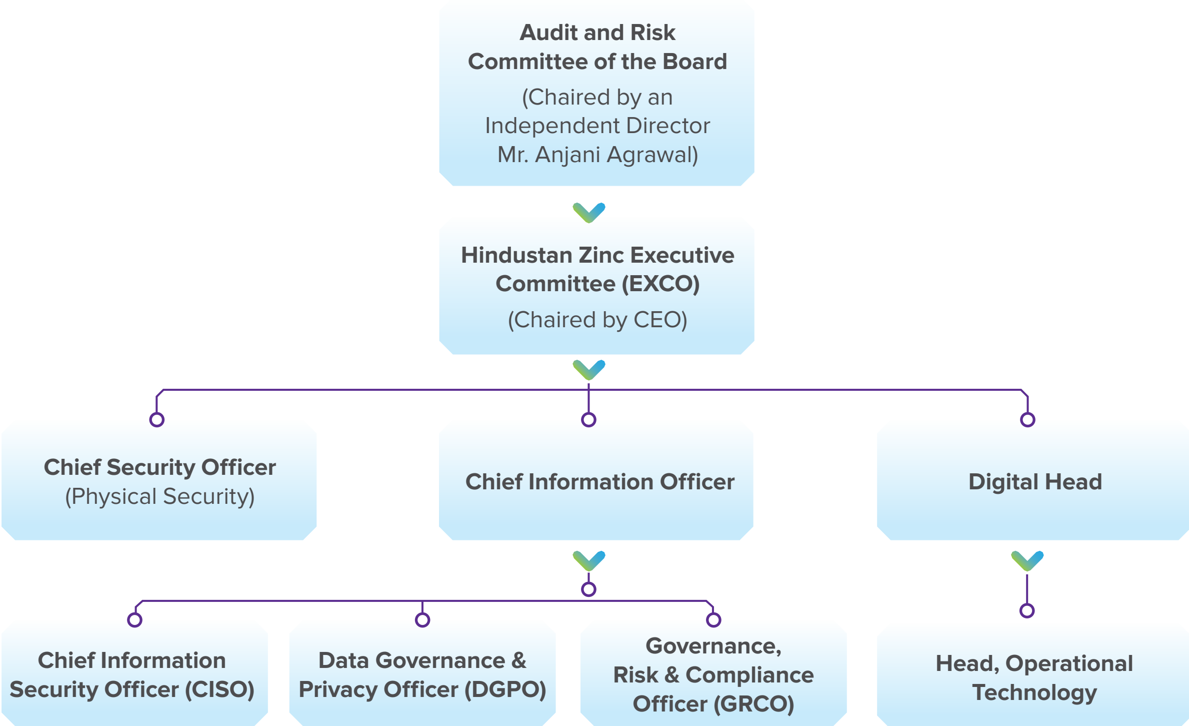
Hindustan Zinc has in place a robust enterprise risk management framework.

The responsibility of overseeing cybersecurity governance is delegated to the Audit and Risk Committee of the Board. The Committee reports to the Board, and is responsible for all business risks, including cyber risk. It is chaired by our Independent Director, Mr. Anjani Agrawal.

The Hindustan Zinc's Executive Committee (EXCO) has overall responsibility and accountability for setting up expectations, providing direction and support, besides reviewing, and monitoring the progress and maturity of the cybersecurity posture of the organisation in line with its vision and strategy. This Committee, chaired by the Chief Executive Officer (CEO), consists of leaders from all business functions, including Chief Operating Officer (COO), Chief Financial Officer (CFO) and Chief Commercial Officer (CCO).

The Chief Information Officer (CIO) is responsible for setting up cybersecurity vision and strategy, defining cybersecurity governance framework, and executing programmes to ensure that confidentiality, integrity, and availability of all information assets are well protected. The CIO is accountable to the EXCO and Audit and Risk Committee of the Board for cybersecurity related matters.

Below is the leadership and governance structure to strategise, execute and monitor the cybersecurity domain in the organisation.



Ensuring Efficient Management of Cybersecurity Risks

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

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

Hindustan Zinc received an Integrated ISO certification, consisting of ISO 27001 (Information Security), ISO 22301 (DR & BCP), ISO 31000 (Risk Management) and ISO 27701 (Privacy Management), during 2021, that covers 100% of Hindustan Zinc's assets in India. We are committed to minimising business risks and have incorporated the National Institute of Standards and Technology (NIST) cybersecurity information framework into our cybersecurity operating model at all levels. The Hindustan Zinc's risk register and risk control matrix are aligned with control objectives for information and related technology (COBIT) framework.

Information Security Management Framework

- Under its Enterprise Risk Management (ERM) framework, Hindustan Zinc has established a robust Information Security Management Framework, which includes policies, standard operating procedures (SOPs) and technology standards. We have set up an effective security assessment and audit process for preventing cyber-attacks and strengthening the overall information security aspect of the Company's technology landscape.

The framework is cohesive and comprehensive, and takes the following aspects as an input:

- Globally recognised Information Security Management Frameworks and standards
- Applicable regulatory requirements
- Risk assessment and risk control matrix defined under the risk management process
- Information security objectives aligned with business objectives
- Prevailing best practices
- Security threat intelligence

Based on this framework, we prepare our information security strategy, long-term roadmap, and annual information security plan. The information security framework is reviewed annually by the Hindustan Zinc's information security team, in consultation with external expert agencies, to incorporate applicable regulatory requirements and prevailing industry knowledge, besides considering newer threats and risks.

Information Security Policies

Hindustan Zinc has in place well-articulated information security and data governance policies and has adopted various management frameworks which are incorporated in the process of defining all policies.

All policies and procedures are reviewed annually by competent personnel in information security function. All approved and enforced policies are made available to all employees and business partners (BPs) through various communication mediums. Hindustan Zinc has also adopted a proven process of third-party risk management (TPRM) for all its key BPs.

Operationalising Information Security

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

1. Risk Management

Hindustan Zinc is a risk-driven organisation and detailed risk assessment is carried out across the organisation. Hindustan Zinc has successfully implemented a robust risk management framework which helps the organisation to consider the full range of risks it faces and has been certified in ISO 31000:2018 risk management framework.

2. Vulnerability Management

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

Our vulnerability management programme is structured across all the layers of defence of depth covering policy & framework, physical, perimeter, network, application, and data security.

Vulnerability identification, monitoring and tracking of mitigation actions and continuous compliance are achieved through various assessments. We conduct various assessments during the year to identify vulnerabilities, threats, shortcomings, and associated risk/impact. It includes governance & framework review, red teaming exercise as part of physical security assessment, VAPT testing, data governance and compliance assessment, surveillance audit under various ISO frameworks and assessment of ITGC by statutory auditor under applicable financial compliance frameworks.

VAPT including simulated hacker attacks is conducted at least twice a year and is put together by Hindustan Zinc's information security function and group Management Assurance Services (MAS) function. It is conducted for defining, identifying, classifying, and prioritising vulnerabilities in computer systems, applications, and network infrastructures. This helps us in conducting the assessment by providing with the necessary knowledge, awareness, and risk background to understand the threats to its environment and react appropriately. Moreover, we conduct simulated hacker attacks as part of third-party vulnerability analysis.

At the conclusion of each assessment, observation tracker is prepared for all identified vulnerabilities with clear-cut mitigation timelines and ownership, based on criticality of observation. This is rigorously monitored, reviewed and reported to various forums.

3. Information Security Administration

From the information security administration perspective, observations and points emanating from risk and review controls and assessments, form a part of the Company's regular information security operations. Execution is tracked as part of the CIOs review, as well as reviews under various other internal and external forums.

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

Information security and data incidents are generated mainly through monitoring under Security Information and Event Management (SIEM) services, Data Loss Prevention (DLP) desk operations and incidents reported by information security function and end users.

All security incidents are tracked and monitored till their logical closure, including root cause analysis and action plan to mitigate similar incidents in the future, under the incident management and data breach policy. Hindustan Zinc has also established a platform through which any employee can raise the incident when something suspicious is noticed. Hindustan Zinc conducts incident response testing twice a year as part of Business Continuity Plan (BCP)/Disaster Recovery (DR) Drills.

Aligning BCP to Evolving Risks

Under the ISO 22301 framework, Hindustan Zinc has defined and rolled out an effective BCP/DR. As part of this process, we have conducted a business impact analysis (BIA) for all critical IT systems and defined the recovery point objective (RPO) and recovery time objective (RTO) for these systems in collaboration with, and on approval by the respective system owners and functional business heads. Our BCP considers various risks, including technical risk, natural disaster risk, human risk besides those related to external partners. Business continuity testing and disaster recovery drills are carried out on a half-yearly basis to test the readiness of recovery sites. A table-top exercise is also carried out on a half-yearly basis with a role play, which provides understanding and clarity to every member of the BCP/DR teams about the do's and don'ts to be considered during a threat intervention.

5. Disaster Recovery and Business Continuity

Hindustan Zinc recognises that business continuity and disaster recovery is not merely an IT subject. Rather, it is an essential business requirement. Aligned with this thought, we have implemented ISO 22301 disaster recovery and business continuity management framework to prevent any interruption in operations of the Company's critical IT systems, and to ensure that IT systems are continuously available to all authorised users, compliance with all statutory and legal requirements is completed and the organisation's financial and reputational interests are protected.

6. Consequence Management

Hindustan Zinc has a detailed business code of conduct (CoC), which is a mandatory programme for all employees. The code is aligned with the Company's information security and privacy standards and regulations. There is a zero-tolerance approach on breach of the CoC. We have also enforced acceptable usage policy for all the users of IT systems in this CoC. The policy incorporates clear consequence management in case of non-compliance.

7. Incidence Response and Emergency Preparedness Plan

Hindustan Zinc has formulated an incident and crisis management response plan, under which various teams are created. Roles and responsibilities are also defined for all the teams, along with separate emergency plans to be implemented during office and non-office hours. A crisis communication strategy is available to communicate information about any incident to internal and external interested parties. Recognising the criticality and impact, a specific procedure is defined and deployed to handle ransomware attack on the organisation.

Cybersecurity Awareness Planning & Training

To build the team's capability to identify and report breaches, Hindustan Zinc has prepared a holistic cybersecurity awareness plan, which is executed continually throughout the year.

We conduct mandatory awareness training for all employees on an annual basis. All new joiners are mandated to attend the cybersecurity training during their on-boarding process. Additionally, an online awareness training capsule on self-service mode is available to all users. Our business ethics and CoC has a cybersecurity element with which employees must comply as it is also linked with their annual performance evaluation.

Phishing Simulations

Phishing simulations are carried out for 100% of users to test their vigilance and awareness. We carry out a variety of simulations like general phishing, spear phishing, whaling, smishing and vishing on a periodic basis. A user failing the phishing test is required to undergo phishing specific training through a learning video.

Performance Evaluation and Reporting

Performance evaluation of information security is conducted on the following aspects:

People | Process | Technology

For the workforce in the IT/OT function, goals and performance of each employee is designed in line with the Company's information security goals.

Effectiveness of processes and technologies is measured through various internal and external vulnerability assessments, management reviews under information security administration and reported incidents.

Report on Breach

	FY 2022-23	FY 2021-22
Total number of information security breaches	0	0
Total number of clients, customers and employees affected by the breaches	0	0

Value Creation

Our performance trajectory is indicative of our sharp value creation focus. It is our continuous endeavour to create and deliver inclusive and holistic value for our stakeholders through our well-crafted business model and execution excellence, which helps us in effective implementation of our strategic priorities. Our value creation efforts are further propelled by our continuing stakeholder engagement and proactive risk management strategies. Our understanding of the material issues impacting our business, and sustained investments in our capitals have emerged as central tenets of our business strategy.

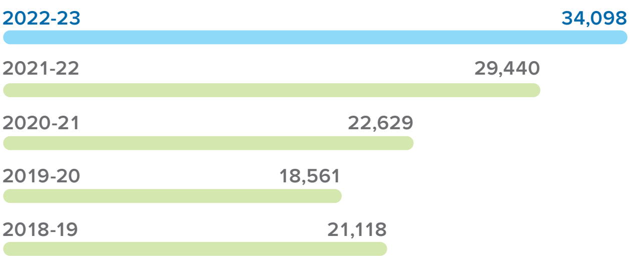
Key Performance Indicators

It was a tumultuous yet an opportunistic year for Hindustan Zinc. Even with the vulnerabilities in global supply chain and energy security, we witnessed a historic year powered by proactive and swift measures while maintaining our cost leadership. The overarching pillars of stringent cost control and strong operational efficiencies have laid a strong foundation for us, which we continue to build upon. These factors enable us to deliver robust margins and generate ever highest cash flows even in such dislocated economic environment. I am proud to say that we are progressing sustainably as well as responsibly on our net-zero mission, with the fundamental goal of maximising stakeholder value.

Sandeep Modi
Chief Financial Officer

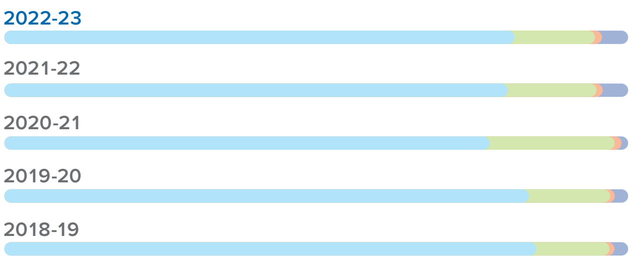
Business Activities

Revenue from Operations
(₹ crore) (including other operating income)



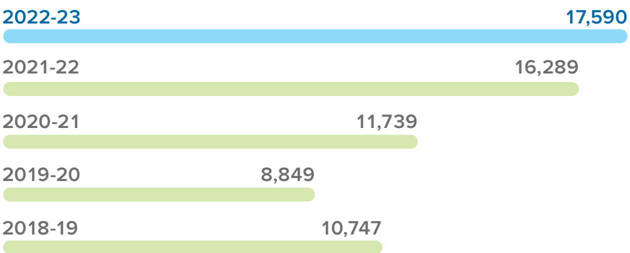
	2018-19	2019-20	2020-21	2021-22	2022-23
US$ mn	3,022	2,619	3,054	3,954	**4,248**

Revenue Mix (%)

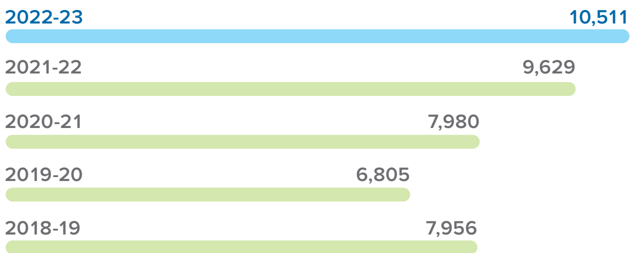


	2018-19	2019-20	2020-21	2021-22	2022-23
Zinc and Lead	85	84	78	81	**82**
Silver	12	13	20	14	**13**
Wind Energy	1	1	1	1	**1**
Others	2	2	1	4	**4**

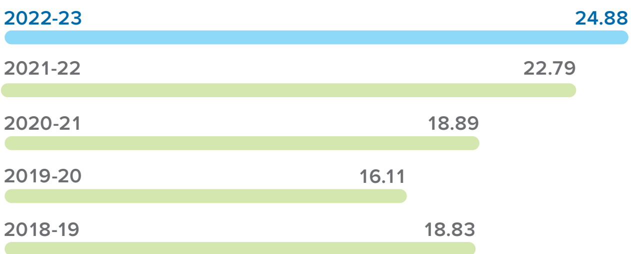
EBITDA (₹ crore)



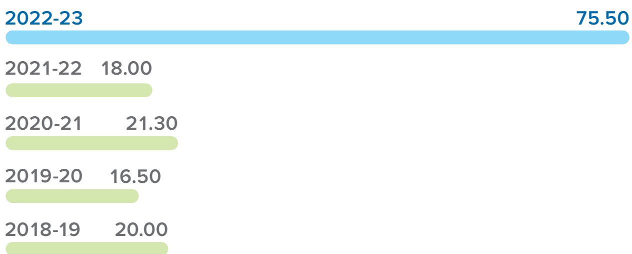
PAT (₹ crore)



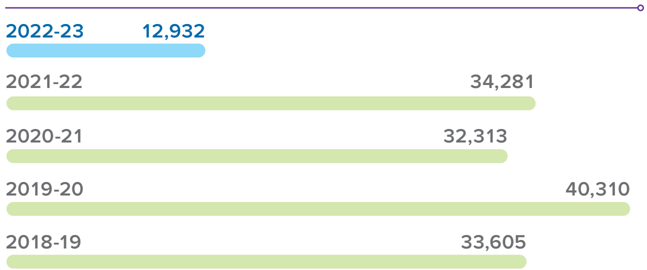
Earnings Per Share (₹)



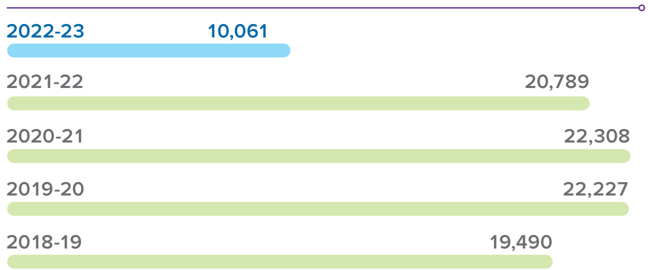
Dividend Per Share (₹)



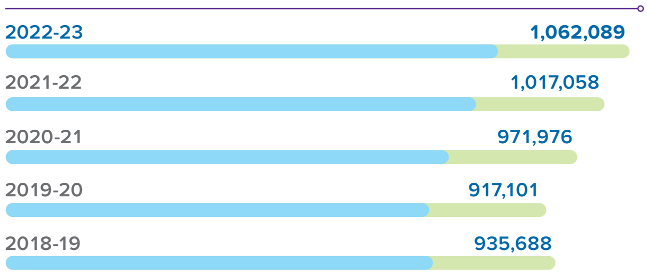
Networth (₹ crore)



Gross Cash and Cash Equivalent* (₹ crore)

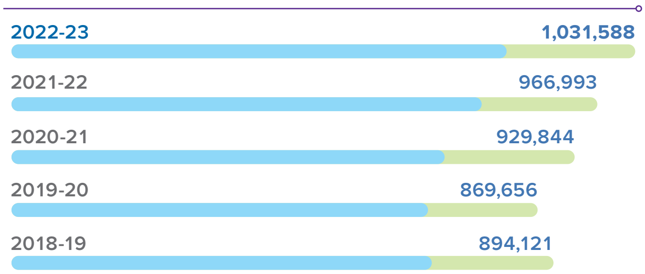


Mined Metal (tonnes)



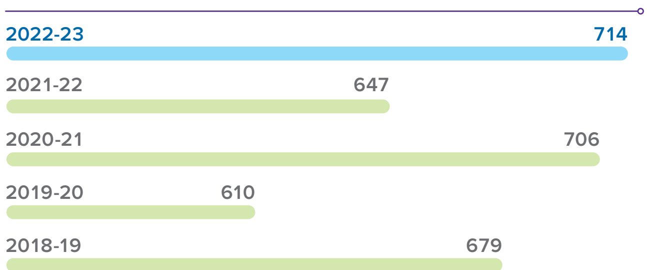
	2018-19	2019-20	2020-21	2021-22	2022-23
Zinc	728,498	720,060	755,849	801,035	**839,051**
Lead	207,190	197,041	216,127	216,023	**223,038**

Total Refined Metal** (tonnes)



	2018-19	2019-20	2020-21	2021-22	2022-23
Zinc	696,283	688,286	715,445	775,808	**820,898**
Lead	197,838	181,370	214,399	191,185	**210,690**

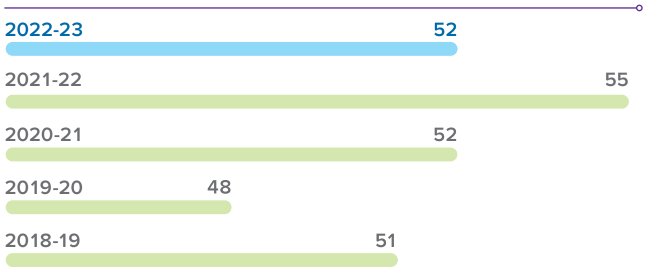
Refined Silver**(tonnes)



** Includes cash and cash equivalents, investments as applicable and other bank balances excluding dividend account balance*
*** Excludes captive consumption*

Key Performance Ratios

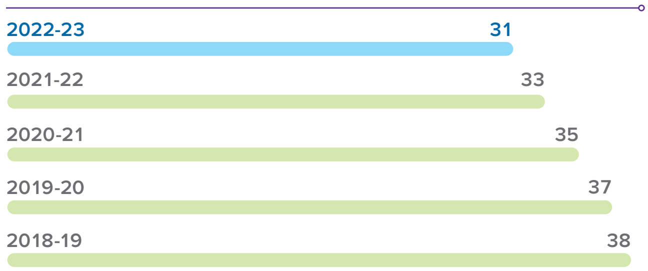
EBITDA Margin (%)



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

Management Statement
EBITDA margin decreased from 55% in FY 2021-22 to 52% in FY 2022-23 primarily due to higher coal and input commodity prices, mining royalty and partially offset by increase in revenue from operations on account of higher volumes, rise in LME prices and strategic hedging gain.

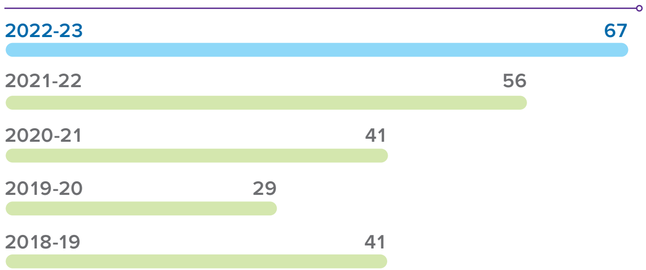
Net Profit Margin (%)



Description
This is a measure of the profitability of a company. It is calculated as a ratio of net profit (before exceptional items) to Revenue from operations (including other operating income).

Management Statement
Net profit margin is lower on account of higher cost of production due to higher coal prices and input commodity inflation, higher tax expenses (owing to higher profit in current year) partially offset by increase in revenue.

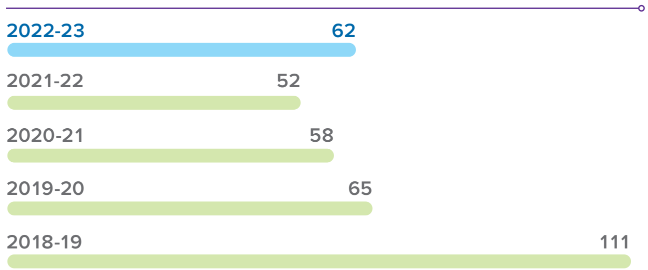
Return on Net Funds for Business Operations (%)



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

Management Statement
Increase in return on net funds for business operations is mainly on account of higher operating profit net of taxes and lower net funds employed for business operations.

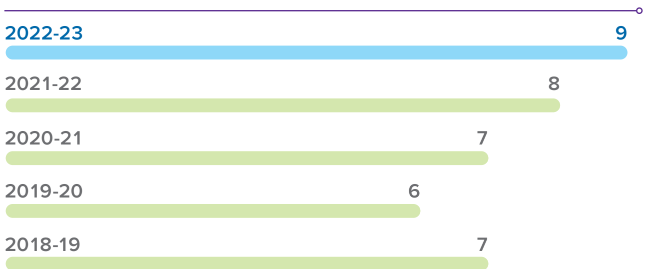
Debtor Turnover Ratio (in times)



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

Management Statement
Increase in debtor turnover ratio is primarily on account of higher revenue and lower trade receivables as compared to previous financial year.

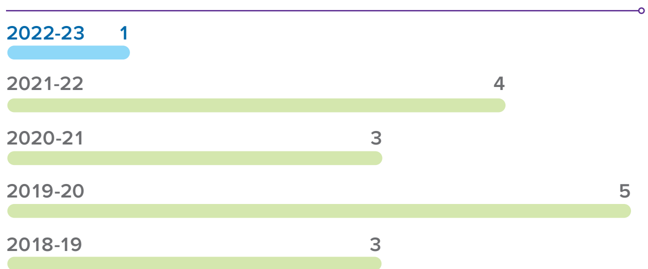
Inventory Turnover Ratio (in times)



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

Management Statement
Inventory turnover ratio was higher on account of higher cost of goods sold and partially offset by higher average inventory.

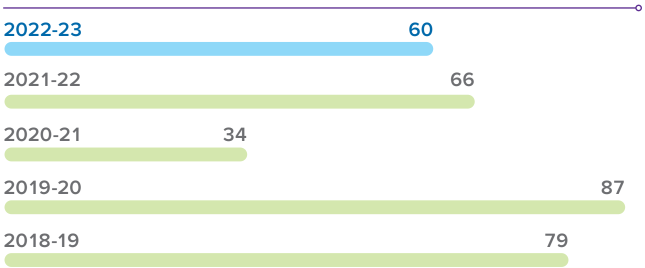
Current Ratio (in times)



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

Management Statement
Current ratio is lower on account of increase in current liabilities in current year as compared to previous year.

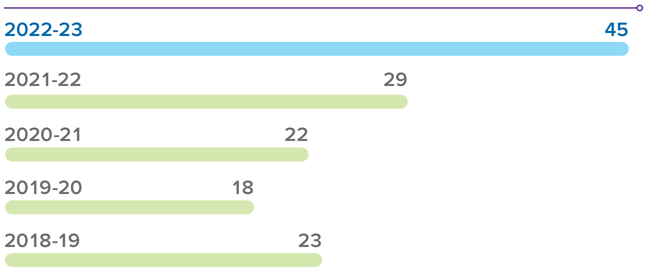
Interest Coverage Ratio (in times)



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

Management Statement
The interest coverage is 60x in current year as compared to 66x in previous year.

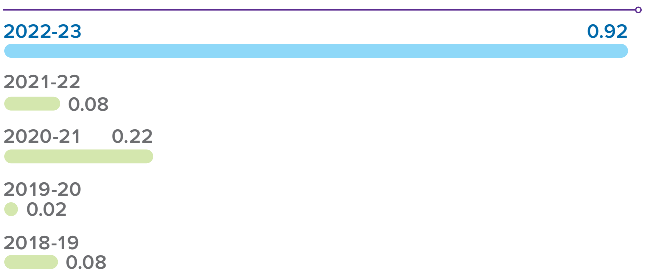
Return on Net Worth (%)



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

Management Statement
Return on net worth is higher on account of higher net profits after tax during the year and lower retained earnings.

Debt Equity Ratio (%)



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

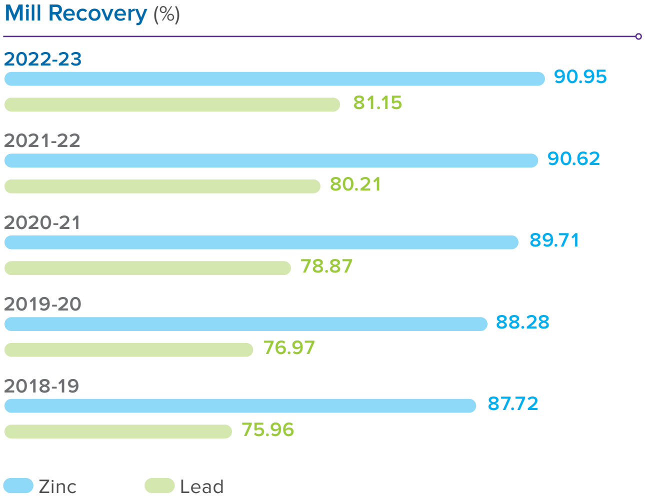
Management Statement
The debt-to-equity ratio is higher mainly on account of higher borrowings & lower retained earnings.

ESG Outcomes

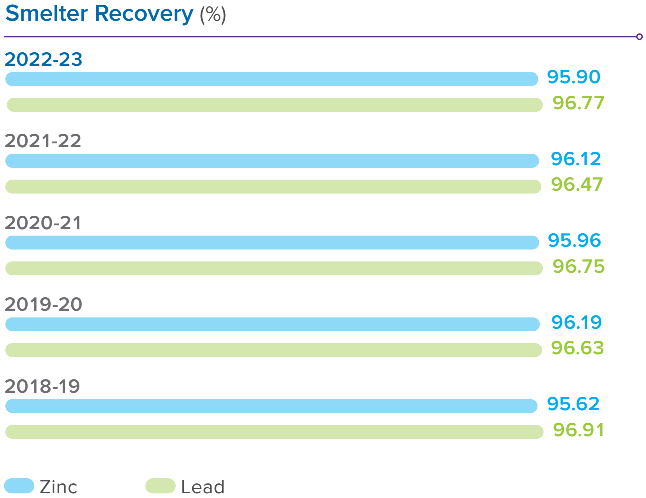
Our Environmental, Social and Governance (ESG) focus has enabled us to deliver sustained performance and growth across key ESG metrics. We are continuously working towards reducing our carbon footprint and lowering the impact of our business on environment through our concerted efforts. These efforts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

Metal Recovery Performance

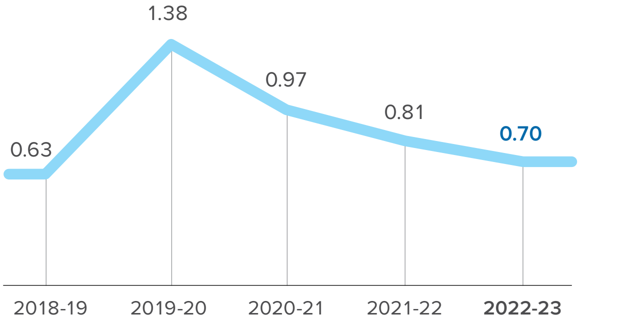
Mill Recovery (%)



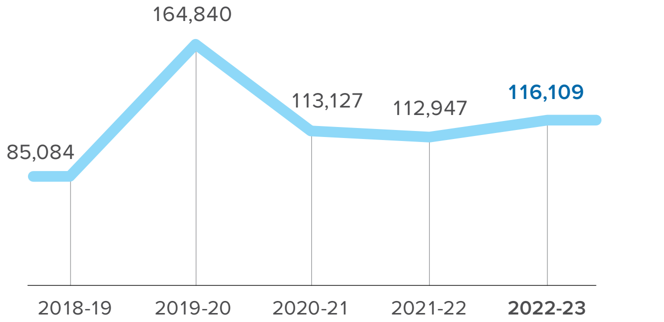
Smelter Recovery (%)



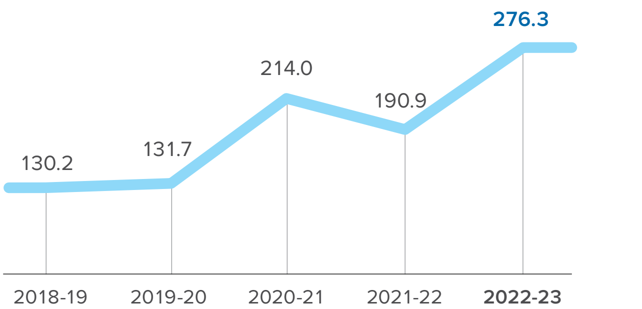
Lost Time Injury Frequency Rate (LTIFR)
(number per mn hours worked)



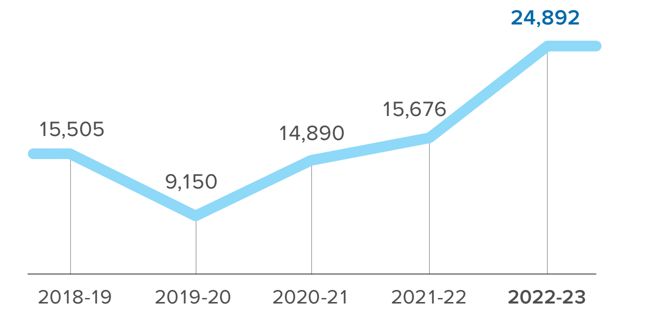
Employee Trainings
(man-hours)



CSR Spend (₹ crore)

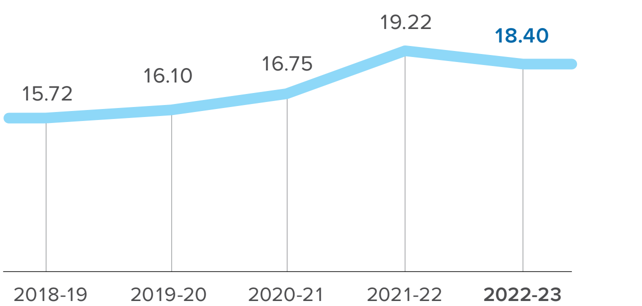


Contribution to Exchequer* (₹ crore)

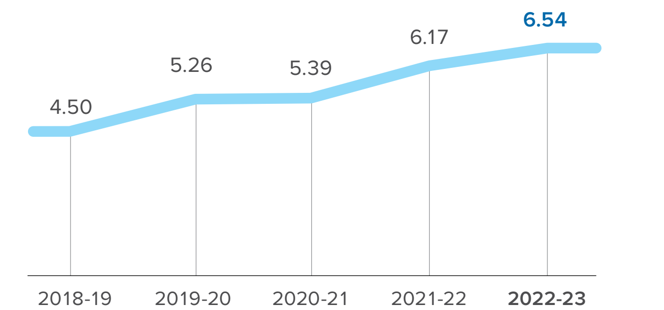


**on gross basis*

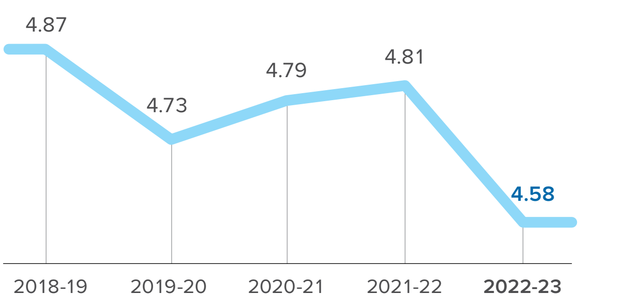
Water Recycled (mn m³)



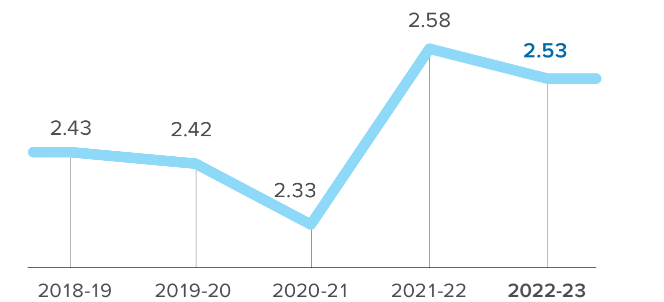
Waste Recycled (mn MT)



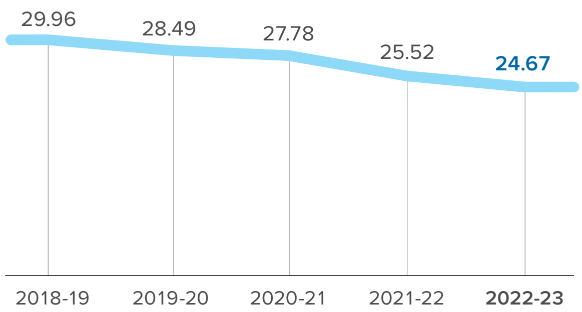
GHG Emission: Scope 1 + Scope 2 (mn tCO_2e)



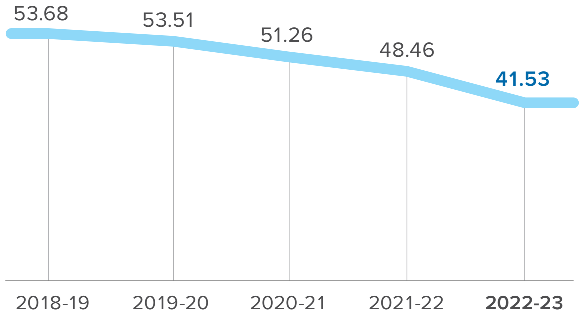
Renewable Power (Wind + WHRB + Solar) (MGJ)



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



Specific Energy Consumption
(GJ per tonne of metal)



Economic Value Added

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

	2022-23	2021-22	2020-21	2019-20	2018-19
Equity	**12,932**	34,281	32,313	40,310	33,605
Capital employed	**14,712**	16,315	17,183	18,694	16,653
Average capital employed	**15,513**	16,749	17,939	17,674	16,095
Economic Value Added (EVA)					
Net operating profit after taxes (NOPAT)	**9,925**	9,205	7,031	5,408	6,774
Cost of capital (CoC)	**2,444**	1,950	2,129	2,441	2,504
EVA	**7,481**	**7,255**	**4,901**	**2,967**	**4,270**
NOPAT/Average capital employed (%)	**63.98%**	54.96%	39.19%	30.60%	42.09%
Weighted average CoC (%)	**15.76%**	11.64%	11.87%	13.81%	15.56%
EVA/Average capital employed (%)	**48.22%**	**43.32%**	**27.32%**	**16.79%**	**26.53%**

Additional Information

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

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

Capital Employed: Capital employed is the total amount of funds deployed in the business in order to generate profit exclusive of net cash and cash equivalents.

Celebrating the Strength of our Capitals

The strength of Hindustan Zinc's capitals is a key enabler of the Company's growth and success story. We continue to invest progressively in building our capitals.

Financial Capital

Our financial capital comprises our financial resources such as cash, credit lines, etc. We focus on judicious allocation and deployment of capital to deliver a higher internal rate of return (IRR) and value creation for our stakeholders. We also endeavour to keep our financial risks to the minimum.

Return on net funds for business operations*
67%

EBITDA margin
52%

Operating cash flow#
₹ 15,129 crore

#During FY 2022-23

*Read more under Financial KPI's on **page 46**

Manufactured Capital

Our mines and manufacturing assets, such as smelters, refinery and power plants, constitute our manufactured capital. Our manufactured capital strength is driven by 25+ years of mine life, robust reserve and resource base, high safety standards, sustainable operations and use of best-in-class technology. We are continually upgrading our assets to keep production costs under control and maintain the quality levels.

Mined metal capacity (per annum)#
1.2 Mt

Silver refining capacity#
800 MT

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

#As on March 31, 2023

Read more on **page 100**

Intellectual Capital

We are continually augmenting our intellectual capital, which includes the technological knowhow that helps run our mining operations successfully and sustainably. We have a strong innovation edge, driven by our investments in advanced technology, digitisation, automation and analytics, research & development, and the skill upgradation of our people.

Different product offerings
13

Value-added products
15.5%

Read more on **page 34**

Human Capital

We look at our human capital as a key asset for our sustained and sustainable progress. Their growth, learning and skill development, safety, welfare and well-being are central to our strategic approach. We remain committed to nurturing our human resources in an environment of inclusive diversity and engagement.

Total employees, including contractors#
23,196

Learning and development hours for executives*
116,109

#As on March 31, 2023
*During FY 2022-23

Read more on **page 166**

Social & Relationship Capital

Our strategic approach is led by our strong focus on strengthening stakeholder relationships to drive value creation. We work closely with customers, communities, people, suppliers/vendors, the government and regulators in line with this strategy. We make regular investments in the areas of education, women's empowerment, sustainable livelihood, health, water and sanitation, sports and culture, environment, safety and CSR to meet stakeholder expectations and ensure sustained value creation.

Beneficiaries*
1.72 million+

Villages benefitted through sustained CSR interventions*
237

*During FY 2022-23

Read more on **page 142**

Natural Capital

We have identified our natural capital as a vital engine of our business growth and the nation's progress. We are continually working towards the realisation of our 'Sustainability Goals 2025' through targeted initiatives to reduce our greenhouse gas (GHG) emissions, remain water positive, recycle waste, foster biodiversity, ensure safety and diversity at the workplace and enable inclusive growth of the communities around which we operate.

Water Positive#
2.41x

Waste Recycled*
31.01%

Water Recycled*
41.95%

Units of Renewable Power Generated*
2.53 MGJ

#As on March 31, 2023
*During FY 2022-23

Read more on **page 132**

Touching New Milestones in Value Creation

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

How We Create, Sustain & Deliver Long-Term Value

We Create Value Through

- Core **assets and activities** which generate direct and indirect employment and economic progress for the nation
- Robust **mineral resources and reserves** which help in the country's journey to metal-related self-sufficiency
- Long-term **mining lease agreements** and progressive investments to develop mining assets
- Multiple **mine licenses** to ensure smooth continuity
- Seamless **logistics** and transportation
- Strong and **committed workforce** aligned with, and working towards the organisation's goal

We Deliver Value Through

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

We Sustain Value Through

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

FY 2022-23

VALUE CREATED	VALUE RETAINED		
Gross Income (including GST) ₹ 39,079 crore	Retained Earnings* ₹ 1,733 crore	Employees ₹ 845 crore	Community ₹ 276 crore
Taxes# ₹ 13,491 crore	Suppliers ₹ 10,515 crore	Shareholders ₹ 31,901 crore	

** As on March 31, 2023*
 # Gross contribution to exchequer ₹ 24,892 crore including dividend of ₹ 9,422 crore

FY 2021-22

VALUE CREATED	VALUE RETAINED		
Gross Income (including GST) ₹ 33,988 crore	Retained Earnings* ₹ 23,052 crore	Employees ₹ 718 crore	Community ₹ 191 crore
Taxes# ₹ 11,422 crore	Suppliers ₹ 8,955 crore	Shareholders ₹ 7,606 crore	

** As on March 31, 2022*
 # Gross contribution to exchequer ₹ 15,676 crore including dividend of ₹ 2,246 crore

Business Model

INPUTS

Financial Capital
- Equity Capital - ₹ 845 crore
- Net Cash - ₹ (1,780) crore
- Reserves & Surplus - ₹ 12,087 crore

Manufactured Capital
- Zinc Cost of Production - US$ 1,257 per MT
- Fixed Assets - ₹ 40,426 crore

Intellectual Capital
- Collaborations/Memberships with Technical Institutes - 15
- Patents awarded - 1 (India)

Human Capital
- Employee Benefit Expenses - ₹ 845 crore
- Learning & Development Hours - 116,109

Social & Relationship Capital
- CSR Spends - ₹ 276 crore

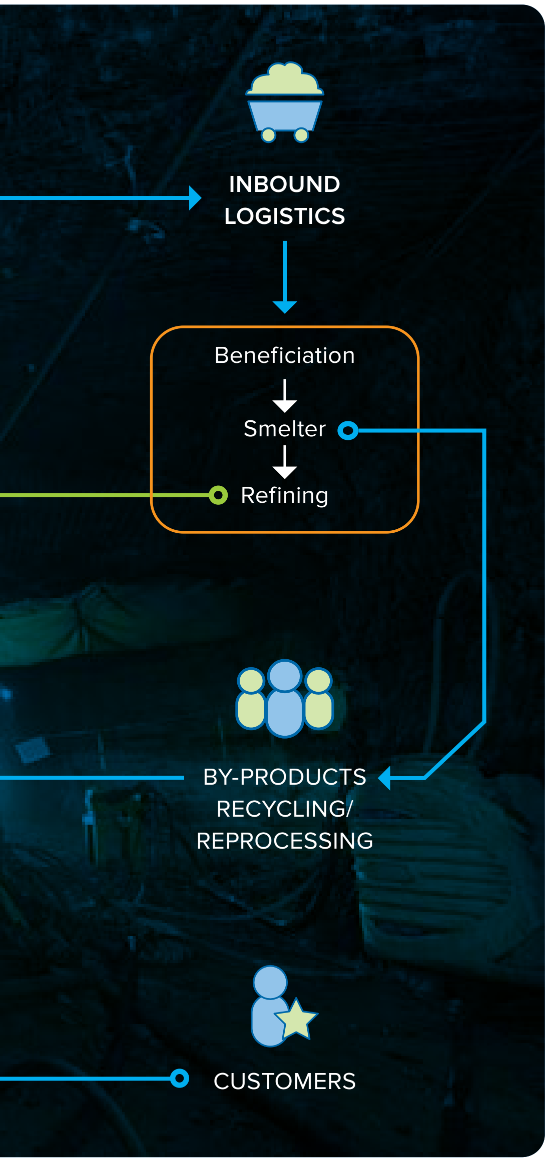
Natural Capital
- R&R - 460.1 Mt
- Zinc-Lead Metal - 30.8 Mt
- Silver - 855.9 Moz
- Energy Consumption - 4,619.10 MU

Our Process Chain

Our Strategic Priorities

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

Zinc
820,898
tonnes



Outputs Production Volume

Lead
210,690
tonnes

Silver
714
tonnes

OUTCOMES

SDGs IMPACTED

Financial Capital

- Revenues - ₹ 34,098 crore
- EBITDA - ₹ 17,590 crore
- Interim Dividend Per Share - ₹ 75.5

Manufactured Capital

- Mine Life (Average) - 25 years+
- Among the World's Lowest Cost Producers of Zinc
- Highest ever Mined Metal Production at - 1,062 kt
- Highest ever Refined Metal Production at - 1,032 kt

Intellectual Capital

- 13 Different Product Offerings
- Minor Metal Extraction Capabilities
- Top-of-the-mind Recall Among Customers

Human Capital

- Revenue per Employee - ₹ 10 crore
- Women in the Executive Workforce - 19.5%

Social & Relationship Capital

- Beneficiaries from CSR initiatives - 1.72 million+

Natural Capital

- All Operating Units are certified to ISO 50001 - Energy Management System
- GHG Emissions - 4.58 mn tCO_2e
- Waste Recycled - 6.54 Mt
- Water Recycled - 18.40 mn m^3

Nurturing Stakeholder Relations through Continual Engagement

We firmly believe that building strong relationships with diverse stakeholders in an open and fruitful dialogue is one of the main pillars of long-term business sustainability. Open communication is vital to uphold the principles of responsible business – an integral facet of Hindustan Zinc's philosophy – aligned with the Group's sustainability framework.

Continual stakeholder engagement enables us to adjust our business perspective in alignment with their evolving expectations and needs. It helps us evaluate the outcomes of our ongoing initiatives as we surge towards new horizons of success.

At Hindustan Zinc, we have implemented various initiatives to proactively promote stakeholder engagement. We believe, this has helped to foster mutually beneficial sustainable outcomes, while guiding our strategic interventions. Our initiatives span

sustainable consumption, environmental harm mitigation, human rights integration, community upliftment and meaningful contributions to national growth. These endeavours rely on active participation from diverse stakeholders, including customers, suppliers and vendors, business partners, local communities, government, etc.

Our stakeholder engagement standard is an impactful initiative to boost stakeholder engagement. It helps to standardise the process across all sites through a structured identification and analysis of each stakeholder. This ensures effective two-way communication between the organisation and the stakeholders. Our dedicated teams also help us to identify any stakeholders, who may have been missed or remained unreported due to a position of disadvantage.

Locally acquired data is used to determine the present and anticipated impact on each stakeholder group and serves as the basis for developing stakeholder engagement plans (SEPs), which are regularly reviewed and updated as required.

Stakeholder identification and analysis helps to foster a positive transformation, leading to more responsible and forward-thinking practices

Enhancing decision-making by considering a wide range of viewpoints and interests

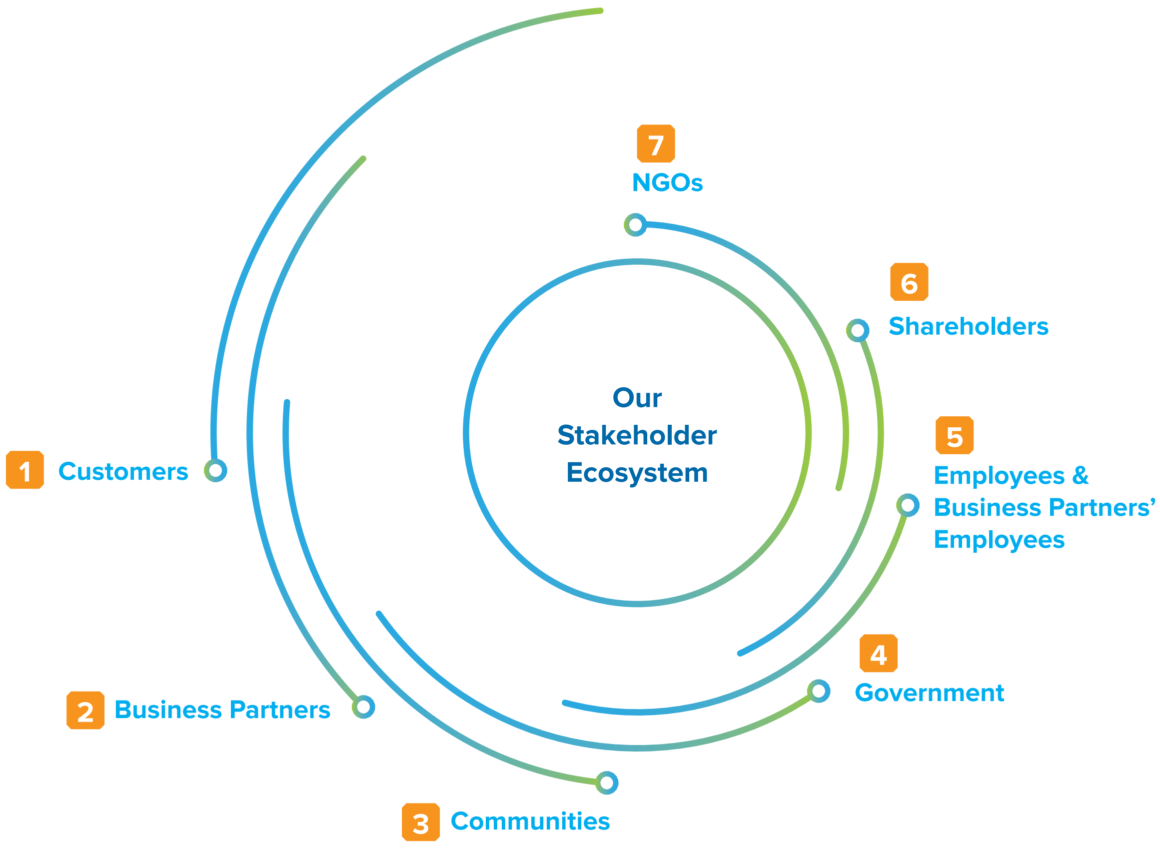
Building trust and credibility to demonstrate that we value stakeholder inputs, report them, consider and act on their concerns, as appropriate

Identifying and managing risks early and proactively minimises negative impact and helps to find mutually beneficial solutions

Enhancing reputation as our stakeholders can positively influence our reputation

Driving innovation and fresh thinking to creatively understand diverse perspectives and ideas

Promoting better compliances towards the Environmental, Social and Governance aspects



1 Customers

An understanding of customers' needs helps to determine product quality and pricing. Customer needs and demands serve to guide product innovation and development in the Company. Reduction in environmental and social impacts of our products helps customers meet their sustainability goals.

2 Business Partners

The contribution of business partners is critical to our business and ensures operational efficiency through timely supplies and efficient logistics. We also depend on our suppliers to meet our objectives of sustainability and responsible sourcing, which play a significant role in promoting the safety of workers and the workplace.

3 Communities

Community engagement leads to an understanding of vital social factors for sustainable community development. Caring for the community contributes to the Company's overall business growth and sustainability, led by reduction in any negative impact of business on environment or our people. Community engagement also serves to improve the economic well-being and quality of life. Discussions with the community aid the Company to finalise initiatives leading to overall community growth and development.

4 Government

Business contributes to nation-building through taxes, royalties and employment creation. Engagement with the government, be it alignment with the government's policy vision or in a partnership is essential for implementation of our sustainable business operations that creates a multiplier impact by generating key opportunities that positively impact the nation. Working in alignment with the government entails meeting the compliance requirements as per the statutes and policy advocacy on subjects relevant to the Company in its core business of exploration, mining and smelting.

5 Employees & Business Partners' Employees

This engagement involves improving employees' experience, monitoring organisational health and enhancing the quality of life at the workplace. It further encompasses motivating employees to perform above and beyond their roles and improve their levels of trust and loyalty within the Company to enable increased employee retention, performance and innovation. Annual surveys, interactions with senior leadership, etc. are some of the ways in which the Company seeks to promote employee engagement.

6 Shareholders

Shareholder support and feedback on operations provides continual guidance to the management and serves to keep governance on track. Keeping the Company's communication channels open with analysts and the investor community serves to connect them with the management. The Company maintains a strong focus on ESG concerns, which are of importance to shareholders too.

7 NGOs

Onboarding and engaging experts for effective implementation of the Company's CSR programmes, besides regularly discussing and sharing updates, has served to strengthen the implementation of existing programmes.

Stakeholder Grievance Redressal Mechanism

Hindustan Zinc recognises grievances as expressions of stakeholder dissatisfaction, whether based on factual or perceived incidents. The Company actively engages with relevant stakeholders to gain a comprehensive understanding of the relevant issues and potential impact on its business. Grievance Committees, chaired by the respective unit heads, are in place to address and resolve grievances. An apex committee, chaired by the location head, meets every quarter, while the unit level committee meets every month and is apprised of the grievances received and action taken by the respective committees. As industry leaders, we prioritise the acknowledgement, assessment and timely communication of satisfactory responses for all grievances.

How We Engage With Our Stakeholders

To enhance stakeholder engagement, the Company utilises various online platforms, tailored for specific categories of stakeholders, that ensures comprehensive outreach. This engagement minimises reputational risks for the Company, safeguards the brand image and fosters strong relationships by facilitating open communication channels with a broader audience. To monitor and assess progress, a robust review mechanism has been implemented, to track stakeholders' interactions and the outcomes.

Please refer to our <Business Responsibility and Sustainability Report (BRSR)> for details of our stakeholder engagement and grievances

Addressing Material Issues on Our Journey to a New Horizon

A materiality assessment provides the foundation for shaping Hindustan Zinc's business strategy. An analysis of risks and opportunities has proved to be the most effective way to prioritise the issues on which we need to focus, in our journey to a new horizon of growth. This becomes particularly important in the context of the global transition to sustainability, which could have significant impact for the metals and mining sector.

We conduct a comprehensive materiality analysis every three years – the last having been conducted in FY 2022-23. Our Board's Environmental, Social and Governance (ESG) Committee reviews this materiality analysis and progress towards Sustainability Goals 2025 which addresses material issues six monthly, we adopted double materiality principle while conducting analysis. We engage with relevant stakeholders to understand the impact of Hindustan Zinc on society and the environment, particularly how it affects them. We also explore any potential consequences of the impact that could improve or undermine our reputation and relationships with them. We then assess the significance of the material topics especially with regards to being a possible risk for Hindustan Zinc. These topics are included in the assessment process because of their significant impact on our ability to execute our strategy, and impact our value drivers, such as revenue growth, margins and capital requirements.

The materiality assessment not only identifies all the significant ESG topics relevant for our business, but also helps us to better understand the stakeholders' priorities and expectations from the Company on ESG issues. Additionally, the assessment enables us to be better prepared to meet the growing demand for sustainability reporting in line with leading practices.

The corporate Sustainability Committee approves and signs off on the material issues that are then circulated to all the relevant functions and teams for taking relevant actions to address the impact. As part of our annual assurance process, a third party validates our approach on materiality and ascertains its relevance in the context of our business and sector.

Our 4-Step Approach to Conduct Materiality Assessment

1 Identifying list of material topics

An initial lengthy list of 85 topics was identified by consulting leading standards and material issues faced by peer companies. The list was then cut down to create an exhaustive list of 24 material ESG topics for Hindustan Zinc, based on four leading standards and inputs of materiality faced by peer companies of Hindustan Zinc.

2 Gathering stakeholder inputs

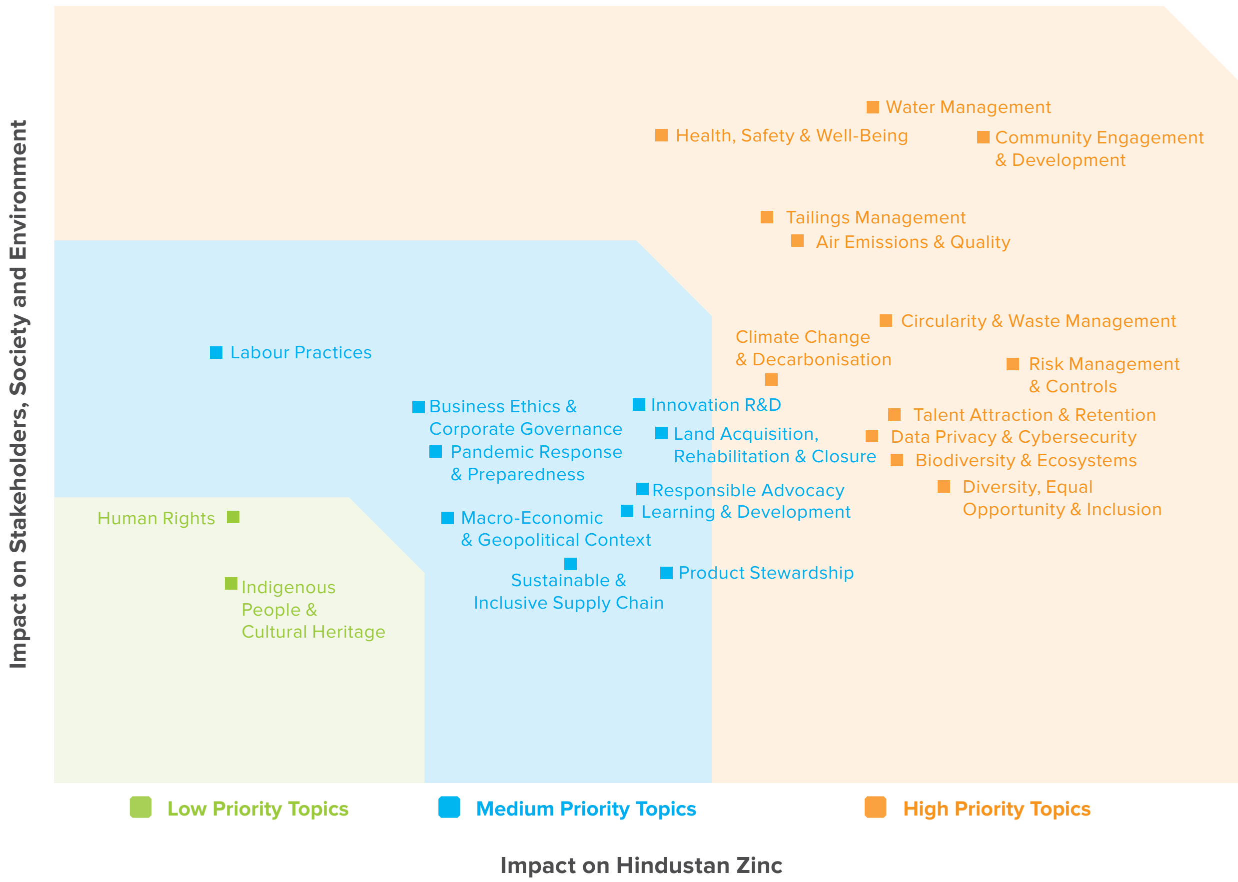
For data collection, stakeholder-specific data tools like interview and survey questionnaires were developed. Inputs were collected from 483 stakeholders through interviews, focus group discussions and surveys. This included both qualitative and quantitative inputs to better understand stakeholder perceptions about Hindustan Zinc's impact on environment and society.

3 Risk and opportunity analysis

We analysed the potential impact of the identified issues on Hindustan Zinc's ability to execute its business strategy and those with financial implications. These topics were then assessed against the risk threshold as defined in the enterprise risk management matrix.

4 Finalisation of materiality matrix

Determination of the high priority material issues was based on the risk assessment and stakeholder responses that were analysed using a scoring methodology. On the basis of severity and likelihood, these issues were classified as high-high and medium-high priority areas. The materiality matrix was developed following a thorough analysis of all stakeholder data.



Through quantification of stakeholder inputs, 12 high priority material topics were identified for Hindustan Zinc across the metrics of Environment, Social and Governance.

Our Approach to Material Topics

We concluded that each priority level requires a differentiated management approach, and accordingly formulated a unique strategy across each category, based on the level of risk, opportunity and/or impact.

High Priority Topics

1. Climate Change & Decarbonisation
2. Air Emissions & Quality
3. Water Management
4. Circularity & Waste Management
5. Tailings Management
6. Biodiversity & Ecosystems
7. Community Engagement & Development
8. Health, Safety & Well-Being
9. Talent Attraction & Retention
10. Diversity, Equal Opportunity & Inclusion
11. Risk Management & Controls
12. Data Privacy & Cybersecurity

Medium Priority Topics

1. Sustainable & Inclusive Supply Chain
2. Labour Practices
3. Land Acquisition, Rehabilitation & Closure
4. Learning & Development
5. Business Ethics & Corporate Governance
6. Responsible Advocacy
7. Innovation R&D
8. Pandemic Response & Preparedness
9. Macro-Economic & Geopolitical Context
10. Product Stewardship

Low Priority Topics

1. Human Rights
2. Indigenous People & Cultural Heritage

Based on our refreshed materiality assessment and prioritisation of material topics, we are developing strategic actions to effectively address these priorities based on their importance to our business. Hindustan Zinc has initiated a management approach to guide necessary action in each priority area.

Lead and Shape
(High Priority Topics)

- These are topics that can significantly impact business performance
- Hindustan Zinc will look at setting the industry benchmark in these topics
- Hindustan Zinc will be actively involved in policy advocacy on these topics to ensure that a strategic, balanced and forward-looking approach is adopted by regulators in these areas

Align and Amplify
(Medium Priority Topics)

- Hindustan Zinc will align with industry best practices on these topics
- These topics will be closely monitored to reshape strategy if any of them transition into the 'High Priority' category in future

Manage and Comply
(Low Priority Topics)

- Whilst these topics are low priority, they are still relevant to the business, and therefore Hindustan Zinc will continue to manage and monitor them as per policies and technical standards of Vedanta Sustainability Framework (VSF)

We have, accordingly, identified specific programmes to be rolled out progressively to address each of the material issues based on their priority ranking.

Changes in the High Priority Landscape

The materiality assessment has shown distinct changes in Hindustan Zinc's high priority landscape as a result of the evolving external ecosystem, which continues to impact our business in significant ways.

A comparative analysis with the 2019 materiality assessment showed that the following topics now listed as high priority were not present in this category three years ago:

- Circularity & Waste Management
- Biodiversity & Ecosystems
- Data Privacy & Cybersecurity
- Risk Management & Controls

In contrast, there are certain topics that were high priority in 2019, but have been excluded from the list this time, or have been merged with or transitioned into another category. These are:

- **Local Employment** (this is still relevant, but subsumed under Community Engagement & Development)
- **Human Rights** (stakeholders feel that existing processes are strong enough to avoid these risks)
- **Ethics & Integrity** (stakeholders feel that existing processes are strong enough to avoid any risks)
- **Compliance & Government Regulations** (this has not been considered as a separate topic but assumed to be a theme across all topics)

Topics Integrated in Enterprise Risk Management

Hindustan Zinc will endeavour to continue to map the impact of various ESG topics on our business and revisit strategy as required, from time to time, in accordance with the evolutionary developments materialising in the external environment. These include topics like safety, climate change, human capital management, community management, etc., which have been identified as material issues while also being listed among the key risks faced by the Company. Given their high level of significance, it is important for us to ensure integration of our strategic approach while addressing these topics as material issues and risks.

Read more on our material topics in our Sustainability Review Report

Investing in Strategic Priorities

To Touch More Milestones

Our strategic priorities are crafted to meet the needs of the transforming business ecosystem and to facilitate the realisation of our future goals. In our endeavour to scale growth while ensuring accretive value creation for our stakeholders, we are continually working towards strengthening focus on our strategic priorities through targeted planning and actions. We are now working on three years' business planning instead of an annual business plan, to help us steer our growth journey more effectively and touch more milestones along the way.

S1 Maintaining a Portfolio of Mines with Long Life

The longevity of mines is a major driver of our growth plans, supporting our vision of continued value creation for all our stakeholders. Hindustan Zinc's exploration objective is to upgrade resources into reserves and replenish every tonne of mined metal to sustain more than 25 years of metal production by fostering innovation and using new technologies. The Company has an aggressive exploration programme focussed on delineating and upgrading Ore Reserves and Mineral Resources (R&R) within its licence areas. Technology adoption and innovations play a key role in enhancing our exploration success. The deposits are 'open' in depth, and exploration has identified a number of new targets on mining leases, having potential to increase R&R over the next 12 months. Across all the sites, the Company has increased its surface drilling to assist in resource addition and in upgrading resources to reserves.

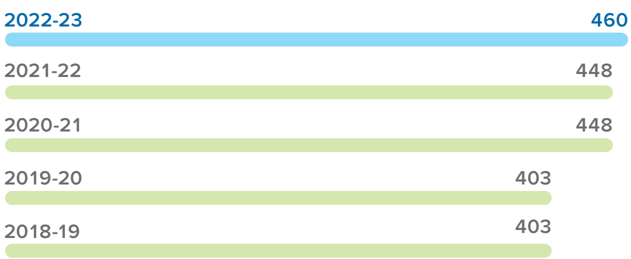
During the Year

- Total Ore Reserves stand at 173.5 Mt (net of depletion of FY 2022-23 production of 16.7 Mt) at the end of FY 2022-23 (161.2 Mt at the end of FY 2021-22) due to continued focus on resource to reserve conversion during the year; exclusive Mineral Resource totalled 286.6 Mt
- Combined R&R estimated to be 460.1 Mt, containing 30.8 Mt of zinc-lead metal and 855.9 million ounces of silver
- Overall mine life continues to be more than 25 years

Going Forward

- Target generation through drill testing at Zawar Mine (ZM), Rajpura Dariba Mine (RDM), Sindesar Khurd Mine (SKM), Rampura Agucha Mine (RAM) and by application of artificial intelligence (AI) and machine learning (ML) along with advance geophysics
- Retain existing mining leases in Hindustan Zinc's portfolio, acquire new potential areas through auction and secure new tenements for R&R growth
- Exploration plan to enhance Mineral Resource by 15 Mt ore intermediately, and by 40 Mt ore eventually with contained metal of 2 Mt
- Upgrade Ore Reserves for sustained mine production for the next 10 years; upgradation to 42 Mt eventually, leading to total R&R of over 500 Mt with ~35 Mt metal, and further of ~40 Mt metal in Hindustan Zinc's portfolio

Total R&R (Mt)



S2 Expansion of Capacities

Volume growth is a key focus area at Hindustan Zinc, with our world-class assets driving the same. In our vision to be the world's largest and the most admired zinc, lead and silver company, we continue to focus on investing in the organic and inorganic expansion of our capacities and operating with the highest levels of operational excellence. This philosophy has helped us to grow over the years, and to outperform our prior achievements while maintaining over 25 years of mine life. Our FY 2022-23 operational performance provides us the motivation and confidence of achieving another year of record-setting performance, and with supporting MIC flow, our smelters are geared to achieve 1,050 - 1,075 kt of refined metal in FY 2023-24.

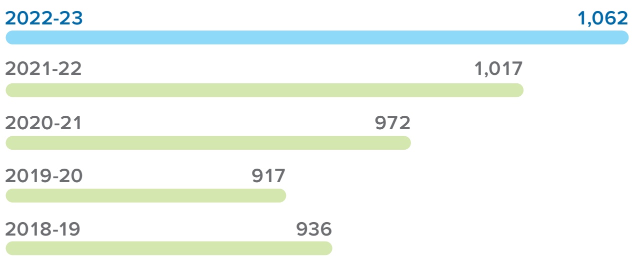
During the Year

- Achieved highest ever mined and refined metal production of 1,062 kt and 1,032 kt respectively, geared towards achieving our stated capacities in the coming years
- Undertook upgradation of skip and cage compartment at Sindesar Khurd mine to enhance capacity utilisation to 100% level
- Successfully conducted public hearing at Chanderiya to obtain environmental clearance for the expansion of Chanderiya Lead-Zinc Smelter (CLZS)
- Production at Zinc Smelter Debari (ZSD) increased by 20.5% resulting from a complete revamp of the ZSD cell house
- Smelters achieved their designed recovery through our concerted efforts towards debottlenecking the entire value chain

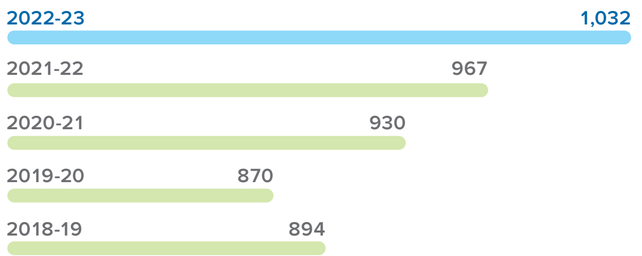
Going Forward

- Exploring new mining leases and working on advocacy for opening new mining sites while focussing on further ramp-up of underground mines towards their designed capacity of 1.2 Mtpa, followed by incremental ramp-up to 1.25 Mtpa and eventually to 1.5 Mtpa
- **RAM:** Study on alternate access to the portal
- **ZM:** New portal commencement at Zawarmala mine to enhance production up to 2 Mtpa, hook-up of hydraulic fill plant with mill-2 to expedite filling at Mochia and Balaria mines, thereby improving ore recovery by FY 2023-24, establishment of a new tailings storage facility (TSF), and completion of mill-3 to increase beneficiation capacity
- **RDM:** Commissioning of a combined paste-fill and dry tailings plant in FY 2023-24, increasing the ore production from 1.5 Mtpa to 2 Mtpa, followed by a new beneficiation plant that will increase RDM's treatment capacity from 1.1 Mtpa to 1.5 Mtpa
- **SKM:** Commissioning of vertical conveyor to mine high-grade shaft pillar area
- **Smelters**
  - Debottlenecking of Debari cell house and other efficiency improvement initiatives to achieve overall finished goods (FG) production of 1.1 Mtpa
  - Capacity expansion through major overhauling of roaster-3 in FY 2023-24, followed by commissioning of roaster-6 and addition of one more smelter to take overall capacity to 1.5 Mtpa
  - Further scaling up of our silver production to achieve capacity of 800 MT, and moving gradually towards 1,000 MT in line with our vision to be among the top three global primary silver producers

Underground Production (MIC production kt)



Refined Metal Production (kt)



S3 Strengthening Cost Leadership

Being a fully integrated producer focussed on driving sustainable growth, Hindustan Zinc continues to strive towards growing its operations while maintaining an effective control over its costs. This has helped us maintain our position in the first quartile of the global zinc cost curve, and we continue to be one of the lowest cost producers of zinc globally. Some of the drivers towards maintaining our cost leadership are increased volumes, improved grades, greater focus on innovation, automation and digitalisation to ensure higher operational efficiencies and consequently, better cost rationalisation.

During the Year

- Operated Pyro plant on zinc lead mode, reducing zinc cost of production (COP) and improving lead and silver production
- Undertook various alternate fuels innovation, thereby pushing operational efficiencies
- Implemented flexible operations by dynamically making decisions, basis external factors like power offtake from external sources at cheaper and economical rates as required, thereby controlling power costs
- Focussed on reducing equipment cost, increasing productivity, improving utilisation of machines and rationalising deployment of machines underground
- Advanced process controls commissioned at all beneficiation plants of RAM, ensuring optimal throughput and metal recovery
- Treatment of raw zinc oxide (RZO) in RKD circuit (component of overall Fumer project) continued during the entire year
- Enhanced minor metal recovery by 56% over previous year, resulting in higher cost credits

Going Forward

- Maintaining cost of production in FY 2023-24 between US$ 1,125 - US$ 1,175 per tonne through efficient ore hauling, higher volume and grades besides higher productivity through ongoing efforts in automation and digitalisation
- Evaluating opportunities to drive higher volumes and increase market share

- Close tracking of geopolitical events which may lead to cost impacts, and proactively taking steps to mitigate any negative effects that may arise
- Sourcing of 450 MW renewable energy (RE) power at fixed rate for the next 25 years, providing better cost visibility and predictability
- Engineering of Dariba lead cellhouse to reduce cost while increasing efficiency and recovery
- In the long run, maintain cost of production below US$ 1,000 per tonne through proactive cost saving measures, enhanced production and continued operational efficiencies

S4 Expansion of Product Portfolio through Customer Centricity

Conscious of the evolving needs of customers, we have focussed on expansion of our value-added product (VAP) portfolio. Through Hindustan Zinc Alloys Private Limited (HZAPL) and Hindustan Zinc Fertilisers Private Limited (HZFPL), we shall move from a commodity-based company to a product-based company with better ability to cater to the needs and requirements of the domestic market. Through HZAPL, we shall focus on producing alloys with specific usage in automotive industry, bathroom fixtures, appliances, coating in the sheet industry, which require a higher customer-centric approach. We shall continue to work towards finding niche applications of zinc alloys so that we can cater to these segments too. Through HZFPL, we will be able to support farmers' needs through production and sale of DAP fertilisers, which are largely being imported at present.

During the Year

- Through the set-up of HZAPL, adopted the subsidiary route to ensure focussed and quality production of VAPs
- Actively invested in the development of new products through downstream applications
- Received Board's approval and commenced work on the set-up of HZFPL

Going Forward

- Commissioning of HZAPL to cater to the demand in the Indian market and deliver international quality products while commanding a premium in the domestic market
- Focus on innovation of new products in lead alloys and increased penetration of zinc alloys
- Increase share of value-added products to 20%-25%
- Commissioning of 510 Ktpa HZFPL plant in Chanderiya to better utilise sulphuric acid generated in operations through production of fertilisers, making the country future-ready and supporting the mission of Aatmanirbhar Bharat. This will contribute to the environment circuitously, enabling us to fetch right margins

S5 Progressing Towards a Sustainable Future

The Company is continually working towards reducing its carbon footprint and lowering the impact of its business on environment. Efforts are therefore aimed at improving efficiencies, ensuring optimal utilisation of natural resources, increasing the use of renewable energy in its operations and growing in a safe and sustainable manner. This is reflected in our Sustainable Development Goals 2025, and also in our continued voluntary and progressive ESG-related disclosures in line with global best practices.

During the Year

- Signed long-term power delivery agreements (PDA) for sourcing up to 450 MW of renewable energy (RE)
- Green zinc being produced by Pantnagar metal plant by using 100% RE in the form of hydropower
- Increased biomass utilisation for power generation, thus reducing carbon footprint through our captive thermal power plants
- Waste management through jarosite utilisation in cement industry through modification in existing circuits
- Commissioned a 3,200 KLD zero liquid discharge (RO-ZLD) plant at the Dariba smelter
- Deployed India's first battery electric vehicle (BEV) in UG mining at SKM, introduced LNG-powered truck and electrical trucks for upstream and downstream transportation and signed MoUs with various manufacturers to introduce battery-operated vehicles in UG operations
- Business partners introduced EVs, forklifts, towing vehicles and passenger vehicles in smelters

Going Forward

- By sourcing up to 450 MW RE power, over 50% of our energy requirements will be met through green power with an estimated emission reduction of 2.7 mn tCO_2e
- Migration to 100% mechanised charging at ZM, leading to improved safety, faster charging and increased pull per blast
- Transition to one-third BEV deployment at RAM and SKM in near term, and target of converting all diesel-run 900-odd mining vehicles into battery-operated ones over the next few years with an investment of over US$ 1 billion
- Construction and commissioning of new ZLD plants at Agucha and Zawar
- Commissioning of Fumer plant in CLZS to eliminate Jarosite generation from one hydro smelter

Managing Capital Trade-offs to Enable Stakeholder Celebration

	Financial Capital	Manufactured Capital	Intellectual Capital
Expansion of Capacities	• Investing in value-accretive projects by leveraging our strong balance sheet • Increased profits in medium and long-term	• Continued investment in smelter expansions and obtaining requisite regulatory approvals for the same • Improved ore-to-metal ratio through higher recoveries and efficiency	• Innovation around metal recovery • Digital best practices replicated across sites • Enhanced market position • Automated and digitally integrated value chain
Maintaining a Portfolio of Mines with Long Life	• Higher spending on Ore Reserves and Mineral Resources (R&R) additions and new tenements while maintaining existing leases • Sustained production growth	• Enhance the Mineral Resource by 40 Mt ore with contained metal of 2 Mt and upgrade Ore Reserves to 42 Mt, which will lead to total R&R of over 500 Mt with ~35 Mt metal • New tenements will create new mines in the long term	• Automation of litho-structural data collection through Acoustic Televiewer (ATV)/Optical Televiewer (OTV) tools of surface boreholes • Use of subject matter experts (SME) for designing and executing exploration programmes
Strengthening Cost Leadership	• Cost control through consistent efforts on operational efficiencies, volume delivery and cost rationalisation to combat the inflationary input commodity environment • Agility in decision-making resulting in improved cost • Investment in new-age technologies for enabling cost excellence	• Higher equipment effectiveness • Optimised power and logistics • Best-in-class mill and smelter efficiencies	• Creation of global benchmarks in productivity and efficiency • Deployment of automations, improving productivity and thereby reducing costs viz. advanced process control (APC) to improve recoveries
Expansion of Product Portfolio through Customer Centricity	• Investment in new business lines, such as minor metals, value-added products (VAP) • Higher premiums on VAP • Protection from commodity price volatility	• Modern processing facilities capable of producing a wide range of products • Manufacturing products basis customer needs with increased focus on value integration	• Development of new products based on market research and studies • Enhanced market perception
Progressing Towards a Sustainable Future	• Investments in low-emission technologies and green energy • Deployment of collaborative models for metal reuse and recycling	• Tailings dam for water recycling and land reclamation • Efficient management and gainful utilisation of waste • Smart transportation with battery electric vehicles (BEVs) in underground mines to reduce greenhouse gas (GHG) emissions • Improved conversion efficiency of captive power plants (CPPs) and enhanced solar energy	• Patents for processes of reuse of materials like jarosite • Innovative technologies in underground mining to minimise GHG emissions • Innovations enhancing people safety during operations, including simulator training, etc. • Adoption of advanced technologies to optimise, reuse and recycle water resources

Human Capital

- Training and skill development
- Optimal manpower
- Higher productivity

- Trained pool of geologists, geophysicists and analysts
- Deployment of outsourced services from global exploration experts

- New-gen workforce with differentiated skills of digitisation, artificial intelligence (AI) and best mining practices
- Safe and productive workplace

- Attracting industry-best talent
- Market experts enabling better sustainability in ever changing macroeconomic environment through proactive measures

- Development of strong in-house research and development (R&D) capabilities
- Promoting employee engagement in Health, Safety and Environment (HSE) initiatives

Social & Relationship Capital

- Local employment and sourcing
- Increased social spending
- Higher contribution to the exchequer

- Resource sufficiency for the nation
- Sustained livelihood for communities

- Local supply base
- Higher commitment towards community upliftment and nation building

- Generation of local employment opportunities through ancillaries
- Improved customer relationships

- Facilitating 25% higher freshwater availability for communities
- Zero land acquisition for waste storage
- Compliance with stricter regulatory community and environmental regulations

Natural Capital

- Optimum usage of earth resources
- Leveraging renewable resources, including recycled water and green energy

- Identification of new Mineral Resources
- Restoring biodiversity at mining sites
- Constantly monitoring seismic activities

- Higher ore-to-metal recovery
- Higher cost credits through increasing minor metal recovery, gainful utilisation of waste
- Investing in cost-effective and sustainable solutions, viz. renewable energy (RE) power giving better cost predictability

- Residue treatment and production of VAP
- Recycling and reprocessing of lead
- Manufacturing and adding green products to the portfolio

- Aim for 0.5 mn tCO_2e GHG emission savings by 2025 in operations
- Become 5x water positive by 2025
- Strive for 3x increase in gainful utilisation of waste in smelting by 2025

Hindustan Zinc's Investment Horizons

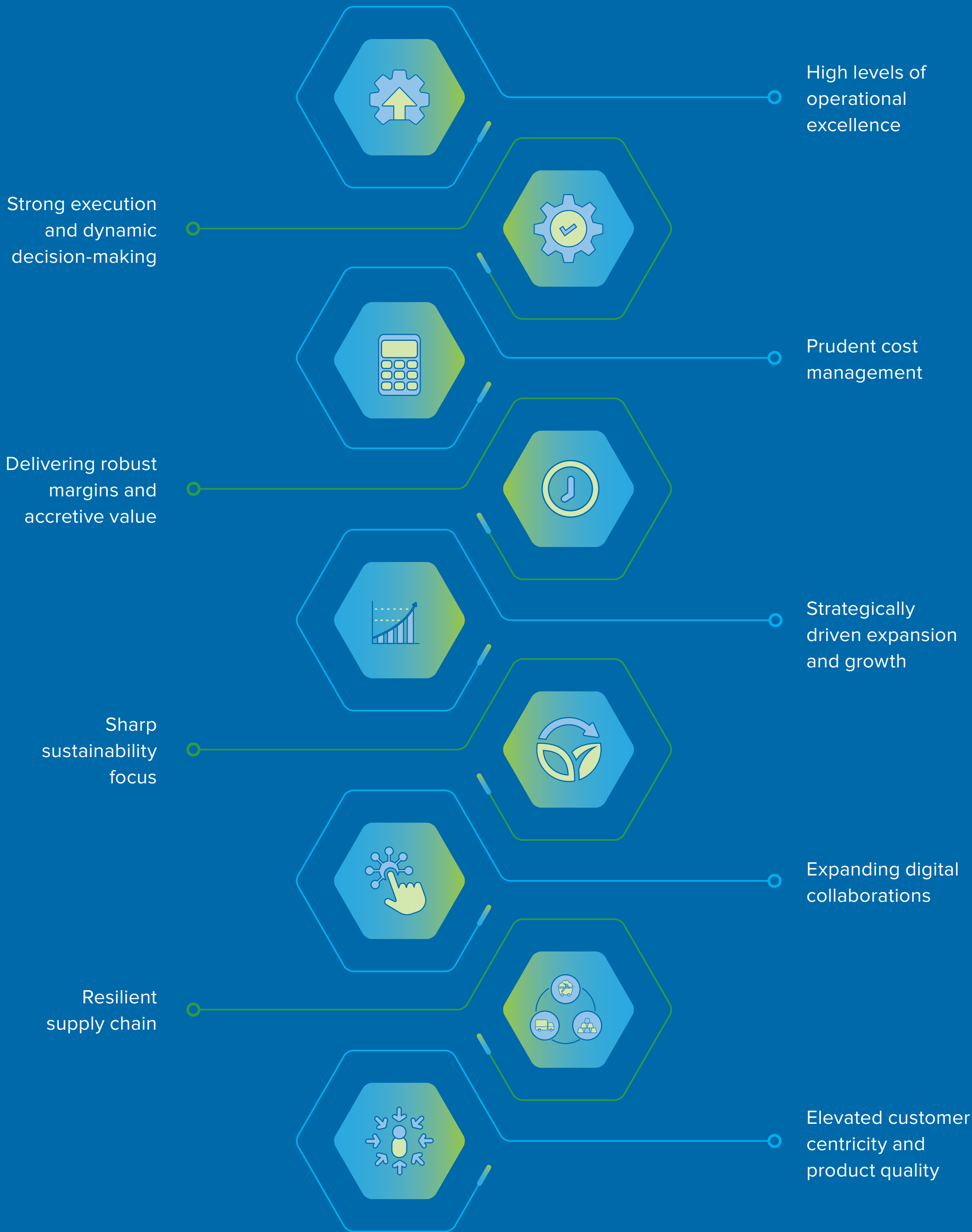
As a future-focussed organisation with its eye firmly on ensuring efficient and sustainable growth, Hindustan Zinc continues to be an attractive investment proposition for shareholders and investors.

Our agility lends us the ability to renew, adapt and transform quickly to changes in the macro environment. We are proud to have the nimbleness of a start-up despite being in a business. This enables us to maintain our cost leadership and differentiates us in the global industry.

With the vision of creating sustained value for all our stakeholders, we have been continually strengthening and delivering on our operational efficiencies, fiscal discipline, innovation, value-added products (VAP), capital allocation, digitisation thrust and sustainability focus. This strategic blueprint enables us to drive inclusive growth, and to take on new projects for investment with an above average internal rate of return (IRR).

Over the years, we have grown to become the fifth largest silver producer and second largest zinc producer globally and with the vision of improving the same, we continue to progress further. Our strategic focus ensures superior industry leading returns to our investors.

KEY INVESTMENT PROPOSITIONS



We are continually improving our investment guidance year-on-year. With strong focus on our fundamental goal of maximising shareholder returns, we have declared the highest ever dividend of ~₹ 32k crore and have successfully delivered on our operational guidance for FY 2022-23.

Investment Case 1

Portfolio of Mines with Long Life

- Continual and strategic efforts to enhance Ore Reserves and Mineral Resources (R&R) through exploration
- Adoption of new and innovative technologies and advanced geophysics to run an extensive exploration programme for delineation and upgradation of R&R within our licence areas
- Replenishment of every tonne of the mined metal to sustain mine life above 25 years at current rate of production

Mine Life (R&R) at Current Rate of Metal Production

25+ Years

Reserves & Resources

460.1 Mt

Investment Case 2

Strategic Investments Boosting Production Capacities

- Constant scaling of production volumes instead of following the industry trend of playing with range-bound mining volumes
- Significant investments in advanced operational methods and tools to accelerate mine development rate, improve productivity and optimise cost
- Collaborations with global experts ensuring efficient project execution across business segments
- Agile and swift adaptation to a transforming business environment
- Focussed sustainable growth strategy with determined progression towards net-zero emissions and low carbon economy
- Optimising usage of natural resources supported by our proven ore deposits
- Trained partners and teams for detailed planning of projects ensuring disciplined execution

Refined Metal Production; first time 1 million tonne+

1,032 kt

Mined Metal Production

1,062 kt

Increase in Ore Production

2.5%

Investment Case 3

Maintaining Global Cost Leadership Fuelled by Fiscal Prudence, Agility & Resilience

- Continued leadership in the first quartile of the global zinc cost curve, and consistently being one of the most low-cost producers of zinc-lead globally
- Ability to continually ramp up volumes and deploy automation and digital initiatives resulting in cost optimisation
- Robust earnings before interest, taxes, depreciation and amortisation (EBITDA) margin, strong credit rating and balance sheet – a reflection of our resilient capital deployment strategies
- Agile and responsive strategic approach, enabling quick adaptation to business transformation while maintaining the highest levels of operational excellence across the value chain

Revenue from Operations

₹ 34,098 crore
(US$ 4,248 mn)

Total Income*

₹ 35,477 crore
(US$ 4,420 mn)

Zinc CoP

US$ 1,257 per MT

3-year Average EBITDA Margin

53%

**Total income is inclusive of revenue from operations (including other operating income) and other income*

Investment Case 4

De-Risked Business Model with Close Customer Connect to Drive Sustained Growth

- Well-diversified innovation-led product portfolio
- Collaboration with customers to design products to meet their expectations and specific requirements
- Setting up a 30 kt alloy plant under Hindustan Zinc Alloys Private Limited (HZAPL) is a key testimony of our conscious efforts to adopt VAP portfolio as a go-to-market strategy
- Contributing towards India's self-sufficiency via downstream integration by investing in Hindustan Zinc Fertilisers Private Limited (HZFPL)
- Expanding the global footprint as part of our geographic de-risking strategy
- Large-scale distribution network and long-term connects ensuring improved customer satisfaction and reach

Product Offerings

13

Proportion of VAP

15.5%

Investment Case 5

Sustainability-driven Business with Industry-leading Focus on ESG and Community

- Focussing aggressively on Environmental, Social and Governance (ESG), with a well-articulated roadmap towards carbon neutrality
- Progressing well towards our 2025 Sustainability Goals with intense commitment towards optimal utilisation of natural resources
- Ranked 1st in Asia-Pacific and globally 3rd in S&P Global Corporate Sustainability Assessment in 2022 amongst metals and mining companies
- A certified water positive company, member of the FTSE4Good Index and S&P Global Sustainability Yearbook 2023 and amongst the top 5% of the most sustainable organisations
- First Indian mining company to deploy battery electric vehicles (BEV) in underground mining
- Strong governance and risk management framework with ISO certified compliance and cybersecurity
- Partnering in Government's 'Aatmanirbhar Bharat' campaign
- Comprehensive corporate social responsibility (CSR) outreach, benefitting 1.7+ million people in 237 villages

Dry Tailings Plant

India's 1st

Renewable Energy Portfolio

354.74 MW

Long-term Renewable Power Delivery Agreement with Serentica Renewables

450 MW

Investment Case 6

Superior Returns to Shareholders

- Focussed approach of investing in strategic projects ensuring superior capital allocation with above average IRR, maximising shareholder returns
- Better-than-average performance achieved through innovative and proactive measures, such as strategic hedging
- Strong digital and automation capabilities, enabling us to ensure on-time delivery and helping us align with the changing ecosystem to stay ahead of the curve and deliver industry-leading growth even in a challenging environment
- Strong operational excellence backed by cost optimisation measures, promoting operational efficiencies through meticulous planning and process rationalisation besides targeted sustainable strategies, creating and delivering value to shareholders

5-year Average Dividend Pay-out

149%

Annual Growth in Refined Metal Production*

7%

Annual Growth in Silver Production Volume*

10%

For 5-year growth trend, refer to page 47 of this Report

In addition to these strengths, our attractive investment proposition is also driven by various proactive measures we have undertaken on a continual basis to drive inclusive, long-term growth and stakeholder value creation. These include hedging as well as investments in strengthening our digital and automation capabilities.

All numbers as on March 31, 2023

Risk Management

Automated Proactive System for Mitigating Risks, Encashing Opportunities, and Continuous Monitoring

We understand that it is imperative for an organisation to manage its risk for achieving strategic goals. At Hindustan Zinc, we are determined to ensure that our system is robust and proactive to successfully apprehend risks and mitigate them before they play out. We, therefore, have a strong sustainable risk management framework, supported by SAP-based tools to allow transparent risk reporting and escalations. Risk prioritisation criteria are clearly defined and mapped across different functions, categories and activities along with the likelihood of potential impact. Risks are continually evaluated for timely implementation of mitigation measures.

Our Strategy

At Hindustan Zinc, the risk identification process includes identification and listing of plausible uncertainties or risks that may impact the achievement of functional and business objectives or threaten the business continuity of the Company. Identified risks are classified as internal and/or external and categorised based on their nature or primary causes to enable effective evaluation and risk response.

The organisation is also driven by the firm belief that identification and evaluation of emerging risks too is crucial in the context of strategic planning, as critical assumptions taken into account during this phase may become invalid if such emerging risks materialises. To determine the relevant emerging risks, the organisation encourages employees to submit possible risks for review to the unit risk officers or the Chief Risk Officer (CRO), stay updated on industry trends with leading industry publications, participate in sector-specific events and engage continually with the senior management to identify sectoral trends that may impact the organisation.

Our Approach

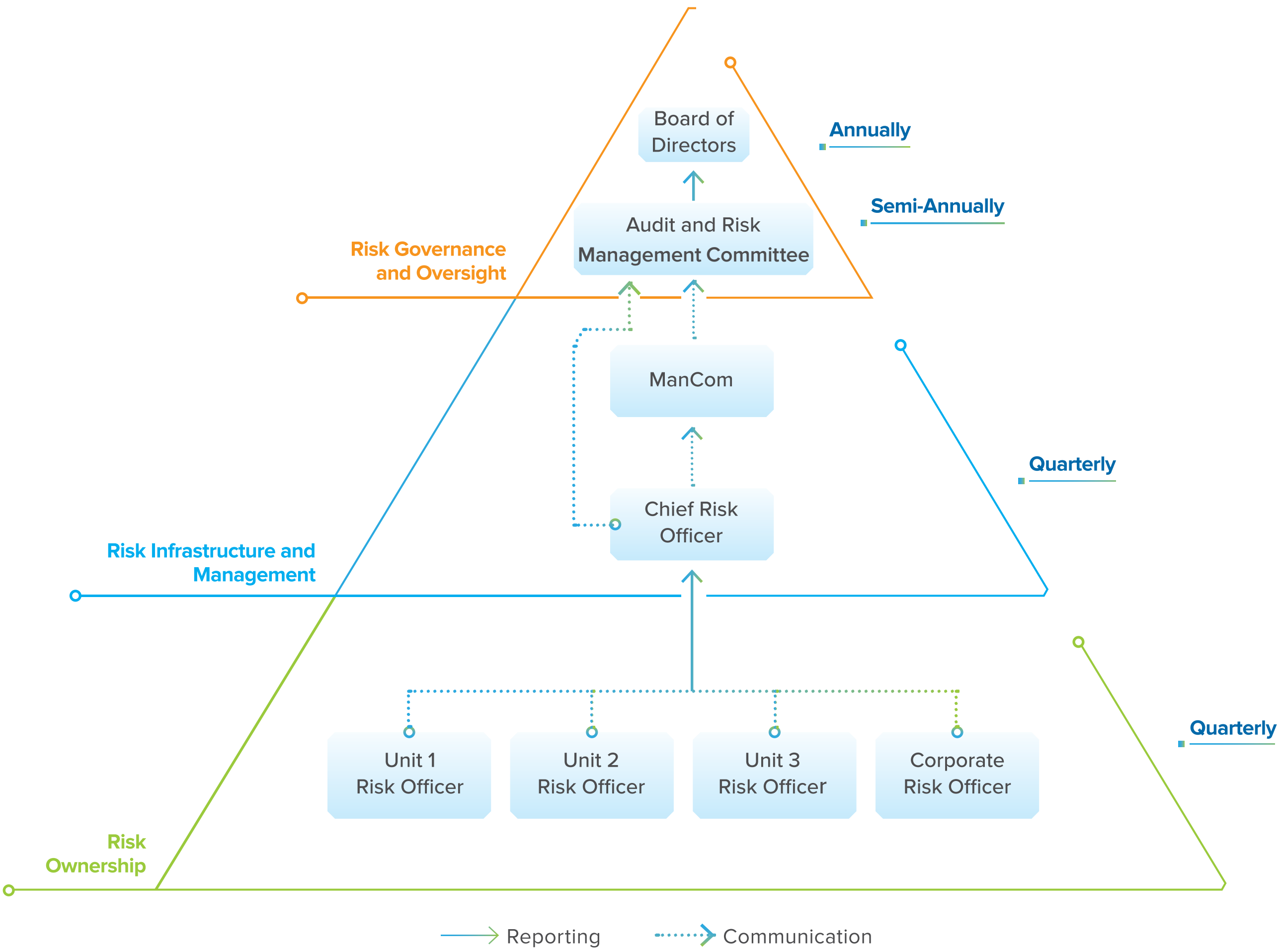
As per the requirements of the Companies Act, 2013 and SEBI (LODR), the Board has established an Audit and Risk Management Committee to oversee the implementation of the organisation's Enterprise Risk Management (ERM) programme. The Company's risk management framework has been developed in accordance with leading standards and guidelines: ISO 31000:2018 - Risk Management – Guidelines, Committee of Sponsoring Organisations (COSO): Enterprise Risk Management – Integrating with Strategy and Performance (2017), and aligned with the requirements of various regulations applicable in India. Hindustan Zinc's comprehensive risk management programme integrates enterprise risk, risk appraisal for capital expenditure besides mergers and acquisitions, project risks and crisis management. This programme ensures holistic and consistent risk management practices across the Company's business activities. Hindustan Zinc's risk management system is certified as per ISO 31000:2018.

Risk Governance

To ensure transparency and rigour in the monitoring of risks, the Company has established a three-tiered governance structure that covers risk oversight, risk infrastructure and management, and risk ownership. The risk management governance structure has been established with reference to the Company's organisational structure to ensure integration of the ERM process with management decision-making.

Hindustan Zinc's risk function stands independent of other business processes and operations and serves to address risks throughout the organisation. The structural independence ensures objective and impartial monitoring and control of various risks, in the best interest of the entire organisation, free from the pressure of a potential conflict of interest arising from other business priorities.

All risk management initiatives are driven by the CRO who advises the Board and the Audit and Risk Management (ARM) Committee on existing and emerging risks.



The Board of Directors is responsible for overseeing the implementation of risk management protocols. They are also responsible for approving policies that address high-risk areas and ensure that these policies are consistent with the Company's risk appetite. The ARM Committee is the highest responsible Committee for the review of risk management practices and apprises the Board of risk management in the Company. The Committee comprises three Independent/Executive Directors with risk management experience.

The Management Committee (ManCom) includes risk management matters in its agenda and ensures that identified risks are adequately mitigated in a timely manner.

The CRO is responsible for:

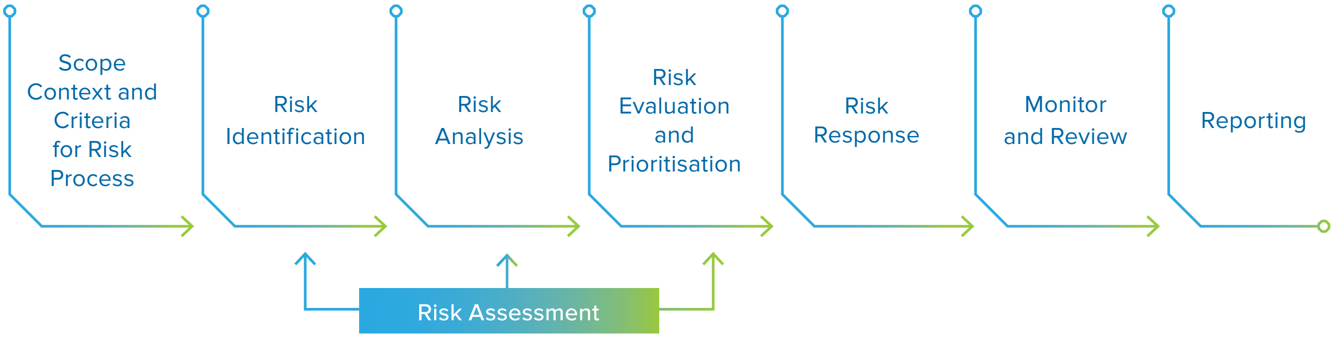
- Translating the strategic direction set by the Board into appropriate policies and procedures and establishing an effective means of executing and implementing these policies
- Communication of serious risk management matters and presentation of enterprise-level critical risks to the ManCom for its review followed by a review by the ARM Committee

The CRO is also responsible for overseeing risk management activities at the operational level. Each unit has an assigned unit risk officer who undertakes responsibility for the reporting of unit-level risks to the CRO. Unit risk councils are convened every quarter by the unit risk officer to review unit-level risks and response plans.

The head of internal audit undertakes the responsibility for monitoring and auditing of risk management performance in the organisation. He also provides an independent assurance that practices are consistent with the Company's risk strategies and policies. The head of internal audit provides a report to the management assurance system head at the corporate level.

Risk Management Framework

The risk management framework provides a rationalised approach to identify, discuss, measure and manage vital opportunities and risks that the enterprise faces. It details the guidelines to enable business units and corporate functions across the Company to manage risks, while pursuing the Company's strategy.



Risk Appetite and Tolerance

Risk appetite and tolerance limits are defined for the Company to objectively evaluate its risk-taking ability and thereby assess and measure the identified risks. The Board determines the risk appetite for the enterprise. Risk appetite describes the risk the Company is willing to take to pursue its business strategy, while risk tolerance represents the practical application of risk appetite and operationalises it using quantitative metrics. The impact scales, based on a numerical representation, helps to assess the impact of any risk across a 5-point scale. A risk impact of >10% on projected EBITDA (breach of risk tolerance) corresponds to the maximum risk impact score of 'Very High' or '5'.

Risk Categories

Alignment of the risks based on World Economic Forum assessment categories:

Risk Assessment

To effectively assess risks, risk owners first detail the causes, and the associated impact of each risk. Based on the identified impact, the potential value at risk in qualitative and quantitative terms is assessed and mapped against the impact assessment scales developed for the organisation. The impact, likelihood, and velocity of each risk is calculated based on potential future impact and historical occurrence of similar incidents and rated on a 5-point scale. Based on the scores defined, the risk score is calculated to identify the criticality of the risk and ensure prioritisation of the risks.

We identify and assess the strategic and financial impact of all risks through a formal monitoring process at the unit and corporate levels. This helps to recognise and classify the existing and emerging risks and opportunities into different categories. These risks are prioritised based on the frequency of occurrence or recurrence, and the degree of their impact on revenue and cost, including the potential of a risk to disrupt our primary operations.

Risk Identification

The risk identification process includes recognition and listing of plausible uncertainties or risks that may impact the successful achievement of functional, organisational and business objectives or threaten the continuity of the Company's business.

Identify functional, unit and enterprise-wide risks > Identify stakeholders to be involved in the risk management process > Record risk and bucket into applicable risk categories > Risk reporting

Emerging risks may be known, but the probability or potential impact of any new or unforeseen risks may not be fully known. Emerging risks are those that have a limited response plan given the nature of the risk. Such risks may become a part of the risk register in future.

Active participation of employees within the Company is encouraged in the risk management process to enable early identification and understanding of emerging risks.

Further, discussions with key stakeholders such as customers and suppliers may also provide important insights into the risks they face, that may ultimately create risks for the Company. These discussions are supplemented through periodic surveys and risk assessment. A careful understanding of regulatory and legal requirements helps in anticipating potential risks and the events that typically precede the emergence of such risks.

Risk Analysis, Evaluation and Prioritisation

Risk analysis or risk assessment involves the understanding of causes, the positive and negative impacts of such causes, the likelihood of occurrence, the potential impact and velocity or the time taken for impact since occurrence of the risk. The impact likelihood and velocity are rated on a 5-point scale and basis the ratings, the risk score is calculated. Risk analysis provides an input to the management to prioritise risks based on the risk score and apply appropriate response strategies to manage risks.

Monitoring and Review

Risks must be monitored and tracked periodically so as to comprehend the risk dynamics based on any changes in the Company's strategy or environment. Continual monitoring would ensure the Company's agility to respond to any change in circumstances and promptly implement the necessary controls and actions within time.

Hindustan Zinc has implemented SAP's Governance, Risk and Compliance (GRC) risk management module.

The SAP risk management module has various features to enhance the risk management process:

- Workflow-based process for risk submission, assessment and mitigation planning to ensure employees can submit risks for approval at senior levels
- Automated assessment of risks based on inputs relating to 'value at risk' and 'profitability' of occurrence
- Stress testing and sensitivity analysis conducted using scenario modelling and simulations through a 'what-if' analysis and techniques like Monte Carlo simulation – to predict a range of possibilities and outcomes for an uncertain event
- Automated key risk indicator (KRI) monitoring
- Automated notifications for triggering of assessments, breach of KRI and pending activities along with relevant escalations

SAP risk management will be used for all risk management processes to ensure greater control over the monitoring of risks, implementation of mitigation strategies, occurrence of risk events and reporting to senior management and the Board.

An external audit was conducted by a certification body for getting the Company's risk management certified as per ISO 31000:2018. For continuation of this certificate, an external surveillance audit will also be conducted on an annual basis. An internal audit of the risk management process was conducted during the year.

Risk Culture

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

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

Financial Incentives

- Risk management and mitigation linked to key performance indicators (KPIs) of senior management. Other employees encouraged to commit to and participate in risk management activities
- Annual financial incentives related to the outcome of KPIs and active participation in risk management activities

Risk Education and Training

- Regular training and education sessions on identification, resilience planning and mitigation of various risks that the Board may deem necessary for attention, conducted for senior management. The ARM Committee members who are a part of the Board have been familiarised with the risk management process through individual training sessions
- Workshops conducted with directors to provide an overview of risk management practices and seek inputs on areas that could be enhanced
- Regular meetings and workshops held on risk management topics at various levels (specific teams, units, corporate) to strengthen risk intelligence across the organisation
- Circulation of emails on specific risks to generate awareness

HR Review Process

- Employee's individual performance linked to KPIs such as those related to sustainability factors, safety, risk and compliance including proactive reporting of risks and timely completion of risk management/action plans based on timelines defined on the digital portal, etc.
- Risk recognition based on innovative risk management solutions; identified and implemented

Risk Identification and Disclosure

- Risk reporting is considered a responsibility of all employees
- Unit/corporate risk officers assessing risk at each unit/location, have been designated as a single point of contact for employees to report risks
- Risks are uploaded onto a digital platform through which proactive monitoring and reporting of risk indicators/risks is done

Vendor and Supplier Related Risk Identification

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

Periodic Improvements in Risk Management Practice

- Progressive enhancement in risk management processes and response action plans
- Quarterly risk review meetings convened by unit risk officers to review existing risks and deliberate on new risks identified with unit level stakeholders
- Teams across hierarchies are encouraged to report any type/category of risk through online reporting platforms (including escalation windows) accessible to them

Risk Appraisal for Capital Projects

- The 3-step process for capital expenditure risk assessment is performed prior to approval of both payback and non-payback projects. These include projects for new product development
- Capex projects undergo a mandatory risk assessment by the project team to highlight critical project risks
- All growth projects, unbudgeted capex for non-payback projects and sustenance payback projects above a certain threshold undergo a mandatory risk assessment by the central risk team

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

Principal and Emerging Risks

Fire

Fire incidences at operational site may endanger life and damage property and equipment on site.

Mitigation Plans

- Fire extinguishers and suppression systems have been installed at different locations; fire fighters and rescue teams are available 24x7
- Barriers and protection equipment including multipurpose tender, hydrant points, sprinkler systems, CO_2 flooding systems, foam pouring systems, liquefied petroleum gas (LPG) sensors are in place to avoid aggravation of fire incidents
- Continual exploration of solutions is underway such as new-age fire fighting vehicles, powder-based and foam-based auto fire suppression system, fire hydrant line, early fire detection system for conveyor, fire banks, fire walls in existing equipment, conveyor belts in mills and underground diesel handling stations and sub-stations in underground mines
- Planned enhancements of fire safety mechanisms such as alarms, sensors and nitrogen purging systems to prevent fire-related accidents in smelters
- Fire safety training and awareness programmes, standard operating procedures (SOPs) and fatality and serious injury prevention plan (FSIPP) in place for all workers at all locations

Risk Domain

Health and Safety

Capitals Impacted

Structural Stability

Structure or equipment failures (acid tank collapse, smelting furnace failure, roaster dome collapse, and shaft failure) due to high wear and tear, ageing of asset and improper/inadequate maintenance may lead to injuries, fatalities, and operational disruptions.

Mitigation Plans

- Defined SOPs for permissible limits and usage of plant equipment
- Planned maintenance shutdown for repair and replacement of ageing/malfunctioning parts
- Upgradation, repair and redesigning of existing equipment in mining and smelting sights
- Replacement of older equipment with latest and more robust equipment – design and material of construction (MOC) enhancements, safety enhancements and corrosion resistance
- Planned implementation of remote-controlled operations to reduce manual intervention in structures such as acid tanks
- Use of digital initiatives for real-time analysis of indicators for degradation of equipment and use of distributed control systems for process parameter monitoring

Risk Domain

Operational

Capitals Impacted

Safety

Non-adherence to safety protocols and errors in judgement by employees/contract workers (man-machine or machine-machine interactions, electrocution, fall from height, explosives handling) may lead to injuries and fatalities.

Mitigation Plans

- Implemented critical control management i.e., FSIPP across all sites to identify high risk hazards; hazard identification and risk assessment framework in place to identify work-related hazards and assess risks on a routine basis
- Investment in digital technologies such as proximity sensors for heavy earth moving machinery (HEMM), CCTV surveillance, automation and remote operations in mines, mills and smelters, and installation of proximity warning and anti-collision system to prevent machine-machine and man-machine interactions
- Upgradation and replacement of outdated systems and equipment
- Implementation of critical risk management (CRM) across all operations
- Equipment and machinery trainings conducted for business partners. Safety trainings conducted on a monthly basis and lifesaving rules (LSR) in place

Risk Domain

Health and Safety

Capitals Impacted

Fall of Ground

Fall of ground (FOG) due to poor geotech conditions or heightened seismicity may lead to fatalities, loss of assets (damage to shaft and equipment) and operational disruptions.

Mitigation Plans

- Micro-seismic monitoring established at mines for monitoring of underground seismicity
- Critical control management plans such as FSIPP implemented across all sites to identify high risk hazards; safety trainings conducted on a monthly basis
- Adherence to ground control management plan (GCMP) to ensure structural stability of mines while continuing mine development
- Regular inspection, damage mapping, timely rehabilitation and advance footwall drive cable bottling conducted in mines
- Annual structural stability review and implementation of recommendations as per structural stability report (SSR)
- Planned implementation of new-age solutions such as tele-remote operations of the loaders and drill machine for production and development
- Upgrading of skills of geotech engineers to be initiated

Risk Domain

Health and Safety

Capitals Impacted

Tailings Dam Collapse

Collapse of tailings dam due to overtopping of tailings, accumulation of water during excessive rainfall, increased tailings with failing ore grade from mines and land acquisition issues to increase tailings dam height.

Mitigation Plans

- Implementation of dry tailings technology and engagement with expert agencies for suggestions on the same
- Conducting tailings dam structural stability study every two years
- Continual geotech monitoring to identify abnormal pressure in embankments
- Regular reclamation and evaporation of water from tailings dam
- Construction of additional reservoirs to hold excess water and free tailings dam from water; procuring new land for installing tailings dam

Risk Domain

Sustainability - ESG

Capitals Impacted

Occupational Hazards (Exposure to Gases and Fumes)

Exposure to sulphuric acid fumes and hazardous gases such as CO, Pb dust, metal dust, SO_2, chlorine, propane.

Mitigation Plans

- Inspection of structures with internal and external structural integrity audits
- Installation of online monitoring sensors for hazardous gases like chlorine, LPG, SO_2, etc. in all smelters, work zone monitoring (cameras) and personal monitoring (sensors) to monitor leaks
- Installation of air filters in all the equipment which has the potential to cause harmful emissions exposure, and implementation of mechanisms like tail gas treatment (TGT) to reduce emissions of poisonous gases
- Use of personal protective equipment (PPE) by employees including gas masks, eye protection and gloves during operations
- Investments in new technology such as powered air purifying respirators (PAPR); equipment for manpower and auto cut-off system for chlorine tonner leakage

Risk Domain

Health and Safety

Capitals Impacted

Environment Regulation

Non-compliance with regulatory norms on emissions (SOx, NOx, PM), waste management (hazardous waste, jarofix) and effluents.

Mitigation Plans

- Mechanisms in place for tracking and monitoring compliances and norms in the mining and smelting industry
- Investment in new technologies to minimise emissions and waste generation from mines and smelters
- Waste management techniques such as stacking of dry tailings in place of wet disposal
- Upgradation and installation of new systems in order to be compliant with statutory licence – new dust extraction system at mills, crusher revamping for mill and installation of additional waste-water treatment facility at locations

Risk Domain

Regulatory

Capitals Impacted

LME Price Decrease

Adverse changes in London Metal Exchange (LME) and London Bullion Market Association (LBMA) prices may impact profitability.

Mitigation Plans

- Hedging strategy implemented as per hedge policy to maintain monthly average LME price on shipments
- Drive lower structural costs via focus on efficiency and negotiate with customers for higher premiums
- Implementation of strategy to enhance domestic market share
- Plans to introduce go-to-market changes via e-commerce platform to move 100% sales to online platform
- Treatment plant of minor metals for better metals' recoveries to be set up

Risk Domain

Financial

Capitals Impacted

Local Community Issues

Social discontentment, agitations, public protests and disputes.

Mitigation Plans

- Initiatives in place to actively engage with and develop communities around operational sites such as skilling initiatives, grievance mechanisms, distribution of clean water, etc.
- Established network with law enforcement and local administration
- Monitoring the local ecosystem for potential discontentment in the community
- Established crisis communication protocol and escalation matrix for crisis response
- Augmented security measures at gates and critical/ vital installations

Risk Domain

Reputational

Capitals Impacted

Cyber-Attacks and Data Loss

Cyber-attacks (malware, phishing, ransomware) and security breaches of IT/OT systems and loss of confidential/sensitive data (UPSI, generation data, PII).

Mitigation Plans

- Incident Response, Security Information and Event Management System (SIEM) implemented to support threat detection, compliance, and security incident management
- Third party risk management controls such as TPRM and cyber insurance in place
- Accredited with ISO 27001/27701/22301/31000
- Compliance with the organisation's data classification policy; implementation of data loss prevention (DLP) mechanisms such as email DLP, endpoint DLP and monitoring besides cloud proxy solution
- Confidentiality agreements in place with vendors to protect against data leakages
- Ongoing implementation of systems to ensure data protection as well as security of critical systems and applications
- Periodic training/workshops/seminars conducted for employees on organisation policies and measures for IT security protocols

Risk Domain

Cyber, Information and Technology

Capitals Impacted

Commodity Prices and Supply Constraints

Volatility in commodity prices of coal, supply shortages (critical spares, HEMM equipment, explosives, fuel) and supply chain disruptions in availability of shipping freight, railway rakes, etc. due to geo-political issues, dependency on critical vendors and infrastructure constraints.

Mitigation Plans

- **Coal:** Very strong vendor base of direct coal miners, long-term and sufficient fuel supply agreement with Coal India subsidiaries to cover 30% coal requirement and safety stocks maintained for six months. Alternate fuels like lignite and biomass are being used and power plants are being modified to increase domestic coal consumption
- **Explosives:** Long-term contracts with big explosive suppliers are in place and there is growing engagement with alternate vendors for supplies
- **Tyres:** Development of alternate vendors and R&D projects for optimising the operating life of tyres
- Exploring increasing engagement with new vendors to mitigate shortage of coal and other supplies

Risk Domain

Strategic/Geopolitical

Capitals Impacted

Inundation

Inundation of mines due to excessive rainfall and failure of dewatering equipment.

Mitigation Plans

- Dewatering systems installed at all the mines and dewatering arrangements and stand by pumps installed at all sumps. Spare pumps in place for backup
- Automation of dewatering pump systems to increase efficiency
- Periodic identification done for high-risk surface and underground flooding zones
- Systems being developed for dewatering and proper establishments of curtains around water bodies encountered underground
- Initiatives to undertake hydrology study to identify possible water bodies

Risk Domain

Health and Safety

Capitals Impacted

Financial Capital | Manufactured Capital | Intellectual Capital
Human Capital | Social & Relationship Capital | Natural Capital

Apart from these principal/critical risks mentioned above, we have also identified a total of 155 other risks which fall into categories of severe, moderate and acceptable as per their risk scores. Some of these risks identified are climate change, water management, talent management, etc. which fall in the category of severe to moderate based on the risk impact, likelihood and velocity. We understand that these risks may tend to become critical risks in the future and therefore, we have already started implementing mitigation actions to manage these risks.

Risk	Impact	Likelihood	Velocity	Appetite
Fire				
Structural Stability				
Safety				
Fall of Ground				
Tailings Dam Collapse				
Occupational Hazards (Exposure to Gases and Fumes)				
Environment Regulation				
LME Price Decrease				
Local Community Issues				
Cyber-Attacks and Data Loss				
Commodity Prices and Supply Constraints				
Inundation				

Risk Rating

Very Low Low Medium High Very High

Risk Appetite Level

Low Medium High Very High

Emerging Risks

We define an emerging risk as one that may become a top risk in time but is not expected to materialise in the next five years. Emerging risks that are currently being monitored are:

Emerging Risk 1

Geo-economic constraints imposed on foreign importers such as proposed cross-border climate change regulations and trends which may impact future sales, profitability and growth

Description

- Increasing focus on climate change abatement regulations globally such as the EU carbon border adjustment mechanism (CBAM) applicable from October 1, 2023 that proposes a tax of 25%-30% w.e.f. 2026 on steel and aluminium imports from foreign suppliers with high carbon intensive production processes
- While EU businesses may choose to pass costs up or down the value chain, the EU CBAM means that many EU importers will be charged a carbon price on their Scope 3 emissions – emissions resulting from the activity of a different business
- The aim of the tax is to level the playing field between domestic and imported goods from non-EU countries and preventing 'carbon leakage' by ensuring that imported goods do not have an unfair advantage due to weaker climate policies in their countries of origin
- The tax is expected to be extended to all other products imported into the EU by 2034. Implementation of similar regulations is being planned by countries such as US, Japan and Canada

Impact

- The export of Indian steel to Europe may be majorly impacted and as zinc is a key product in steel manufacturing (used for galvanisation) this may directly impact the demand for zinc, driving the cost per unit as well as premiums for zinc downwards, and thereby impacting zinc revenue and EBITDA from zinc exports to the EU
- As zinc is a carbon-intensive industry, these tax mechanisms could be extended to zinc too. Imported zinc may not be as competitive as domestically produced zinc in the EU (as a tax on foreign zinc will increase price) and this may impact demand for foreign zinc, thereby driving down prices
- Increase in costs for steel/zinc producers outside the EU to maintain compliance with the climate policies set by the EU
- Increase in internal costs for zinc producers that may be pressurised to reduce their carbon footprint in order to be competitive in the market

Mitigating Actions

- Exploring opportunities to export to markets other than countries that have levied these taxes
- Transitioning towards renewable energy in our operations – producing more green products like green zinc – will help Hindustan Zinc meet the growing emissions targets set by different countries

Emerging Risk 2

Failure to achieve interim target to reduce GHG Emissions by 14% by 2026 and reach net-zero by 2050

Description

- Hindustan Zinc has set a long-term target to reach net-zero emission by 2050, and also an interim target to reduce greenhouse gas (GHG) emissions by 14% by 2026
- To achieve this, the Company will be entering into a long-term captive renewable power development plan, for which a large investment has been planned. Investments have also been made to turn mining operations environment-friendly
- Cost of implementing new technology and renewable energy on such a large scale is high and requires sustainable funding

Impact

Not meeting the promised targets may have consequences such as:

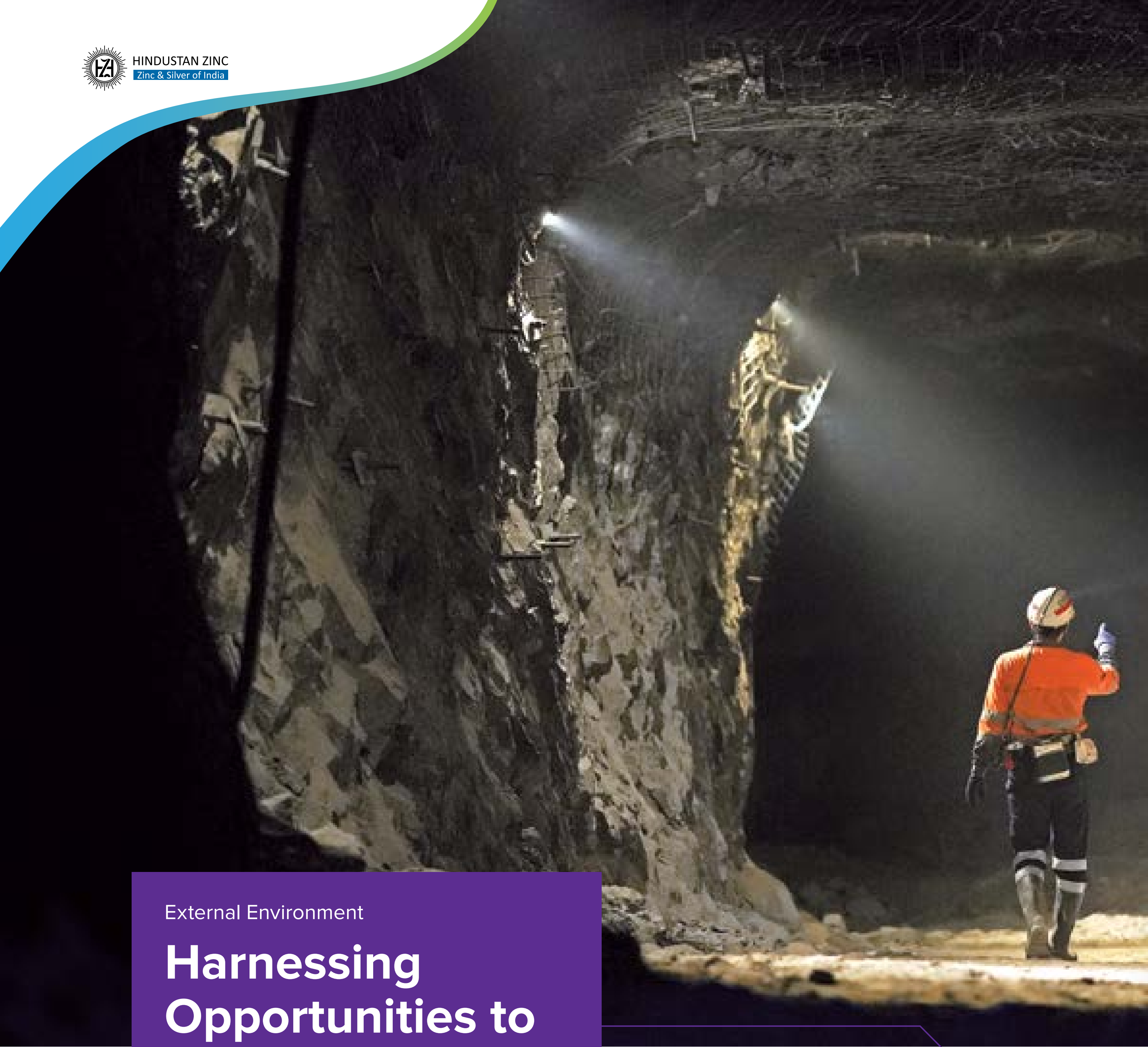
- Reputational damage to the Company
- Loss of investor confidence due to questions on the Company's ability to manage its operations effectively
- Regulatory and legal risks such as action against companies that fail to meet their net-zero targets, such as imposition of fines or revocation of licenses
- Potential loss of future business opportunities from environmentally conscious consumers or business partners
- Increased operational costs due to increased carbon taxes or higher energy prices associated with carbon-intensive processes
- Continued physical impact of operations on the environment and overall, on climate change

Mitigating Actions

- Conducting GHG emissions inventory to understand the source and quantum of emissions
- Initiatives for quicker adoption of renewable energy
- Better energy efficiency by increasing operational efficiency, such as using more efficient equipment, optimising production processes and reducing waste
- Engaging with stakeholders including employees, customers and local communities, to raise awareness about environmental commitment and encourage support for efforts to reduce emissions

Operational Review

From bolstering the operational and cost efficiencies of our systems and processes, to technological advancements designed for future growth, we continue to focus on sustainable initiatives and innovations that will continue to drive our performance. Our efforts are aimed at augmenting the core strengths of each of our business segments to continually enhance our performance across all the key metrics.



External Environment

Harnessing Opportunities to Propel Growth

The global economy was severely impacted by various turbulences faced by the world in calendar year (CY) 2022. The Russia-Ukraine conflict, tightening financial conditions in most regions, the lingering COVID pandemic, and higher inflation rate weighed heavily on the global economic outlook of CY 2022. The Ukrainian conflict and the supply cuts caused energy prices to soar, thus contributing to slower economic activity in Europe. China's restrictions as part of zero COVID policy further slowed down economic activity and constricted the strained global supply chains, though the reopening of the country in late 2022 paved the way for a faster than expected recovery.

"Commodity markets are constantly evolving, and we continue to witness unprecedented levels of volatility in prices and demand. However, with great challenges come great opportunities, and we must continue to innovate and adapt to stay ahead of the curve. Hindustan Zinc, being the market leader in zinc and lead industry, has a long history of successfully implementing innovative and sustainable solutions.

We focus on customer uniqueness and strive to address their needs and preferences by building long-term relationships with them. We keep customers at the centre of our actions while creating value-added novel products & services. This helps the customers to evolve in this dynamic business environment. The new alloy plant commissioning is reinforcing our aim to become a product-centric company from a commodity company.

We have been recently accredited with REACH certification for our SHG zinc, which has opened up opportunities for us in European markets. We have already despatched 20 kt in FY 2022-23 to European and American markets and look forward to increasing the same in FY 2023-24. Additionally, it is a matter of pride that our zinc and lead have found excellent acceptance across 43 countries and over 300 customers spread over multiple consumption sectors.

As a market leader, with the growth opportunities in India, we will continue to focus and adopt the responsible and sustainable practices thereby contributing to India's 'Aatmanirbharta'."

Vijay Murthy
Chief Marketing Officer – Metals & Acid

The outlook for global economic growth in CY 2023 is expected to decline to 2.8% from 3.4% in CY 2022, below the historical average (CY 2000-19) of 3.8%. The Russia-Ukraine conflict and the rise in central bank rates to fight inflation continue to put pressure on economic activity in CY 2023. The global inflation rate is expected to fall to 7% in this calendar year, from 8.7% in CY 2022. India recorded a growth rate of 6.8% in CY 2022 and is expected to grow at a rate of 5.9% in CY 2023. Overall, the economic outlook in CY 2023 has slightly improved compared to CY 2022, but some of the risks remain the same.

At Hindustan Zinc, the primary activities viz. production, manufacturing, sales, marketing 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.

ZINC

Adding value, strengthening demand

Overview

Zinc metal is used in a variety of applications across different industries due to its wide range of chemical, physical and electro-chemical properties, that enable its use in galvanisation as an effective corrosion resistance agent to steel substrates. The largest application of zinc is in galvanisation that accounts for 60% of the global zinc first-uses. Additionally, zinc as a metal, alloys readily with other metals, such as aluminium, copper and magnesium, thereby facilitating its use in die-casting alloys, which constitutes 13% of the global zinc consumption, followed by brass at 11%, and oxide and chemicals at 9%. In terms of the end-use market of zinc, the construction sector is the largest consumer at 50%, followed by the transport sector at 21% while infrastructure constitutes 16% of the total global zinc consumption.

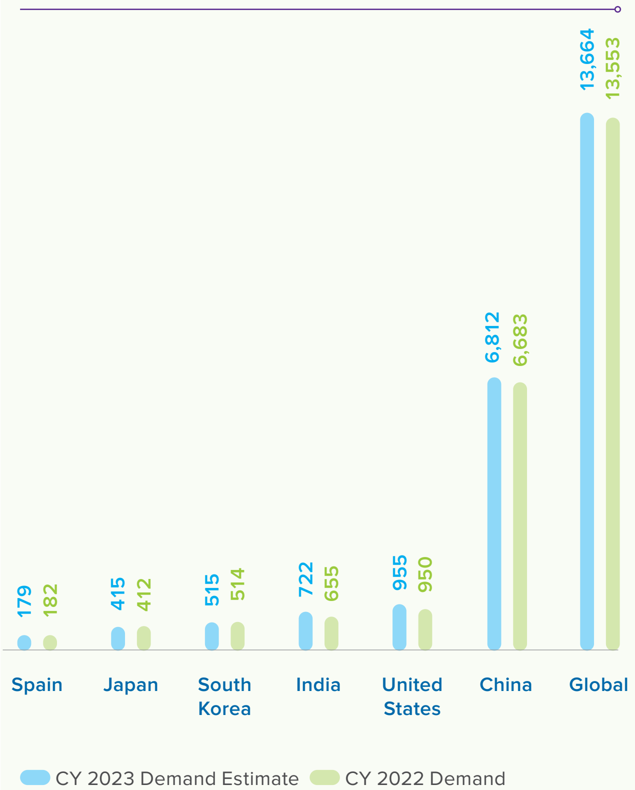
Global Demand & Supply

Global demand of zinc witnessed contraction in CY 2022, decreasing by 3.3% to 13.6 Mt, largely due to the fall in Chinese demand. At supply level, the refined zinc metal production came down by 2.9%, as several smelters were put into care and maintenance across the world owing to the increase in energy prices. The global mined zinc production is expected to grow stronger during the CY 2023-26 period on account of the ramp-up of new mine projects. Production is expected to grow by 2.5% to 13.8 Mt in CY 2023 and reach 14.8 Mt by CY 2025.

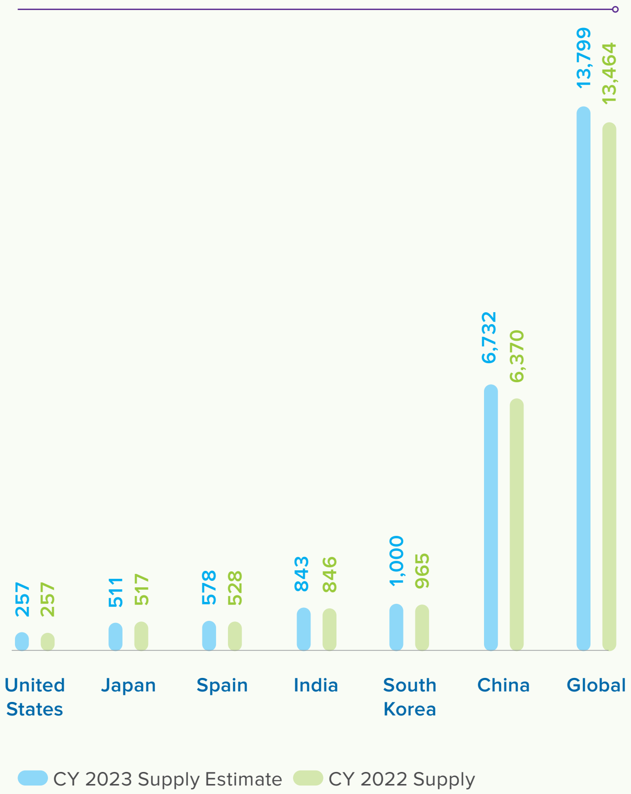
FY 2022-23 started well with zinc prices around US$ 4,000/t. Price volatility due to the combined impact of the Russia-Ukraine conflict, lockdown announced in China, and the US GDP contraction, pushed zinc prices to around US$ 4,400/t for most of April 2022 and closed the month at US$ 4,100/t. In the month of May, prices went down to US$ 3,499/t over concerns about an economic slowdown in the US and China. Prices again rebounded above US$ 4,000/t, driven by increased expectation of a stimulus from the Chinese government to support growth in order to offset the impact of the COVID-19 pandemic. However, during Q3 FY 2022-23, the negative sentiment of the market pushed prices down at the London Metal Exchange (LME) in October 2022, touching US$ 2,682/t in November – the lowest since February 2021. With the sudden easing of China's zero COVID policy at the end of CY 2022, and the prospect of rebounding Chinese demand, investors' faith in base metals was restored. This gave a much-needed boost and prices rose above US$ 3,400/t in January 2023, with a monthly average of US$ 3,289/t. However, the trend did not last for long and prices corrected themselves to US$ 2,956/t in March 2023.

The global zinc warehouse stocks also fell during this period due to supply constraints. The total tonnage of zinc in the Shanghai Futures Exchange (SHFE) warehouses fell to 20 kt at the end of December 2022 and settled at 97 kt by the end of March 2023, from 176 kt in April 2022. Zinc stocks at the LME warehouses stood at 45 kt at the end of the March 2023, down from 140 kt in April 2022.

Zinc Demand (Mt)



Zinc Supply (Mt)



Source: Wood Mackenzie - Short-term Outlook, June 2023

Indian Demand and Opportunity

The Indian economic environment has remained optimistic. The same was reflected by the S&P Global Manufacturing PMI which stood at 56.4 in March 2023 as compared to 54.7 in April 2022, reflecting expansion in the manufacturing sector. This highlighted a nineteenth successive monthly improvement in operating conditions globally. The Indian automobile industry is on a growth trajectory, recording a 13% increase in production that touched 26 mn units from April 2022 to March 2023 compared to previous fiscal. Passenger vehicle sales stood at 39 lakh units, marking a growth of 27% over the same period in the previous year.

The domestic production of finished steel went up by 6.8% to 121.3 Mt from April 2022 to March 2023, as against the previous year. Consumption in domestic market during the same period stood at 119.2 Mt, up by 12.7%. The total net finished steel exports till March 2023 stood at 6.7 Mt, down by 50.2% over the same period in the previous financial year on account of export duty levy.

The overall domestic demand for primary zinc in this financial year has seen a growth rate of 3.8% compared to last year, nearing pre-COVID levels. It is expected to further grow by 4% next year.

The major drivers for zinc demand in the domestic market are the coated steel industry, along with infrastructure, construction, railways, and automobile industries. India is focussing on achieving 300 Mt annual steel production by 2030, aided by the production linked incentive (PLI) scheme of the Government of India. Indian Railways and SAIL are working together to produce corrosion-free steel rails for safety and speed. Indian Railways has already introduced 10 Vande Bharat trains and is planning to launch another 478 trains. It is also working on various mechanisms to protect the web area of the rail from corrosion, which would bolster India's zinc demand.

We have been accredited with REACH certification for our SHG Zinc in October 2022, which has opened up opportunities for us in European market. REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) is a regulation of the European Union, adopted to improve the protection of human health and the environment. To comply with the regulation, companies must identify and manage the risks linked to the substances they manufacture and market in the EU. We have successfully completed the registration and already despatched 14 kt in FY 2022-23 and look forward to increasing the same in FY 2023-24.

Business Overview

Hindustan Zinc, India's largest primary zinc producer, commanded a market share of 75% in FY 2022-23. About 59% of the refined zinc produced by the Company is sold in the domestic market, and the rest is exported to the SAARC, South-East Asia, Middle East, US and Europe. Our portfolio spans a range of zinc products, including Special High Grade (SHG), High Grade (HG), Continuous Galvanising Grade (CGG), Prime Western (PW), Jumbo SHG & HG and other grades used in die-casting alloys. Our zinc SHG products are registered with LME. The Company is working closely with its customers to increase the proportion of value-added products (VAP) in its zinc portfolio. It is striving to augment the supply of VAP to 18% of total zinc sales in FY 2023-24, from 15% in FY 2022-23.

As part of market development activities, Hindustan Zinc, in collaboration with the International Zinc Association (IZA), is working on multiple projects to increase the zinc per capita consumption in India. Along with IZA, we organised several awareness seminars and programmes on applications of zinc for various stakeholders across the country. Currently, we are working with IZA on major projects, which include supporting BIS for development of standard continuous galvanised rebar in collaboration with IIT Madras, promoting safety with GI scaffolding, rail track metallisation and automobile galvanisation.

Enhancing our VAP portfolio

A new production line is under commissioning through Hindustan Zinc Alloys Private Limited (HZAPL), with a capacity of 30 Ktpa in its phase-1 implementation. We are planning to introduce ZAM, HZDA-5, EPG, along with the currently produced HZDA-3 and CGG slab, in our VAP portfolio, which will help us increase our VAP share.

LEAD

Expanding portfolio and customer base

Overview

FY 2022-23 started positively for all base metals. Lead prices that were positioned at US$ 2,447/t on April 1, 2022, touched US$ 2,471/t, in mid-April – the highest ever in 12 months. However, volatility caused the price to decline to US$ 1,754/t on September 27, 2022 – the lowest ever in 23 months. Some of the major reasons for this ~23% drop – since the beginning of FY 2022-23 to the end of the first half of FY 2022-23 – included the strengthening of the US dollar, increase in energy costs supported by global interest rates, the deepening supply crisis due to the Russia-Ukraine conflict and the resultant overall pessimism for base metals demand. Lead prices in Q3 FY 2022-23 opened at US$ 1,865/t and had reached US$ 2,335/t by the end of December 2022, with some fluctuations. Prices have been positively impacted by the relaxation of COVID restrictions in China, and the slowdown in US inflation. Q4 FY 2022-23 opened at US$ 2,208/t and fell to US$ 2,115/t by March 2023 with a few ups and downs in between.

Global Demand

According to WoodMac, the global lead market, including primary and secondary markets, witnessed y-o-y demand growth of 2.0% to 13.5 Mt in CY 2022, compared to 4.3% y-o-y growth in CY 2021. Demand is expected to go up by 2.4% in CY 2023, with China starting to ease its COVID restrictions. Lead inventories in LME warehouses remained at historically low levels of 26 kt, with a ~35% drop since the start of FY 2022-23. The total tonnage of refined lead in SHFE warehouses fell by ~60% to 35 kt from April 2022 to the end of March 2023.

Indian Demand and Opportunity

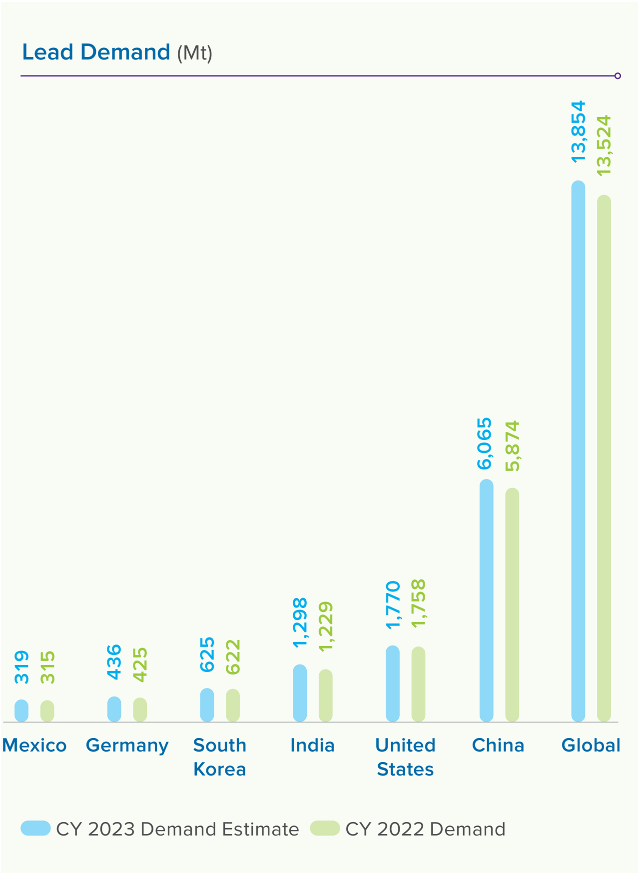
The domestic consumption of refined lead has seen a growth of 9.4%, to reach 1.2 Mt in CY 2022 as against CY 2021 and is further expected to grow by 5.6% in CY 2023. India's refined lead production went up from 1.1 Mt in CY 2021 to 1.17 Mt in CY 2022, of which 0.22 Mt was primary mined lead and 0.95 Mt was secondary, which is recovered from used objects. The country is expected to produce 1.24 Mt of lead, primary and secondary, in CY 2023.

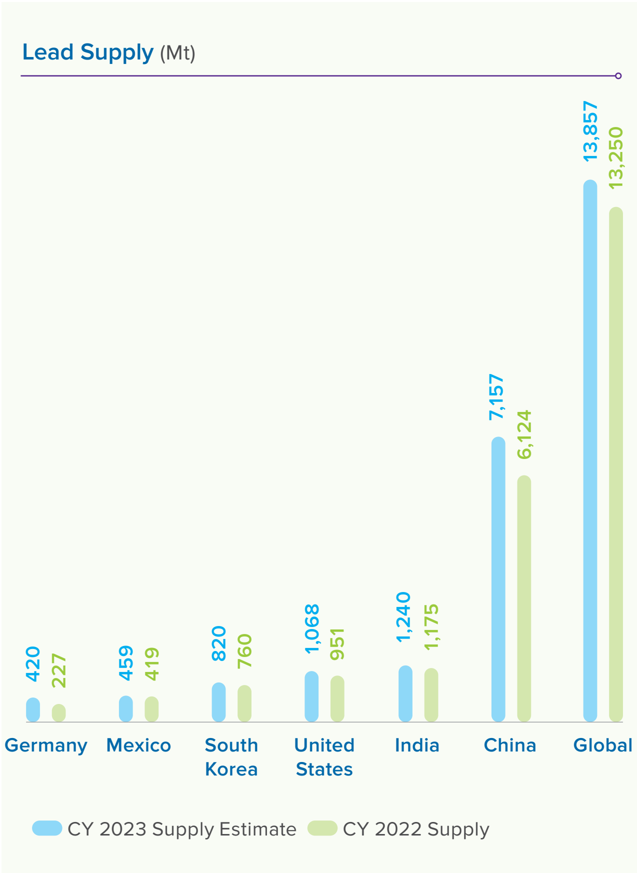
Increasing urbanisation and industrialisation in developing countries, along with automotive consumption, are the key drivers of future lead demand. In the domestic market, we have witnessed strong demand for lead, largely on the back of excellent automotive demand, which is reflected in the passenger vehicle and two-wheeler numbers. The demand in the industrial battery segment has been robust, as battery replacements in data centres, banks, ATMs and other critical applications, have gathered pace. The CAGR for data centres is 12% till 2026, as India will have 500 million users by 2027, leading to increase in individual data usage. The adoption rate for electric vehicles (EVs) is slower than expected, causing very slow development of charging infrastructure, leading to higher Li-ion battery usage. It is estimated that the warehouse floor area will grow by 165% from 2022 to 2026, giving a boost to the demand for automotive batteries used in forklift trucks.

Apart from automotive, the industrial battery segment, catering to data centres, financial institutions and telecom, continues to witness strong growth in line with the digitalisation surge in the country.

Business Overview

India's refined lead market, including both primary and secondary markets, is about 1.2 Mt. The demand in the primary lead market is approximately 220 kt in size. Hindustan Zinc is one of the leading lead producers in India, with a market share of 88% in the primary market during FY 2022-23. We produce lead ingots with 99.99% purity, which are registered with LME. In FY 2022-23, 88% of our production was consumed by the domestic market, and the rest was exported. We are expecting to increase our sales mix to 100% in the domestic market through new customer acquisition and application development.





Source: Wood Mackenzie - Short-term Outlook, June 2023

SILVER

Shining more, getting brighter

Overview

The Silver Institute predicts global supply to rise by 4% from CY 2022 to 1.005 billion ounces in CY 2023, fuelled by higher mine output. Silver mine production, due to new silver mines in Mexico and increased output from Chile gold operations with high silver content, is expected to reach 0.873 billion ounces – the highest level since 2016 – in CY 2023, with a growth rate of 5%. The silver recycling growth is expected to be 3%, driven mostly by industrial recycling.

Global Demand

The global silver demand rose by 18% in CY 2022 to 1.24 billion ounces and is expected to dip to 1.17 billion ounces in CY 2023. The global industrial demand for silver is expected to increase by 2.6% y-o-y to 550 mn ounces in CY 2023, lifted by vehicle electrification and the growing commitment of governments to green infrastructure.

Indian Demand and Opportunity

In CY 2022, silver demand rebounded in India, after the lean years of 2020 and 2021. India recorded the highest imports of 330 mn ounces in CY 2022, due to growth in demand after the lockdown years and good investment demand when prices went low.

The solar panel manufacturing industry has been consuming increasingly more silver as the government is offering production linked incentives (PLIs) to promote the usage of renewable sources of energy. Silver demand in the solar power sector is expected to grow further as nations look to develop green energy. Additionally, investment in silver (both physical and as exchange traded fund (ETF)) is increasing. The recent launch of silver ETF in India witnessed a good response.

The coin demand in India, driven largely by gifting and religious purposes, is insulated from price fluctuations. Though silver coins have been in use since long, the demand has increased in recent years because of the variety of product offerings and marketing efforts from mints and refineries.

India set up the India International Bullion Exchange (IIBX) in August 2022 with the aim to improve transparency in the local gold market and provide traceability of the metal across the supply chain. However, the platform currently allows only gold trading. Bullion imports and trading of silver is expected to begin eventually, which will significantly boost shipments through the exchange.

Business Overview

Hindustan Zinc is India's sole primary silver producer. The Company produced 714 MT (23 mn ounces) in FY 2022-23 and sold the entire quantity in the domestic market. Globally, Hindustan Zinc ranks 5th amongst the top silver producing companies. Exclusively catering to the domestic market, the Company's production finds use in industry (electrical contacts, pharmaceuticals, solder and alloys), jewellery and silverware. The Company is offering spot sales of silver through e-auction to reduce manual intervention, thereby providing buyers equal opportunity to compete, while ensuring complete price transparency.

Hindustan Zinc is India's sole primary silver producer. The Company produced 714 MT (23 mn ounces) in FY 2022-23 and sold the entire quantity in the domestic market

Mines Performance Overview

New Milestones New Horizons

The Hindustan Zinc's journey of excellence continued to translate into many landmark achievements across our mines during FY 2022-23. The focus remained on boosting innovation, technology, safety, productivity and efficiency. Aligning ourselves more intricately with our Sustainability Goals 2025, we pushed the bar higher to make our operations more sustainable as we advanced further towards carbon neutrality.

Our operational metrics for the year underline the success of our initiatives and innovations. During the year, we posted a record high refined metal production, which crossed the 1 million tonne mark on the back of consistent mined metal production. Our mined metal production also grew by 4% over the previous fiscal to touch the highest ever at 1,062 kt in FY 2022-23, driven by higher ore production, improved mined metal grades and operational efficiencies.

Milestone Moments of FY 2022-23

Total Mine Development
111 km

Total Mined Metal
1,062 kt

Mined Metal – Zinc
839 kt

Mined Metal – Lead
223 kt

"Our diligent and innovative approach yielded outstanding operational results this year, despite facing multiple obstacles. By learning from our knock-backs, we emerged stronger than before and achieved significant success in areas like subsequently more than 1 million tonnes MIC delivery, above 91% stope recovery, and significant reduction in total ore dilution. Looking ahead, our devotion to implementing new innovations and achieving operational excellence through digitalisation will propel us to even greater heights. Through prioritising safety, innovation, quality, automation, and optimal metrics, we will continue to exceed expectations, opening up new opportunities for expansion and growth."

Praveen Sharma
Head – COE Mining

"Our prime focus will always remain on sustainable practices in line with the Group's ESG vision. With driving zero liquid discharge projects across locations, introduction of electric vehicles and continuous operations of paste fill, hydraulic fill and dry tailings plant, we are committed to delivering sustainable and responsible growth. With such a historic and outstanding metal production of 1 Mtpa by Hindustan Zinc during FY 2022-23, we are striving towards 1.1 Mtpa of finished goods in FY 2023-24. This shows our unwavering commitment towards our focus on quality and safety practices surpassing industry benchmarks. With such a huge leap in delivering the targets, we are embracing innovation and leveraging cutting-edge technologies to revolutionised operations, improving productivity and optimising efficiency. Aligning with the global mining standards, we are incorporating the robust design practices in mine planning and minimising the cost through 'technical cost reduction programme' for achieving the long-term vision of the Company. With a pool of very young and energetic world-class talents with visionary mindset, we are quite optimistic in achieving new heights of excellence."

Ram Murari
Chief Executive Officer – IBU Zawar

"Having scaled many milestones in FY 2022-23, we are now looking at enhancing the reserves base of the mine with deeper areas of exploration. We are also taking multiple actions for improving safety and keeping risks under control through critical risk management techniques. With the mine going deeper, there will be enhanced focus on improving the enabling infrastructure services and geo-tech management. Equipment and asset health, along with their fullest utilisation, will be the key mantra to drive future growth. RAM is being developed as a model asset optimisation location through our new initiative 'Utthaan'. This initiative will propel the mine towards total productive maintenance, by upskilling operators and creating a sense of ownership for ensuring machine health and improved productivity. We are also building best-in-class maintenance infrastructure and systems. Digital transformation is another area of focus, and we are working towards tele-remote operation of equipment. There will also be enhanced focus on improving the diversity and inclusivity of the workforce at all levels."

Kishore Kumar
Chief Executive Officer – IBU Agucha

"At Hindustan Zinc, we believe in the transformative power of digitalisation to unlock new business opportunities and drive sustainable growth. We are committed to leverage the progressive digital innovations and take pride in being an industry-wide pioneer to implement one of its kind interventions such as launch of battery electric vehicle in underground (UG) mine, monitoring real-time equipment health status in UG, tele-remote solo drilling operations in UG from surface, smoke hours drilling & many more initiatives to create a smarter, safer and much more sustainable mining operations for our employees, business partners, nearby community and the whole ecosystem we operate in."

Vinod Jangir
Chief Executive Officer – IBU Dariba

5 Mining Locations with Total Ore Production of 16.74 Mt

Mines	Ore Mined		Zinc Mined Metal				Lead Mined Metal			
	FY 2021-22	FY 2022-23	FY 2021-22		FY 2022-23		FY 2021-22		FY 2022-23	
	('000 tonnes)	('000 tonnes)	('000 tonnes)	Grade (%)	('000 tonnes)	Grade (%)	('000 tonnes)	Grade (%)	('000 tonnes)	Grade (%)
Rampura Agucha	4,511	4,795	455	11.16	485	11.16	46	1.64	49	1.61
Sindesar Khurd	5,230	5,599	166	3.33	171	3.14	97	2.02	101	1.92
Rajpura Dariba	1,252	1,390	41	4.78	45	5.31	7	1.08	8	1.10
Zawar	4,411	4,303	100	2.45	103	2.61	61	1.55	62	1.58
Kayad	934	657	40	4.57	35	5.58	5	0.66	3	0.70
Total	16,339	16,744	801	5.43	839	5.53	216	1.65	223	1.65

Performance Snapshot

Rampura Agucha Mine

The Rampura Agucha Mine (RAM) progressed on its performance trajectory, growing in terms of both ore and mined metal production during FY 2022-23.

Read more on **page 104**

Key Operational Milestones of FY 2022-23

Ore Production
4.80 Mt

Grade
12.77%

Mined Metal Production
533.69 kt

Mine Development
30.78 km

Sindesar Khurd Mine

The Sindesar Khurd Mine (SKM) reported its highest ever ore production of 5.60 Mt, with mined metal production also reflecting an increase during FY 2022-23 following our continuing expansion efforts.

Read more on **page 106**

Key Operational Milestones of FY 2022-23

SKM reported a 7% increase in ore production and 3% gain in mined metal production over the previous fiscal, as it surged towards new horizons of growth and expansion.

Ore Production
5.60 Mt

Grade
5.05%

Mined Metal Production
272.10 kt

Mine Development
25.11 km

Rajpura Dariba Mine

The underground Lead-Zinc Rajpura Dariba Mine (RDM), which had crossed the 1.20 Mtpa ore production milestone in FY 2020-21, continued to improve on its performance metrics with highest ever ore production of 1.39 Mt during FY 2022-23.

Read more on **page 110**

Key Operational Milestones of FY 2022-23

Operational since 1983, the mine notched several new milestones of excellence during the year.

Ore Production
1.39 Mt

Grade
6.41%

Mined Metal Production
52.84 kt

Mine Development
9.97 km

Zawar Group of Mines

Zawar Mines (ZM) notched the significant milestone of achieving its highest ever MIC of 165.20 kt in FY 2022-23. Since its expansion in 2013, it has ramped up production from 0.35 Mtpa to an impressive 4.30 Mtpa – a testament to its commitment to innovation and excellence. It aims to expand its capacities further to achieve 6.50 Mtpa in the coming years.

Read more on **page 112**

Key Operational Milestones of FY 2022-23

ZM achieved many milestones of success in its journey towards new horizons of growth and expansion. The Mochia, Baroi and Balaria mines crossed the highest ever figures in production, development, drilling and MIC during the year. We also achieved the highest ever backfilling at Mochia and Zawarmala.

Ore Production
4.30 Mt

Grade
4.19%

Mined Metal Production
165.20 kt

Mine Development
37.52 km

Kayad Mine

The underground Kayad Mine (KM) in Ajmer - Rajasthan produced 657.18 kt of ore with 38.26 kt of metal content in FY 2022-23.

Read more on **page 114**

Key Operational Milestones of FY 2022-23

Moving aggressively, the Kayad exploration team posted excellent performance during the year.

Ore Production
0.66 Mt

Grade
6.28%

Mined Metal Production
38.26 kt

Mine Development
7.45 km

Rampura Agucha Mine Performance Overview

Located in the mineral-rich Bhilwara district of Rajasthan state in India, RAM has the largest and richest zinc-lead deposit in India. It is currently producing at the rate of 4.80 Mtpa through underground operations even as we are scaling its infrastructure to further enhance ore production.

This ISO 9001, ISO 14001, OHSAS 18001 & SA-8000 certified unit is the largest underground zinc producing mine globally and one of the lowest cost zinc producers in the world.

It is an island of underground mining excellence with best-in-class infrastructure, operations, community engagement, environment, health and safety, technology and people leadership.

We improved the shaft hoisting capacity from 6,000 tpd to 7,500 tpd during FY 2022-23. This involved implementation of multiple debottlenecking initiatives. Further actions are in progress to reach 10,000 tpd capacity.

Expansion, Upgradation & Infrastructure Development

- Commissioned third silo at production shaft to increase storage capacity from 5,000 MT to 7,500 MT, for improvement in shaft hoisting capacity
- Commissioned south main ventilation fan (2 MW) to enhance mine ventilation capacity from 1,600 m^3/sec to 1,850 m^3/sec
- Commissioned intermediate mud pumping station at -255 mRL for enhanced UG dewatering capacity up to 13,000 m^3/day

- Establishment of best-in-class UG training gallery at - 430 mRL
- Commissioning and induction of new UG ambulance vehicle equipped with basic life support (BLS) facility and surface ambulance vehicle equipped with advanced life support (ALS) facility
- Commissioning and induction of new UG remote controlled fire tender with foam facility
- Implementation of digital interventions at all the winder interlocks: shaft bottom gate, cage and skip simultaneous operation interlock, broken head rope strand detection

Efficiency & Productivity Enhancements

- Commissioned advanced process control (APC) in all four beneficiation plants to improve ore recovery
- Commissioned new lead press filter to improve recovery and water saving
- Phase-1 shotcrete bay commissioned at -255 mRL to improve mine development

Driving Automation & Digitalisation

During the year, we impelled our digital transformation journey forward through multiple initiatives. The key initiatives were in the areas of equipment tracking, collision avoidance, tele-remote operation of equipment and online monitoring of processes and services for better control through a central control room.

For details on digital and automation initiatives of FY 2022-23, see **page 34** of this Report. Also read about the new safety measures on **page 186**

Promoting Sustainable Operations

Aligning ourselves with the organisational sustainability goals, we deepened our investment in sustainability-led initiatives at RAM during the year. The focus was on saving energy, conserving water, controlling emissions, tailings dam management and waste management.

For details on these and other sustainability initiatives, refer to **page 126** of this Report

Case Study

Improving Lead Recovery in RAM Mills

The deterioration in the lead (Pb) concentrate grade and reduction in Pb recovery following the conversion of the RAM open pit mine into underground (UG) mine was a matter of concern. Between FY 2018-19 and FY 2019-20, the annual recovery of Pb in the RAM ore stood at only 52-53%. A study showed that the high pH of ore to mill, due to backfilling in the UG mine, had reduced susceptibility of reagents on account of decline in the quality of water used in reagent preparation. High variability led to failure in maintaining process control.

Intervention

To address the above problem, we identified and implemented a set of solutions through focussed improvement projects (FIP) with Six Sigma approach.

These included:

- Dozing of sulphuric acid in lead circuit to reduce pH for improved Pb flotation kinetics
- Reagent preparation in fresh water to improve reagent susceptibility
- Implementation of APC with Grade Recovery Optimiser (GRO)
- Use of graded charge in semi-autogenous grinding (SAG) mill to maintain feed to flotation particle size in close range for improved valuable mineral liberation

Outcome

- 11% improvement in lead recovery since FY 2019-20
- Additional 7,000 MT of lead MIC since FY 2019-20, resulted in net benefit of US$ 15 mn/annum

Awards Endorsing RAM's Excellence

- RAM became the first mine in India to be awarded with GreenCo Certification
- Green Maple Foundation Pinnacle Award for Energy Conservation under Diamond Category
- Won the prestigious '4-Star Rating' for sustainability framework assessment by Ministry of Mines
- State-level Bhamashah Award for exemplary contribution in the field of education
- Overall winner at Mine Safety Week organised by the Directorate General of Mine Safety

Sindesar Khurd Mine Performance Overview

This world-class silver-rich mine has progressively expanded since commencement of its operations in 2006 with a capacity of 0.3 Mtpa. Having grown its capacity manifold since then, SKM is today one of India's largest underground mines, and one of the lowest cost producers. It is equipped with state-of-the-art infrastructure facilities and best-in-class mechanisation. The mine's deposit has a main lens and multiple standalone auxiliary lenses, creating multiple standalone production centres.

During FY 2022-23, SKM achieved the highest ever mine development of 25.1 km, surpassing the milestone of 2.4 km monthly mine development in January 2023.

Expansion, Upgradation & Infrastructure Development

- Debottlenecking of paste-fill plant-2 with installation of positive development pump (PDP) for backfilling into underground voids in auxiliary lenses
- Commissioning of ore production from E-block, situated at a depth of more than 900 metres
- Commissioning of longest borehole, 617 metres in length, for shotcrete transfer from surface to underground
- Commissioning of major dewatering pump of 700 metres head for direct dewatering to surface, which boosts development in lower blocks

Efficiency & Productivity Enhancements

- APC streamlined in beneficiation plant-2 and 3, along with commissioning of APC in beneficiation plant-1
- Created new global benchmark with 1,000+ hours of paste-filling for nine consecutive months (October 2021 to June 2022)
- Implementation of short interval control (SIC) for improvement in stope turnaround time
- Field trials completed for usage of granulated ground blast furnace slag (GGBFS) in paste-fill plant for partial replacement of cement in binder

Making Manpower Digital-Ready

With modernisation and automation of equipment, the need for skilled operators has emerged as an opportunity for improvement. Skill improvement of local operators is being conducted through AR/VR based simulators on advanced state-of-the-art machinery, which will result in mine development improvement from 25 km to 30 km, along with overall equipment effectiveness (OEE) improvement.

For details on digital and automation initiatives of FY 2022-23, see **page 34** of this Report. Also read about the new safety initiatives on **page 186**

Creating a More Sustainable Environment

The existing method of wet tailings disposal makes expansion of tailings dam a challenge due to the increased requirement of land area and the resulting environmental hazards. Through dry stack tailings disposal, we aim to eliminate wet tailings disposal. We believe that this project – currently in the pipeline – will deliver benefits of safe and sustainable tailings storage and will prove to be a more environmental-friendly solution providing advantages of water conservation too.

For sustainability initiative undertaken during FY 2022-23, refer to **page 126** of this Report

Chasing New Horizons for a Better Future

In a first-of-its-kind initiative in the Indian mining sector, SKM has commissioned Normet Agitator SmartDrive EV in its underground mining operations. The battery-powered service equipment will help decarbonise and improve environmental sustainability in the mining industry. Further, two more BEVs – Normet SmartDrive Spraymec EV and Normet SmartDrive Charmec EV – are queued for commissioning at SKM after due approval from DGMS.

Case Study

Enabling Real-time Monitoring of UG Geotechnical Instruments

The manual monitoring of instruments installed underground was a complex process. Readings could not be taken in critical times (stress meter) due to blasting in nearby zones. Further, taking reading in every shift (earth pressure cells) in front of the filling barricade was an extremely critical manual activity. In this system, processing of the data was also a time-consuming process as the meter had to be taken to the surface for analysis. We decided to move to a system of monitoring live readings of the stress meter installed in the lower section of the mine.

Intervention

In the initial stage, we installed the system in three stress meters, with key features covering:

- Deployment of 32 channel data loggers compatible for connecting sensors like earth pressure cell, stress meters and digital multipoint borehole extensometers
- Installation of media converter to read and convert the readings
- Digital recording of all the readings in the system, providing archiving and analysing trends
- Real-time monitoring in control room, with provision of monitoring by geotechnical engineers on their computers in a remote location

Outcome

- Real-time readings have helped geotechnical engineers to predict unsafe ground conditions underground and to activate the trigger-action-response-plan (TARP) to prevent unforeseen incidents

TARP is a unique initiative of SKM to define the minimum set of corrective actions that are required by site personnel in response to unpredicted impacts or deviation from normal mine conditions.

Case Study

Improving Silver Recovery in Lead Concentrate

Lower silver recovery had adversely impacted the total silver (Ag) MIC produced, thus lowering revenue generation. To address this problem, we initiated several steps to boost the recovery of silver from lead concentrate.

Intervention

Our initiatives to enhance Ag recovery included:

- Addition of silver promoter, a chemical used to promote Ag to affect minerals flotation, thereby improving the Ag recovery in Pb concentrate
- Regularisation of grinding media charging of ball mill
- Development of APC to minimise process variations; APC has been implemented in stream-01, stream-02 and stream-03

Outcome

- Improvement in Ag recovery will yield an annual financial benefit
- It will increase the measurable quantity of Ag MIC, enabling higher revenue generation

The introduction of automation drilling has helped SKM reduce the time taken in drilling. The initiative has led to a reduction in the shift changeover idling time by running the machine in automatic mode through interventions like pan, tilt and zoom cameras, laser protection, voice/video calling facility, etc.

For details on the initiative, refer to the digitalisation and automation section of this Report on **page 34**

SKM on a Winning Spree

Awarded '5-Star' rating under Sustainable Development Framework from Indian Bureau of Mines for FY 2021-22 assessment

Awarded one Platinum and three Silver medals in 43rd CII National Kaizen Competition – 2022 organised by CII IQ, TPM Club India

Won the Rajasthan Energy Conservation Award – 2022 from Rajasthan Renewable Energy Corporation Limited (RRECL)

Won the first prize in Systematic and Scientific Development during Mines Environment & Mineral Conservation (MEMC) Week – 2021, held in August 2022

Won two Gold and one Silver in Kaizen category, as well as one Gold and one Silver in Quality Circle category in 21st Chapter Rajsamand, CCQC-QCFI

Hindustan Zinc's rescue team of ZM, RDM and SKM bagged first prize in All India Mine Rescue Competition (AIMRC) – 2022

Rajpura Dariba Mine Performance Overview

Focussed on ramping up production capacity to 2.0 Mtpa in FY 2023-24, RDM with its multiple production centres, continues to invest in augmenting productivity, efficiency and safety through automation and mechanisation.

Expansion, Upgradation & Infrastructure Development

- Commissioned the 1.8 Mtpa paste-fill plant and its underground reticulation
- Upgradation of main shaft cage winder drive system
- Upgradation of 55 mRL belt conveyor drive motor gearbox increasing ore transport capacity
- Mill upgradation, from 0.9 to 1.1 Mtpa capacity, through crusher house upgradation
- Plan for a 800 Mega Volt Ampere (MVA) fan commissioning to improve mine ventilation capacity from 460 m^3/sec to 630 m^3/sec
- Commissioned a 2 MVA compact dry type electrical substation in East Lode, to enable deployment of required machinery on multiple fronts
- Completed excavation for vertical settler besides other ongoing commissioning work
- Commissioned Cabltec machine for ground support, to enable expedited mine development and stoping ground support
- Installation and commissioning of 100 mRL grizzly to add in UG ore transport facility
- Strengthening of mine dewatering system through reticulation boreholes from surface, to enable safe and sustainable mining operations
- Underground raise boring from 236 mRL to 100 mRL for ventilation improvement

Efficiency & Productivity Enhancements

- Skip handling system upgradation, resulting in capacity enhancement from 83 kt/month to 110 kt/month
- Direct loading of material at diagonal 3-way junction, to improve productivity of load haul dumper (LHD) and low-profile dump trucks (LPDT)
- Introduction of video radio remote control (RRC) for stope recovery improvement

Surging Forward on Digitalisation Path

RDM took a series of automation and digitalisation initiatives during the year to improve processes and systems. Installation of CCTVs for continuous monitoring of operations, automation of dewatering and submersible pumps, monitoring and controlling of ventilation fan from the mine control room and biometric access control system were among the key initiatives launched by the team.

For details on digital and automation initiatives of FY 2022-23, see **page 34** of this Report. Also read about the new safety initiatives on **page 186**

Enabling More Sustainable Operations

We further scaled up our sustainability proposition during the year to reduce emissions and save energy at the mine.

For details on the sustainability initiatives, refer to **page 126** of this Report

Awards Endorsing RDM's Excellence

- First prize in 'Overall Best Performer' category in All India Mine Rescue Competition (AIMRC) – 2022
- Awarded '5-Star' by Ministry of Mines for exemplary performance in Implementation of Sustainable Development Framework
- First prize in mineral beneficiation at 33rd MEMC week by Indian Bureau of Mines
- Honoured with 'Shiksha Vibhushan' a state-level Bhamashah Award in the education field
- Won The Royal Society for the Prevention of Accidents (RoSPA) silver award for RD Paste Fill & Dry Tailing Project

Zawar Group of Mines Performance Overview

ZM has been a pioneering force in lead and zinc mining, starting long before the first industrial revolution and continuing through the current era of digitalisation. With strong focus on innovation and cutting-edge technology, this group of four mines – Mochia, Balaria, Zawarmala and Baroi – has improved production efficiency and optimised mining processes.

Expansion, Upgradation & Infrastructure Development

- Successfully mined first secondary stope in Mochia Mine after backfilling
- Zawarmala Mine has started extraction from pillar posts and filled the voids
- Achieved highest ever 271.45 kilometres surface and underground exploration drilling in FY 2022-23, and discovered new lenses at shallow depth in Bowa Magra and eastern Zawarmala, using new methods like Mobile Carrier Rig (MCR) for shallow angle surface drilling
- Successfully connected Central and West Mochia, which will be key in production enhancement
- Zawarmala portal work is under progress, which will add a new production centre at the Balaria Mine
- Opening of new production front South of Baroi by UG exploration and ore body (OB) delineation is under progress to increase production in Baroi Mine and COP reduction by less hauling distance

Empowering In-house Talent

FY 2022-23 witnessed the inauguration of a Mining Academy to train and empower in-house talent to propel the future of mining and realise the scope for expert skills in jumbo drill. The Mining Academy has been conceived by Zawar Mines in association with one of our business partners. One of the key elements of on-the-job training is operator shadowing, wherein the candidates closely shadow current jumbo operators who are assigned to them as trainers. This serves in providing candidates a comprehensive hands-on experience.

Efficiency & Productivity Enhancements

- Significant leap in Balaria incline conveying, from 1,500 tpd to 2,500 tpd, enabling enhanced production and reduction in overall cost
- Successfully deployed Charmec and bulk emulsion explosive for blast optimisation, thereby reducing charging time and improving progress in every round of development blast
- Established centralised control room at Balaria
- Enabled digital visibility of equipment utilisation to improve its effective use, minimising idling in Mochia & Baroi
- Installed advanced mine communication system using leaky feeder in Mochia, Balaria and Zawarmala

For details on digital and automation initiatives of FY 2022-23, see **page 34** of this Report. Also read about the new safety initiatives on **page 186**

91.88% overall recovery achieved, with continued improvement in beneficiation process, at ZM.

Ore production capacity at ZM is planned to be progressively increased to 5.0 Mtpa by FY 2023-24. Based on R&R potential, the vision is to take it up to 6.5 Mtpa by FY 2025-26.

Towards Achievement of Sustainability Goals

We are actively driving the Company's journey towards the realisation of its Sustainability Goals 2025 with implementation of several initiatives during the year.

For details on the sustainability initiatives, refer to **page 126** of this Report

Case Study

Pioneering Use of StopeX-Automation in FLAC3D

Use of the globally utilised FLAC3D numerical model to predict the response of the rock mass to various engineering activities is a time-consuming task. Developing the model geometry, and incorporating the micro structures and failure criteria into the model is also a tedious process.

Intervention

The use of StopeX-Automation has been introduced to address the problems faced in FLAC3D model deployment.

- ZM is the first user of StopeX-Automation in FLAC3D in Hindustan Zinc
- ZM has adopted this technique through several informed decisions, such as safe extraction of critical stopes, secondary pillars and crown, etc.

Outcome

- With the use of StopeX-Automation in FLAC3D modelling in underground, we have successfully reduced the time taken and also enhanced the accuracy of the model at Zawar Mines

Awards and Accolades

During the Mines Safety Week, Mochia mine won an overall first prize, Balaria mine won Publicity, Propaganda, Housekeeping & COVID-19 Awareness prize, and Zawarmala mine won Haulage, Development Working & Safety Consciousness among Contractors & Ventilation, Dust-Control, Noise, Mine Lighting awards

26th Bhamashah award for updation of education systems

ZM awarded by Animal Husbandry Department from Udaipur nodal area for its service during lumpy disease spread

MEMC Award 2022 received by all four mines of Zawar in different categories

Zawar, along with RDM team, won overall first prize in All India Mine Rescue Competition (AIMRC) – 2022

ZM received the prestigious 5-Star rating under Indian Bureau of Mines

Kayad Mine Performance Overview

Hindustan Zinc's youngest mine, Kayad started operations in 2011 and commenced ore production from FY 2012-13. Ore produced from the mine is transported by road to Rampura Agucha Mill for beneficiation.

Expansion, Upgradation & Infrastructure Development

- Establishment of major dewatering facility at north 95 mRL
- Commencement of mining in new production centre at block-S1

Moving Faster on the Automation Track

Biometric-based driver authentication and unmanned weightage system are among the major initiatives undertaken at the mine during FY 2022-23 in the area of digitalisation and automation.

For details on digital and automation initiatives of FY 2022-23, see **page 34** of this Report. Also read about the new safety initiatives on **page 186**

Powering Ahead on Sustainability Path

KM has become water-positive through adoption of ground water harvesting and establishment of artificial recharge structures. In addition to other concerted initiatives, these efforts have helped the mine to advance on its sustainability journey.

For details on the sustainability initiatives, refer to **page 126** of this Report

Awards & Recognitions

Felicitated with Bhamashah Shiksha Vibhushan award for contribution to the education sector

Received the prestigious '5-Star Rated Mines' award by Ministry of Mines, Government of India

Awarded the Jaswant Singh Gill Memorial Industrial Safety Excellence Award for Underground Metal Mining in India

Exploration

Focussing on Reserves Upgradation for Sustainable Growth

Exploration is integral in driving sustainable growth as it increases the confidence on Mineral Resources and Ore Reserves. It envisions the replenishment of every tonne of mined metal by fostering innovation and deploying new technologies. Hindustan Zinc has an aggressive exploration programme focussed on delineating and upgrading Ore Reserves and addition of Mineral Resources (R&R) within our licence areas. Factors like Environmental, Social and Governance (ESG), technology adoption and innovation play a key role in enhancing the Company's exploration success.

Key Enablers

In FY 2022-23, we implemented many innovative and advanced new technologies to scale our exploration efforts.

Geophysical surveys including the gravity survey and the ground magnetic survey were conducted at Zawar, Rajpura Dariba and Kayad mines for new target generation. It is expected that the integrated outcomes of geophysical surveys besides geochemical and geological inputs shall aid in augmenting our understanding of orebody geometry and mineralisation control.

Diamec Smart 6M, a next-generation drilling rig, was introduced for the first time at Hindustan Zinc and became a part of our underground (UG) exploratory drilling fleet. This advanced machine is equipped to penetrate deeper and retrieve information from greater depths. It has supported us in the designing of primary developments of upcoming UG levels, in a safe and cost-effective way. Deep Mobile Carrier Rig (MCR) has also accelerated the pace of resource upgradation, as was proved by drilling the deepest UG exploration hole of 1,120 metres at Rampura Agucha mine.

Automated rod handling system (ARHS) was introduced for the first time in the UG exploration drilling rig at Sindesar Khurd and Rampura Agucha mines. ARHS is a unique and completely hands-free rod handling system.

In FY 2022-23, the highest ever exploration drilling of 540.8 km, comprising 205.2 km surface and 335.6 km underground, was executed across all sites of Hindustan Zinc

Being automated, it has the capability to add and remove the drill rods, inner tubes and core barrels on its own. It has served to enhance safety, improve productivity and reduce manpower.

Shallow angle drilling, at surface, was enabled by deployment of UG rig – an underground-based MCR machine – used for exploration drilling to explore lead-zinc rich ore body at shallow surface. Due to various constraints, the limited capability of a surface drilling rig does not allow drilling at shallow angles less than 45 degrees. To overcome this limitation, an underground drilling MCR was deployed at the surface to successfully retrieve information of mineralisation or host package information near the surface at Zawar.

Implicit modelling has been implemented for the first time on a trial basis in one of the orebody deposits of Hindustan Zinc. A 3D model has been successfully generated with volume variance of ±2%, which is well within the acceptable limits. Implicit modelling is a 3D modelling technique which makes use of mathematical functions to automatically generate surface, taking drill-hole intervals as inputs, based on economics/cut-off/litho-contacts, etc. The technique has resulted in time and cost savings and reduced the effort in creating 3D orebody models.

In FY 2022-23, the highest ever exploration drilling of 540.8 km, comprising 205.2 km surface and 335.6 km underground, was executed across all sites of Hindustan Zinc. The intense exploration drilling across Hindustan Zinc mine sites was carried out with a focus on gaining confidence on the Mineral Resources to enhance Ore Reserves by 31.2 Mt with contained metal of 1.59 Mt. Further, exploration drilling of potential target areas has resulted in gross Mineral Resources addition of 27.8 Mt ore with contained metal of 1.23 Mt. Over the next 12 months, our exploration team is looking for high potential near mine areas with high grade and widths, which will enable the mining team to immediately upgrade to Ore Reserves and increase ore production.

Similar to previous years, SRK Consulting (UK) Limited (SRK) has audited the Mineral Resources and Ore Reserves for Hindustan Zinc, with an effective date of March 31, 2023. Presented below are the Mineral Resources and Ore Reserves statements, reported in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code, 2012 Edition (JORC).

Ore Reserves

As of March 31, 2023, Hindustan Zinc's Ore Reserves are estimated to be 173.49 Mt of material, grading 5.6% Zn, 1.6% Pb and 56g/t Ag, which contains 9.64 Mt Zn, 2.7 Mt Pb and 310.2 Moz Ag.

Mineral Resources

As of March 31, 2023, Hindustan Zinc's exclusive Mineral Resources are estimated to be 286.56 Mt of material, grading 4.5% Zn, 2% Pb and 59 g/t Ag, which contains 12.8 Mt Zn, 5.66 Mt Pb and 545.7 Moz Ag. At current mining rates, the R&R underpins metal production for more than 25 years.

Persistent exploration efforts on increasing confidence of Mineral Resources and upgradation of Ore Reserves will lead to fostering sustainable growth. Hindustan Zinc is committed towards the vision of replenishing every tonne of mined metal by adopting latest technologies in exploration.

Kuldeep Singh Solanki
Director – Exploration

Ore Reserves and Mineral Resources (R&R), as on March 31, 2023 (based on Annual R&R audit by SRK (UK))

Hindustan Zinc Assets	Total Reserves					Measured & Indicated					Inferred				
	Mt	Zn%	Pb%	Ag g/t	Metal	Mt	Zn%	Pb%	Ag g/t	Metal	Mt	Zn%	Pb%	Ag g/t	Metal
Rampura Agucha	44.8	11.2	1.3	42	5.6	10.4	14.7	2.2	64	1.8	14.8	4.6	4.3	115	1.3
Sindesar Khurd	43.4	3.0	2.0	105	2.2	57.2	3.7	1.9	92	3.2	10.0	3.4	1.4	55	0.5
Rajpura Dariba	34.3	5.4	1.6	61	2.4	2.9	5.9	2.1	63	0.2	36.4	6.3	1.9	86	3.0
Zawar	49.4	2.8	1.3	22	2.0	32.2	3.4	1.9	27	1.7	75.2	3.6	2.2	36	4.4
Kayad	1.5	5.2	0.9	15	0.1	3.0	9.7	1.4	25	0.3	3.0	6.0	0.6	9	0.2
Bamnia Kalan	-	-	-	-	-	20.9	3.3	1.1	40	0.9	20.5	3.5	1.4	45	1.0
Total	**173.5**	**5.6**	**1.6**	**56**	**12.3**	**126.7**	**4.6**	**1.8**	**62**	**8.1**	**159.9**	**4.3**	**2.1**	**57**	**10.3**

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

Smelters and Captive Power Plant (CPP)

Opening New Vistas of Growth

Smelters Performance Overview

Hindustan Zinc continued to notch new milestones and surge towards new vistas of growth in its smelters business during FY 2022-23. Its 1 million tonnes refined metal production landmark underscored the success of its initiatives in the smelters business to promote efficiencies and sustainable growth.

Promoting Wealth from Waste

As part of our efforts to manage waste effectively and productively, we enhanced our copper sulphate ($CuSO_4$) production through appropriate modifications in the charging system and operational parameters. This has enabled us to ensure better-quality production of $CuSO_4$ solution in comparison with that produced earlier. The initiative has led to more cost-effective production, improved ore recovery and enhanced safety due to reduced consumption of hazardous chemicals like liquor ammonia and liquid carbon dioxide.

Reduction Achieved in Inventory

During FY 2022-23, we successfully reduced the work-in-progress (WIP) stock in Pyro through various measures. By maximising the use of blue powder slurry, Imperial Smelting Furnace (ISF) dross and various lead refinery dross along with concentrate, and by controlling process parameters of sinter accordingly, we were able to bring down the WIP stock. ISF dross consumption was increased through modification in our in-house briquetting plant by revamping the existing equipment. Deployment of dedicated and skilled operators, and use of 'Total Productive Maintenance', has resulted in fewer breakdowns and increased the production of briquettes. By controlling the process parameters, we were able to maintain optimum lead level in kettle inventory, thus further reducing the in-process inventory.

Achieved metal gain of 11 kt and EBITDA gain of ₹ 264 crore in FY 2022-23.

In FY 2022-23, the lead smelter at the Dariba Smelting Complex reported its highest ever annual production as a result of our smelter turnaround strategy. The smelter reported consistent production with better efficiency and better silver residue mud production in addition to improved feed to Pantnagar Silver Refinery.

> Last financial year was a remarkable one for smelter and power teams. We marched past the milestone of 1 million tonne metal and we also delivered highest ever silver production. Ramp-up of our ancillary business was the icing on the cake. We didn't have a good year in terms of safety, but we have galvanised the teams and their thought process and all right things have been done to ensure our operations remain safe.

C Chandru
Chief Executive Officer – IBU Smelter

Waste to Wealth: Recovery from Residue

The Hindustan Zinc minor metal complex achieved its highest ever EBITDA in FY 2022-23 recording a 56% increase over last year. This outcome was attained due to the various concerted actions taken by the team. We decreased the batch cycle time of the rotary furnaces, increased throughput of the plant, and optimised the chemical consumption norms. Consequently, the highest ever Cu dross and purification waste cake treatments were done at the plant, with significant improvement in recoveries.

Case Study

Breaking Production Records at ZSD

Our efforts to revamp cell house of Zinc Smelter Debari (ZSD) in FY 2021-22 were successful as we are witnessing the best production performance in the last 12 years. ZSD powered ahead to post annual cathode production of 89,806 MT in FY 2022-23, which is 20% more than the previous fiscal. The smelter improved its recovery from 91.4% to 94.3% in the last two years and witnessed a jump in current efficiency from 80.1% to 83.7% in FY 2022-23. The increase in production volume has resulted in a gain of US$ 10/MT.

Key Achievements

- Best-ever performance of 89,806 MT annual cathode production in the past 12 years
- With better current efficiency, rating and recovery as compared to last year, achieved total COP saving of ₹ 11 crore
- Achieved 2% reduction in specific energy consumption as that of the target (17.17 GJ/MT against 17.6 GJ/MT)
- Lowest ever specific water consumption norm, 16% reduction as compared to last year (8.34 m^3/MT against the target of 10.29 m^3/MT)

Case Study

Enabling 100% Green Power Sourcing at Pantnagar Metal Plant

In FY 2022-23, we achieved significant progress towards our goals of carbon neutrality and GHG reduction. We have replaced electric energy with 100% green power procurement from Uttarakhand Power Corporation Limited (UPCL) for conducting plant operations. We have also branded and labelled the product as a green finished good (FG) and moved one step closer to our goal of net-zero carbon emission by 2050.

Hindustan Zinc's Pantnagar Metal Plant has become the first unit of the Group to source 100% green power supply

Benefits

- The shift to green power at the plant has reduced Hindustan Zinc's overall carbon footprint by 34,128 tCO_2e in FY 2022-23
- Green power and labelling of FG product initiative will improve the brand value of our finished goods

CPP Performance Overview

At Hindustan Zinc, we have prioritised carbon neutrality and reduction in greenhouse gas (GHG) emissions as the key goals of our power business. We have made further investments in green initiatives at our thermal plants during FY 2022-23, while continuing our efforts to enhance operational excellence. With a keen focus on advancing on our sustainability journey, we have successfully achieved multiple milestones as we powered ahead towards 'greener and cleaner' operations.

Our Vision

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

Milestone Achievements in our Power Capacities

Renewable Power
314.07 MW

Waste Heat Recovery Boiler (WHRB)
40.67 MW

Captive Thermal Power
505.50 MW

Total Power Capacity
860.24 MW

Progressing on our Green Journey

- 200 MW Dariba renewable energy round the clock (RERTC) power delivery agreement (PDA) signed and project under execution
- 250 MW Chanderiya RERTC PDA signed
- Biomass consumed as replacement for coal, resulted in reduction of 89,896 tCO_2 emission

Gross Units Produced in FY 2022-23 for Captive Consumption
76.16 mn

Captive Solar Power
40.57 MW

Gross Units Produced in FY 2022-23
227.89 mn

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

Captive WHRB
40.67 MW

Gross Units Produced in FY 2022-23
409.26 mn

Wind energy plants are based in five states, with long-term power purchase agreements with distribution companies

Wind Power IPP
273.50 MW

With focussed efforts and initiatives in expanding our green footprint, we have successfully avoided 8.66 lakh tonnes of CO_2 emissions during FY 2022-23, as against 6.13 lakh tonnes in FY 2021-22.

Towards Net-Zero

We have achieved new milestones on our journey towards achieving our goal of net-zero by 2050 or sooner. Our key initiatives in this direction during FY 2022-23 included:

- Turbine revamping with better energy efficiency
- Electrostatic precipitator upgraded in two units for increasing indigenous coal consumption (carbon emission reduction in Scope 3)

Future Roadmap

- Revamping of 4.3 MW backpressure turbine in Dariba
- Commissioning of 8.6 MW WHRB at Fumer project
- Execution of De-NOx system at Chanderiya
- Enhancement of Kayad mines solar plant

Case Study

Boosting Indian Coal Consumption in Blend by 20%

The Hindustan Zinc power plant electrostatic precipitator (ESP) was originally designed by the original equipment manufacturer (OEM) to meet the suspended particulate matter (SPM) emission norms of 50 mg/Nm^3, with the boiler design coal having 12% ash content. We decided to enhance the percentage of Indian coal in the blend from the existing 35% to 55% on 6,000 GCV (40% ash in blend) to meet the same emission norms and standards.

Intervention

After discussion with various OEMs, we undertook internal modification of the ESP, along with replacement of the existing single-phase transformer with the COROMAX transformer.

Outcome

Our internal operation excellence initiatives helped us to run the plant with blended coal (imported + Indian), with ash content up to 21%.

Touching New Vistas in our Conventional Power Metrics

During FY 2022-23, we scaled new vistas of performance excellence despite the challenges posed by high coal costs.

Best Specific Coal Consumption (SCC) Achieved
425 gm/kWh

Best-Ever Generation by WHRB Steam Turbine Generator (STG)
227.89 mn units

Biomass Consumption @6,000 Gross Calorific Value (GCV)
39,224 MT

Thermal Power Generation at our 6 Power Plants in FY 2022-23

During the year, Hindustan Zinc CPP generated 2,996 mn units of power.

	Plant Load Factor (PLF) (%)	Auxiliary Power Consumption (APC)	SCC (gms/kWh)
Chanderiya	64.18	8.0	419
Dariba	58.83	9.56	431
Zawar	63.58	8.51	432

Strengthening our Safety Proposition

- Elimination of man-machine interaction during coal sampling and unloading at Zawar
- In-house pilot project – successful implementation of coal pipe hammering machines system to strengthen CPP safety
- Pilot project on bottom ash auto alignment scrapper system completed to reduce man-machine interaction

Enhancing Operational Efficiencies

- Successfully completed performance guarantee test for turbine revamping project
- Pilot project on ESP upgradation project stabilised
- Auger sampling commissioning completed at Chanderiya and Dariba
- Upgradation of programmable logic controller (PLC) at Chanderiya and Zawar

Augmenting Cost Efficiencies

- Cost savings achieved through 'cash conservation and cost reduction programme' including the benefits accrued via strategic power purchase
- 10% inventory reduction achieved
- Coal blend optimised by utilising low-cost coal, like domestic and off-spec coal, to reduce the cost of generation amid high volatility in coal prices in the international market
- Highest ever biomass consumption achieved across the Group

Case Study

Improving Turbine Efficiency to Reduce Carbon Emission

High turbine heat leads to an increase in carbon emission, as well as the cost of generation. We decided to cut down the carbon emission by 156,691 tCO_2 by improving the turbine heat rate.

Intervention

We collaborated with various OEMs to modify the turbine blades and internals at all our power plants.

Outcome

We achieved the designed heat rate, as well as reduction in carbon footprint, by reducing internal leakages and enhancing the internal efficiency of the turbine.

New Milestone Awards

- Gujarat site awarded 'Best Performing Windfarm' by Indian Wind Power Association
- Gold award in Quality Circle Forum of India, Rajsamand chapter in California Compost Quality Council (CCQC) 2022
- Global leadership recognition for Hind Zinc School, Chittorgarh by the Indian Green Building Council (IGBC); school is the top scorer among the two 'Platinum-Certified' Green Schools in Rajasthan
- Received Platinum Award under 'Safety Excellence', 'Energy Efficiency', 'Best Practices for Industrial Water Management' in Fame Excellence Awards 2022
- Received 'Efficient Fly Ash Management' award for Chanderiya and Dariba at Mission Energy Foundation Award 2023

Environmental, Social & Governance

The transforming business ecosystem has sharpened the focus on sustainable growth leading to a marked shift in the way businesses operate worldwide. Companies across sectors have embraced targeted ESG goals, specialised policies and strategies. Hindustan Zinc has been on a progressive sustainability journey, and we continue to expand the ambit of our ESG ambitions and outreach through sustained investments in organisational strengths and capabilities. We remain focussed on reducing our carbon footprint, minimising resource degradation, conserving water, ensuring the highest levels of safety, practising good governance, and enhancing community well-being.

Blue Bull Antelopes spotted at Agucha
Photo courtesy: International Union for Conservation of Nature (IUCN) Team

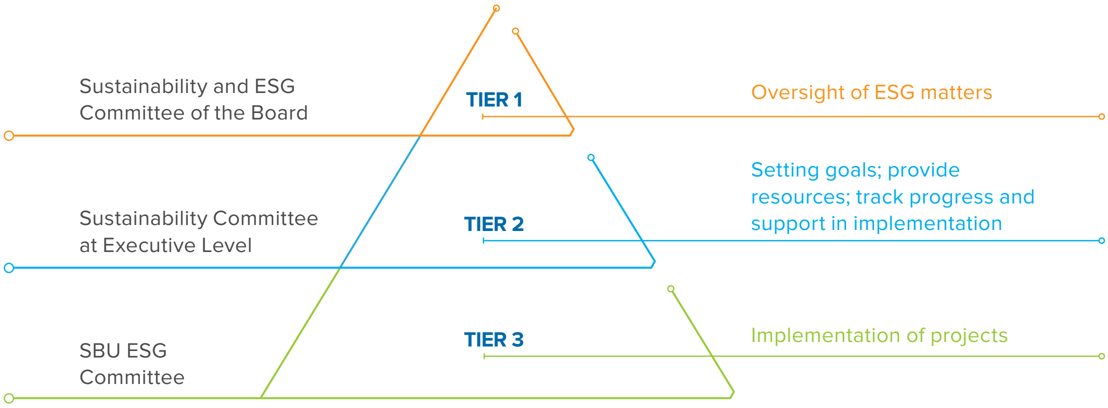
Charting New Horizons in Sustainability

The sustainability ethos is embedded into Hindustan Zinc's business model. It drives our efforts to enhance growth and deliver value to all our stakeholders, including the natural environment in which we live and thrive. Led by our sustainability focus, we continually endeavour to reduce the environmental footprint of our operations. In line with the national and international standards, as well as the United Nations Sustainable Development Goals (UN SDGs), we continue to make strategic investments in sustainable initiatives across our business value chain. The Company's leadership vision is also mapped to this approach, articulated as a clearly defined roadmap to propel our Environmental, Social and Governance (ESG) journey. In 2020, we had identified our Sustainability Goals 2025, and pledged to work assiduously towards the realisation of these objectives. Even as we continue to progress on these targets, we concurrently ensure that these goals remain aligned to the evolving business ecosystem and the transforming sustainability landscape, with its changing demands and opportunities.

Driven by our Sustainability Goals 2025, and steered by our 'ZERO HARM, ZERO WASTE, ZERO DISCHARGE' philosophy, we, at Hindustan Zinc, continually strive to deliver on our targets across ESG metrics. The achievement of numerous milestones on this front year-on-year validates our efforts and provides us many reasons to celebrate these victories along our sustainability and inclusive growth journey.

Hindustan Zinc Sustainability Governance Framework

Our three-tiered sustainability governance framework headed by a Sustainability Committee at each level, enables us to organise our thoughts and ideas, undertake informed planning, evaluate our ESG activities and ensure accountability on all facets of ESG issues. This framework also assists with defining our short-term and long-term goals, and to effectively monitor our performance systematically in alignment with our sustainability principles across the organisation.



TIER 1

Sustainability and ESG Committee of the Board

The constitution of a separate Sustainability and ESG Committee at the Board level has helped to scale our sustainability focus and efforts. The four-member committee holds its meetings on a half-yearly basis.

The Committee's Role

- Assist the Board in meeting its responsibilities in ESG matters and ensure strong governance for sustainability
- Provide guidance to ensure continual improvement in our sustainability performance and implementation of appropriate processes and policies across the Company
- Guide and review our sustainability strategy, and long-term goals and targets
- Play a key strategic role in business decisions to ensure workplace safety, eliminate potential damage to the environment, enhance our commitment towards stakeholders and maintain the Company's reputation as a leader in the sustainable metal and mining sector

Committee Composition

Mr. Akhilesh Joshi

Non-Executive - Independent Director - Chairperson

Mr. Arun Misra

Executive Director - Member

Ms. Nirupama Kotru

Non-Executive - Nominee Director - Member

Ms. Veena Kumari Dermal

Non-Executive - Nominee Director - Member

TIER 2

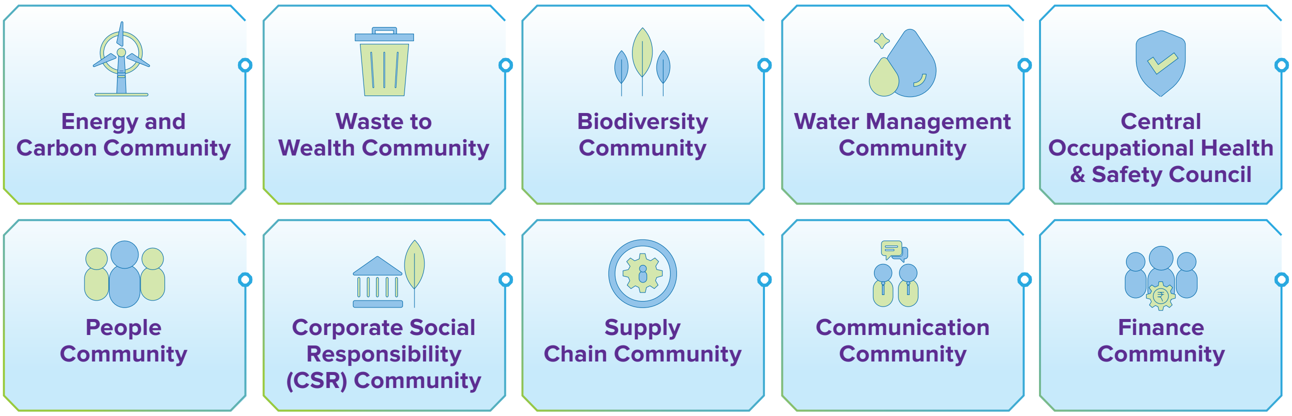
Sustainability Committee at Executive Level

The Chief Executive Officer (CEO) of Hindustan Zinc chairs the Executive Sustainability Committee which includes all the Executive Committee members and chairmen of our 10 communities. The Committee meets once a month to review the progress on the Sustainability Goals 2025. Its responsibilities include:

- To formulate the sustainability strategy, and set long-term goals and targets of the Company
- Consistently track the status of projects identified to meet the sustainability goals along with the progress against all goals; guide the strategic allocation of resources for achievement of the Sustainability Goals 2025

We have set up 10 sustainability communities to drive our eight Sustainability Goals 2025. Comprising champions from all units, the communities regularly review progress against their respective goals. They meet on a monthly basis to discuss the action plan to achieve the goals, initiate collaboration with technology partners, identify relevant projects and ensure its implementation on ground.

Sustainability Communities



TIER 3

SBU ESG Committee

We have established the SBU ESG Committee at all our strategic business units (SBUs). It ensures the implementation of sustainability practices pertaining to ESG aspects in alignment with the guidance provided by the committees at the above two tiers to achieve the sustainability goals for 2025. This Committee also ensures continual identification and monitoring of risk arising at the location, its impact and appropriate mitigation efforts to minimise or eliminate the risk.

Our Sustainability Goals 2025

Climate Change

0.5 mn tCO_2e greenhouse gas (GHG) emission savings in our operations from base year 2017

- Use of renewable energy
- Electrification of vehicles
- Efficiency improvements
- Reduction in non-GHG emission (SOx and NOx emission) by 17% by 2025

Water Stewardship

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

- Exploring alternative water sources
- Reduction in freshwater consumption through technological interventions
- Rainwater harvesting
- Transition from wet tailings disposal to dry tailings disposal by 2025

Circular Economy

3x Increase in gainful utilisation of smelting process waste

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

Social Impact

Positively impact one million lives through social, economic and environmental initiatives

- Strengthen the local economy
- Promote skilling and education in the region
- Improve quality of life of communities around us

Biodiversity Conservation

Protect and enhance biodiversity throughout the life cycle

- Reassessment of biodiversity and development of biodiversity management plan
- Implementation of critical/ endangered species conservation plan
- Achieve one million plantations by 2025
- Achieve 'no net deforestation' through compensatory afforestation whenever applicable, throughout the life cycle

Diversity in Workforce

Inclusive and diverse workplace with 30% diversity

- Improve diversity in the organisation
- Review current policies and frame new conducive policies
- Developing/grooming high potential diversity employees through various programmes

Ensuring Zero Harm

Zero work-related fatalities and 50% reduction in total recordable injury frequency rate (TRIFR)

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

Responsible Sourcing

100% responsible sourcing in the supply chain

- Implementation of responsible sourcing guidelines of London Metal Exchange (LME) and Organisation for Economic Cooperation and Development (OECD) framework
- Supplier sustainability assessment
- Human rights training and awareness
- Ensuring local procurement

Circular Economy – A Key Strategic Priority

The mining industry plays a significant role in promoting a circular economy. Zinc, in particular, can contribute immensely to a circular economy on account of its recyclable properties, coupled with versatility and durability. Zinc's longevity and resilience, support the sustainability and reliability of various sectors, making it the preferred choice for long-lasting sustainable solutions.

The mining industry's focus on circular economy is driven by the adoption of advanced technologies and techniques to minimise waste. These techniques can also help to maximise resource recovery, thus boosting conservation of resources, a key factor in promoting a circular economy. The industry strategy aims to provide for conservation of natural resources, reduction in waste generation, boosting energy efficiency and reduction in the environmental impact of mining operations.

Besides undertaking strategic sustainability goals, we continued to drive our ongoing technological and operational initiatives towards realisation of our circular economy goals.

Our circular economy focus is centred around:

- Promotion of responsible material production with an unwavering focus on conservation of natural resources
- Implementation of advanced mining techniques to minimise waste and maximise resource recovery
- Optimisation of the refining process for efficient extraction of zinc and valuable by-products
- Investment in energy-efficient practices to minimise the environmental impact of our operations

Driven by our sustainability goal of achieving a **'3x increase in the gainful utilisation of smelting process waste',** our Waste to Wealth Community is continually working on this objective to identify ways for recycling and gainful utilisation of the waste we generate during the manufacturing process. The community regularly monitors and reviews the progress of implementation and formulates relevant strategies to achieve the identified sustainability goal.

Some of the key initiatives undertaken during FY 2022-23 to make our methods and processes more efficient, sustainable, and environment-friendly included the following:

Cementitious materials production from mine waste

Our Company shares a commitment to responsible mining practices and management of mine tailings to minimise harm to the environment and mitigate the impact of climate change. We are working on a pilot trial with a Calgary-based technology company which has developed the capability to use mine waste to produce cement like materials, that serve to save resources, lower environmental impact and potentially reduce GHG emissions.

We achieved a 31.01% waste recycling (mines & smelters) in FY 2022-23

Value-added product from smelter waste residue

Hindustan Zinc has enhanced the intensity of its research and development (R&D) through investments in skilled scientists and technical facilities. Collaborations with world-class universities and institutes, technology providers and start-ups are an essential part of our innovation process.

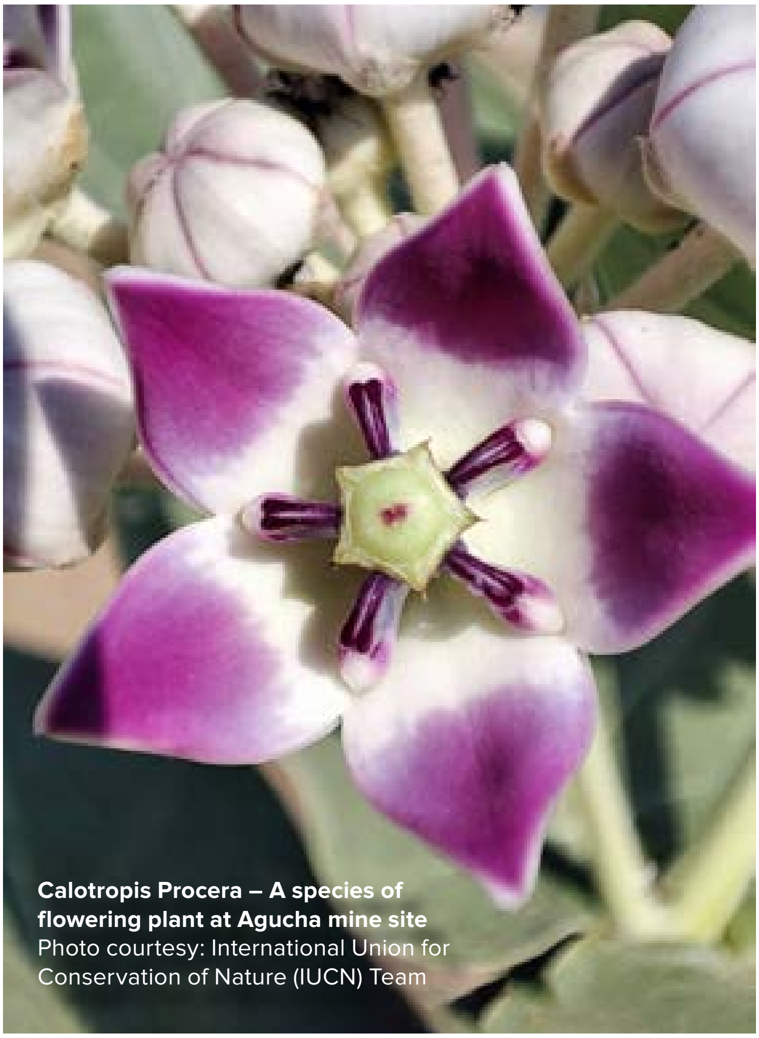
- We are committed to achieving the goal of zero waste and thereby eliminate the need for waste disposal in secure landfills (SLF) by 2030 by continually directing our R&D efforts towards utilisation of in-process waste into various segments of our processes
- We are progressing on our efforts to extract the zinc (Zn) content of the effluent treatment plant (ETP) cake and convert it into $ZnSO_4$ crystals on a lab scale, suitable for use as a Zn-depressant in our mills
- Our R&D team has developed a laboratory process to recover manganese (Mn) from Mn residue in the form of Mn_3O_4 product. The process will be further validated on a pilot scale to develop product specifications and explore the potential market

Our ability to create value for our stakeholders over the long-term depends on our ability to remain reliable and responsive. This begins by recognising our responsibility to use our resources sensibly while taking action to reduce our environmental and social impacts. To achieve this, we continually review, assess, and improve our performance with respect to ESG aspects, set industry-leading standards and apply the latest technologies in all aspects of our operations in alignment with our vision of 'Zero Harm, Zero Waste, Zero Discharge'.

We ensure widespread reach of our ESG goals to each and everyone working with us contributing towards a better future. Aiming towards net-zero emissions to achieving zero liquid discharge, underscores our unwavering commitment towards creating a positive environment. Safety and well-being of our employees is of paramount importance, unfortunately, this year we had lost seven of our colleagues in tragic incidents, we are working on various safety measures like critical risk management, structural stability, automation to reduce manual intervention to avoid such incidents in future. We will continue to earnestly work towards creating a safe workplace for our employees & business partners and improve safety measures.

Our efforts to implement ESG-centric initiatives establishes our commitment to sustainable business practices, making us a proud leader in the metal & mining sector globally and as demonstrated by the numerous ESG-related awards and accolades we have been presented with, we are steadfastly advancing towards our Sustainability Goals 2025, with the ultimate aim of enhancing our stakeholders' value for the long term.

Pradeep Singh
Chief HSE & Sustainability Officer



Calotropis Procera – A species of flowering plant at Agucha mine site
Photo courtesy: International Union for Conservation of Nature (IUCN) Team

Initiative – Workshop on Circular Economy

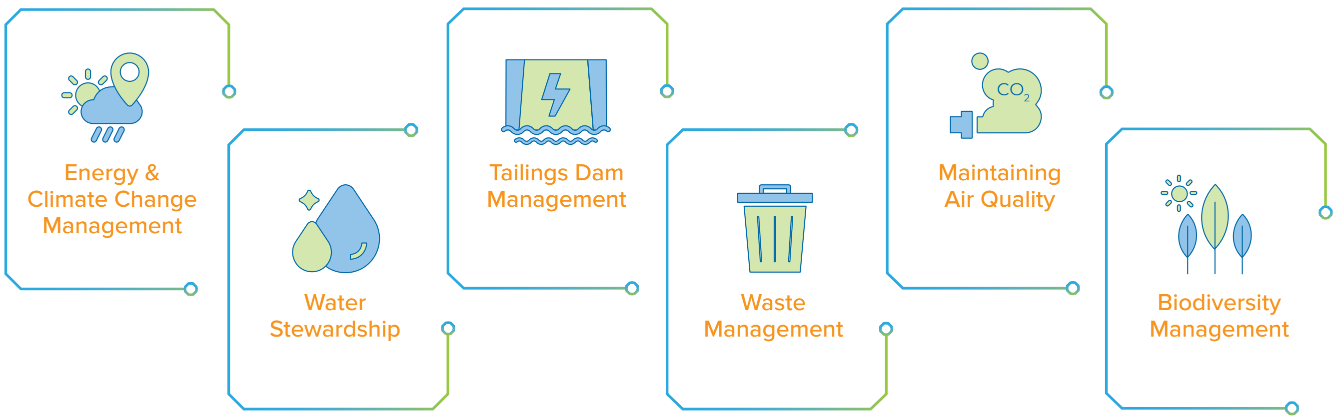
As part of its efforts to transition to a circular economy, Hindustan Zinc conducted a workshop on 'collaborative approach for circular economy' during the year. Important stakeholders from cement companies came together to share the discourse around this workshop theme. The discussion revolved around effective utilisation of our industrial waste such as jarofix, pyrometallurgical slag, etc., which has the potential for large scale use in the cement industry and can help to achieve our sustainability goals. Our CEO also shared his views on the need for a collaborative approach among industries to steer the vision of a greener tomorrow.

HINDUSTAN ZINC
Zinc & Silver of India

New Milestones in Environment Protection

Environment protection is a key priority in our Environmental, Social and Governance (ESG) journey, and we continued to make sustained efforts to minimise the environmental impact of our operations during the year. These included programmes to lower carbon emissions, improve air quality and nurture biodiversity in addition to water and waste management. We also focussed on resource management and controls to reduce our environmental footprint.

Focus Areas



Energy and Climate Change Management

Globally, there is greater focus on energy transition and more effective actions for climate change mitigation. Both developed and developing nations are increasingly investing in impactful solutions to lower emissions and minimise their carbon footprint to create a more sustainable future. The global transition towards net-zero carbon emissions has led to significant growth in the manufacturing and sales of solar photovoltaic (PV) panels and energy storage solutions, which in turn is expected to create additional demand for our products – zinc, lead and silver.

At Hindustan Zinc, we pursue a focussed strategy in line with the globally-evolving market to scale our capacities and capabilities to meet the growing demand for our products. We have initiated industry-leading innovative measures to steer our net-zero journey to demonstrate progress towards our sustainability vision.

Towards 1.5°C – Focussed on Renewable Energy

As part of our net-zero journey, Hindustan Zinc continually strives to address climate change. We have revised our emission targets, to make them more stringent. Verification and confirmation of these targets is awaited from the Science-Based Targets initiative (SBTi). These target revisions will assist the Company in achieving **net-zero emission by 2050 or sooner in the long-term, and in the short-term will serve to reduce Scope 1 and Scope 2 emissions by 50% and Scope 3 emissions by 25% by 2030, in line with the business ambition for 1.5˚C campaign led by the SBTi** in partnership with the UN Global Compact and the 'We Mean Business' coalition.

Our green power capacity stands at around 354.74 MW, which includes 273.5 MW of wind power (non-captive), 40.57 MW of solar power (captive) and 40.67 MW of waste heat recovery power. Our captive thermal, solar and waste heat recovery power plants provide low-cost and reliable power to our operations.

We have aligned our climate change risk assessment with guidelines specified by the task force on climate-related financial disclosures (TCFD). It is our constant endeavour to expand renewable power under our greenhouse gases reduction goals. We have entered into two power delivery agreements for supply of 200 MW and 250 MW of renewable power, which will not only strengthen our commitment towards a clean future but also serve to reduce emissions to the tune of 2.7 mn tCO_2e annually. With this collaboration, about 53% of our thermal power capacity will be taken over by renewable power.

Our Pantnagar Metal Plant sourced 100% green power for its operations during the year, thus making it a one-of-a-kind initiative that led the Company towards reduction in emissions by 30,000 tCO_2e.

In FY 2022-23, our ambitious project of turbine revamping resulted in avoidance of emissions by 156,691 tCO_2e. We could also reduce coal consumption by using biomass as an alternative fuel, which led to an emission reduction by 89,896 tCO_2e.

Steering the Electrical Vehicle Journey

We have made major investments in technology to achieve our net-zero goal by progressively adding battery-operated electric vehicles (EVs) to our fleet for use in our underground (UG) operations. This action makes Hindustan Zinc the first company in India to introduce battery-operated vehicles in UG mines. EVs are a globally recognised means to alleviate dependence on petroleum products and reduce CO_2 emissions and are an essential part of our sustainability efforts.

As part of this decarbonisation journey, we plan to invest US$ 1 billion over the next few years, which would include mitigation and adaptation measures.

Hindustan Zinc has also signed a Memorandum of Understanding (MoU) with Epiroc Rock Drills AB, Normet Group Oy and Sandvik AB to introduce battery electric vehicles (BEV) in its UG mining operations. This partnership will allow the Company to replace diesel-powered equipment with EVs, thus making our mining operations safer and cleaner. In January 2023, we introduced a Normet Agitator SmartDrive EV into our UG mining operations.

In another initiative, we have inducted the LNG-powered truck for transportation to enable a reduction in greenhouse gas (GHG) emissions.

We have also initiated measures to drive electric mobility in our supply chain. For transportation of concentrate from our mines to smelters, we have initiated piloting with EVs, which is a significant move to ensure reduction in our value chain and Scope 3 related emissions. As per our policy to establish a green value chain, our business partners too have introduced EVs in their operations, while electric forklifts are now being used in our multiple business units.

Launching India's First UG BEVs in Mining Operations

At Hindustan Zinc, we are committed to enable sustainable and environment-friendly mining operations to steer our goal of 'net-zero carbon by 2050' or sooner. In line with this goal and our ESG commitment of 'Transforming for Good', we have inducted India's first BEVs in UG mining operations.

Hindustan Zinc signed separate MoUs with all major original equipment manufacturers (OEMs) between February 2021 and July 2021 for the induction of the first set of BEVs. Two of these equipments, Agitator and Charmec, were received at the mining site during the year, while the third (Spraymec) is expected to arrive in the next financial year. The infrastructure for charging of the equipment was completed after official approval from DGMS.

The challenge in the implementation of this initiative was mainly three-fold, which we could successfully overcome in FY 2022-23:

- Installing the charging stations at desirable locations for maximum utilisation
- Obtaining statutory permission in terms of consent to operate BEV in UG mines
- Training of operators and ensuring expertise in maintenance of the equipment

Benefits

- Lesser maintenance cost of the equipment as compared with diesel machines
- Zero emission and reduction in mine carbon footprint
- Less ventilation required
- Elimination of diesel and lubricant storage, transportation and handling
- Improved ambient air condition in mines, enhancement of health condition of operator due to lesser noise generation and machine vibration
- Wide speed range and energy repercussion in downhill driving
- Lesser time required for machine commissioning and maintenance as compared with diesel variants

Boosting Energy Efficiencies

Implementation of numerous energy-saving initiatives across Hindustan Zinc have led to cumulative savings of 581,915 GJ. In FY 2022-23, Hindustan Zinc produced solar power of 76.16 mn units, waste heat energy of 227.89 mn units, and wind power of 409.26 mn units.

Our Commitment to Climate Change

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

TIER 1
Board-level ESG Committee

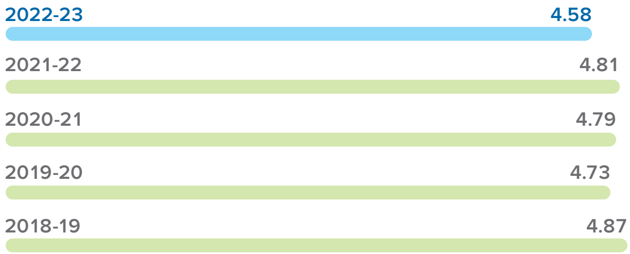
TIER 2
Executive Sustainability Committee and Energy and Carbon Community

TIER 3
SBU ESG Committee

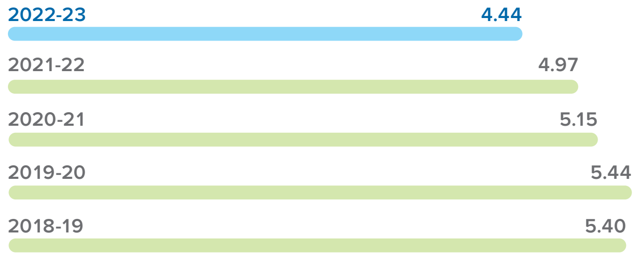
- Commitment to set long-term targets to reach net-zero emission by 2050, in line with business ambition for 1.5°C campaign led by SBTi
- Became a supporter of TCFD in February 2021 and publishing TCFD report every year
- All operating units are certified as ISO 50001 – Energy Management System
- Commitment to invest US$ 1 billion in decarbonisation journey
- Exploring new technologies to diversify our energy portfolio and lower our GHG emissions

Performance

Scope 1 +2 (Absolute Emission)
(In mn tCO_2e)



GHG Intensity
(Scope 1 & 2)/MT



Steering Water Stewardship

Hindustan Zinc understands the importance of water usage and aligns its vision with the SDG 6 of 'clean water and sanitation' by taking concrete steps towards water stewardship. In line with its vision of 'Zero Harm, Zero Waste, Zero Discharge', the Company aims to:

Become
five times water positive
by 2025

Achieve
25% reduction
in freshwater consumption by 2025

The Company has made significant progress towards reducing its freshwater dependency by improvising the recycling of water and is steadfastly marching towards the goal of being five times water positive by 2025.

Strategy to Achieve the Aims

At Hindustan Zinc, we are working to achieve our water stewardship goals through a strategic approach that identifies the following elements:

- Minimising freshwater consumption
- Exploring alternative water solutions
- Increased use of recycled water
- Replenishing groundwater
- Monitoring and auditing of water consumption at end-user, withdrawal from source, water balance, quality of water including waste water and efficiency of waste water treatment facility

Zero Liquid Discharge

We have strengthened Zero Liquid Discharge (ZLD) plants at Dariba, Debari and Chanderiya smelting locations, with additional capacities of 3,200 KLD, 3,000 KLD and 600 KLD respectively, to steer our water stewardship journey. Works have been initiated for ZLDs at Rampura Agucha mines and Zawar mines with targeted capacities of 3,800 KLD and 3,500 KLD respectively.

This project has served to clock water recovery by more than 90%, leading to an improved utilisation and corresponding reduction in the requirement of water.

Impact

- Increase in water recycling
- Less requirement of freshwater due to reutilisation of waste-water
- Uptake enabled in the in-house recovery of sodium salts (Na_2SO_4)

Besides being focussed on completing actions that align with UN Sustainability Goals, we are also committed to the UN Global Compact Water Action Platform (CEO Water Mandate) for adoption and implementation of the mandate's strategic framework and its six core elements for water management.

Governance Structure: Water Management

Our Board-level Sustainability and ESG Committee is aligned with our water stewardship commitment and facilitates our efforts towards the accomplishment of our 2025 goals and ESG priorities. The Board Committee is supported by the Executive Sustainability Committee chaired by the Chief Executive Officer (CEO) at the corporate level, that includes senior executives to oversee delivery of the programmes. Under the Executive Committee, there is a Water Management Community, which is responsible for managing all the water-related risks and opportunities. This community meets every month to review the progress against their respective goals, water related risks, and mitigation efforts.

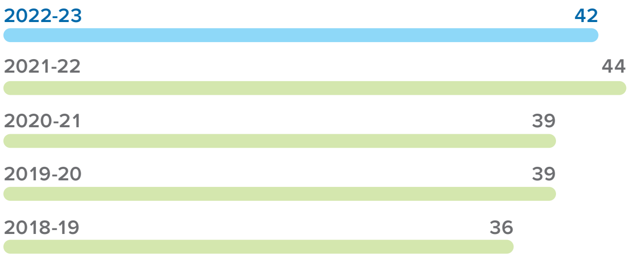
Water Risk Assessment

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

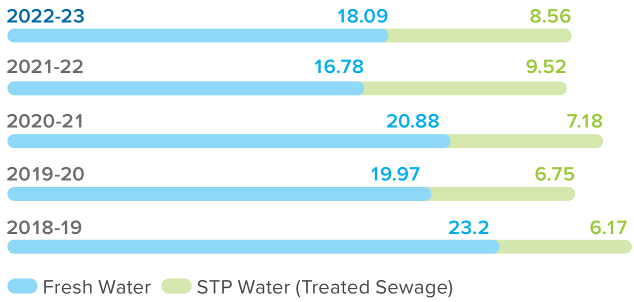
These tools have helped us to identify and assess risks and develop a management strategy. An analysis of the futuristic scenario by Aqueduct Water Risk Atlas showed that water-stress indicators are high in most of our locations. Regardless of the level, however, we apply rigorous standards and processes to manage risks.

Water Performance for FY 2022-23

Water Recycled (%)



Water Consumption (mn m³)



Best-in-class Tailings Dam Management Practices

At Hindustan Zinc, we have adopted best-in-class global practices in tailings dam management to ensure business sustainability. We have associated with global experts to provide long-term monitoring and consultancy on the design, construction and operation of our tailings storage facilities (TSFs). We are guided in this process by the Group's tailings management facility standard for our three active dams. We repurpose tailings materials and waste rock as backfill, wherever possible. The remaining tailings are kept in specially designed storage conditions to minimise their environmental, social, and economic risks.

Tailings Management Plan

Our TSFs are governed by the tailings management plan, which provides for sound storage practices. Effective implementation of a management plan not only helps to maintain a safer TSF but also serves to reduce the overall costs associated with operation and closure of the facility.

Following Best Practices

We maintain high standards of care in design, construction, safe operation and closure of TSFs. We follow some best practices like:

- Adoption of a clear policy on tailings management, backed by a strong organisational commitment for implementation of safe and responsible practices
- Establishment of a TSF Committee of in-house experts to strengthen compliance with the Group's TSF standard
- Selection of reputed engineering firms for TSF designing
- Conducting periodic TSF risk assessment and formulating mitigation plans to minimise associated risks
- Tailings utilisation in back filling through paste fill/hydro fill
- Replacement of wet tailings disposal system with dry tailings disposal
- Collection and recycling of supernatant water in process
- Construction of garland drains around the dams to maintain zero liquid discharge
- Adoption of a novel, satellite-based interferometric synthetic aperture radar (InSAR) monitoring technique to provide early warning of surface ground movements

Geotech Monitoring of Tailings Dam

We deploy various advanced tools and methods in geotech monitoring of our dams. These include:

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

Our internal assurance processes verify that our managed TSFs operate in accordance with the Group's standard. Our TSFs have emergency response plans – tested through training exercises in collaboration with stakeholders. During the year, a third-party audit was conducted to identify any deficiencies against Global Industry Standard on Tailings Management (GISTM) requirements, as per the Group's business target to fully implement all the GISTM principles by December 2024.

Minimising Air Emissions

To ensure clean air, we are focussed on reduction of particulate matter emissions, and gases emitted by our operational activities, including mining, materials handling, processing and transportation. We are committed to measure, control and minimise air emissions at each site and invest in systems and procedures to address the concerns of local communities. We stringently adhere to the conditions of our environmental licence. We have installed online continuous emissions monitoring systems, directly connected with the servers of the Pollution Control Board.

Biodiversity Assessment & Mitigation Measures

We have assessed the possible negative impact of our operations on biodiversity and accordingly implemented various mitigation programmes and plans in collaboration with several organisations to enhance our performance in biodiversity conservation and significantly reduce its impact on the ecosystem.

Protecting Biodiversity

We have prepared exclusive biodiversity management plans (BMPs) for each of our operational sites. Our dedicated biodiversity policy and management standard provides the guidance on ways to avoid, minimise, and compensate for disruption to flora and fauna, from project scoping to site closure and beyond.

We are working towards the goal of no net loss of biodiversity and net positive gain of biodiversity (for a critical habitat) at all our operations. Our biodiversity management initiatives include biodiversity risk assessment, afforestation programme, restoration of exhausted waste dumps, conservation of schedule-1 fauna species, awareness, and partnership, etc.

We have engaged with the International Union for Conservation of Nature (IUCN) for revisiting our BMP and to align our actions towards no net loss. Our 3-year engagement with IUCN covered:

- Reframing of the biodiversity policy/technical standard and guidance note towards achieving the immediate goal of no net loss and to work in line with global standards
- Reviewing current BMPs and practices, develop site-specific biodiversity and ecosystem services management protocols, considering global best practices with a mission to achieve no net loss
- Development of annual action plan with reference to BMP and biodiversity policy, and support in the implementation of the BMP
- Training and building the capacities of employees in biodiversity and ecosystem services management

To develop BMPs for all our Rajasthan-based units, we have conducted a study to assess the impact and dependency of our direct operations on biodiversity. We have planted over 3.4 lakh saplings of native species across these locations since FY 2019-20.

Hindustan Zinc has joined the task force on nature-related financial disclosures (TNFD) to pilot a risk management and disclosure framework to address the current needs of the organisation by factoring nature-related risks and opportunities into financial and business decisions. We are working with ICMM – an organisation that develops for its members responsible mining principles – on TNFD piloting.

IBAT Study

We conducted an **Integrated Biodiversity Assessment Tool (IBAT) study** through IUCN for all our Rajasthan-based locations. The report presents the results of proximity analysis to identify the biodiversity features and species located within the 10 km buffer zone.

The IBAT study helps to identify areas of high risk or threat due to an operational activity and enables users to implement responsible investment decisions. Based on the IBAT study outcome, none of our operations are located in any of the identified biodiversity hotspots or protected areas.

Sarus Crane and Painted Stork at Dariba
Photo courtesy: International Union for Conservation of Nature (IUCN) Team

Ecosystem Service Review

Ecosystem service review (ESR) is a structured methodology to help businesses develop strategies for managing risks and opportunities arising from their dependence and impact on ecosystems. It is a tool for corporate strategy development and can serve to augment existing environmental management systems.

This review was done by IUCN for all Rajasthan-based locations to 'identify business risks and opportunities arising from ecosystem change'.

Objective

We initiated this review with the following objectives:

- To undertake desktop research about the ecosystem and habitat in and around the identified Hindustan Zinc sites
- Develop a comprehensive questionnaire to identify the ecosystem services at these sites
- Align the review with ESR tools
- Conduct an onsite ESR survey with the finalised questionnaire to document the priority ecosystem services (PES) in consultation with respective stakeholders
- Identify the risks and impact on the identified ecosystem services
- Prioritise the sites based on ecosystem risks and provide site-specific recommendations for effective ecosystem management

Site Closure Planning

At Hindustan Zinc, the approach to site closure is part of our sustainable mining plan, and plays a crucial role in identifying, minimising or mitigating and managing the risks: environmental, socio-economic, health and safety besides reputational risks, associated with site closure. It is highly important to own a sustainable site closure plan that incorporates stakeholder engagement and land rehabilitation and plans the closure in a way that ensures environmental and social stability.

Although none of our mines are currently near closure, we already have in place progressive closure plans for all our mines, in alignment with international standards, such as ICMM Principles, IFC performance standards, and IFC EHS guidelines besides conforming with the Group's technical standard on site closure and other statutory requirements. The closure plan also contains systematic impact and risk assessment focussing on both environmental and social issues.

We work closely with our stakeholders, including local communities and government agencies, when considering post-closure land use and related objectives. The involvement of local communities in closure plan development ensures that their requirements and concerns are identified and addressed. Hindustan Zinc is committed to the rehabilitation of land to minimise any negative impact of closure and to set aside sufficient funds to cover closure and rehabilitation. The Company has in place measures to address and avoid any environmental or landscape impacts of site closure.

The mine closure plan is updated at least once every five years, or when any material change occurs to mine development plans. Responsibility for the implementation of each part of the closure plan is clearly assigned, establishing a clear line of accountability and authority. Progress against the closure plan is required to be periodically communicated to all the internal stakeholders and relevant external stakeholders in a transparent manner. To ensure successful implementation of the site closure plan, we maintain a financial provision for closure costs, which is held separately from our operational funds.

Banning Single Use Plastic

Hindustan Zinc strongly believes in creating long-term value leading to a green and sustainable future. It has banned single use plastic from July 1, 2022. The Company has replaced all single use plastic (SUP) with other suitable material or compostable/biodegradable plastic.

We strongly believe that behavioural changes will serve to lead our efforts towards elimination of SUPs. We have accordingly banned use of products like plastic cutlery, polystyrene, PVC banners less than 100 microns in all our units, offices and townships. We have issued advisories to keep away products like plastic water bottles, food packages, plastic bags, etc., and switch to reusable and durable alternatives. We are encouraging our supply chain to find alternatives to SUP and have introduced terms and conditions with respect to SUP and the Plastic Waste Management (Amendment) Rules, 2022, along with request for quotation (RFQ) for all vendors.

Miyawaki Afforestation at Rajpura Dariba Complex (RDC) and Chanderiya Lead-Zinc Smelter (CLZS)

Description

The Miyawaki method is a technique to create dense forests with native plants. It mimics the way a forest would recolonise itself with native species naturally occurring in the specific climate conditions of an area if humans stepped away.

In the Miyawaki method, plant growth is 10 times faster, and plantation is 30 times denser than usual, thus leading to higher carbon sequestration. It involves planting dozens of native species in the same area, helping it become self-sustaining after the first three years. It is chemical-free and supports local biodiversity.

Objective

The Miyawaki method forms part of the Group's pledge to plant seven million trees in line with the one trillion trees campaign of the World Economic Forum (WEF) and our sustainability sub-goal of planting one million trees by 2025.

Outcome

This project, aligned with SDG 15 (life on land), provides for biodiversity protection and enhancement in and around our areas of operation.

Through the implementation of the Miyawaki plantation method, Hindustan Zinc has successfully transformed 2.4 hectares across its operational units in Debari, Dariba and Chanderiya. The Company has planted 32,500 saplings of 65 diverse species in its operational units.

Other Benefits

- Lowers temperature
- Makes soil nutritious
- Supports local wildlife
- Carbon sequestration

Hindustan Zinc Publishes 1st Environmental Product Declaration for Zinc Products

During FY 2022-23, Hindustan Zinc published its first environmental product declaration (EPD) for its zinc products, thus reinforcing its commitment to sustainability, transparency and minimising its environmental footprint. EPD is an independently verified and registered document that communicates transparent and comparable information about the life-cycle environmental impact of products.

The Company, through its sustainable business practices, provides long-term value for its stakeholders, communities and the environment. The EPD provides objective, comparable, and third-party verified data on the environmental performance of the Company's products throughout their lifecycle. Hindustan Zinc's EPD can be compared with EPDs from other manufacturers around the world, as it complies with ISO 14025:2006 and EN 15804:2012+A2:2019 standards.

The life cycle assessment (LCA) study conducted to develop the EPD for the Company's zinc products was in line with ISO 14040 and ISO 14044 standards. LCA provides a holistic approach for measuring the environmental performance of zinc products by considering the potential impact from each stage of manufacturing, product use and end-of-life.

Social – Corporate Social Responsibility

Investing in Overall Community Development

Lives positively impacted through social, economic and environmental interventions

1.72 million

(During FY 2022-23)

This number represents our aspirations as an organisation to benefit communities by implementing meaningful, impact-driven initiatives on ground. It underlines the deep social responsibility embedded in our psyche. It symbolises the success of our efforts to ensure holistic and inclusive growth, which encompasses the community.

Our CSR policy and programmes are aligned with the United Nations Sustainable Development Goals (UN SDGs) as well as India's national agenda. We have centred our CSR efforts on strengthening the local economy and improving the overall quality of life. Since the past two decades, we have been working actively in the areas of education, sustainable livelihood, healthcare, water sufficiency and skill development. We have established a significant presence in these areas, as an organisation making a positive difference to lives. We have identified key actions to steer collective development and growth in these outreach areas. We also have in place a well-defined CSR framework that enables us to respond proactively, and with agility, to the urgent needs of the underserved sections of society.

Our Vision

Our CSR vision is to enhance the quality of life and economic well-being of the communities around our operations

Our Mission

Our CSR mission is to facilitate collaborative development to improve the quality of life of the people, particularly in the neighbourhood and the state, for achieving business goals and reputation management

Our Goals

- Positively and holistically impact the quality of life of the communities living around our areas of operation
- Work in partnership with multi-stakeholders to innovatively, effectively and efficiently address development challenges
- To emerge as a thought leader, create benchmarks of good practices in CSR across Rajasthan and the country

OUR GROWING CSR OUTREACH

CSR Outreach (beneficiaries in million)

In FY 2022-23, our CSR initiatives translated into a powerful impact on the community around our operational locations. Our programme outreach has expanded 3.4 times since FY 2019-20.

Villages benefitted through sustained CSR initiatives

237

Villages covered through Khushi Nand Ghar initiative

2,512

Cities (Udaipur and Chittorgarh) provided with sewage treatment plant and water availability respectively

2

Women and children reached through specific targeted initiatives such as education programmes – Khushi Nand Ghar, Shiksha Sambal, Unchi Udaan, etc. and women empowerment programmes like Sakhi self-help groups and microenterprises

0.32 million

Beneficiaries provided with enhanced skillsets through Samadhan, Zinc Football Academy and Zinc Kaushal programme

0.059 million

People reached through other community development initiatives such as health, water and sanitation, community asset creation, environment and safety, promotion of culture, etc.

1.33 million

Impact

- Enhancing the local economy through implementation of sustainable livelihood practices
- Evolving strong grassroot institutions and promoting microenterprises both at the collective and individual levels
- Improving the quality of life in the communities through lifecycle approach in education and development of model villages
- Promoting safety within communities through cadre development

Our Relationship with Communities

We have tremendous faith in the strength of our relationships and the durability of our bonds with communities in our operational areas. We believe these connections are vital to steer the implementation of our plans and programmes, especially in the CSR domain. We thus continue to nurture our community relations, which we view as a pillar of our stakeholder relationships.

We have established a foundation of trust, honesty, care, respect, transparency and integrity as the roots of our community relations. To nurture these connections, our efforts are focussed on creating community baselines and comprehending the needs of the community. We implement our CSR initiatives on the basis of this understanding, and in line with our vision towards sustainable growth and development of the community.

Holistic Multi-Sectoral Programmes

For meaningful inclusive growth and development, Hindustan Zinc pursues a holistic strategy that addresses the complete spectrum of the community's primary needs. As part of a comprehensive action plan, we have adopted seven key thematic areas to steer our CSR efforts towards betterment of life in the communities and drive the realisation of our CSR vision and goals. These thematic areas are in accordance with Schedule 7 of the Companies Act 2013, and focus on the specific impact of each programme, thus cumulatively driving greater overall impact by the organisation.

This approach is:

- Based on the continuum and convergence paradigm, that enables last-mile impact delivery to each member of the community, through distinct business drivers for each programme and evidence-based impact
- Focussed on implementation of programmes in conveyance with Government schemes and policies, while staying connected with the core beneficiaries, that promotes an ownership culture within the community
- Implemented through working with various community-based institutions established by Hindustan Zinc to promote a culture of ownership and create leaders from within the community, who promote working alliances such as Federations, Farmer Producer Organisations (FPOs), Anganwadi Management Committees (AMCs), etc.

Strong Governance and Compliances

We believe that for the success of any programme, strong implementation practices are as essential as focussed planning. We have established a robust CSR governance framework focussed on compliances, to ensure effective implementation and proper execution on the ground.

Impact Assessment Study

We are cognizant of the importance of regular evaluation of our programmes to ensure that they make meaningful impact on the ground. Such assessments also serve to reorient our programmes in accordance with the needs of the community.

Third-party Impact Assessment

In compliance with this mandate, during FY 2022-23, we conducted an independent third-party impact assessment of five of our CSR programmes. The impact assessment undertaken by Indian Institute of Corporate Affairs (IICA) covered the following programmes: **Zinc Kaushal, Unchi Udaan, Zinc Football Academy (ZFA), Sakhi - Microenterprises besides Drinking Water projects.**

The social value of each of these programmes was evaluated in this study that served as the basis to assess the investment made by the organisation.

Zinc Kaushal

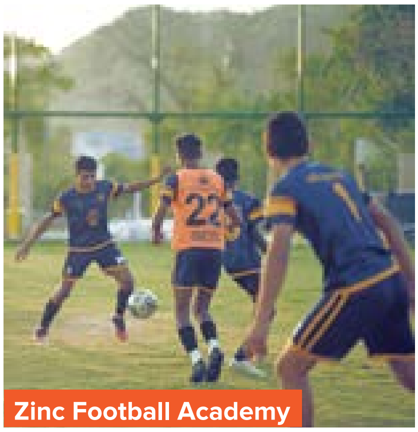
Beneficiaries since FY 2019-20

4,000+ youth

Unchi Udaan

7 batches since FY 2017-18

226 students



Zinc Football Academy

Beneficiaries since FY 2017-18

4,000+ youth

Sakhi Microenterprises

Beneficiaries since FY 2019-20

27,000+ women

Drinking Water

Beneficiaries since FY 2018-19

100,000 villagers

Read more about Impact Assessments of our programmes on our website www.hzlindia.com

Our CSR Initiatives

In line with our CSR vision, our initiatives operate around the twin objectives of promoting quality of life and the economic well-being of the communities in which we operate.

Impetus on creating scalable and replicable models through strong backbone of convergence and linkages

Emerge as thought leaders in CSR

PROGRAMME OVERVIEW ACROSS OUR CSR VERTICALS

We have identified certain programmes as vital to the realisation of our vision and achievement of our goals. These programmes have been progressively developed as our CSR verticals.

CSR Vertical 1

Creating Sustainable Livelihood for Farmers and Youth

We have identified the development of sustainable livelihood opportunities, especially for the farming community and youth from the surrounding communities, as an important area of our CSR interventions.

Objective

Samadhan

Ensures sustainable livelihoods for earmarked families through integrated farming systems and livestock development in 184 villages.

Zinc Kaushal

The Zinc Kaushal project provides market-led, industry-oriented skill-based training for youth in the communities in which Hindustan Zinc operates.

Description

Under Samadhan, farmer families are supported through pioneering interventions like Farmer Producer Organisations (FPOs) and Farmer Interest Groups (FIGs). These interventions not only introduce farmers to new advanced agricultural practices but also help to enhance the scale of their operations by offering high quality supplies at affordable rates and also support livestock development.

Zinc Kaushal programme recognises youth unemployment as a major concern in our operational areas. We work on creating strong pipelines between the industry and various institutes for promoting sustainable livelihood opportunities. This is done by:

- Providing short-duration intensive training in market-linked courses through our Zinc Kaushal programme
- Fostering an entrepreneurship spirit among the local youth by way of providing support, handholding and facilitating a professional approach in starting a business

Impact*

Farmer families covered under Samadhan across 5 districts in 6 locations

29,000+

Youths benefitted across 200+ villages in 6 districts and 6 locations under Zinc Kaushal

1,700+

*(*During FY 2022-23)*

Heroes of the Vertical

- Developed the 5 independent FPOs (i-FPOs) with 5,000+ shareholders
- Established 2 microenterprises – a dairy unit and a mineral mixture unit
- Developed 'Gauam' brand for dairy microenterprises
- Total revenue of ₹ 2.9+ crore achieved through 5 i-FPOs and 2 microenterprises
- Understanding with Bhilwara Dairy (SPARSH) for development of high milk-yielding breed of cattle across the district
- Training and skill development of first ever batches of female unarmed security guards and deaf and mute persons for hospitality industry; 100% placement achieved

Sustainable Livelihood Programme Initiatives

Major Activities & Achievements During FY 2022-23

Partnerships with BAIF Institute for Sustainable Livelihoods and Development (BISLD) and Sparsh Trust

Samadhan

Agriculture

- Variety of crops cultivated
- Farmer families supported with improved seeds, fertilisers & medical care for the crop
- Farmer families supported with hi-tech vegetable cultivation to break conventional cropping cycle; provided with knowledge & exposure visits for advance farming practices

Received Agricultural Technology Management Agency (ATMA) Awards – 5 at block level & 2 at district level

7 Farmers

Land covered for improved crop cultivation

2,507.2 Acres

Farmer Producer Organisations (FPOs)

- Samadhan focusses on capacity building of the Board of Directors of the 5 FPOs, to equip them to steer the business effectively and build the FPO as a sustainable means of income for farmers
- FPO supports the prosperity of farmers through better market access and sustainability, besides providing farmers micro and macro agricultural solutions

FIGs having 5,000+ shareholders, including 2,150 women shareholders

306

Total Revenue (5 i-FPOs & 2 Microenterprises)

₹ 2.9+ crore

Livestock Development

- 9 integrated livestock development centres (ILDCs) provided quality breeding services
- More than 1 lakh animals protected from lumpy virus, 24,000+ medicinal kits provided
- Birth of 3,199 female calves worth ₹ 16 crore & 352 goat kids worth ₹ 35.2 lakhs
- ₹ 14+ crore worth additional milk of 47+ lakh litres produced during the year

Cattles covered through animal health camps

25,000

Microenterprises

- Dairy microenterprise aggregates the milk received from its farmer shareholders, with adherence to clean milk procedures
- Provides sale of fresh milk and other dairy products
- Its products are marketed under the brand name ‘Gauam’

Increase in intake of milk in 8 months

6X

Mineral mixture (BAIF MIN-C) produced and sold

60 MT

Zinc Kaushal

Youth Empowerment

- 40% females among trained youth, including the most stereotyped fields of assistant electrician & security, etc.
- Placement with top organisations and reputed employers of the country
- 200+ trainees (15%) placed outside the state majorly in Telangana, Gujarat, Madhya Pradesh, etc.
- Exposure visits to provide hands-on training – 100 such visits covering 1,600+ students were undertaken
- 6-day Rozgar Rath & Job Fair organised to promote mass mobilisation and placement of youth

Youth trained through 6 centres

1,771

Trainees either placed in reputed organisations or have become self-entrepreneurs

77%

Average monthly income of successfully trained youth

₹ 12,000+

Partnerships with Ambuja Cement Foundation and Tata Community Initiatives Trust

CSR Vertical 2

Empowering Women through Grassroot Institutions

Women's empowerment is integral to the nation's progress and an important engine of long-term sustainable development. We have thus prioritised women's empowerment as a pillar of our CSR strategy.

Objective

To promote women's empowerment economically and socially.

Description

Sakhi (derived from Sanskrit, the word 'Sakhi' means friend or companion) works towards empowerment of women by making them financially and individually independent through sustainable grassroot institutions like federations, village organisations, self-help groups (SHGs) and microenterprises.

The microenterprises initiative strives to support sustainable livelihoods and empower women from underprivileged areas, to make them change agents of society. It supports and enables women through development of enterprises. It further sustains the microenterprises that are owned and managed by the women members.

Impact

Women benefitted through Sakhi including the microenterprises initiative

27,000+

Villages and village organisations: across 7 locations in 6 districts in the states of Rajasthan and Uttarakhand

200+

Microenterprises developed

12

Heroes of the Vertical

- **Uthori –** Sensitising sakhis on gender issues, vulnerability, awareness about relevant Government schemes, acts and rights, besides engaging with the participants to recognise gender stereotypes and identify opportunities to overcome barriers.
  98 gender sakhis working actively in the field, raised awareness among 22,500+ sakhis
- Hindustan Zinc's Chairperson Ms. Priya Agarwal Hebbar launched a food brand named DAICHI

Women's Empowerment Programme Initiatives

Major Activities & Achievements During FY 2022-23

Partnering with Manjari Foundation, Hanuman Van Vikas Samiti, Centre of Values – CosV, CSC Academy, GoIT

Sakhi

- 7 federations across 7 operational areas at Rajasthan & Uttarakhand strengthened to take over and sustain the responsibilities of 2,153 SHGs
- 101 Poshan Sakhis developed, reaching 21,695 women in adopting a healthy lifestyle by eradicating anaemia and leading to healthy mothers and healthy families
- 12 Sakhi Sewa Kendras to improve digital literacy amongst rural women by providing services to access Government schemes besides other services like online paying of bills and filling up forms; 1,500+ digital transactions amounting to ₹ 37+ lakhs
- 32 Suraksha Sakhis part of the security campaign in collaboration with Rajasthan Police
- 1,500+ women trained under skill development and entrepreneurship
- Family Based Livelihood Programme – Loans worth ₹ 4.87 crore disbursed among 1,400+ SHGs to support livelihood opportunities

Savings achieved by SHG
₹ 15.48 crore

Credit generated
₹ 13.23 crore

Cumulative loans generated
₹ 76.92 crore

Women who successfully started individual microenterprises
1,402

Microenterprises

- 12 production units run by women, 290 women engaged in manufacturing and sale of products
- 2 brands established Upaya (Apparels), Daichi (Food)
- 10 store-in-store/sakhi haats established
- Heart with Fingers (HWF), an umbrella marketing body, in progress
- Hike in sales from business sakhis, ranging from ₹ 30,000 - ₹ 40,000 to ₹ 6 lakhs per month achieved by boosting rural marketing through Grameen Sakhi Haats
- ₹ 1.51 crore convergence through partnership with PNB Housing, NABARD, Capri Global

Revenue generated through microenterprises
₹ 1.29 crore

Sales achieved by business sakhis
₹ 43.73 lakhs

Total income of sakhis in production
₹ 33.37 lakhs

Our microenterprises initiative for women's empowerment started with women forming individual microenterprises, ranging from beauty parlours and tailoring units to general stores and wheat mills. The success of these individual ventures motivated women to form collective enterprises, running production units for pickles, spices and pulses. Women who had undergone training in sewing and stitching went on to open tailoring units, which initially took up orders for children's uniforms from the Anganwadis and later signed an MoU with the CSC Academy for stitching the uniforms and providing textiles for their online stores. Growing from success to success, these microenterprises eventually launched their own textile brand 'Upaya' and food brand 'Daichi'. In another innovative initiative, the women started using smelter remains as raw material to convert them into aesthetically pleasing paver blocks, which were sold to various residential colonies and schools for the construction of footpaths.

CSR Vertical 3

Investing in Education of Underprivileged Children

We strongly believe that there can be no holistic progress without the education of children. Given the lack of educational facilities among underprivileged children, we continue to make significant investments in this area.

Objective

To strengthen continuity and sustenance across the child's lifecycle, with complete focus on the child from birth until completion of higher education.

Description

Multiple programmes for children constitute one of the largest CSR verticals with the highest spend at Hindustan Zinc:

- Khushi Nand Ghar programme for children below 6 years of age
- Shiksha Sambal initiative supporting young talent from grades 6 to 12
- The Unchi Udaan programme selects high-performing students from Shiksha Sambal schools and provides them with four years of in-house coaching to qualify for engineering courses via IIT-JEE
- Technology-aided learning is provided to students between grades 6 and 10, while children enrolled in higher education classes are supported through digital education and Company-run schools

Impact

Children covered across Khushi Nand Ghar, Digital Shaala, Shiksha Sambal, Unchi Udaan, Scholarship and Company-run schools' programme.

227,000+

Visually impaired, deaf and mute students studying in 4 specially-abled schools

600+

Pregnant women and lactating mothers benefitted and capacity building of Anganwadi field team through the Khushi Nand Ghar programme

41,000+

Heroes of the Vertical

- Identified 1,400+ cases of severe acute malnutrition (SAM) of which 75% of the children were brought out from this group
- Hindustan Zinc's efforts to promote nutrition were recognised during Poshan Maah (a campaign to address the issue of malnutrition) and appreciated by Ajmer District Management
- Health and nutrition assessment study was conducted in 5 Districts of Rajasthan
- First ever 20-day pre-vocational courses on agriculture and electrical trades were imparted to grade 11 students
- Introduction of the Fellowship Model that onboarded 10 fellows from grades 6 to 8 to strengthen their language competencies and mathematical skills in collaboration with Government subject teachers
- This year, 5 students of Unchi Udaan batch 1 received job placement with the highest offer of ₹ 9 lakhs and the average offer of ₹ 7 lakhs to ₹ 9 lakhs per annum; ongoing placement process shall be completed following the engineering examinations

Education Programmes

Major Activities & Achievements During FY 2022-23

Khushi Nand Ghar

This CSR project of Hindustan Zinc seeks to strengthen the efficacy of the State Government's integrated child development services (ICDS) programme in 3,145 Anganwadi Centres (AWCs) to improve health and well-being of children aged below 6 years.

- Intensive capacity-building sessions conducted for the team and frontline workers to make delivery of services more impactful
- Facilitated Anganwadi workers in planning and implementation of pre-school activities according to the ICDS monthly theme plan. Additionally, counselling was provided to mothers and parents through home meetings and community gatherings in the field
- Established a platform through community engagement activities like meetings and special events to disseminate essential messages relating to health and nutrition, and the importance of preschool education (PSE) in the community
- Conducted 406 camps on community-based management of acute malnutrition (CMAM) that covered 4,900+ children
- All the Anganwadi Management Committees (AMCs) constituted as an additional sustainable mechanism to take up ownership of development of Anganwadi Centres (AWCs) by community members
- Pre-school learning imparted to over 1 lakh children through videos
- 20,000+ kitchen gardens developed at AWCs and households
- 842 AWCs representing 12,000+ pregnant and lactating mothers participated in awareness sessions on the benefits of breastfeeding, besides nutrition, pre-natal and post-natal care of mother and child
- Undertaken 1.36+ lakh household visits and 1,756 community meetings

Partnerships with Government of India, Ministry of Women and Child Development – Government of Rajasthan, Department of Women and Child Development, CARE India Solutions for Sustainable Development, Gramin Avam Samajik Vikas Sanstha, Jatan Sansthan and Seva Mandir

Shiksha Sambal

Works with the objective of strengthening the learning environment in Government schools, to enhance rural students' ability to learn by expanding their conceptual knowledge with special focus on Science, English and Mathematics.

- 37,000+ regular and after school classes conducted for Science, Mathematics and English across grades 9 and 10
- 51 schools intensively covered during Diwali learning camps over 9 days
- 700+ students of grades 6 to 8 offered activities to enhance their reading habit and scientific acumen, including reading melas and library classes
- 126 modules for imparting education transacted through the Fellowship Model, that focussed on a pedagogic approach
- 13 rigorous career counselling sessions covering 500+ students, were organised to guide them on future prospects for their growth and development
- 50 learning camps conducted through summer and winter to benefit 3,400+ students

Partnership with Vidya Bhawan Society

Unchi Udaan

Initiative to nurture and groom young, promising talent from economically backward families to gain admission into IITs and other reputed engineering institutions.

- Batch 5 appeared for JEE Mains' first attempt; 4 students secured scores higher than 90 percentiles
- 3 wellness sessions organised with batches 5 and 7, to alleviate students' anxiety during exams
- 22 students secured admission into reputed Government colleges while two students were selected in IIT Guwahati (mechanical engineering) and NIT Kurukshetra (production and industrial engineering)
- The entire batch 4 with 30 students gained admission into Government engineering colleges

Partnership with Resonance and Vidya Bhawan Society

Jeevan Tarang

This programme seeks to empower persons with disabilities (PwD) to become self-reliant and important contributing members of their families via capacity building, and finding employment to earn a livelihood.

- 600+ students and parents learned Indian sign language through a dedicated curriculum and 90+ visually impaired children received technology training to use DAISY players, smartphones, computers, and MS-Office, software for accessing learning content online
- Speech therapy provided to deaf students to help them communicate and enhance their self-esteem and independence
- 100% students of class 12 across the 4 specially abled institutions passed the exam
- Awareness sessions for students conducted on a variety of topics including road safety, yoga and self-defence, digital literacy, menstrual health and hygiene, good touch and bad touch

Partnerships with Badhit Bal Vikas Samiti, Ajmer; Badhir Bal Kalyan Vikas Samiti, Bhilwara and Noida Deaf Society

Other Education Initiatives

- Hindustan Zinc has 5 schools with an enrolment of **1,600+** students from nearby communities, across classes 1 to 12, that support the students' academic and overall development
- More than 130 students supported through scholarship programmes
  - **Yashad Scholars scholarship** for students pursuing engineering
  - **Vedanta P.G. girls' college programme** that offers scholarships to rural girls to pursue graduation and post-graduation
- **Digital Shaala** enables digital access and learning for 18,000+ students of 70 Government schools of Gwalior and Madhya Pradesh

Partnerships with Vedanta Foundation, Sumedha, Muskaan Dreams Creative Foundation

CSR Vertical 4

Ensuring Access to Healthcare and Water

For lakhs of people in our operational communities, access to basic healthcare and safe drinking water continues to be an area of concern even in this day and age. We are actively working towards augmenting health and water facilities in our target areas.

Objective

Healthcare

To provide for the community's health needs besides strengthening existing medical care facilities, to bridge the gaps in the rural public health system.

Water

Provide potable drinking water in Rajasthan, which lacks adequate ground water, and free women from the arduous task of walking long distances to fetch water.

Description

Our 'Swasthya Sewa' health programme is a complete package of health support initiatives across 179 villages, 7 locations and 6 districts in 2 states.

We are also working towards ensuring accessibility and availability of clean drinking water to the community through establishing RO/ATMs or by providing water tankers across 6 locations and 5 districts in Rajasthan.

Impact

Patients reached through healthcare initiatives

200,000+

Company-run hospitals and rural health institutions

6

Beneficiaries of various water initiatives

229,000+

Heroes of the Vertical

- Addition of an oncology vehicle to the fleet to demonstrate our commitment towards the health of our local communities, and strengthen the medical infrastructure for early detection of various cancers like lung cancer, breast cancer and cervical cancer by providing the vehicle to Rabindra Nath Tagore Medical Institution
- 53 ROs and filters with UV system installed at Government schools, colleges, hospitals, and hostels across the tribal block of Kotra, Udaipur, that benefits a population of 28,000+

Health, Water & Sanitation Programmes

Major Activities & Achievements During FY 2022-23

Swasthya Sewa

- Providing preventive & curative healthcare services by strengthening medical institutions and healthcare centres
- Mobile medical health vehicle that provides door-to-door health facility for the community, and used during mega health camps, raising health awareness and connecting residents with doctors for telemedicine services
- 190+ health awareness sessions conducted during No Tobacco Day, World Breastfeeding Week, World First Aid Day, World Mental Health Day, International Girl Child Day, etc.
- Focussed on strengthening various health institutions – by providing special support for heart-related ailments through Cath labs in Rabindranath Tagore Medical College, Udaipur, besides supporting Shubham Seva Sansthan, Homeopathic and Naturopathy Centre

Mobile medical health vehicles

7

Outpatient Department (OPD) consultations conducted

1,600+

Patients treated and participants at health awareness sessions organised across 179 villages

93,000+

Partnerships with Smile Foundation, Shri Shubham Seva Sansthan, Deepak Foundation, Wockhardt Foundation

Drinking Water

- Ensuring availability and accessibility of potable drinking water through 51 ROs and ATM plants established across 47 villages besides supplying water through tankers to 34 villages
- Augmenting water supply in 3 villages of Dariba – 66,732 m^3 water storage capacity enhanced, surface water harvested through deepening of ponds, achieved increase in ground water level, 1,500 livestock benefitted, undertaken recharge of 80 open/tube wells

Beneficiaries

229,000+

Partnerships with Toyam Technologies India Pvt. Ltd., Waterlife Technologies Pvt. Ltd., Neer Amrit, Ambuja Cement Foundation

CSR Vertical 5

Creating Community Assets

India's villages still lack the basic infrastructure essential to ensure a respectable standard of living. We have partnered with local institutions to develop such infrastructure in the rural areas where our units are located.

Objective

To strengthen and enhance the basic infrastructure availability in the community to improve the villagers' quality of life.

Description

We undertook both basic and advanced infrastructure development in the areas of livelihood, water, sanitation, education and health, during the year. We have partnered with the Government and local panchayats to implement key programmes under this vertical.

Impact

Beneficiaries under various programmes to strengthen community assets across 6 locations and 5 districts in Rajasthan where we operate

130,000+

Major Activities & Achievements During FY 2022-23

- Developed 8 community halls, 3.23 km of roads and 13 cremation sheds, benefitting 71,857 villagers in our operational areas covering 37 villages
- Covered 23 Government schools through construction and renovation-related activities, 8 classrooms/halls, 5 toilets and 5 prayer sheds along with renovation of existing infrastructure, in 12 schools, that benefitted 5,046 students, raised the education standard of children and built a comprehensive learning environment
- Installation of 98 solar lights and high mast street lights to illuminate villages and make them safer through sustainable means

Heroes of the Vertical

- Chittorgarh College work initiated, expected to be completed in FY 2023-24: Building area – 26,000 sq. ft.; Outreach – Gangrar block, 22 Gram Panchayats and 1.5+ lakh people
- Railmagra bus stand with coverage of entire tehsil, transports over 800 passengers daily
- Kayad crossing that facilitates commute for more than 10,000 people from nearby villages
- Partners – Local panchayats and State Government

CSR Vertical 6

Nurturing Sports & Culture

A sharp focus on nurturance of sports and culture is a significant driver of our CSR programmes and initiatives.

Objective

To promote sports and the rich cultural heritage of Rajasthan at regional, state and international levels.

Description

Sports – Zinc Football (ZF) is a marquee initiative of Hindustan Zinc that captures the passion of sports amongst the local communities of Rajasthan. We also promote cluster-based sports at local, block, state and national levels.

Culture – We regularly organise various programmes and events to promote and preserve the rich cultural heritage of Rajasthan on regional and global platforms.

Impact

Youth benefitted through various sports initiatives, mostly across Rajasthan and pan India

28,000+

Population covered through various regional, district, state, national and international level cultural programmes

382,000+

Heroes of the Vertical

Sports

- Zinc Football Academy's goalkeeper Sahil Poonia and players Jangminthang Haokip and Ashish Mayla were handpicked for the India U-16 National Team Camp
- Sonu Haardu won the best athlete award at Khelo India
- Initiated construction work during FY 2022-23 on the Anil Agarwal International Cricket Stadium in the village of Chonp, Jaipur, which will be the third largest in the world, to be built for the promotion of cricket and sports pan India and beyond; completion target FY 2023-24
- Started work on Chittorgarh stadium, to be completed in FY 2023-24
- Formation of Vedanta Zinc Football and Sports Foundation

Culture

- 6th Edition of Vedanta Udaipur World Music Festival 2022 held – a 3-day extravaganza with the underlying theme 'Preservation and propagation of the forgotten musical instruments and traditions of Rajasthan'

Sports & Culture Programmes

Major Activities & Achievements During FY 2022-23

Zinc Football Academy (ZFA) & Cluster-based Sports

- ZFA is an effort to identify and harness the potential of Indian football to grow. To propel this aspiration, Vedanta Zinc Football & Sports Foundation has been created ensuring the Academy's participation at national and international level tournaments
- U-17 I League Youth Cup: ZFA boys played up to the quarter finals, winning all 4 games
- Community school girls represented ZFA in Khelo India U-17 Girls Football League; and won 2nd position
- 7,300+ players supported through cluster-based approach, aimed to promote team sports such as kabaddi, volleyball, cricket, etc. at local, block and district level
- Supported 10-day 43rd Mohan Kumar Mangalam Tournament with 20,000+ community members

Partnerships with The Football Link, Young Monk Communications Pvt. Ltd., Vedanta Zinc Football and Sports Foundation, Rajasthan Cricket Association, Government of India

Promotion of Culture

- To promote and preserve local culture and art elements, revive the use of dying musical instruments, and provide a platform for artists
- Vedanta Udaipur World Music Festival focussed on showcasing Sarangi, a bowed musical instrument, to inspire younger generations to follow its legacy; participation from more than 10 countries with 130+ artists & 55,000+ stakeholders; 3 artists' workshops organised at various institutes in Udaipur
- Organised 'Smritiyaan' to promote local ethnicity and culture, and contribute to the revival of dying instruments
- Support and promote events such as Pushkar Mela, Bhilwara Mahotsav, Maharana Kumbha and Kabir Yatra, to promote traditional Rajasthani culture and art

People took an oath for freedom from child marriage in one of our campaign on Child Marriage Day (Bal-Vivah se Azadi) to mark the nation's 75th Independence Day

100,000+

Partnerships with Seher, Tabla Wizard Pt. Chaturlal Memorial Society, Maharana Kumbha, Srajan The Spark

Case Study

Touching New Milestones

The Journey of Goalkeeper Sahil Poonia

At 16, Sahil Poonia is a shining star of the under-17 national football team. The journey of this player from ZFA to the national team is marked by many milestones of excellence.

The Best Goalkeeper award on his debut for India at the SAFF Under-17 Championship in Sri Lanka in September 2022 was just the beginning of Sahil's stardom in the national football arena. This Ladwa (Hissar, Haryana) born youngster went on to represent the country at the AFC U-17 Asian Cup Qualifiers in Saudi Arabia, where India registered three wins in four matches to qualify for the 2023 Asian Cup.

Sahil's father, as the sole breadwinner of the family, always supported his football enthusiast son's dream of becoming an ace footballer and playing for the nation. As a child, Sahil used to accompany his friends every evening to watch football matches at a local ground. He started playing with the elders in the village – an experience that he feels gave him the right exposure, at a very young age, to play in high-intensity matches and against physically stronger players.

Impressed with his trials, ZFA scouts selected Sahil for a scholarship in 2018. He has, since then, proved himself worthy of the opportunity. His evolution as an excellent player became evident at ZFA's exposure tour to Goa in April 2022, where his eye-catching performances against reputed teams like Dempo FC and Indian National Camp team caught everyone's attention. He soon received a call from the national camp, and rose to new heights, thus fulfilling the confidence demonstrated by the national head coach, Bibiano Fernandes, in Sahil's abilities.

"I am really happy to have won the Best Goalkeeper award on my debut for India. This achievement would not have been possible without the constant support of my family and also Hindustan Zinc that provided me the platform to reach this level. I will continue to work eagerly because my ultimate dream is to make it to the senior national team" Sahil had said in 2022. It is a dream we hope to see him fulfil in the near future.

CSR Vertical 7

Enhancing the Environment & Safety Proposition

Providing a clean and safe environment to neighbourhood communities is pivotal to the realisation of our sustainable growth strategy. We have in place various programmes to promote a healthy and secure ecosystem in the villages near our operations.

Objective

To promote better environment and healthy, unpolluted surroundings by implementing climate-strong practices.

Description

Hindustan Zinc proactively works to promote a safe and healthy environment for the surrounding communities. Our efforts in this vertical include promotion of massive plantations, support for Udaipur city through a 60 MLD sewage treatment plant (STP), and implementation of an independent third-party study for assessing climate-strong practices within CSR.

Safety is a non-negotiable facet of our business, backed by the vision to extend this commitment to the community. We launched a safety module across the six locations of Dariba, Kayad, Agucha, Debari, Zawar and Chanderiya named 'Suraksha Margdarshika', the module covers home and domestic safety, such as LPG safety, electrical safety, ergonomics safety, 5S of six sigma at home, confined space safety, etc. It is aimed to create safety master trainers to advance safety trainings in the community.

Coverage

- Entire Udaipur city 3+ lakh population through STP
- 700+ people, including Government school students, youth and rural women and men, benefitted through the year from regular and practical demo sessions on fire safety and basic first aid across locations

Created Zinc India Foundation, a section 8 company for implementation of a sewage treatment plant.

Impact

People benefitted through environment and safety initiatives

95,000+

Saplings planted

59,000+

Master trainers developed, provided training to 21,000+ people, as part of Community Cadre Development

180+

People reached during the National Road Safety Week through initiatives like Roko Toko campaign, Nukkad Natak and awareness sessions

6,000+

Heroes of the Vertical

- Formation of Zinc India Foundation
- Set up Miyawaki Forest with 50 varieties in Anjana & Dariba villages of Rajasmand District
- Launch of Safety Module – Suraksha Margdarshika

Partnerships with Udaipur Municipal Corporation (UMC), Urban Improvement Trust (UIT) – Udaipur, Jatan Sansthan, Zinc India Foundation

Creating Value Through Convergence

We have forged convergences for this vertical with State and Central Governments, peer companies, peer NGOs and the communities wherein we operate, in order to enhance the impact of our initiatives. We believe that these collaborations serve to broaden the reach of the initiatives among wider audiences and sustain the institutions created.

Value generated through convergence

₹ 9.28 crore

Awards Won

Setting a new benchmark for excellence at S&P Global Platts Award 2022; our CSR was internationally recognised for exceptional ethics and operations

Hindustan Zinc's 7 units presented with the 26th Bhamashah Award for the on-ground impact created in the field of education

Recognised with National CSR Awards for the Swachh Iconic project at Ajmer Dargah Sharif under the Heritage, Art and Culture category

Hindustan Zinc's Khushi Anganwadi Nandghar programme was recognised and awarded in the 6th CSR Health impact awards 2022 under the category CSR Health Campaign for its remarkable work in the field of improving health status of women and children below 6 years

Encouraging Employee Volunteering

To make sustainable development a priority and generate awareness among the key stakeholders, we have implemented employee volunteering as a practice in the organisation. This is aimed to provide employees an opportunity to take part in our social development journey and increase their awareness of global challenges.

- Volunteering in our Shiksha Sambal Project, employees participated in sessions focussed on knowledge building and career guidance
- Employees also volunteered in Zinc Kaushal Kendra and helped trainees gain knowledge on the importance of recent trends and communication, through discussions on topics like safety, health and pollution

Employees volunteered

985 including **180+** external volunteers

Hours volunteered

11,531.5

Employee engagements with 457 manhours in various CSR projects

156

Case Study

Scaling Learning Outcomes in Government Schools

In 66 Government schools, students of grades 9 and 10 have seen a transformation in their learning outcomes and grades since the introduction of Hindustan Zinc's Shiksha Sambal programme. Shiksha Sambal is a flagship initiative of the Company. It is transforming education in the Government schools in Hindustan Zinc's operational area, where it is being implemented by the Vidya Bhawan Society since 2016.

The programme's focus is majorly on Science, English and Mathematics, including 13 Government schools of the Science stream. The students who have benefitted from the intervention include grade 6 onwards in the 10 schools that have adopted the Fellowship Model.

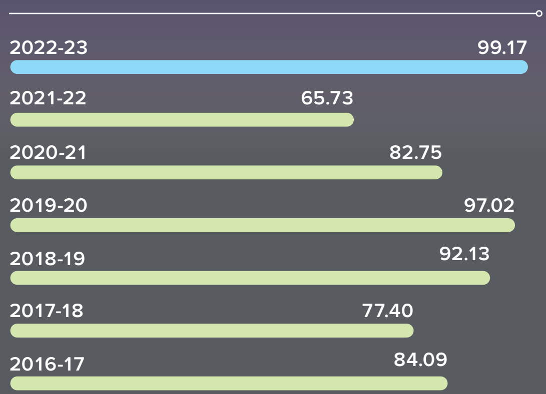
The initiative seeks to develop the students' conceptual understanding and help them achieve better results in the overall examinations. The programme compass covers several innovative interventions, with focus on understanding the needs of the schools and the students, and working closely with them on the change strategy.

It includes organising special classes during summer, winter and Diwali breaks, aimed at providing student-centred teaching and enhancing the learning confidence of students. A unique teaching-learning process is adopted, which promotes the use of library resources. Regular practice exercises are provided to the students through model papers and workbooks. Extra classes are conducted on a regular basis. The programme also provides opportunities for hands-on learning.

FY 2022-23 witnessed a special accomplishment by students of grade 10 across seven Government schools at the Agucha location where the programme is being implemented. As against 90% overall pass percentage of the Rajasthan Board, 99.17% students at the Shiksha Sambal students at Agucha passed the grade 10 examination. An impressive 51% of the students secured the first division and 44% passed in the second division.

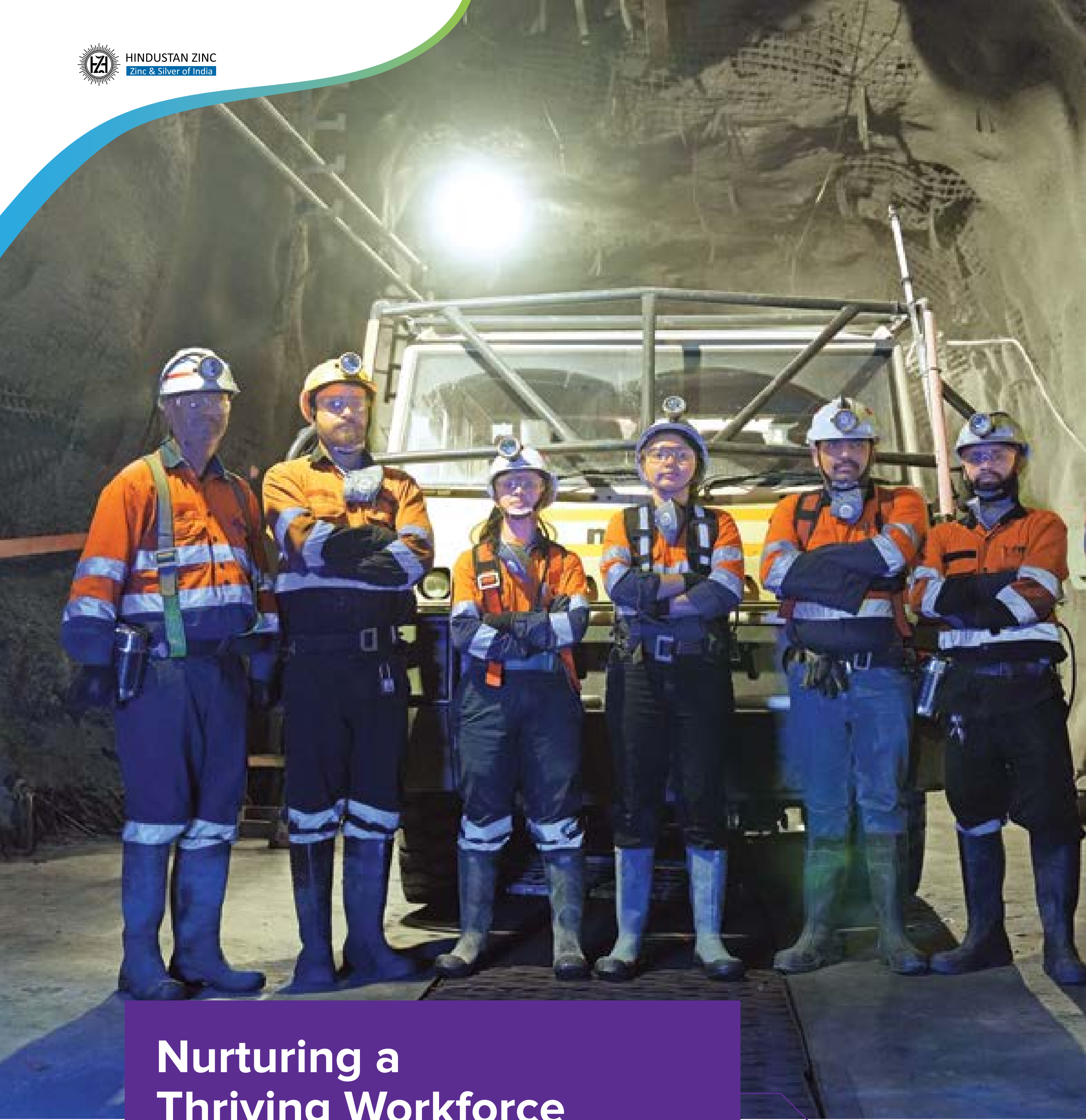
This marks significant progress over the previous years for these schools, which have taken a major leap in the direction of achieving Shiksha Sambal programme's vision of 'all pass and no fail'. During the academic year 2021-22, the overall pass percentage of these seven schools had stood at 65.73% and during the base year 2016-17, it was 84.09%.

Agucha Pass Percentage



"We, as a socially responsible entity, reached out to over 1.7 million beneficiaries through our initiatives in FY 2022-23 with a larger focus on institution building, creating a shift from undertaking strategic CSR to systemic CSR, intertwined with sustainable business approaches. Our mantra has been scale & speed of our programmes, sustenance, sensitivity and women focus. We have been revitalising our initiatives under the three spheres of strengthening the local economy, improving living conditions and focus on ownership-led models."

Anupam Nidhi
Head – CSR



Nurturing a Thriving Workforce

At Hindustan Zinc, we believe that the workforce always plays a pivotal role in driving the success and sustainable growth of an organisation in an increasingly competitive business landscape. We have therefore embraced a fully performance-driven culture that places at its core a strong emphasis on employee growth and development. We remain committed to building an environment based on meritocracy and trust to foster a culture of innovation and resilience for executing our business transformation strategy.

Performance-Driven Culture

- Focus on nurturing employees and building a growth mindset
- Providing employees with necessary opportunities and resources for achieving outstanding results
- Appropriate performance differentiation to foster a high-performance culture

Rewards

- Reward strategy aligned with business strategy
- Equity and fairness are two strong pillars in our rewards philosophy
- Comprehensive rewards and recognition strategies for attracting, retaining and promoting talent

Employee Well-Being

- Robust employee wellness programme with focus on emotional, social, physical and financial health, recognising that healthy workplace is a productive workplace
- Well-equipped facilities across locations for employees and business partners to ensure superior quality of life at Hindustan Zinc
- Focus on maintaining healthy work-life integration

Our Holistic Approach to Human Resources (HR)

Employee Engagement

- Emphasis on employee career development as part of their holistic wellness; fostering a sense of purpose and job satisfaction among the workforce
- Efforts recognised on external platforms, showcasing the strength of our engagement initiatives
- Strong communication channels and launch of initiatives, such as 'engagement with purpose', enabling meaningful dialogue and collaboration across the organisation

Growth from Within

- Prioritising talent management and leadership development
- Talent Review Council of FY 2022-23 proved to be a game-changer, as it employed a disruptive approach to realise our business goals
- Adoption of new-age tools like gamification for talent identification, leading to a future-ready organisation that recognises and nurtures talent from within the organisation

Our keen commitment to grow from within manifests in our performance-driven culture, encompassing a merit-based rewards system, employee well-being initiatives and employee engagement practices that serve to build a thriving workforce and achieve long-term success. These elements of our HR focus have helped keep our employees motivated and eager to scale new and higher milestones. This culture has enabled us to reach the highest ever production milestone of 1 million tonne+.

Our Vision

Our HR vision is to develop our PEOPLE, PARTNERSHIPS, and to build a FUTURE-READY organisation

OUR PHILOSOPHY

Our HR philosophy is inspired by the belief that people are at the centre of our growth strategy. It is led by our vision to be the most admired employer brand where every employee can openly engage within the organisation with a clear sense of ownership and develop in a high-performance environment to serve as our best brand ambassador

KEY PERFORMANCE INDICATORS*

Employees

Permanent Employees
2,575 (Executives)

Workers

Permanent Workers
897 (Non-Executives)

Other than Permanent Workers
19,724 (Contractual Workforce)

Native Employee Percentage (Rajasthan)
52%

Women in EXCO
21%

Board Diversity
44%

Women in Executive Workforce
19.5%

Engineers
52%

CA
4%

MBAs
7%

Attrition Rate Among Executives
15%

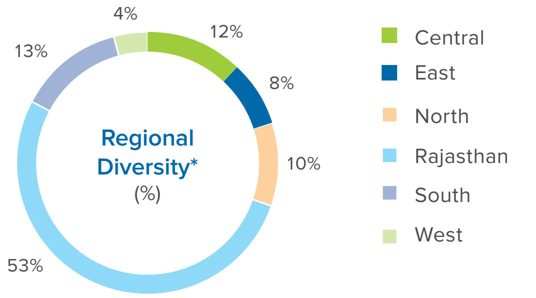
Average Age of Executive Workforce
31.8 years

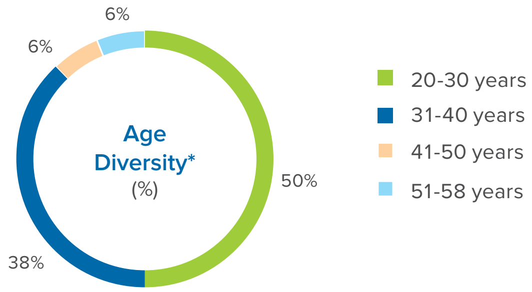
Training Man-days for Executives' Skill Upgradation
14,514

Average Training Man-Days per Employee
5.64

High Potentials (HiPo)
25%

% of the executive workforce as on March 31, 2023





*Data pertains to Executives

BUSINESS STRATEGY | CEO RULEBOOK

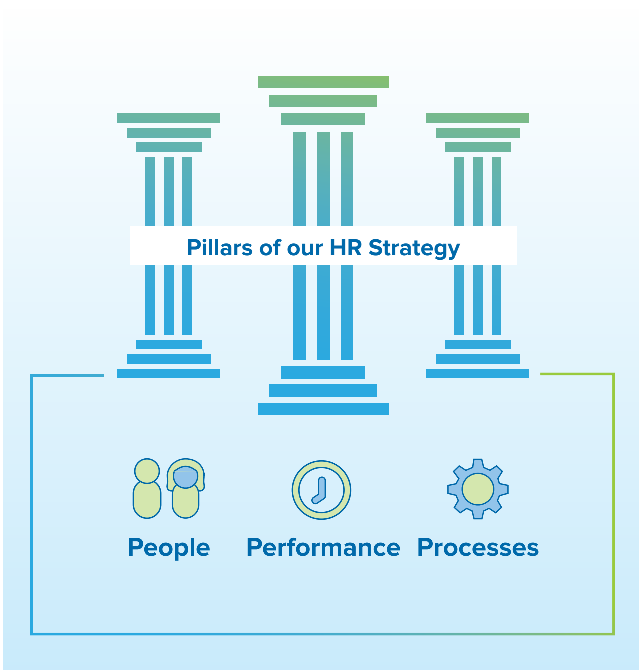
The CEO rulebook manifests the Group's DNA, philosophy and ways of working. It is the guiding light for how we work and deliver. Our people philosophy revolves around the provisions of the CEO rulebook. Business units are directly accountable to lead workforce planning, hiring, retention and reward programmes. The HR team reviews the strategic workforce plan and is responsible for making any adjustments or corrections, as necessary, to allow for any deviations.

Our HR Strategy

We have in place a robust HR framework that is centred on close engagement with our people across levels. This engagement is driven by our understanding of employee needs, encompassing technical, functional and behavioural, as well as managerial and leadership aspects, for their overall growth in the organisation. Our employee engagement strategy revolves around four major focus areas of organisational design, talent empowerment, digitisation and harmonious industrial relations.

Our strategic response to these needs is focussed on the following areas:

- Hiring the best talent through scientific practices
- Talent retention through continual nurturing, performance differentiation, numerous platforms for growth, advancement and rewards
- Initiatives to ensure employees' holistic development, including well-being
- Promoting initiatives for a workforce that thrives on diversity, equity and inclusion (DEI)



These three pillars are interdependent yet aligned with each other in our HR strategy.

HINDUSTAN ZINC
Zinc & Silver of India

OUR HR FRAMEWORK

1. Right Management in Place (MIP)
- Talent Review Council
- Strong Leadership Bench
- Independent Business Units (IBUs)

2. Talent Churn
- Business & Technical ACT-UPs
- V-Build Workshop
- Management ACT-UP
- Star Performer of the Month
- Job Rotation & Internal Job Postings (IJPs)
- Cross-Functional Opportunities

3. Driving DEI
- Diversity in Hiring
- Diverse Leadership
- Capability Building for Diverse Work Groups
- Building an Inclusive Workplace
- Employee Well-Being & Assistance Programmes (EWAP)

4. Engagement with a Purpose
- Young Leader's Forum
- Emerging Leaders Workshop
- HR Workshop
- Engagement with Purpose Ensures Open Dialogue to Inculcate Mutual Respect

5. Capability Building
- Coaching Programmes
- Mining Academy
- Work Integrated Learning Programmes (WILP)
- Benchmarking Visits
- Individual Development Plans (IDPs)
- Leadership Coachings
- Aligned Practices to Drive Productivity
- Skill Development

6. Digital and Automation Maturity
- Enhancing Productivity, Engagement and Teamwork through Digitisation
- Virtual Reality-Based Simulator Training

Celebrating New Milestones of Excellence

Led by our best people practices, we once again reported excellence in corporate performance during FY 2022-23. We performed exceptionally well in HR Scorecard as a function and received an A-rating for the third consecutive time across the Group. These successes help us stay motivated and march ahead with confidence towards greater excellence in the future. Hindustan Zinc was certified as a 'Great Place to Work' for the fifth consecutive year while employee engagement increased from 78% in 2022 to 85% in 2023.

Focus On Diversity & Inclusion

Diverse Workforce for Superior Performance

At Hindustan Zinc, our strong belief that a diverse workforce is key to high performance, pushes us to actively pursue this goal. We have targeted achievement of gender parity, with equal opportunities and representation for all employees across genders and hierarchical levels. Empowering a diverse workforce and enabling them to showcase their potential has been the cornerstone of our journey. A conscious effort has been made to improve our gender diversity percentage, which is currently at 19.5%. The Company has embraced diversity beyond genders with Chanderiya Lead-Zinc Smelter (CLZS) becoming the first location at Hindustan Zinc to lead from the front for a progressive and diverse workplace.

Our Diversity Programmes & Plans

We look at diversity, equity and inclusion (DEI) as the key to innovation and performance excellence. The organisation strives to create an inclusive workplace for everyone so that each employee is comfortable, confident and feels valued. Taking our DEI journey further, Hindustan Zinc has onboarded members of the LGBTQIA+ community in front end-roles like health care, marketing and supply chain as an equal opportunity employer. We are also looking to partner with academia, NGOs and other institutions to help further our agenda of promoting diversity of thought amongst our workforce.

Hindustan Zinc is committed to the cause of promoting diversity within the organisation, among its business partners, and in the larger communities with which we collaborate. Our objective is to achieve gender parity across all levels, starting from the Executive Committee (EXCO) of each IBU.

Key initiatives by the Company to nurture gender diversity

Diversity in Hiring

We have intensified our focus on diversity among campus hires, with one of the initiatives being the empanelment of all women colleges. Women hired through campus drives are placed in front-end roles across various functions. We are an equal opportunity employer and any hiring at Hindustan Zinc is solely based on merit, which has led to a greater acceptance of a diverse work group leading to a paradigm shift in the mining industry.

Accelerated Career Path

We have identified top women across Hindustan Zinc whose professional journey will be closely anchored and monitored by the Chief Executive Officer (CEO) through the Talent Review Council and initiatives like V-Build.

Development Dialogue for Women

Hindustan Zinc organised the first-ever edition of 'Ambavgarh Dialogue', a nurturing leadership forum for women professionals. The theme of the discussion, sponsored by our EXCO, centred on 'Gender Equality for a Sustainable Tomorrow'.

Coaching

We conducted a coaching-based leadership development programme to equip women leaders with essential life skills and strategies needed to stay ahead in the game and succeed. Women executives attended the coaching programme in collaboration with seasoned leaders and industry experts.

V-Lead: Our Army of Women Leaders

Women leaders from the Company were identified for this flagship initiative to train, develop and empower women leaders for CXO roles.

A Strong Leadership Bench Strength

We, at Hindustan Zinc, prioritise employee growth and development, and focus sharply on building capabilities across employee levels through comprehensive talent management interventions. These initiatives are directed at enhancing safety, technical and business excellence besides behavioural and leadership skills. We nurture leadership at Hindustan Zinc and invest in these leaders early in their career by creating for them an empowering environment to chart their own growth and unleash their potential.

In line with the Company's philosophy of promoting talent from within, and our focus on building a strong leadership pipeline by nurturing young talent internally, we proactively deploy various interventions to identify the 'stars' and provide them growth platforms like the Chairman Workshop, V-Build and CEO Connect among others. We also provide these leaders with early opportunities to showcase their potential and talent to lead from the front in various business positions and cross-functional roles.

Broadly, we follow the following four principles to identify, recognise, reward and develop our young talent:

For individual contributors and entry-level employees, we deploy various learning interventions to enhance their technical and safety skills, drive process excellence, gain business insights and increase quality consciousness. We also offer interventions for them to improve their communication skills, become more resilient, demonstrate responsible behaviour and result orientation, besides practice teamwork and collaboration. The Company provides them various opportunities and training through online and offline modules for self-development.

Emerging Leaders

The 'Emerging Leaders' forum focusses on a closed group discussion with the senior leadership during the year, where the key agenda is to look at identifying emerging leaders in the organisation who will become future leaders of the organisation. These leaders take up deputy roles for key and critical positions with an expectation to broaden their horizon and develop a stronger bench of leaders within the Company. These leaders are anchored by the CEO and other EXCO members as part of the overall development programme.

Talent Review Council

We have established Talent Review Councils (TRCs) at the centre and at all Company locations. The objective of the TRCs is people development, ownership mindset and talent churn. Structured learning journeys and career paths are identified for the talent pool, which are reviewed by these Councils on a quarterly basis. The TRC is chaired by the Chief Executive Officer (CEO), Chief Human Resources Officer (CHRO), Chief Financial Officer (CFO), IBU CEOs and respective Management Committee (ManCom) members, and covers all high potential leaders, critical position holders as well as key women leaders in the Company.

Business Transformation Office

Hindustan Zinc created a first of its kind internal Business Transformation Office (BTO) with an objective to work as a PMO and enable value creation through generation & integration of ideas in the areas of volume enhancement, cost optimisation, digitalisation, asset optimisation, quality consciousness, etc., through benchmarking, data analytics and technical insights. We partnered with leading global consultants leveraging new-age assessment tools, techniques and panel engagements with industry stalwarts & experts for creation of this transformation office – 'Apna Sankalp'.

Initiatives

1. Accelerated Competency Tracking and Upgradation Programme (ACT-UP)

This is a talent identification initiative to build a talent pool of effective leaders who will drive future growth. This has helped us live up to the Group's philosophy of nurturing and encouraging talent, by building competencies, helping employees realise their potential and provide them with opportunities for organisational and individual growth. Once shortlisted, the talents undergo a one-day rigorous assessment to evaluate their potential on the Group's framework of technical and behavioural competency. The objective of the assessment is to identify fast trackers and HiPo executives 'Stars of Business', who are then recognised and provided with enhanced roles. The identified talents also undergo a structured development through individual development plans (IDP).

We continually strive to incorporate new-age technologies into our processes, which provides the newest approach to assess and identify our talent and also eliminate biases throughout the processes.

Technical ACT-UP: To identify HiPo employees in the mining vertical, a mining ACT-UP initiative was launched. Employees were identified as HiPos in the domain of mining, geology, ore dressing, geotech and exploration. These selected executives were given cross-business movement, role elevation and monetary rewards, along with customised IDPs.

2. V-Build Workshop

This is a theme-based workshop, chaired by CEO, CHRO, CFO and respective ManCom members and head of departments (HoDs), to identify and promote young leaders who can undertake more challenging leadership roles, lead a high impact project and develop into future-ready leaders who will unlock value for the business. In FY 2022-23, we launched a one-of-its-kind V-Build only for women, to give an equitable platform and opportunities to our women professionals. These identified talents are being anchored by our senior leaders with a focussed IDP.

3. Job Rotations & Internal Job Postings (IJPs)

The purpose of this policy is to enhance employee development by providing diverse learning opportunities through exposure to business functions, locations and stakeholders, and guide the workforce across different aspects of business operations. Hindustan Zinc aims to develop its internal talent pool for future leadership roles in the organisation. To achieve this objective, it is imperative for employees to have exposure and experience in diverse functions and roles across the organisation.

Focus on Capability Building

Promoting Learning and Development

In an effort to consistently improve employee performance, we propagate a culture of continual learning in the organisation by providing structured learning opportunities, including partnering with institutes of repute.

Collaborating with the Best

- Hindustan Zinc offers its employees work integrated learning programmes (WILPs), which are of a longer duration, and provide them an opportunity to enhance skills and become future-ready, while working. We have also launched WILP for our executives. The courses under WILP, designed by reputed institutes focus on practical industry practices and are offered to organisations through collaboration. We have partnered with premium institutes like IIM-Udaipur and BITS Pilani to offer professional degree courses. The programme provides an opportunity to our working professionals to learn while they work
- To align leaders with our business goals, 'Young Leaders' Forum' was organised for WILP graduates

To promote the continual growth of our talent, we organised a best-in-class course on 'Metallurgy for Non-Metallurgists' in partnership with Malaviya National Institute of Technology, Jaipur, a university of national importance. Forty selected executives participated in this upskilling programme to learn the scientific principles and processes of metallurgy involving lead-zinc-silver extraction, and to apply the learnings in running efficient and sustainable operations at Hindustan Zinc.

Best Practices at Hindustan Zinc

Hindustan Zinc Mining Academy

During the year, we fortified the Hindustan Zinc Mining Academy at Zawar and Agucha. The Academy was launched to enhance the skills of our in-house talent. The unique initiative will enable the helpers on drilling jumbos in underground mines to become certified operators.

Employee Well-Being and Assistance Programme

This programme was introduced to promote employee well-being and mental health. The objective of this programme is to assist employees with early identification and resolution of mental stressors in their personal and professional lives.

Global Benchmarking Visit

A visit to one of the global smelters was organised for a batch of high potentials with a background in operations and maintenance (O&M) that included business partners, employees, women executives and enabling professionals. The objective of this visit was to enable learning on the best-in-class technology to be implemented at Hindustan Zinc smelters.

GRIEVANCE AND FEEDBACK MECHANISM

We have automated the procedure for capturing and redressal of grievances. An online query management system is used by employees for raising queries.

Queries/Grievances Raised	Queries/Grievances Resolved/Closed
611	611

(During FY 2022-23)

MAINTAINING CORDIAL LABOUR RELATIONS

Since inception, Hindustan Zinc has had a single workers union, which is affiliated to Indian National Trade Union Congress (INTUC) and recognised by the management, across all locations. The Hindustan Zinc Workers' Federation (HZWF) exists at the corporate level. It was constituted on October 23, 1982, and subsequently recognised by Hindustan Zinc vide letter dated November 27, 1982. HZWF, the sole negotiating agent for workers at the apex level, is a body that believes in the dictum that 'If the company grows, our growth will be taken care of.' It consists of core members from recognised unions across locations.

All matters pertaining to service conditions, wages and benefits, strategic policies in respect of workmen are discussed across the table by the Federation/unions, at the unit and at the corporate level. Discussions are driven by the philosophy of 'organisation above all' and we believe in resolving all matters through effective dialogue and mutual consideration.

All executive members of the Federation are either employees or ex-employees of the Company and represent the recognised unions in their respective units. They decide the strategy to deal with employee issues together with the management.

Further, there exist across our locations multiple bipartite forums, like Joint Consultation Committee, Welfare Committee, House Allotment Committee, Safety Committee, Canteen Committee and Transport Committee, that serve to deal with matters of workmen in all facets of life. These committees have equal representation from the management and the union.

Remuneration Governance Practices

Our Remuneration Philosophy

Hindustan Zinc has always endeavoured to build a workplace which provides an environment of entrepreneurship and well-being for all our employees. The foundation of this culture is trust and a sense of purpose, which serves to propel the short-term and long-term interests of the Company and its shareholders.

The remuneration philosophy at Hindustan Zinc is driven by the core objective of promoting a 'Pay for Performance' culture that is focussed on linking rewards with business priorities. The executive compensation at the Company emphasises operational/financial fundamentals, social licence for operations and business sustainability, with efforts continually directed towards wealth creation for all our stakeholders.

As part of our remuneration philosophy, we strongly believe that being valued and driven by the common purpose is vital not only for productivity, but also for profits. The rewards strategy operates with this belief at its fulcrum whereby all reward schemes are perfectly aligned with the Company's performance-driven culture.

Performance Orientation

The exercise of business planning sets the tone for the year and we lay great emphasis on not just setting the key performance indicators (KPIs) but also ensuring the quality of such goals, coupled with a mechanism of continual performance dialogue.

- The key elements of environment, social, governance, risk and compliance are mandatory goals for all leaders across the Company and embedded in the various reward schemes, as we strive towards achievement of our ultimate vision of 'Zero Harm, Zero Waste, Zero Discharge'

- The executive remuneration is benchmarked against comparable companies in the industry and reviewed each year by the Nomination and Remuneration Committee (NRC). Majority of the remuneration is linked with business delivery
- The Annual Performance Bonus is based on a balanced scorecard of financial, operational, sustainability and strategic metrics. Appropriate weightage is allocated to efforts towards our people and individual performance
- Long-Term Incentive Plan is a conditional incentive plan based on business and individual performance over a 3-year performance period. The vesting of the award is attributed to sustained business and individual performance against pre-determined criteria. The impact of carbon footprint forms an integral performance parameter to further our agenda towards carbon neutrality
- The multiplier concept has been introduced in the rewards programme to influence behavioural attributes of personnel. As a reinforcer, superior individual performance or a nil fatality during the performance period leads to a positive multiplier, whereas any incident of fatality in the business impacts the annual bonus of all the employees as a negative multiplier in the endeavour to ensure nil fatalities
- Voice of the stakeholder: Employees from diverse functions are involved in ideation and formulation of the Company policy. Timely communication ensures transparency and employees' understanding of the policy. Best-in-class independent consultants are engaged to advise and support the Committee on matters of Board evaluation and leading reward practices in the industry
- Governance: Hindustan Zinc fosters a strong foundation of governance where the Board, key executives and compliance officers are vigilant, accountable and committed to ensure structural integrity, soundness and the highest standards of compensation and remuneration practices. Over the last few years, we have matured many of our reward practices in an attempt to raise the bar
- The composition of the NRC is compliant with listing regulations. Additionally, the majority of the Committee's members are Independent Director including the NRC Chairperson
- We endeavour to make timely risk assessments of our remuneration policies for consistency with stated rewards philosophy, along with:
  - Simulation of long-term cost of reward plans and their return on investments (ROI)
  - Provision of the clawback clause as part of the terms governing the annual bonus and long-term incentive scheme for leaders
  - Upper limit and caps defined on incentive pay-outs in the event of over-achievement of targets to avoid windfall gains
- We continue to uphold the principle of equity in pay and maintain checks and balances necessary to confirm that our practices are legally and ethically compliant

Progress on Strategic Priorities and Sustainability Goals

High Potential Women Ratio Among Total HiPos

15.4%

Women in Hindustan Zinc ManCom

35%

Awards

Hindustan Zinc has been recognised as 'Kincentric Best Employer India'

Hindustan Zinc won the 'Champion' award in the categories of 'Diversity and Inclusion Initiatives' and 'Talent Management' at the prestigious PeopleFirst HR Excellence Awards

We have also been recognised as 'Happiest Workplace' and 'Healthiest Workplace' – a recognition for our best-in-class people practices

Hindustan Zinc was certified as a 'Great Place to Work' for the fifth consecutive year while employee engagement increased from 78% in 2022 to 85% in 2023

HR leaders awarded as 'Leading Minds in HR' award by PeopleFirst HR Excellence Leaders in the categories of HR Future Leader, Leading Minds in HR and PeopleFirst Leader

Hindustan Zinc has been recognised as a Company with Great Managers 2022 by People Business; this is the third consecutive year in which the organisation has bagged this coveted recognition for its managerial excellence

PROTECTING HUMAN RIGHTS

Our Approach to Human Rights

Upholding and respecting people's fundamental rights is central to our business approach. We have formulated a human rights policy, which is aligned with the United Nation's Guiding Principles on Business and Human Rights. The policy provides for strict prohibition of forced labour, either directly or through business partners. We strictly pursue this policy across our supply chain, ensuring protection of the labour rights of our business partners at every stage. Additionally, we recognise our responsibility to respect and uphold the human rights of direct and indirect employees, and of the host communities directly or indirectly affected by our operational activities. To ensure that this responsibility encompasses business relationships and the supply chain, we have incorporated a mandate into our business ethics and corporate code of conduct, for the protection of fundamental rights of all our direct and indirect employees, communities and immediate supply chain partners. This mandate clearly communicates our expectations to business partners with respect to compliance with all relevant legislation and with our policies in the process of execution of any work for, or on behalf of, Hindustan Zinc.

Commitment to Adopt Programmes to Address Human Rights Exposure

As a socially responsible organisation, we are committed to implementing programmes that address the unique industry-specific human rights exposure. We understand the risks related to human rights in all areas of our business/operation activities, including those involving our suppliers, service providers, clients and other stakeholders. Our action plan demonstrating our commitment to protect human rights covers the following:

- Adoption of a comprehensive human rights policy defining our commitments and guiding principles
- Educating personnel about our human rights policies and practices
- Establishing clear and transparent procedures for tracking, evaluating and reporting human rights concerns and grievances
- Collaborating with impacted groups to ensure that our actions do not threaten their human rights
- Human rights due diligence to ensure that all human rights related issues in business activities are addressed and resolved

We are dedicated to continuously enhancing our procedures and guidelines.

Business and Human Rights

Equal Opportunity Policy

At Hindustan Zinc, we have aligned our people philosophy with Group's policies, which recognise the value of a diverse workforce. We are committed to providing equal opportunities in employment, and to build an inclusive workplace and a trustful work culture in which all employees feel supported and are treated with respect, care, fairness, sensitivity and dignity. Workforce diversity is a business imperative at Hindustan Zinc, and we strive to ensure that our workforce is representative of all sections of society. We believe that by doing so we would be equipped to deliver better business results.

It is our stated policy to provide equal employment opportunities, without any discrimination on grounds of age, colour, disability, marital status, nationality, geography, ethnicity, race, religion, sex or sexual orientation. We strive to maintain a work environment free from any harassment, bullying, and direct or indirect discrimination.

Slavery and Human Trafficking

In line with the disclosure obligations under the UK Modern Slavery Act 2015, we ensure that no form of any modern-day slavery prevails in either our business or supply chain. We stringently monitor all functions to ensure that our contractors, suppliers and business partners do not use any child, forced or trafficked labour.

Labour Rights

We completely recognise our employees' rights to freedom of association, collective bargaining, and to freely join a trade union. The collective bargaining agreements are negotiated and agreed by the management and union representatives. These agreements include clauses relating to remuneration, allowances, working conditions, incentives and bonuses, in addition to provisions relating to health and safety, manpower productivity, etc.

Environment

Our organisation favours a precautionary approach to environmental issues. This includes identification of any soil and water contamination at any of our sites, along with assessment of any environmental impact and remedies. We conduct systematic risk assessments of materials used, as well as the products and processes deployed, to implement the precautionary approach. We take active measures to prevent and reduce production of waste and ensure responsible waste management.

Communication of Human Rights Policy

We are committed to communicating our policy to all personnel and external stakeholders. To ensure that everyone is aware of the importance of adhering to the policy, we provide open communication and regular updates. To ensure that everyone has access to the information, we use appropriate methods of communication in the local language, including in-person meetings, emails, newsletters and other forms of communication. We also ensure that everyone becomes immediately aware of any changes or updates to the policy or procedures to ensure compliance.

Due Diligence

Hindustan Zinc identifies human rights risks through the United Nations Global Compact (UNGC) human rights self-assessment tool, which is used to review and update salient human rights at the Company. Any concerns identified during the due diligence process are addressed through corrective and preventive action planning.

Zero Tolerance to Human Rights Violation

We expect all personnel to adhere to the principles of human rights as outlined in the Universal Declaration of Human Rights. This includes the right to life, liberty, and security of a person, freedom of thought and expression, and the right to be free from discrimination. We expect personnel to promote and respect the rights of all people, regardless of race, religion, gender identity, sexual orientation, ethnicity, age or disability. Additionally, we expect all our personnel to abide by all applicable laws and regulations related to human rights. We do not tolerate any form of harassment, abuse or discrimination. Appropriate action is undertaken if any personnel is found to have breached these expectations.

Towards New Horizons on Responsible Sourcing

At Hindustan Zinc, we are conscious of the importance of responsible procurement to the furtherance of our sustainability goals. We work closely with our business partners (BP) to ensure sustainable raw material supply. Our collaborative efforts are aimed at improving our performance on key Environmental, Social and Governance (ESG) metrics related to resource extraction, deployment and conservation. We are continually working on new initiatives to sharpen our focus on sustainable sourcing.

Key Highlights (FY 2022-23)

No. of BPs for Whom Due Diligence was Carried Out
235

Total Tier-1 Active Suppliers
726

Local Tier-1 BPs
473

Critical/Significant Tier-1 Suppliers
221

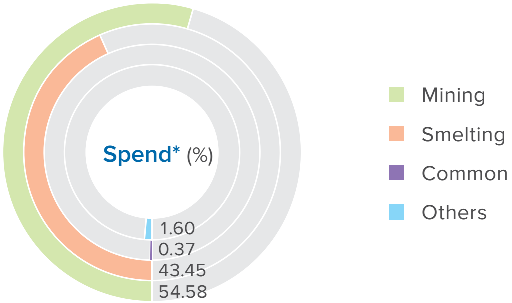
Spent on Local Suppliers#
~₹ 7,633 crore

Spent on Critical Tier-1 Suppliers
~₹ 9,298 crore

#Spent on local suppliers include procurement spend in Rajasthan and Uttarakhand states of operations

- Successfully deployed surface electric vehicles for smelter operations through BPs and introduced new battery electric vehicles (BEV) in our underground (UG) mining operations
- Identified green fuel suppliers and initiated usage for mining fleet at Sindesar Khurd (SK) mine

In FY 2022-23, we purchased goods and services from 1,217 transacted vendors



**Total Spend includes Sustenance Capex*

Initiatives During the Fiscal

- Launched a vendor grievance portal for fair and unbiased resolution of disputes
- Conducted assessment for ~75% critical raw material suppliers under quality management framework
- Launched a cloud-based platform for system-enabled engagement and created a process for mutual assessment of BP's performance to track critical contract performance
- A business process outsourcing partner engaged for spare procurement and managing inventory
- To adopt on sustainable practices, deployed eco-friendly transportation for inter-unit movement
- Developed five alternate vendors for critical commodities to reduce supply chain disruptions

Addressing 'Priority' Issues in Responsible Sourcing

As part of our responsible sourcing ethos, we are working continually on improving and delivering on our identified priorities. These priorities are indicative of future trends, potential business risks and new business opportunities for the Company. We have used the material assessment approach to identify material issues and their relevance to our supply chain on the basis of inputs from our BPs, shipping and logistics partners, industry associations, government and regulatory bodies, employees including the contract employees, as well as Supply Chain Community representatives. This has enabled us to take the necessary measures to ensure that all sourcing activities are done responsibly, with our BPs aligned with our priority issues and expectations.

Key Priorities	Measures
Transparency in Governance, Ethics & Integrity	• Leveraging digital technologies continually for driving greater transparency in sourcing platforms, like SAP HANA implementation, ARIBA upgradation • Launched vendor grievance platform in ROBOS App • Working towards implementation of ISO 20400 standard guidelines for sustainable procurement • Regular awareness sessions for suppliers on ethics, integrity and other relevant issues • Whistle blower platform for reporting ethical issues
Climate Change & Decarbonisation	• Installation of BEVs at UG mining operations • BEV material handling equipment across smelters • Launched ESG Expectations for all BPs • Introduction of ESG assessment in contract process and BP collaboration • Working towards emission capturing for critical items' procurement for Scope 3 emission reduction
Risk Management & Controls	• Completed third-party assessment of over 619 value chain partners in past three years (including upstream and downstream) on responsible supply chain
Human Rights	• Providing human rights training to all BPs and their employees to make them aware about human rights issues, modern slavery, addressing minimum and maximum working hours of labour in compliance with Factory Act & Mines Act

Governance Structure: Supply Chain Management

We have established a three-tier governance structure for driving sustainability across the value chain. The second tier consists of the Supply Chain Community as part of the Executive Sustainability Committee, which reviews the progress on objectives taken by the Supply Chain Community on a monthly basis.

The Supply Chain Community is assigned the task of sustainability evaluation for our BPs with the aim of fostering the relationship, aligning our supply chain with our sustainability goals of 100% responsible sourcing by 2025, and collaborating for mutual growth and benefit. It focusses on effectively and positively building sustainability consciousness in our supply chain and continuing to address risks by identifying and tackling root causes.

The community is also tasked with reviewing compliances in accordance with the necessary guidelines of responsible sourcing and sustainable supply chain. It is authorised to update supply chain policies; classify BPs in different tiers according to country/commodity risk categories through a screening process; work towards increasing local procurement; create awareness among BPs on sustainable practices; source initiatives to reduce carbon footprint; and commission advisories or steering groups to provide focus or advice on creating a sustainable supply chain module.

Conforming Stringently to Responsible Supply Chain

We have in place a well-defined code of conduct for our suppliers. Refer to our policies on https://www.hzlindia.com/about-hzl/code-of-conduct/. The code represents our commitment to internationally recognised standards, including the core conventions of the International Labour Organisation (ILO), the United Nations' Universal Declaration of Human Rights and prevalent industry standards.

It mainly covers:

Environment and Social Aspects

- Labour and Human Rights
- Health, Safety & Environmental Sustainability
- Climate Change

Governance Aspects

- Business Integrity
- Unethical Practices
- Grievance Redressal Mechanism
- Legal Compliance
- Zero Tolerance on Governance
- Insider Trading Prohibition

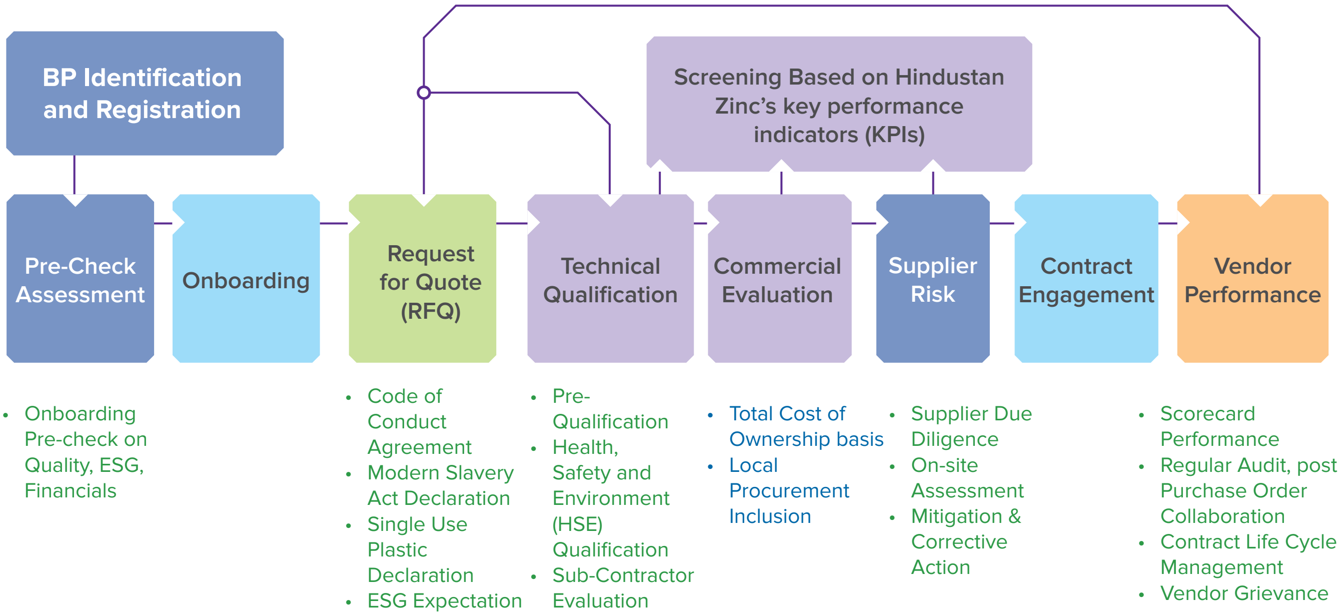
The supplier code of conduct is applicable to all our 'suppliers' globally and we ensure that they integrate the code in their supply chain and make their sub-contractors and suppliers too, aware of this code and its implications.

Integrating ESG into Responsible Supply Chain

At Hindustan Zinc, we have integrated ESG considerations into our supply chain process to help in better assessment of business risks and opportunities. Through collaboration, empowerment and engagement with our BPs, we have:

- Identified the key ESG and quality criteria in supply chain, and work closely with our supply chain partners on risk mitigation
- Implemented a structured framework for integration of ESG performance of supply chain partners in procurement decisions
- Developed a framework to support policies, procedures, and guidelines – from pre-check assessment to vendor onboarding until vendor performance evaluation

We perform BP audits to identify areas for improvement, or any alterations required to improve our process or upgrade working conditions. The audits also help in environmentally responsible management and ethical behaviour in our supply chain base and warehouses.



Introducing ESG Expectations

At Hindustan Zinc, we are committed to identifying, reducing and mitigating any negative impact of our business activities on people and environment. During FY 2022-23, we launched ESG Expectations for our BPs. The expectations supplement the requirements, guidelines and standards of conduct as encoded in other internal and external policies of the Company.

Our BP's commitment to, and fulfilment of ESG Expectations is of paramount importance to Hindustan Zinc. We have thus applied for the recognition of ESG Expectations on a global basis and integrated them into the various practices involved in Hindustan Zinc's qualification, evaluation, selection and management of BPs, as part of its contracting process. It is assessed as a factor when Hindustan Zinc considers awarding commercial opportunities.

As per this, BPs are required to provide information, complete training and perform other activities in connection with the ESG Expectations before, during, or after their supply of goods or performance of services for Hindustan Zinc's requirements:

- BP to identify their ESG issues in line with Hindustan Zinc's sustainability goals
- Identify risks and opportunities against ESG issues, identify and strategise solutions for the same, such as decarbonisation solutions, products which consume less energy/water
- Be 100% compliant with all regulatory requirements
- Make a commitment to various sustainable development goals like the Paris Agreement, net-zero target, Science-Based Targets initiative (SBTi), RE 100, EV 100, EP 100

ESG Expectations

Supply Chain Risk Management

Hindustan Zinc has established an effective internal management process to identify, assess and manage potential risks associated with its mineral supply chains.

Supply chain risk management covers the identification, assessment, ESG development programmes and mitigation (corrective action) of all operational and supply chain risks, throughout the lifecycle. This allows us to identify, assess and mitigate risks, and also to identify opportunities to add value and drive innovation. We implement risk management plans appropriate to the levels of risk, which includes economic, environmental, governance and social risks.

We identify critical/significant suppliers through a structured mechanism. Critical/significant suppliers include high-volume suppliers, suppliers of critical components and non-substitutable suppliers. A critical BP is one whose goods or services have significant impact upon our operations and/or sustainability, as well as a large footprint in one or more of our operations in terms of allocated personnel, equipment and resources, making replacement or substitution highly difficult without a detailed plan and a significant replacement process.

We have a set definition in place for identifying critical/ significant suppliers and service providers. This helps to ensure responsible sourcing of minerals and enables identification of inbound supply chain risks for the Company in cases when sourcing is done from conflict-affected and high-risk areas (CAHRA).

We have in place a clearly defined process to identify and report red flags, along with the outcome of the risk assessment, to the senior management. Where red flags are identified, we undertake enhanced due diligence to map the factual circumstances of the presence of risks.

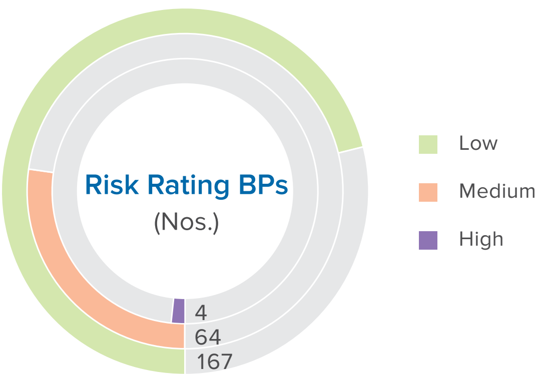
Risk Assessment and Corrective Actions

We are following a risk-based approach to determine whether BP sites need to undergo additional due diligence/ risk audits, which can include third party reviews/audits and/or certification through fully benchmarked standards. We segment our BPs based on the risk they pose to our business, which meets one or more of the following criteria:

- Strategic or business-critical for Hindustan Zinc, such as providing key components or services with few or no alternatives
- May have considerable social, environmental or economic impact
- Supply exclusively for Hindustan Zinc, using the Company's know-how or process
- Produce mainly for Hindustan Zinc in a significant volume
- Considered to be major BP to Hindustan Zinc based on annual spend
- Single business partner dependency
- Operate in high-risk industry or operate or source from CAHRAs
- Quality of supply and services

Every year, we assess our qualified BPs on due diligence parameters through an independent third party. Further, on need basis we also conduct on-site assessment for detailed evaluation of quality practices, ESG and HSE practices.

In FY 2022-23, we conducted a total of 292 supplier risk assessments including on-site audits for all critical suppliers through an independent third party to verify the correct implementation of the quality and ESG methodology. This auditing system enables the inclusion of suppliers in line with the Company's expectations. Thanks to the dual approach of desktop-cum-on-site assessment and awareness sessions, a greater number of suppliers have achieved good results during the year, while further corrective action from the few low-score suppliers has been sought for continual improvement.



Hindustan Zinc has a corrective action plan in place for the suppliers who do not qualify our assessment

For detailed information, please refer to Sustainability Review Report FY 2022-23

In FY 2022-23, we conducted a total of 292 supplier risk assessments including on-site audits for all critical suppliers through an independent third party

Carbon Pricing in Procurement Decisions

We understand the importance of addressing Scope 3 emissions in addition to Scope 1 and Scope 2 in order to reach net-zero emissions. An industry specialist has been engaged to create greenhouse gas (GHG) emission capturing framework. We strive to take carbon emissions into account while making sourcing decisions in order to significantly reduce our Scope 3 emissions.

Business Partner Engagement

We measure BP performance by setting and tracking KPIs in our contracts with them. These KPIs relate to safety, human rights issues, child labour and environment-related compliances like water, climate change, emissions, etc., which are monitored on monthly/weekly/daily basis through corrective and preventive actions (CAPA). We also regularly undertake audits such as Contractor Field Safety Audit (CFSA) for all the service contractors. We provide human rights training to all our critical BPs and their employees. We have also conducted physical training sessions for our mining and smelter partners on performance and adaption of best practices. We conducted various connects with our critical supply vendors on Scope 3 emissions.

Local Procurement Commitment

We continue to increase our procurement spend on Rajasthan and Uttarakhand-based local state vendors, on a year-on-year basis.

Local Procurement[1]	FY 2020-21	FY 2021-22	FY 2022-23
Local % – State[2]	53.3%	52.8%	56.4%
Local % – District[3]	32.8%	40.5%	39.3%

Note:

1. *Local procurement recalculated basis actual pay-outs made in each financial year*
2. *Local % State includes operations in Rajasthan and Uttarakhand*
3. *Local % District includes operations in Chittorgarh, Ajmer, Rajsamand, Bhilwara, Udham Singh Nagar and Udaipur*

HINDUSTAN ZINC
Zinc & Silver of India

Strategic Outlook – Way Forward

- Evaluating the supplier base on ESG metrics to identify risks and develop mitigation strategies
- Implementation of ISO 20400 sustainable procurement practices and green procurement framework
- Provide support and handholding BPs in terms of knowledge sharing, capacity building, technical assistance and other valuable resources on emissions control
- Awarding suppliers who excel in ESG parameters and ESG practices
- Incorporating water security KPIs for contracting and management of BPs
- Mapping tier-2 suppliers to assure complete supply chain quality
- Establish cloud-based digital platform to ensure tracking of sustainable procurement practices

Response to Vendor Grievances

At Hindustan Zinc, we are committed to responding swiftly to the issues and concerns of our BPs and address the same in a timely manner. For this, we have launched a web-based grievance reporting system for our BPs. It is our endeavour to encourage transparent communication while maintaining the trust and confidence of our BPs. We believe their feedback and inputs are valuable for enhancing supply chain transparency and realising our sustainability goals.

In addition to launching a grievance redressal platform for our BPs to share their feedback on ESG risks and other business aspects, we have covered 100% of our critical BPs through third party risk assessment. During FY 2022-23, Hindustan Zinc received a total of 76 grievances from its contractors, and all were resolved within the established timeframe, except one which was received towards the end of the fiscal year and resolution of which is underway.

'NO' to Single Use Plastic in Supply Chain

We aim to prohibit single use plastic items on our premises and thereby achieve the targeted zero usage across our value chain, in compliance with the latest Plastic Waste Management (Amendment) Rules, 2021 from the Ministry of Environment, Forest and Climate Change (MoEF&CC).

Beginning July 2022, we have prohibited both single use plastic items and use of plastic bags with thickness less than 100 microns. To ensure strict compliance, we carried out an email campaign with all our global suppliers from January 2023. Further, all our BPs are required to share an undertaking acknowledging the responsibility towards Hindustan Zinc's ESG commitments with 'no usage of single use plastics' during packaging as a part of the tendering process. Instead, biodegradable packaging or use of plastic complying with established rules will be preferred.

In line with its goal of 'net-zero carbon by 2050' and its ESG commitment of 'Transforming for Good', Hindustan Zinc has inducted India's first battery electric vehicles (BEVs) in underground mining operations.

For details of the initiative, refer to **page 135** of this Report

Hindustan Zinc has established the use of liquefied natural gas (LNG) fleets, believing them to be the best technological solution towards sustainable transport. This brings significant benefits for the environment in terms of reduced noise pollution and emissions compared with diesel. In FY 2022-23, a successful trial was conducted for internal unit movement of concentrate through LNG vehicles. A long-term engagement is now under finalisation. Hindustan Zinc is currently conducting trials at its plants for deployment of electric vehicles (EVs), as part of its efforts to integrate ESG into its operational logistics.

Read more about our Responsible Sourcing in our Sustainability Review Report FY 2022-23

Case Study

Business Process Outsourcing for Spare Parts Procurement

We made the decision to improve the governance standards of the ecosystem by strengthening our supply chain through cooperation and long-term relationship development with selective BPs. These efforts will result in product innovation, increased productivity, and resource conservation. In order to do this, a BP was appointed to oversee the procurement process for maintenance, repair, and operation (MRO) items using the use-and-pay later method. The move was aimed at reduction in transactions to be carried out by the procurement team leading them to focus on improving processes and outcomes on the majority of the business. There was also the added benefit of reduction in spares inventory at Hindustan Zinc because of the focus the BP brought on the management of the MRO spares. This innovative model facilitated no supply chain disruption on spares, optimisation of inventory and credit enhancement, leading to efficient management of complex multi-site operations.

Intervention

- Adoption of tech-integration between multiple buying platforms done (Hindustan Zinc, original equipment manufacturers (OEMs), aggregators, etc.) and major OEMs/critical vendors were aligned with the aggregator to streamline the procurement process

Outcome

- With this strategic approach, Hindustan Zinc was able to cut transactional processes by lowering the number of active suppliers and purchase orders
- Process improvement (supported by various analytics) resulting in improved responsiveness and intelligence in planning/forecasting, staggered deliveries to optimise lot size and inventory value, touchless transactions, pre-empt availability of materials as per shutdown planning, and gain insights on improving procurement time, etc.
- Reduction in stores and spares inventory by 6% as compared with inventory levels at the end of FY 2021-22

"At Hindustan Zinc, we understand that the commercial function has a major role to play in creating business value. We aim to deliver this through volume consolidation, complexity reduction, process automation and engaging with our partners in meaningful relationships which emphasise value delivery, collaboration, innovation, transparency, and accountability. We continue to drive ourselves and our partners on ESG and digitalisation as ways of monitoring our impact on planet and performance."

Pallavi Wad
Chief Commercial Officer

Health & Safety

Strengthening our Health & Safety Proposition

At Hindustan Zinc, we have identified health and safety as critical to our value proposition. We remain committed to the continual strengthening of our health and safety metrics for our own employees as well as our business partners and the communities around which we operate.

Our Vision

Achieving 'Zero Harm' to people with the belief that all workplace injuries are preventable

Our Strategic Priorities

- Achieve zero fatality
- Achieve zero cases of occupational illness
- Improve occupational health and hygiene
- Critical risk management
- Critical review of VSAP audit process

Our Health & Safety Focus

- As a responsible corporate, we remain focussed on assuring the Health, Safety and Environment (HSE) of our people and society
- We continue to move forward proactively on our safety excellence journey – Aarohan, as part of our safety system
- Safety standards and procedures are governed by our apex body, which is the corporate occupational health and safety council chaired by the Chief Executive Officer (CEO) and leaders from all verticals
- We are continuously building on safety culture transformation, capacity building and process safety management as the three safety pillars of the organisation

The Hindustan Zinc leadership continues to work towards providing a safe workplace for all, ensuring a culture of 'zero harm' for all employees entering the premises. It is therefore extremely tragic that despite our best efforts to provide complete safety, we lost six colleagues of our business partners and one of our own employees during the year in work-related incidents at our managed operations.

A thorough investigation was conducted to identify the causes of these incidents and to share the lessons learned across Hindustan Zinc, to prevent similar incidents in the future.

Actions taken immediately after the safety incident are as follows:

- Developed Community of Practice: Established a mechanism to review all prevailing civil and mechanical structures; a third party was hired to monitor the thickness of all tanks
- Residual life assessment and finite element analysis for all sulphuric acid storage tanks

Performance & Commitment

	Fatality at Work Site	Lost Time Injury Frequency Rate	Total Recordable Injury Frequency Rate
FY 2018-19	7	0.63	1.30
FY 2019-20	2	1.38	2.67
FY 2020-21	ZERO	0.97	2.57
FY 2021-22	4	0.81	2.22
FY 2022-23	7	0.70	1.93

TARGET FY 2023-24

Fatality at Work Site	Reduction in Total Recordable Injury Frequency Rate
Zero	15%

TARGET FY 2024-25

Fatality at Work Site	Reduction in Total Recordable Injury Frequency Rate*
Zero	50%

**From base year FY 2019-20*

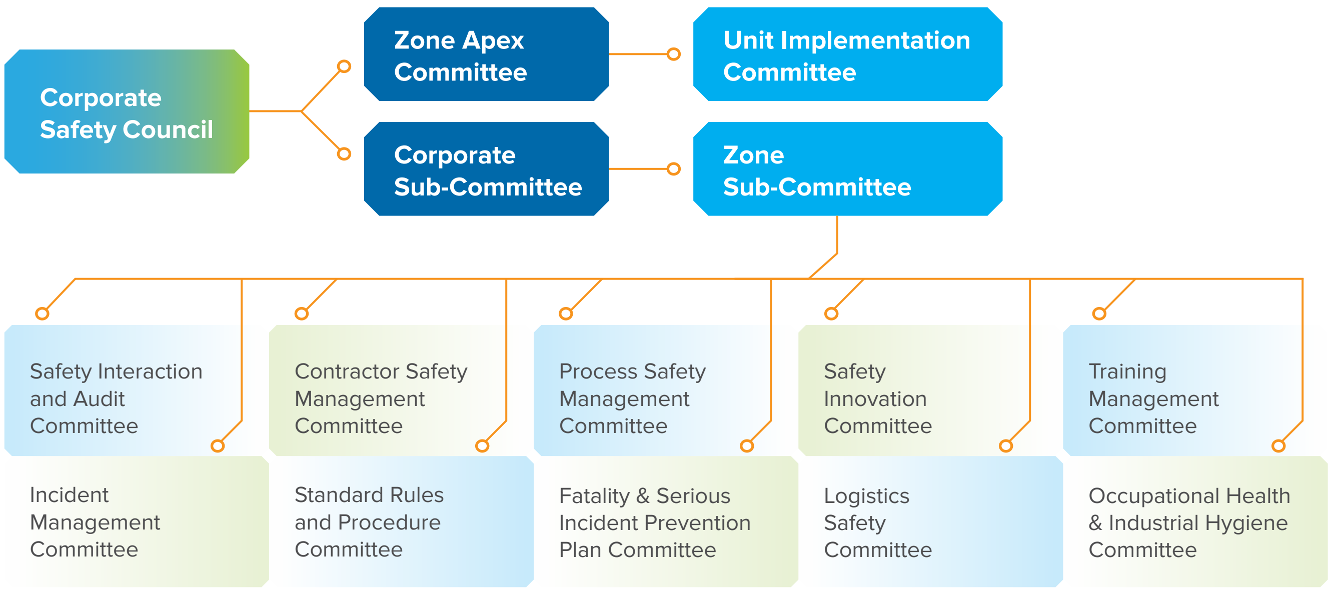
Our Safety Governance Structure

With the objective of ensuring the complete safety of our people, we had embarked on our safety excellence journey 'Aarohan' in 2013. We continue to progress on this journey through multiple initiatives, supported by our robust safety governance structure.

Our corporate occupational health and safety council provides the overall direction to the organisation's safety management system. The council is chaired by the CEO, with the Chief HSE & Sustainability Officer as secretary, Head Safety as a convenor and senior leaders as its members.

To assist the council in carrying out its primary objective of policy and standards development, as well as resource deployment, we have in place ten corporate sub-committees and eight zone apex committees. These also provide the strategic safety roadmap for the organisation. The safety sub-committees are tasked with establishing various safety systems, standards, rules and procedures, in addition to building a positive safety culture, conducting quality investigations, providing training and introducing innovations, process safety, workplace hygiene and business partner selection, in order to help the organisation achieve its goal of zero harm.

Safety Governance Structure



Initiatives Undertaken During FY 2022-23

Critical Risk Management (Vihan)

Vihan is a Sanskrit word for dawn. Dawn brings light into the world. Similarly, our critical risk management programme – Vihan, is an initiative to enlighten everyone at Hindustan Zinc about the critical risks. The programme focusses on identification of the early warning signs and implementation of critical controls. Developing an attitude of safety across the organisation requires observing safety at every step. To avoid fatalities and catastrophic incidents in the organisation, we have launched controls for four critical risks i.e., fall of ground (FOG), fall of person/object from height (WAH), vehicle pedestrian interaction (VPI) and entanglement. Through this drive, we want to ensure that all identified critical controls are monitored and systems are in place to achieve the vision of zero harm.

Safety Pause

Safety Pause was conducted across all our operational units under the theme 'stop work if it's not safe'. During this connect, all recent safety incidents that had occurred across the Group were discussed and key learnings were shared. The programme was organised by business partners in all the three shifts, including the night shift.

Emergency Response Training on Disaster Management

- 10 days of capacity building training programme on disaster management conducted by National Disaster Response Force (NDRF) emergency response at Zawar location; 27 trainees across the Group participated and benefitted
- Training included medical first responder, collapsed structure search and rescue, fire management, chemical and gas disaster management emergencies, etc.

51st All India Mines Rescue Competition

- The 51st All India Mines Rescue Competition (AIMRC) was hosted under the aegis of Directorate General of Mines Safety (DGMS) at Rajpura Dariba Complex
- The 5-day event, held during November 14-18, 2022, witnessed the highest participation, with 26 teams from 18 companies across India
- The competition had winners in the two categories of coal and metal sectors; the Hindustan Zinc team A (Rajpura Dariba Complex (RDC) and Zawar Rescue Team) emerged as the overall winner in the metal sector

Tele-Remote Operations at SKM

The launch of production drill rigs at SKM have led to improved safety, with laser protection for safe operations. The multiple pan-tilt-zoom (PTZ) cameras at these drill rigs provide good visibility.

Benefit

- Increased productivity, safety and cost efficiency
- Additional 6.5 km drilling/month
- Operation from surface control room
- Multiple PTZ type cameras for good visibility
- Laser protection for safe operations

For details of the initiative, please refer to the Digitalisation and Automation section on **page 34** of this Report

Conversion of UG Water Sprinkler to Multi-Purpose Fire Water Tender

To improve fire safety in the underground (UG) mines, the old water sprinkling equipment of the fleet has been converted to a multi-purpose fire water tender with the addition of several new features:

- Range of ~100 metres
- Remote control foam unit monitor – from 100 metres foam generating unit which can be operated remotely from any fire source at 180° horizontally and vertically (H&V)
- Thermal imaging camera for dense smoke areas with zero visibility in UG mines
- Firefighting at a high-speed range of 950-2,900 litres per minute of water mixed with foam, thereby dousing any major fire within 5-10 minutes
- Suction facility from any UG sumps
- Crash tender facility allows the rescue team to operate everything from inside the cabin without having to come out of the operator's cabin

Deploying Underground Drones

The use of drones in UG mines for surveying inside the open stope has helped with real-time monitoring of the stope. The survey accuracy is higher with a drone than the conventional Cavity Monitoring System (CMS) used in mines. A drone is easy to access and utilise in the open stope. The drone survey is based on Lidar technology, which gives accuracy in 3D modelling. Further, a drone is safer and helps us in taking timely decisions with agility.

Underground Training Gallery

Hindustan Zinc has developed India's first UG practical-cum-digitised training gallery at the Rampura Agucha Mine (RAM). To ensure successful commissioning of the project, the wi-fi network was extended to the training site so that employees working UG could connect from within the mine to the rest of the world. A model development face and various standards of UG key performance indicators were prepared and displayed at the training site. The trainees could access all training documents through the wi-fi facility.

Fall of Ground (FOG) Light

FOG light has been installed at Zawarmala and Baroi to measure the movement in the layered rock, triggered by changes in its colour. A displacement of 2.5 mm causes the rock's colour to change to red.

Collision Avoidance System and Personnel Tracking

A collision avoidance system and personnel tracking systems introduced in RAM to enhance people safety.

For details of the initiative, please refer to the Digitalisation and Automation section on **page 34** of this Report

Digitisation Enhancing Safety

V-Unified is a single platform for HSE management across the Group and has deployed the V-Unified (Enablon) software to launch data management, observation, incident management and audit management modules for improving the visibility of information through an intelligent dashboard. This helped us in effectively assessing the environment, economic and social impact of incidents and provide personalised dashboard and reports that can directly be exported and shared in the desired format.

Additionally, we conducted trainings through virtual reality-based modules and simulator training to augment safety during the year.

Virtual Reality-Based Ground Control Management Simulator for Jumbo Operator

RAM's unique virtual reality-based simulator training for jumbo operators provides a smooth virtual walkthrough for them. It familiarises them with the process of performing Take-5 (Stop, Look, Assess, Manage, Safely) for each step related to drilling. It involves three operators performing all cycles/modules included in development face, i.e., mechanical scaling, wire mesh installation, rock bolt installation and face drilling, as per Hindustan Zinc's standard operation procedures (SOPs) on mechanised development. It allows operators to practice in different scenarios and critical situations, thus serving to not only improve performance but also enhance safety and productivity. It will also increase the compliance with ground support and increase the operator's efficiency with ideal blast cycle time. Post completion of all the four modules, the operator performance report shall be generated for analysis.

This simulator has great business impact as jumbo/boomer operators can enhance their operating skills, preventing serious potential incidents by performing on ground.

Occupational Health Management

Hindustan Zinc's unwavering focus on employee safety spans prevention of occupational diseases and nurturance of a hygienic working environment. We have undertaken several measures to promote a healthier lifestyle among our people as we believe this increases productivity, reduces absenteeism and enhances retention. We have adopted state-of-the-art technology and lifestyle management trainings for our employees. We also regularly monitor and control their exposure to hazardous substances.

Occupational health centres at all our locations conduct regular health examination of both permanent and contractual employees. A centralised health management system coordinates with employees on patient registration, care and discharge. On-site medical professionals monitor employees' occupational exposure limits, besides conducting their pre-employment medical check-up, periodic medical check-ups, etc.

Cases of Occupational Health Illness

ZERO

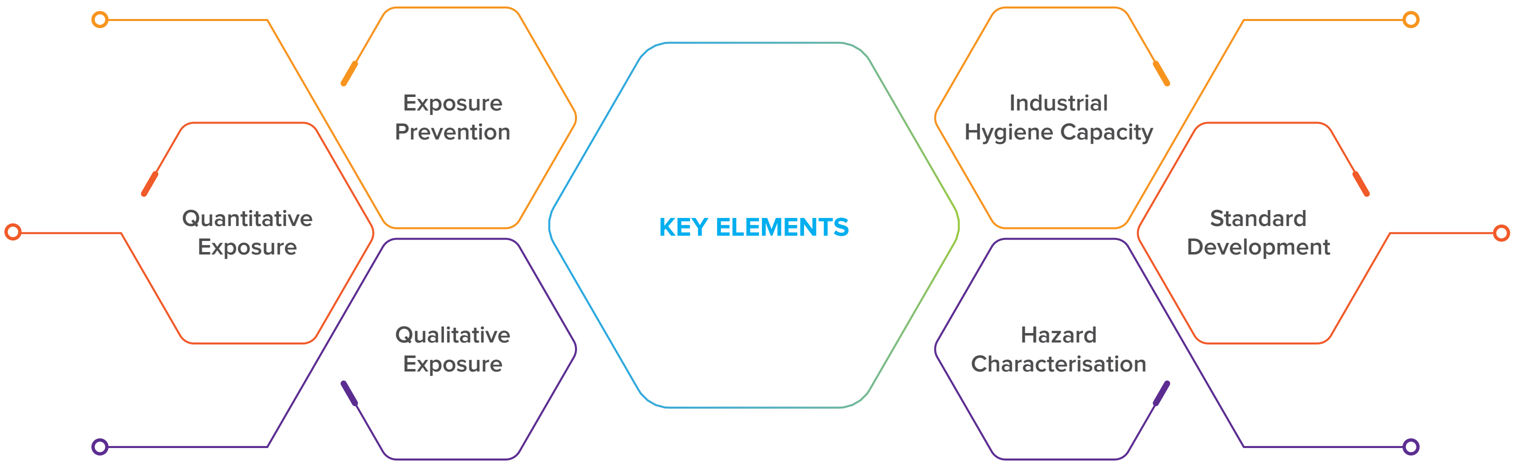
Medical Examinations (initial and periodical) Conducted

22,386

(During FY 2022-23)

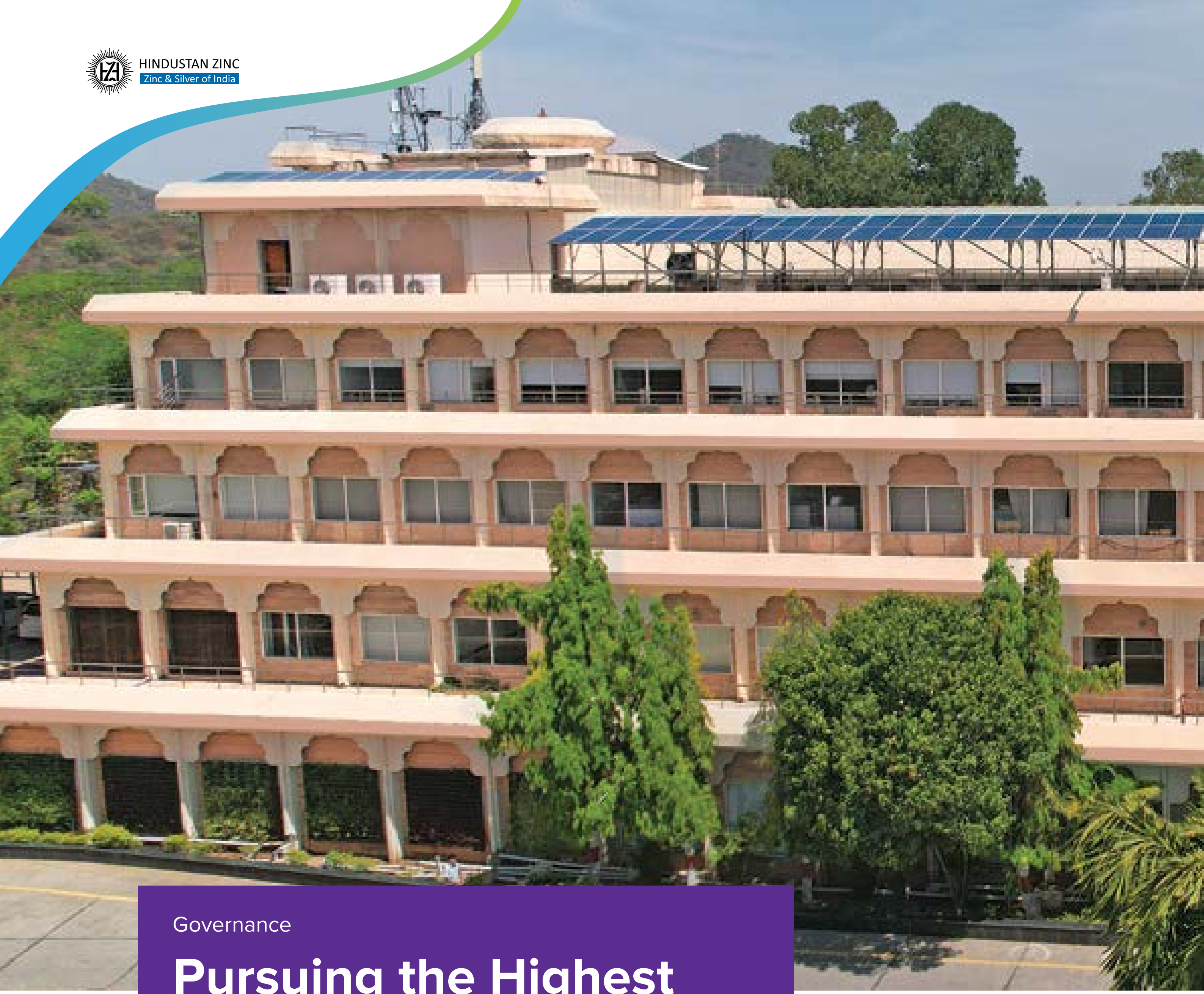
Ensuring Industrial Hygiene

Last year, the Company partnered with a globally recognised industrial hygiene service firm, to develop a sustainable industrial hygiene programme. The objective was to reduce potential health risks by recognising, evaluating and controlling occupational health hazards and occupational exposures.



Key Initiatives Undertaken During FY 2022-23

- Installation of robot for automatic feed port cleaning at Dariba Smelting Complex (DSC)
- Reduction in fugitive emissions from charging chute furnace, crusher building, sinter building in Chanderiya Lead-Zinc Smelter (CLZS) Hydro-2 and Pyro plants by applying innovative solutions
- Installation of lime silo with dense phase conveying system in effluent treatment plant (ETP), Pyro eliminating employee exposure
- Elimination of zinc dust by converting the same into slurry and pumping back in purification launders instead of collecting in jumbo bags
- Dust suppression in CLZS captive power plant (CPP) by installing fogger and water sprinkler



Governance

Pursuing the Highest Standards in Governance

At Hindustan Zinc, our unwavering commitment towards implementation of governance practices is aligned with our ethos of responsibility. Through integration of ESG metrics into decision-making, we effectively address environmental goals, uphold social responsibilities and maintain strong governance frameworks. This ensures transparent decision-making, ethical conduct and high standards of accountability. These principles are imbued across the organisational fabric, in all our systems, processes and functions. Fair and honest business practices have promoted the long-term business growth of the Company and value creation for all stakeholders by sustaining their trust in the organisation's credentials as a reliable corporation. Thus, we not only thrive, but also celebrate our accomplishments, even in the face of adversity.

Fostering a Culture of Accountability and Integrity

Our Corporate Governance (CG) philosophy is aligned with our sustained focus on fostering a culture of accountability, responsibility and integrity to uphold the trust and confidence of our stakeholders. Another critical aspect of good governance culture is ensuring that decision-making processes are fair, objective, and based on sound principles. At Hindustan Zinc, we have adopted a comprehensive approach that encompasses values, communication, training, decision-making processes, leadership, and recognition. Integrating these elements into the fabric of the organisation helps us ensure that we stay on course with the realisation of our goals, thus effectively steering our growth trajectory.

Robust Corporate Governance Framework

Corporate Governance principles are enshrined in the spirit of Hindustan Zinc, which form its core values. We have built a robust CG framework on the three-tiers of strategic supervision, management and control and execution, resting on the fundamental pillars of ethics, transparency, accountability, inclusion, equity and commitment to legal principles. This has helped Hindustan Zinc drive strong corporate citizenship, thus strengthening our brand and marketing efforts while enabling retention and growth of both customers and employees.

Appropriate and necessary actions were taken in response to **5 reported cases** under Prevention of Sexual Harassment (POSH)

ZERO

Complaints relating to child labour, forced labour and involuntary labour

Regulatory Issues and Compliance

Compliance is the foundation to build the reputation of the Company. It is pertinent for Hindustan Zinc to continue to ensure timely regulatory compliance to **uphold the trust and confidence of our stakeholders** while also ensuring that its operations are in line with relevant and applicable laws to avoid legal consequences.

Supervisory Committees

Hindustan Zinc has a robust mechanism to continually monitor and strengthen its CG modules. Integral to the smooth functioning of this system, our Board of Directors have established multiple committees, each assigned with distinct roles and responsibilities. The decisions taken by each committee is in line with our responsibility ethos that has served to shape the overall management strategy at Hindustan Zinc. Climate change principles are taken into consideration by the committees in formulating their agenda, in line with our exceptional sustainability commitment.

- Audit & Risk Management Committee
- Stakeholder Relationship Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee
- Sustainability and ESG Committee
- Committee of Directors

Executive Committee

The Executive Committee (EXCO) serves as a link between the Company's management and the Board. It consists of Hindustan Zinc's functional and plant leaders, including the Chief Executive Officer (CEO), Deputy CEO, Chief Financial Officer (CFO), and the Independent Business Unit (IBU) CEOs. Its primary role is to supervise the management and control functions within the Company. It plays a crucial part in the effective execution of the Company's strategies. The Committee's mandate includes coordinating business transactions, driving enhancements in the mining and smelting processes and implementing a range of policies and procedures, including the code of conduct. Our IBU CEO's aid the Company in the successful implementation of its business strategies, plans and programmes. Guided by a clear strategy, they continually work towards the realisation of our business and sustainability goals, which we have identified as the key drivers of our growth strategy.

For more details on our sustainability governance framework, read the Sustainability chapter on **page 126** of this Report

Code of Conduct

The Company stringently adheres to its code of conduct across its business segments, functions, and external stakeholders, including business partners (BPs), contractors, and others. The fundamental principles of this code include trust, mutual respect, professionalism, responsibility, accountability and open communication, which directs our conduct and activities. The code of conduct complies with the provisions of the Foreign Corrupt Practices Act and the UK Bribery Act of 2010. It embodies Company's core values and purposes and plays a vital role in creating a healthy business relationship with all stakeholders. It ensures ethical handling of conflicts of interest, promotes complete and timely disclosures, besides maintaining keen focus on aspects essential for upholding the highest ethical standards and fostering a culture of honesty.

All Board members and senior management personnel have affirmed their compliance with the code of conduct for FY 2022-23. A declaration to this effect signed by CEO & Whole-time Director forms part of the Report.

Strict Adherence to the Code

Every year, our Board members, executives and employees participate in the annual affirmation of their commitment to uphold the code of conduct. We have established an Ethics Committee to ensure effective implementation and adherence to the principles and standards outlined in the code. This Committee plays an important role in providing guidance, addressing enquiries and handling any complaints received directly or through the whistle-blower mechanism. It serves as a body dedicated to foster a culture of ethics, transparency and accountability throughout the organisation. We had earlier strengthened the code to provide more precise direction on a number of evolving subjects, including facilitation of payments and gifts and interactions with BPs. It encompasses contemporary principles concerning sanctions, trade controls and online conduct on social media. We have expanded the confidentiality aspect of the code to encompass data privacy, general data protection regulation (GDPR) and information security, ensuring that the code remains relevant and comprehensive in addressing evolving challenges and complies with established standards and regulations.

Our gender-neutral Prevention of Sexual Harassment (POSH) policy reflects our commitment to diversity, inclusion and equal opportunity. These measures demonstrate our unwavering dedication to foster a diverse and inclusive workplace environment, while upholding high ethical standards and promoting openness and transparency. The code is available on our website, at https://www.hzlindia.com/wp-content/uploads/HZL-BUSINESS-ETHICS-CODE-OF-CONDUCT-22.04.2022.pdf

Whistle-Blower Policy

We have a proactive whistle-blower policy that encourages and empowers our employees and all stakeholders to report any instances of unethical behaviour and unfair business practices through a dedicated 'whistle-blower portal' to promote moral and ethical business practices within the organisation. The responsibility of addressing such complaints falls under the purview of the Group head of management assurance. Our complaint registration process is simple, efficient and streamlined, making it convenient for employees and all stakeholders to raise their concerns through just three clicks on a mobile application. Once a complaint is received, a thorough investigation is conducted, and the findings are shared with the Audit and Risk Management Committee for review.

Link to our whistle blower policy is as follows:
https://www.hzlindia.com/wp-content/uploads/HZL-WHISTLE-BLOWER-POLICY-19.10.2015.pdf

Anti-Bribery and Anti-Corruption

Hindustan Zinc strictly enforces compliance with its anti-bribery and anti-corruption policies to promote fair and transparent business practices. Comprehensive training and awareness programmes are implemented for employees and BPs to ensure understanding and adherence to our code of conduct. Any form of improper monetary or facilitation payment to individuals or organisations, including public officials and customers, is strictly prohibited.

Number of incidents reported under Anti-Bribery and Anti-Corruption are as under:

S. No.	Categories	Occurrences	% Split
1	Employee Misconduct	1	12.5%
2	Business Integrity Breach	1	12.5%
3	Workplace Harassment and Discrimination	5	62.5%
4	HSE Breach	0	0%
5	Data and Privacy Breach	0	0%
6	Others	1	12.5%

Definitions

1

Employee Misconduct

All matters involving employees, contractors and BPs – including concerns related to unfair HR processes including recruitment practices, benefits and compensation, job assignment and performance, breaches of labour standards, issues related to payroll, remuneration, benefits and compensation (including legal breaches)

2

Business Integrity Breach

Any violation or deviation from the code of business conduct and/or any unethical behaviour including but not limited to facilitation of bribes and fraud and misuse of the Company's resources and benefits

3

Workplace Harassment and Discrimination

Matters relating to inclusiveness and discrimination such as inappropriate employee conduct and harassment

4

HSE Breach

Health, Safety and Environment (HSE) concerns – relating to workplace conditions that represent dangerous physical situations for employees and others

Environmental concerns regarding potential harm or a potential situation that can cause actual or perceived loss or damage to people, the environment or plant and equipment

5

Data and Privacy Breach

Any unintended loss of data or information – failure to comply with local legislation relating to the collection, usage, processing, storage, disclosure and transfer of personal data; this also includes failure to process data for legitimate business purposes or related purposes

6

Others

All other breaches

Leading by Example

Board of Directors

1 **Priya Agarwal Hebbar**
Non-Executive and
Non-Independent Chairperson
(DIN: 05162177)

2 **Navin Agarwal**
Non-Executive
Nominee Director
(DIN: 00006303)

3 **Arun Misra**
Chief Executive Officer &
Whole-time Director
(DIN: 01835605)

4 **Anjani K. Agrawal**
Independent Director
(DIN: 08579812)

5 **Akhilesh Joshi**
Independent Director
(DIN: 01920024)

6 **Kannan Ramamirtham**
Independent Director
(DIN: 00227980)

7 **Farida M. Naik**
Non-Executive
Nominee Director
(DIN: 07612050)

8 **Nirupama Kotru**
Non-Executive
Nominee Director
(DIN: 09204338)

9 **Dr. Veena Kumari Dermal**
Non-Executive
Nominee Director
(DIN: 08890469)

1 **Ms. Priya Agarwal Hebbar** was appointed on the Board with effect from January 19, 2023. She is deeply passionate about the environment and sustainability and has played a crucial role in strengthening Vedanta's ESG practices. Under her leadership, Vedanta has set up a comprehensive framework to be the ESG leader in the natural resources sector. She is passionate about child nutrition and gender neutrality and is leading a variety of CSR initiatives under the Anil Agarwal Foundation, which impacts the lives of more than 4.23 crore people at the grassroots level. The Foundation has pledged ₹ 5,000 crore over the next five years on various social impact programmes. Under her leadership, Vedanta has modernised over 3,300 anganwadis across the country through its flagship project, 'Nand Ghar', which aims to ensure that women and children get the right opportunities even in the remotest parts of the country. She also leads a state-of-the-art animal welfare project – The Animal Care Organisation (TACO) of Vedanta. This project will bring together leading academicians, veterinarians and communities, to create a holistic ecosystem for animal care in India. She is the founder of YODA – an animal welfare organisation.

She has experience in public relations with Ogilvy & Mather and in Rediffusion Y&R. She has completed B.Sc. in psychology and business management from the University of Warwick in the UK.

She is a Non-Executive Director in Vedanta Limited and member of Anil Agarwal Foundation with effect from January 6, 2020 and also Director of Anil Agarwal Foundation with effect from February 10, 2021.

2 **Mr. Navin Agarwal** was appointed on the Board with effect from April 11, 2002. He is also the Executive Vice Chairman of Vedanta Limited and Vedanta Resources Limited. A graduate in commerce from Sydenham College, Mumbai, he has completed the President Management Programme from Harvard University.

He has been associated with the Vedanta Group since inception and has four decades of strategic executive experience. Under his stewardship, the Company has achieved a leadership position in non-ferrous metal.

Over the years, he has been instrumental in building a highly successful and meritocratic organisation. He has spearheaded the Company's strategy through a mix of organic growth and value-accretive investments.

He is passionate about developing leadership talent and has been responsible for creating a culture of excellence through the application of advanced technologies, digitalisation, global best practices and highest standards of corporate governance. His vision is to gradually unlock the enormous potential of the natural resources sector and make it an engine of growth for India.

In recognition of his exceptional distinction in the fields of business, entrepreneurship and contribution to the natural resources sector, he was conferred the 'Industrialist of the Year' award by the Bombay Management Association in 2018. He is a fervent advocate of sustainable development and remains committed to inclusive growth of communities and promotion of culture and sports at all levels.

He is also on the Board of Hare Krishna Packaging Private Limited.

3 **Mr. Arun Misra** was appointed Deputy CEO, Hindustan Zinc on November 20, 2019, and elevated to CEO & WTD, with effect from August 1, 2020. Within 10 months, he was moved to the corner office and placed at the helm of the world's second largest integrated producer of zinc.

He is the first Indian chairperson of the International Zinc Association. He is also the Vice President of the Indian Institute of Mineral Engineers. He has to his credit several published papers in nationally reputed journals.

He was awarded 'CEO of the Year' and Hindustan Zinc the 'Most Innovative Company of the Year' in the Business Leader of the Year awards. Further, the Company under his able leadership has retained its first position in Asia-Pacific for the fourth consecutive year and globally third in S&P Global Corporate Sustainability Assessment in 2022 amongst metal and mining companies.

He completed his bachelor's in electrical engineering from IIT, Kharagpur, diploma in mining and beneficiation from University of New South Wales, Sydney and diploma in general management from CEDEP, France. He possesses knowledge of TQM, Six Sigma, TPM and Malcolm Baldridge Model.

He started his career with Tata Steel as maintenance head (electrical), West Bokaro Coal Washery in July 1988. He brings with him a formidable 33 years of rich and diverse experience in Tata Steel, where he headed multiple strategic positions. In his last assignment at Tata Steel, Mr. Misra worked as Vice President - Raw Materials division.

He is also on the Board of Ferro Alloys Corporation Limited, Federation of Indian Mineral Industries, Hindustan Zinc Alloys Private Limited, Vedanta Zinc Football and Sports Foundation, International Zinc Association, Zinc India Foundation and Hindustan Zinc Fertilisers Private Limited.

4 **Mr. Anjani K. Agrawal** was appointed on the Board with effect from August 1, 2020. He is an FCA, CIA and an alumnus of INSEAD and Cambridge. He has 43 years of professional experience in leading global consulting firms, including 35 years with Ernst & Young (EY) where he was a partner for 26 years. He led the advisory practice of the firm for several years.

His area of expertise includes corporate governance, risk and controls, strategic risk management, cybersecurity and IT, performance management, internal audit transformation, sector policy and strategy, business transformation, supply chain, etc. He is passionate about sustainability, ESG and is actively engaged with development of the social sector.

He has been a sector leader for energy and utilities and metals and mining for several years in India, with few years as EY's global metals sector leader. He has also worked on Niti Aayog and other national committees on policy matters and has written more than 20 thought leadership reports on various subjects. He is a fellow member of Institute of Directors.

He is also a Board member at Vodafone Idea Limited, Aditya Birla Sun Life Trustee Private Limited, Emami Limited, Firstsource Solutions Limited, Evonith Value Steel Limited, Evonith Metallics Limited and Ekal Shrihari Vanvasi Foundation.

5 **Mr. Akhilesh Joshi** was appointed on the Board with effect from August 1, 2020. He completed his bachelor's in mining and possesses first class mining manager certificate of competency under MMR-1961 (unrestricted), diploma from Paris School of Mines in economic evaluation of mining projects. He has over 45 years of professional experience in mining with an exemplary track record of nurturing one of the world's largest integrated zinc, lead and silver producing organisations with a high-performance culture that brings out the best in its employees, risk management and its mitigation, and propels strategic and meticulous execution to deliver extraordinary results.

He was the CEO of Hindustan Zinc from 2012 to 2015 and also appointed President of global zinc business. He provided guidance to gold mining companies in Armenia, engaged and worked closely with companies like SRK/AMC, for benchmarking and mining methodology evaluations.

In his long global career, he has been recognised with numerous awards including Business Today CEO award and Hindustan Zinc Gold Medal award by Indian Institute of Metals. In 2012, he was facilitated by India's Finance Minister for his excellent contribution to the mining sector. He is also a member of the Institution of Engineers (India), Mining Engineers Association of India (MEAI), Mining Geological and Metallurgical Institute of India (MGMI) and Indian Institute of Mineral Engineers (IIME).

He has also co-authored a book titled 'Blast Design Theory and Practice' and written various technical papers in relation to exploration and mining since 1995.

He is also on the Board of Vedanta Limited, Rajasthan State Mines and Minerals Limited, Ferro Alloys Corporation Limited, Wolkem Industries Limited and Wolkem India Limited.

6 **Mr. Kannan Ramamirtham** was appointed on the Board with effect from September 1, 2022. He has successfully headed varied functions including corporate credit, merchant banking, capital markets, corporate advisory, M&As in mid-market. He has served on several high-level official committees for banking and capital market reforms. His career evolved as a commercial banker in the mid-1970s from focus on project/ industrial financing appraisals to spearheading the merchant banking division of Canara Bank. He headed the India operations of merchant banking for Standard Chartered Bank in 1990.

In his entrepreneurial journey, he has set up Imperial Corporate Finance, a boutique investment banking company. In 2008, he founded OrionSayi Consultants, a private company that provided owner level advisory services to family-owned businesses in transition. In his long and illustrious career, he has successfully concluded over 300 equity transactions, including equity and public sector bonds, 50 M&A transactions including turnarounds and financial restructuring in mostly public markets. He is a postgraduate in Mathematics from Madras University, PGDMS from Bombay University and certified associate of Indian Institute of Bankers with Industrial Finance.

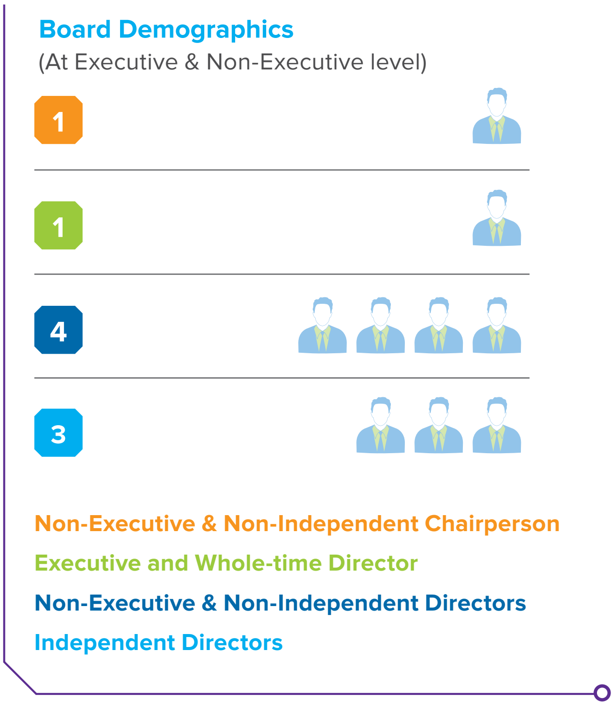
He is also on the Board of Lakecity Ventures Private Limited, Orient Press Limited, Ram Ratna Wires Limited, PTC Cables Pvt Ltd, Athena Infonomics India Private Limited, Bharat Re-Insurance Brokers Private Limited, Talwandi Sabo Power Limited, Avi Alimchandani Foundation and Jyoti Structures Limited.

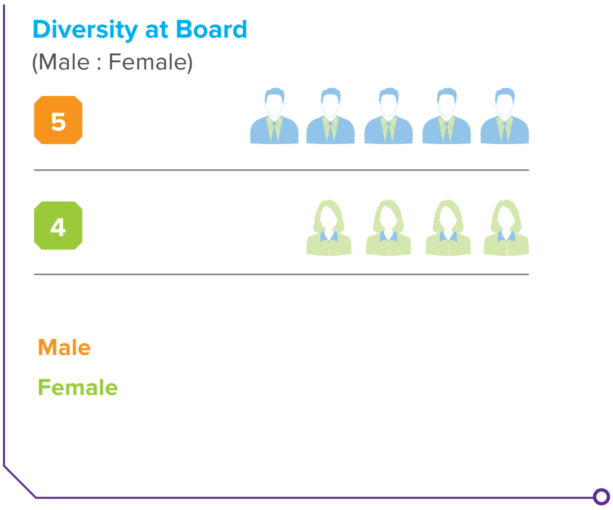
7 **Ms. Farida M. Naik** was appointed on the Board with effect from March 14, 2017. She is an alumnus of Sophia College, Mumbai from where she graduated in psychology. She is currently Joint Secretary in Ministry of Mines, Government of India. She has held various positions in different ministries and departments of Central Government, which includes her last stint as Joint Director of National Book Trust and Director in Ministry of Mines. She is also on the Board of Bharat Aluminium Company Limited.

8 **Ms. Nirupama Kotru** was appointed on the Board with effect from July 26, 2021. She is from Indian Revenue Services (IRS). She has a bachelor's degree in economics and a master's degree in politics and international relations. Currently, she is Joint Secretary and Financial Advisor with Ministry of Coal and Ministry of Mines.

She is also on the Board of Coal India Limited and Bharat Aluminium Company Limited.

9 **Dr. Veena Kumari Dermal** was appointed on the Board with effect from July 29, 2021. She has completed PhD in horticulture and PGP in public policy management. She is a specialist in mineral policy and legislation and currently Joint Secretary in Ministry of Mines. She is also on the Board of Khanij Bidesh India Limited, and National Aluminium Company Limited.





Expertise of Directors

Steered by our concerted focus on promoting the diversity at the Board level and to ensure a mix to drive sustained value creation, we continue to expand and enhance our Board skills and experience, especially in the key areas of natural resources, operational excellence, IT innovation, cybersecurity, digitalisation and automation, as well as finance.

For details refer to **page 226** of Corporate Governance Report forming part of this Integrated Annual Report

Senior Management Team

1 **Arun Misra**
Chief Executive Officer

2 **Krishnamohan Narayan**
Deputy Chief Executive Officer

3 **Sandeep Modi**
Chief Financial Officer

4 **Munish Vasudeva**
Chief Human Resources Officer

5 **Pallavi Wad**
Chief Commercial Officer

6 **Vijay Murthy**
Chief Marketing Officer - Metals & Acid

7 **Pradeep Singh**
Chief HSE & Sustainability Officer

8 **Anupam Nidhi**
Head - CSR

❶ **ARUN MISRA**
Chief Executive Officer

Arun has 35 years of experience in the metal and mining industry and in the strategic areas of quality management and breakthrough leadership. He is also the Chairman of International Zinc Association (IZA) and Vice Chairman of Confederation of Indian industry (CII), Rajasthan.

❷ **KRISHNAMOHAN NARAYAN**
Deputy Chief Executive Officer

Krishnamohan has 28 years of experience in the field of operations and business management. He has served in leadership roles in the chemical industry across diverse geographies in Asia and Europe.

❸ **SANDEEP MODI**
Chief Financial Officer

Sandeep has over 18 years of experience in the metals, mining and power industry in areas of core finance including credit rating, fundraising, investor relations, mergers & acquisition, taxation, risk management and assurance among others. He has been instrumental in various strategic transactions in his key leadership roles for over a decade.

❹ **MUNISH VASUDEVA**
Chief Human Resources Officer

Munish has over 30 years of experience in the human resources function across various verticals of talent acquisition, business partnering, rewards & remuneration, organisational design, leadership development, succession planning and mergers & acquisitions. He has been in leadership roles in a large multinational for over two decades.

❺ **PALLAVI WAD**
Chief Commercial Officer

Pallavi is a supply chain professional with more than 28 years of experience in sourcing, logistics, operations and has worked in leadership roles in India and Indonesia.

❻ **VIJAY MURTHY**
Chief Marketing Officer - Metals & Acid

Vijay has over 19 years of cross-functional experience in finance, procurement, sales & marketing and corporate strategy. He has served in leadership roles across the Group's zinc and copper business in South Africa and India. He has also held leadership positions in cement and chemicals industry.

❼ **PRADEEP SINGH**
Chief HSE & Sustainability Officer

Pradeep has over 22 years of experience across non-ferrous metals, cement and consultancy sectors in occupational health, safety, environment and sustainability functions.

❽ **ANUPAM NIDHI**
Head - CSR

Anupam has 22 years of experience in the CSR and sustainability spheres. She has served large Indian conglomerates and multinational corporations in leadership roles.

Stakeholders Speak

Business Partner

We are associated with the Group since 2017 and are engaged in the UG mine development and ore raising in cluster A and MDO contract at Kayad. The association with Hindustan Zinc has helped us to grow rapidly. We are well aligned with the group's growth trajectory as well as with their ESG framework, with utmost focus on safety with an aim of zero harm to its workforce in the operational field. There is continued learning for us from the safety, operating and maintenance practices of the Group. The ownership and entrepreneurship are some of the unique learnings and has helped in paving the way forward for our growth.

S.M. Sharma
Director Strategy Manager

Business Partner

We have been a strategic partner to Hindustan Zinc for indirect material sourcing for the last four years. In a new pathbreaking format of procurement outsourcing, we have worked in close partnership with Hindustan Zinc to create a central sourcing pool for reduction of inventory and streamlining of indirect material consumption. Hindustan Zinc has been instrumental in helping us scale sustainable ways of sourcing, being mindful of ESG, safety and compliance processes. We have learned about various kinds of auctions and details of mining process to bring about joint innovations in procurement. This union and partnership has been absolutely strategic and symbiotic.

Amandeep Singh Bhan
Senior Vice President

Community

I come from a small village in Agucha. Life here has always been challenging, especially for women like me who had limited opportunities to earn a livelihood. However, everything changed when I joined Jai Dhanop Maa (SHG) in our village and learned the importance of saving. I wanted to earn myself by doing business rather than going to work in others' fields as a wage labourer. The group saving has helped me to become self-sufficient. I took a loan of ₹ 25,000 from the federation and started a poultry farm with 200 chickens. I earn ~₹ 25,000 per month. I am glad that I am a part of the Sakhi programme.

Mamta Rao
SHG member of Jai Dhanop Maa, Agucha location

Community

From earning ₹ 1,500 per month to ₹ 9,000 per month is in simple numbers how Sakhi Haat has helped me become economically developed. This income as a beautician at Sakhi Haat supported me and my family in ensuring proper education for my children.

Santhosh Tailor
Beautician at Sakhi Haat

Community

The Jeevan Tarang programme has changed my life completely and now I'm able to communicate in sign language and understand the subjects in school easily. I am also learning computers. Now, I can share my thoughts and feelings with my friends, teachers and parents. Thank you Hindustan Zinc Jeevan-Tarang.

Priyanka Kanwar
Class 8th – Badhir Senior Secondary School, Ajmer

Community

I'm feeling very delighted after getting placed in 'Dainik Bhaskar Group'. I am married and have a responsibility towards my family to nurture them. I joined the DDEO trade at Zinc Kaushal Kendra, Agucha, hoping to start my career in a good organisation. After completing the training, I was selected as an Assistant Manager – Sales on a ₹ 20,833/- monthly salary. It was definitely a life-changing shot for me to be a part of ZKK-Agucha.

Pradeep Singh Parihar
Zinc Kaushal Kendra (ZKK), Agucha

Community

It was a great pleasure for me to visit Zinc Kaushal Kendra - Debari and be a part of the graduation ceremony of especially abled batch trainees who are often neglected by society and community. I admire Hindustan Zinc's initiative to support this special segment and train them so that they can contribute productively to their family and society. This is a best example of building inclusive society by giving equal opportunities to the especially abled youth.

O.P. Bunkar

Additional District Magistrate, Udaipur

People

I am working as a mine planning engineer at Rampura Agucha Mine. I began my career as a mining engineer trainee in September 2019 and currently looking after mine development activities. It's been more than 3 years working in this 'male-dominated' mining industry but I never felt so after I started working as a BP with Hindustan Zinc where leaders always encourage women to be on the top. I have been featured in Dainik Bhasker front page by Hindustan Zinc for women empowerment in mining industry. The constant support by my team and my seniors has helped me in my professional growth. Initially during my internship many people discouraged me recommending not to opt for mining as a career. I belong to the first batch in Rajasthan that gave admission to women in mining engineering. However, after taking this opportunity I believe that in an era where innovation is highly prized, environments that foster diversity will ace. Both men and women need to be valued, based on their work and not gender.

Aishwarya Lohar

Business Partner (BP) Mining Engineer

People

Being a transgender is like wrestling with their sexuality and gender from young age. After my share of struggles in life, I got this opportunity to work with Hindustan Zinc as a transgender and I am thankful to them for giving a platform to people like us providing an equal place in the society.

This company provided me an opportunity to realise my career aspirations. In the beginning I hesitated a bit in working in a corporate setup but after sometime I came to realise that the challenges which I have faced in my life, have made me even stronger. I work here as a back office executive and I am glad for the support I've got from the marketing team and from the entire Hindustan Zinc family. My aim is to set new benchmarks contributing to the growth of Hindustan Zinc and continue to expand my skills preparing myself to handle more responsibilities.

Yashvardhan Pandey

Employee: Back Office Executive, Marketing

People

Hindustan Zinc is an organisation that truly values its employees and provides great opportunities to realise highest potential. Young talents can contribute with creative ideas, new technological advancements & skills to the workplace, with the support of Hindustan Zinc's extremely transparent & approachable Leadership. To top it off, Hindustan Zinc's culture is unmatched! It's a culture that embraces flexibility, celebrates diversity of thought and approach, and one that makes it easier to come to work every day.

Employee

High Potential Leader

People

Hindustan Zinc believes in promoting growth from within the organisation and with my positive state of mind & my never ending hunger for gaining knowledge in various fields, I aspire to grow to CXO level within this organisation.

Employee

High Potential Leader

Eurasian Coot at Kayad
Photo courtesy: International Union for Conservation of Nature (IUCN) Team

Board's Report

Dear Members,

We share with you our 57th Annual Report, together with the Audited Financial Statements for the year ended March 31, 2023.

The Directors are pleased to inform that Hindustan Zinc delivered exemplary operational performance showcasing resilience while ensuring safe operations and continued to improve on its performance of various ESG metrics. The Company has taken a proactive approach to keep its assets and people safe, while increasing engagement with the communities.

THE YEAR IN SUMMARY

The Company continued to deliver stellar results during the year, touching new operational milestones. Mine production continued to improve during the year with ore production for the full-year up 2% y-o-y to deliver a record 16.7 Mt, supported by strong production growth at Rajpura Dariba, Sindesar Khurd and Rampura Agucha mines, which were up 11%, 7% and 6% respectively. Mined metal production was up 4% y-o-y to record 1,062 kt driven by higher ore production, improved mined metal grades and operational efficiencies. The Company also recorded ever highest mine development, registering 4% growth y-o-y, crossing the 110 km mark in line with increasing production requirements and securing future resource base.

The Company crossed the 1 million tonne refined metal production mark for the first time producing ever highest 1,032 kt of refined metal supported by strong MIC production and better plant availability.

The Company diligently focussed on community upliftment in the areas of education, sustainable livelihoods, women empowerment, health, sports & culture, water & environment and community assets creation.

The Company is ranked #3 globally and #1 overall in Asia-Pacific at S&P Global Corporate Sustainability Assessment Score in metal and mining sector. The Company has also been selected as a leadership band 'A' listed company for 'Climate Change' and band 'A-' listed company for 'Water Security' in CDP 2022.

I. HEALTH, SAFETY AND ENVIRONMENT

Occupational Health & Safety

In line with our commitment to ensure zero harm to employees, the leadership has undertaken the prime responsibility of providing a safe workplace for all employees entering our premises. While committed to operate a business with 'zero harm', it is with deep grief we report the loss of lives of six business partner colleagues and one Hindustan Zinc employee in work-related incidents at our managed operations. These incidents happened despite our constant efforts to eliminate fatalities and attain a 'zero harm' work environment. A thorough investigation was conducted to identify the causes of these incidents and share the lessons learned across Hindustan Zinc, to prevent similar incidents in the future.

LTIFR for the year was 0.70 as compared to 0.81 in FY 2021-22.

During the year, to avoid fatalities and catastrophic incidents in Hindustan Zinc, 'Vihan': a critical risk management (CRM) initiative was launched to improve managerial control over rare but potentially catastrophic events by focussing on the critical controls. We have reinforced the focus upon four critical risks i.e., fall of ground (FOG), fall of person/object from height (WAH), vehicle pedestrian interaction (VPI) and entanglement. Through these initiatives, we want to ensure that all identified critical controls are being monitored on a daily basis and systems are in place.

Safety pause was also conducted across all our operational units covering all shift employees under the theme 'stop work if it's not safe'. During this connect all recent safety incidents that happened across group companies were discussed and key learnings were shared.

A Community of Practice (CoP) on "Structure Stability" was established during the year to institute a review mechanism of all prevailing civil and mechanical structures; further a specific categorisation was established to mark the structures based on which their repair/replacement will be planned.

Second half of the year has been a period of innovation for mining operations to avoid manual intervention and related risk with inclusion of:

Digitalised drilling of production stopes during blasting operations eliminating manpower requirement, machine drills in auto mode with interlock features and digital radio frequency identification (RFID) based cap lamps along with proximity sensors to avoid man-machine interaction underground.

Training and capability building was also a core theme during the year, few such key programmes were:

First underground practical cum digitised training gallery developed at Rampura Agucha Mines (RAM) to provide all facility of surface training to underground operations team, wi-fi network available at training place so that underground manpower can connect from underground to any kind of seminars/trainings, safety leadership development programme initiated for mines frontline supervisor through ex-DGMS officials and Dupont, launch of a unique virtual reality-based simulator training for jumbo operator at RAM.

Response during any emergency is a paramount parameter to ensure safety of the people. As a proactive measure, we have conducted emergency response and crisis plan (ERCP) gap assessment study across all the sites. Further, the 51st All India Mines Rescue Competition was hosted under the aegis of DGMS at Rajpura Dariba Complex, a 10-day capacity building training programme on 'disaster management' was conducted at Zawar Mines (ZM), the training included medical first responder, collapsed structure search & rescue, fire management, chemical emergencies, etc. RAM has reaffirmed safety & rescue by establishing underground fire tender with remote operated foam unit and thermal imaging camera for blind zones.

Demonstrating the highest standards of health and safety management during the year, Dariba Smelting Complex received the prestigious 'Sword of Honour' from British Safety Council for showing excellence in the management of health and safety risks at work. Kayad Mines received 5-Star Rating Award in safety and welfare by Rajasthan Government and Jaswant Singh Gill Memorial Industrial Safety Excellence Award 2022 for underground metal mining in India.

Environment

Hindustan Zinc commits to 'long-term target to reach net-zero emissions by 2050' in line with Science Based Targets initiative (SBTi) aiming to have a clear and defined path to reduce emissions in line with the Paris Agreement goals. To achieve this target, we are working towards improving our energy efficiency, switching to low carbon energy sourcing, introducing battery operated electrical vehicles and increasing the role of renewables in our energy mixes.

We have entered into a power delivery agreement for sourcing up to 450 MW of renewable power by 2025 which will not only strengthen our commitment towards a clean future but will also help reduce emissions to the tune of 2.7 mn tCO_2e. Pantnagar Metal Plant is sourcing 100% green power for its operations thus making it a one-of-a-kind initiative, leading towards reducing emissions by 30,000 tCO_2e.

Technology and digitalisation are key to strengthening our ESG footprint and creating a net-zero future. It is our ambition to convert all our mining equipment to battery-operated electric vehicles (EVs). To make our mining operations environment-friendly, we plan to invest US$ 1 billion over the next few years towards mitigating climate change impacts.

EVs are a globally recognised means to reduce dependence on petroleum products and thus reduce CO_2 emissions. Therefore, Hindustan Zinc signed a Memorandum of Understanding (MoU) with Epiroc Rock Drills AB, Normet Group Oy and Sandvik AB to introduce battery electric vehicles (BEV) in its underground mining operations making Hindustan Zinc the first Company in India to do so.

Hindustan Zinc has led by example by inducting an LNG powered truck for upstream and downstream transportation which shall reduce greenhouse gas (GHG) emissions. We are also using 5% biomass for power generation at our captive thermal power plants thereby reducing carbon footprint.

In line with Hindustan Zinc's policy of a green value chain, our business partners have also started operating EVs and several electric forklifts have been introduced in our multiple business units.

At Hindustan Zinc, we recognise the reality of climate change. Therefore, our risk management processes embed climate change in the understanding, identification, assessment and mitigation of risk. We have published our second task force on climate-related financial disclosures (TCFD) report during the year which sets the adoption of the TCFD framework for climate change risk and opportunity disclosure.

Endeavouring towards being a sustainable organisation we have refreshed our materiality matrix and established the ESG governance at tier 3 level as well as at SBU level to implement ESG projects on ground.

Hindustan Zinc joined the taskforce on nature-related financial disclosures (TNFD) piloting with ICMM to access the challenges in implementing the LEAP process of TNFD.

Miyawaki afforestation was completed at Dariba Smelting Complex (DSC) and Chanderiya Lead-Zinc Smelter (CLZS). 12,000 indigenous plants and 6,500 native seeds were planted in an area of 1 hectare at each of the locations to create a self-sustaining forest in the span of 3 years.

A 3 year engagement with International Union for Conservation of Nature (IUCN) has also been initiated. Under this, we have prepared an Integrated Biodiversity Assessment Tool (IBAT) report for all Rajasthan based locations identifying species present in the core area, reframed our biodiversity policy, conducted ecosystem service review across the Rajasthan based locations, completed the biodiversity risk assessment and site visit by IUCN team members done for two seasons. These studies will help Hindustan Zinc prepare a strategy to achieve 'no net loss' towards biodiversity. Green cover study has been done by the State Remote Sensing Application Centre (SRSAC), Jodhpur for all Rajasthan based locations of Hindustan Zinc.

One of the most notable achievements has been the successful commissioning of a 3,200 KLD zero liquid discharge (RO-ZLD) plant at the Dariba smelter. Apart from that, ZM and RAM ZLD projects of 4,000 KLD capacity each have also been initiated to improve recycling and strengthen the zero discharge. Like ZM, dry tailing plant at Rajpura Dariba mine is also under final stage of commissioning and will result in significant amount of water recovery from the tailings.

Site inspection and updated Global Industry Standard on Tailing Management (GISTM) Conformance Assessment completed by ATC Williams for all tailing storage facility (TSF). Published the 1st Environmental Product Declaration (EPD), a type 3 ecolabel of our zinc product thus reinforcing our commitment to sustainability, transparency, and minimising environmental footprint.

Public hearing was conducted successfully at CLZS for proposed enhancement of zinc production capacity from 504 to 630 kt and installation of induction furnace, slab casting line, raw zinc oxide (RZO) unit, change in product mix in pyro unit on total metal basis & installation of lead refinery and minor metal complex etc.

Our sustainability related activities received several endorsements during the year:

- Hindustan Zinc ranked #3 globally and #1 overall in Asia-Pacific at S&P Global Corporate Sustainability Assessment Score in metal and mining sector. Scores improved from 77 last year to 80 this year
- Hindustan Zinc won the "Industry Leadership Award - Base, Precious and Specialty Metals" and "Corporate Social Responsibility" at the prestigious S&P Global Platts Global Metal Awards
- Included in Sustainability Yearbook 2023 amongst the top 5% most sustainable organisations globally
- GreenCo rating 2022: Dariba Smelting Complex (Gold rating), Chanderiya Lead-Zinc Smelter (Gold rating), Debari Zinc Smelter (Silver rating), Zawar Mines (Silver rating), RAM (Silver rating)
- Hindustan Zinc received the Indian Patent for in-house innovation for process to treat Antimony-bearing by-product of zinc-lead smelters and convert it into a value-added product, Potassium Antimony Tartarate (PAT). Previously, we received the patent for the same category from the US and Europe patent offices in the years 2021 & 2019 respectively
- Climate Action Programme (CAP) 2.0° - Oriented Award in the Energy, Mining and Heavy Manufacturing Sector
- Sustainalytics ESG scoring improved from 46.6 to 29.6, management scores improved from Average to Strong
- Hindustan Zinc awarded with CII EXIM Business Excellence Award 2022
- Hind Zinc school awarded with prestigious Platinum Certification from the Indian Green Building Council
- Hindustan Zinc selected as leadership bands A/A- listed company by CDP "Climate Change A" and "Water Security A-" in CDP 2022 and has been recognised as leaders in supply chain
- CII - ITC Sustainability award to CLZS as Outstanding accomplishment in corporate excellence and Debari Zinc Smelter (DZS) as Excellence in environment management
- Hindustan Zinc's 4 mines received 5 Star Rated Mines' award by the Ministry of Mines, Government of India

II. OPERATIONAL PERFORMANCE

Production performance

Production	FY 2022-23	FY 2021-22	% Change
Total mined metal (kt)	1,062	1,017	4%
Refined saleable metal production (kt)	1,032	967	7%
Refined zinc – integrated (kt)	821	776	6%
Refined lead – integrated (kt)	211	191	10%
Saleable silver production (in tonnes)	714	647	10%

Production

For the full-year, ore production was up 2% y-o-y to 16.74 Mt on account of strong production growth at Rajpura Dariba, Sindesar Khurd & Rampura Agucha mines, which were up 11%, 7% and 6% respectively. FY 2022-23 saw the best-ever mined metal production of 1,062 kt compared to 1,017 kt in the prior year in line with higher ore production across mines supported by better mined metal grades and operational efficiencies.

For the full year, we saw our ever-highest metal production, up 7% to 1,032 kt in line with consistent mined metal flow from mines and better plant availability, while silver production was 10% higher at 714 MT in line with higher lead metal production.

The Company generated 2,996 million units of thermal based power in FY 2022-23. Total green power generation was 713 million units as compared to 720 million units in FY 2021-22.

Sales

During the year, domestic refined zinc metal sales was 484 kt as against 506 kt last year, while export sales for the year stood at 337 kt as compared to 271 kt a year ago. The aggregate sales were higher by 6% than previous year, in line with production. Lead metal sales in the domestic market were 186 kt, while export sales were 25 kt leading to increase in aggregate sales by 10% from a year ago, in line with the increase in lead metal production. Silver sales were 714 MT in FY 2022-23, all in the domestic market and 10% higher than previous year.

III. FINANCIAL PERFORMANCE

Financial Information

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Revenue from operations (incl. other operating income)	34,098	29,440
Other income	1,379	1,216
Profit before depreciation, interest, tax, and exceptional item	18,885	17,441
Less: Interest	333	290
Less: Depreciation and amortisation expense	3,264	2,917
Less: Exceptional Item	-	134
Profit before tax	15,288	14,100
Less: Net tax expense	4,777	4,471
Net profit	10,511	9,629
Earnings per share (₹/share)	24.88	22.79

Annual Performance

Details of the Company's annual financial performance as published on the Company's website and presented during the analyst meet, after declaration of annual results, can be accessed using the following link: https://www.hzlindia.com/wp-content/uploads/Investor_presentation_21042023.pdf

Revenue

The Company reported 'Revenue from operations' including other operating income of ₹ 34,098 crore, an increase of 16% y-o-y primarily on account of increase in zinc prices, higher metal and silver sales due to increase in production, strategic hedging and favourable exchange rate, partly offset by lower lead and silver prices.

The 'Other income' was ₹ 1,379 crore during the year compared to ₹ 1,216 crore in the previous year with support of higher rate of return in current year as against the previous year.

Production Cost

Zinc's cost of production (COP) excluding royalty for FY 2022-23 was ₹ 1,00,893 (US$ 1,257) per tonne, higher by 21% y-o-y. The full year COP was higher, largely on account of higher coal prices & input commodity inflation, partly offset by higher volumes, better sulphuric acid realisation & improved operational efficiencies.

Operating Margin

The above revenue and production cost resulted in profit before depreciation, interest and tax (PBDIT) of ₹ 18,885 crore in FY 2022-23, up 8% on account of higher volumes, rise in LME prices, strategic hedging, partially offset by higher coal and input commodity prices.

Net Profit

Net profit was ₹ 10,511 crore, up 9% y-o-y where in the impact of higher PBDIT was partly offset by higher depreciation and amortisation. Effective tax rate for the year at 31.2% as compared to 31.7%.

Earnings Per Share (EPS)

The EPS for the year was ₹ 24.88 per share as compared to ₹ 22.79 per share in FY 2021-22.

Dividend

Interim dividend of 3,775%, i.e., ₹ 75.5 per share on equity share of ₹ 2 each amounting to ₹ 31,901 crore was declared in the FY 2022-23.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is available on the Company's website on https://www.hzlindia.com/wp-content/uploads/Dividend-Policy-2016.pdf

Credit Rating and Liquidity

CRISIL has reaffirmed the Company's long-term rating of AAA/Stable and short-term rating of A1+. The ratings continue to reflect the Company's low-cost operations, strong market position, efficient and integrated operations, high reserve & resource and a strong balance sheet.

The Company follows a conservative investment policy and invests in high quality debt instruments. As on March 31, 2023, the Company's gross investments and cash & cash equivalents were ₹ 10,061 crore.

Cash Flows

(₹ in crore)

Particulars	FY 2022-23	FY 2021-22
Opening Cash*	20,789	22,308
Add: EBITDA**	17,590	16,289
Add: Net Interest Income	1,151	604
Less: Income Tax	3,140	2,391
Less: Dividend	31,901	7,606
Less: Capital Account Payments	3,561	2,998
Add: Borrowings	8,978	(4,315)
Add: (Increase)/Decrease in Working Capital & Others	155	(1,102)
Closing Cash*	10,061	20,789

(*) Includes Cash & Cash Equivalents (refer note 11 of the Audited Financial Statements), other bank balances excluding earmarked unpaid dividend accounts balance (refer note 12 of the Audited Financial Statements) and Current & Non-Current Treasury Investments (refer note 9 of the Audited Financial Statements)

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

Gross Working Capital

Gross working capital represented by inventory, trade receivables and other current assets decreased from ₹ 3,132 crore to ₹ 2,578 crore as at March 31, 2023 primarily due to decrease in trade receivables and coal stock. The working capital cycle was 28 days in FY 2022-23 as compared to 40 days in FY 2021-22.

Gross Block

The gross block during the year increased from ₹ 37,453 crore to ₹ 40,426 crore. This was largely due to the ongoing mining projects and other sustaining capex.

Capital Employed*

The total capital employed as at March 31, 2023 was ₹ 14,712 crore, as compared to ₹ 16,315 crore at the end of previous fiscal year.

*Refer page 51 for description

Contribution to the Government Treasury

The Company has contributed ₹ 24,892 crore during FY 2022-23, in terms of royalties, dividend and taxes to the Government treasury, aggregating to approximately 73% of the total operating revenue.

IV. RESERVE & RESOURCE (R&R)

On an exclusive basis, total Ore Reserves at the end of FY 2022-23 stood at 173.49 million tonnes (net of depletion of 16.74 million tonnes during FY 2022-23) and exclusive Mineral Resources totalled 286.56 million tonnes. Total contained metal in Ore Reserves is estimated at 9.64 million tonnes of zinc, 2.7 million tonnes of lead and 310.2 million ounces of silver. The Mineral Resource contains approximately 12.8 million tonnes of zinc, 5.66 million tonnes of lead and 545.7 million ounces of silver. At current mining rates, the R&R underpins metal production for more than 25 years.

V. PROJECTS

In Hindustan Zinc journey of 1.25 Mtpa MIC expansion, only remaining project of RD beneficiation plant revamping is under execution at RD mines which is scheduled to be commissioned in FY 2023-24. Fumer plant commissioning is delayed due to VISA issues of OEM from China. The plan is to complete commissioning of plant through OEM support in FY 2023-24. For further phase of expansion of mines and smelters, studies are under progress and results are expected in FY 2023-24.

The capacity of smelters is being enhanced by putting up a new roaster in Debari with latest technologies. The order placement is targeted by Q1 FY 2023-24.

With increasing focus on enhancing the value-added product portfolio, a new project of Alloys commissioned through a subsidiary - Hindustan Zinc Alloys Private Limited (HZAPL) in FY 2022-23, which is scheduled for completion in FY 2023-24. Hindustan Zinc is also setting up a new fertiliser plant at Chanderiya for which partner has been locked in. Project is scheduled for completion in 24 months. Through HZAPL and Hindustan Zinc Fertilisers Private Limited (HZFPL), the Company will move from a commodity-based to a product-based Company.

VI. SUBSIDIARIES/JOINT VENTURES

As on March 31, 2023, your Company had 4 wholly owned subsidiaries and 1 joint venture as per the Companies Act, 2013 (the Act) which have been classified as subsidiaries/JVs under Indian Accounting Standards (Ind AS). Same are as follows: -

1. Hindustan Zinc Alloys Private Limited
2. Vedanta Zinc Football & Sports Foundation
3. Hindustan Zinc Fertilisers Private Limited
4. Zinc India Foundation
5. Madanpur South Coal Company Limited

During the year under review, no changes occurred in your Company's holding structure.

VII. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR initiatives passionately focusses on community upliftment by strengthening the local economy and improving the quality of life by working in the areas of education, sustainable livelihoods, women empowerment, health, water & sanitation, sports & culture, environment & safety and community assets creation.

During the year, the Company spent ₹ 276.34 crore on CSR programmes, more than the 2% of CSR mandate which was ₹ 214.38 crore. For further details, refer **Annexure 3** and 'Operational Review' section of this Annual Report.

VIII. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Kannan Ramamirtham (DIN: 00227980) was appointed as Non-executive Independent Director on the Board of the Company for a period of 1 year effective from September 01, 2022 to August 31, 2023. The same was approved by the shareholders through postal ballot outcome dated October 31, 2022.

Mrs. Kiran Agarwal has ceased to be the Chairperson and Director of the Company w.e.f. January 18, 2023 (from the close of business hours) and Ms. Priya Agarwal has been appointed on the Board as Additional Director and Chairperson of the Company w.e.f. January 19, 2023. The same was approved by the shareholders through postal ballot outcome dated April 10, 2023.

Mr. Sandeep Modi, Interim Chief Financial Officer (CFO) has been elevated as Chief Financial Officer w.e.f. April 21, 2023 by the Board.

The Company's policy on appointment of Directors and their remuneration is available on the Company's website https://www.hzlindia.com/wp-content/uploads/HZL-Nomination-Remuneration-Policy-20.1.2020.pdf

IX. MANAGEMENT DISCUSSION AND ANALYSIS

The 'Operational Overview' section of this Annual Report gives a detailed account of the Company's operations and the market in which it operates. The 'Financial Performance' section of this Board Report and the 'Key Performance Indicators' section of this Annual Report provide a discussion on the financial performance and key financial ratios of the Company. The initiatives in the areas of human resources, sustainability and risk management are covered in the respective sections of this Annual Report.

X. CORPORATE GOVERNANCE AND BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

As a listed company, necessary measures are taken to comply with the listing agreements of the Stock Exchanges. A report on Corporate Governance forms part of this report. Further, Business Responsibility and Sustainability Report describing the initiatives taken by the Company from an environmental, social and governance perspective, also forms a part of this report. In order to maintain transparency and efficient governance, various disclosures as required under sections 134 and 135 of the Companies Act, 2013 are annexed to this report or covered in the Corporate Governance Report, such as Related Party Transactions; information and details on conservation of energy, technology absorption, foreign exchange earnings and outgo; extract of annual return; constitution of various Board level committees; annexure on CSR, etc.

XI. DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm that:

i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. they have selected such accounting policies and applied them consistently and made judgements & estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;

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

iv. the annual accounts have been prepared on a 'Going Concern' basis;

v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant Board committees, including the Audit & Risk Management Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2022-23.

XII. BOARD EVALUATION

The Nomination and Remuneration Committee has devised a criterion for evaluation of the performance of the Directors including the Independent Directors. The said criteria provide certain parameters like attendance, acquaintance with business, communication inter se between Board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers etc., which is in compliance with applicable laws, regulations and guidelines.

Board evaluation is done on an annual basis by a third party.

During the year, Company engaged Deloitte Haskins & Sells LLP (DHS) for carrying out the performance evaluation of all the Board members, Board as a whole and various committees.

The criteria used by them basis which the individual Director performance evaluation has been done included:

- preparation and participation in Board meetings
- personality and conduct
- quality of value added
- understanding of the Company's mission, vision, philosophy and strategy
- understanding of the industry and the business in which the Company operates
- independence of judgement
- independent thinking ability to bring a divergent view, etc.

CEO & Whole-time Director evaluation was more focussed towards Company performance and leadership, team building and management succession, edge in execution of strategy formulated by the Board.

The evaluation of the various Board committees was more focussed towards:

- it's charter/terms of reference
- number of meetings held and its appropriateness
- timely availability of information
- committee composition
- committee decisions are adequately conveyed and implemented
- meetings are conducted in a manner that ensures open communication, meaningful participation and timely resolution of issues
- independency of committee to contribute effectively

Assessment of each Director on the Board is done by the other Directors including that of various committees. The consolidated outcome from all the Directors is prepared by the Chairman of Nomination and Remuneration Committee and presented to the Board of Directors. All the Directors had been rated excellent and overall finding shows that the Board and its various committees are working very well. All Board members come with very strong backgrounds and add lot of value & insights to the Company by making the meetings participative and engaging.

XIII. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

XIV. RELATED PARTY TRANSACTIONS

In line with the requirements of the Companies Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same can be accessed using the following link: https://www.hzlindia.com/wp-content/uploads/HZL_RPT-Policy_Revised_21.04.2023.pdf

During the year under review, all transactions entered into with related parties were approved by the Audit Committee/Board of Directors of the Company as per the applicable case. Certain transactions, which were repetitive in nature, were approved through omnibus route. However, there were no material transactions of the Company with any of its related parties as per the Act. The disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is annexed as **Annexure 2**.

XV. DEPOSITS

The Company has not accepted any deposits from public and as such no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

XVI. AUDITORS

The Company had appointed M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company to conduct audit of Financial Statements for the year ended March 31, 2023. The notes to Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification or reservation.

Certificate on the compliances with the conditions of Corporate Governance (CG) as per provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, has been issued by Vinod Kothari & Company, Practising Company Secretaries and Secretarial Auditors of the Company. The only adverse remark in CG certificate is for not fulfilling the criteria of adequate number of Independent Directors including at least one-woman Independent Director and for which the Company is in touch with two major shareholders, which is self-explanatory.

As per provisions of section 136 of the Companies Act, 2013, the Annual Report including the audited accounts for the year will be sent to all the shareholders whose e-mail addresses are registered.

Reporting of Frauds by Auditors

During the year, none of the auditors of the Company have reported any fraud as specified under the second proviso of Section 143(12) of the Act.

XVII. VIGIL MECHANISM

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for Directors and employees in confirmation with section 177(9) of the Act and regulation 22 of SEBI Listing Regulations, to report concerns about unethical behaviour. This policy is available on the Company's website on https://www.hzlindia.com/wp-content/uploads/HZL-WHISTLE-BLOWER-POLICY-19.10.2015.pdf

XVIII. ANNUAL RETURN

Pursuant to section 92(3) read with section 134(3)(a) of the Act, the Annual Return as on March 31, 2023 is available on the Company's website https://www.hzlindia.com/investors/reports-press-releases/

XIX. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached to this report. In terms of the provisions of section 197(12) of the Companies Act, 2013 read with rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said rules forms part of the report. However, having regard to the provisions of the first proviso to section 136(1) of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at registered office of the Company during working hours. Any member interested in obtaining such information may write to the Company Secretary at the registered office and the same will be furnished on request. Further the details are also available on the Company's website: www.hzlindia.com.

In line with the internal guidelines of the Company, no payment is made towards commission to the Executive Director of the Company, who is in full time employment with the Company.

XX. INTEGRATED REPORT

The Company being one of the top companies in the country in terms of market capitalisation, has voluntarily provided Integrated Report, which encompasses both financial and non-financial information to enable the members to take well informed decisions and have a better understanding of the Company's long-term perspective. The report also touches upon aspects such as organisation's strategy, governance framework, performance and prospects of value creation based on the six forms of capital viz. financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital.

The key initiatives taken by the Company with respect to stakeholder engagement, ESG, health and safety of employees has been provided separately under various sections of this Integrated Annual Report.

XXI. ACKNOWLEDGEMENTS

We sincerely thank our customers, vendors, investors, business partners, worker unions, auditors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our continued success was made possible by their hard work, solidarity, commitment and support. We thank the Government of India, the state governments of Rajasthan, Andhra Pradesh, Gujarat, Karnataka, Tamil Nadu, Maharashtra and Uttarakhand for their continued support.

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Director
DIN : 01835605
Udaipur
Date: April 21, 2023

Anjani K Agrawal
Director
DIN : 08579812
Mumbai

Annexure 1

Particular of technology absorption and foreign exchange earnings and outgo, as per Section 134(3)(m) of the Companies Act, 2013 and the rules made therein and forming part of the Board's Report for the year ended March 31, 2023

A) CONSERVATION OF ENERGY

- Cooling tower makeup Variable Frequency Drive (VFD) installed in CLZS CPP (336 kW/day saving)
- VFD installation in effluent transfer pump (312 kW/day), degasser water pump (144 kW/day) and LDO forwarding pump (24 kW/day) in CLZS CPP
- Electrostatic precipitator duct leakage arrested in CLZS (1000 kW saving)
- Boiler Feed Pump – Automatic Recirculation Valve replacement in 2800 kW saving at CLZS
- In-house engineering to utilise unused VFD and installation in PA fan A for APC reduction. Project was installed in May 2022 and till FY 2022-23 closure total 0.93 MU (kW) savings achieved 2,650 kW/day saving on an average
- BFP B cartridge replacement : 3000 kW/day saving (0.57 MU FY 2022-23)
- Cooling tower fills, energy efficient shaft & carbon fiber blades partial replacement in ZM CPP: yet to completed due to material non availability

B) TECHNOLOGY ABSORPTION

a) Specific areas in which R&D has been carried out by the Company in FY 2022-23

- Enhance grade and recovery of metals during mineral processing on various circuits
- Improve recovery of metals in existing ancillary processes form the residue generated in zinc purification process
- Development of value-added products of manganese and zinc bearing residues
- Development of process for metal recovery from Jarosite
- Development of online test methods for roasting process process monitoring
- Improvement of current efficiency in electrowinning of zinc including development of test method for online process monitoring
- Metals recovery from zinc hydro plant tailings
- Geo-metallurgical performance like ore hardness, minerology and flotation performance for individual ore types across Hindustan Zinc mines
- Automated mineralogy equipment installed and characterisation (liberation, association & modal mineralogy) of ore samples started
- Provided technical support to mills for operational issues like high rejects from grinding mills, increased misplacements and poor concentrate quality
- Silver recovery improvement by testing of alternate reagents and enhanced gravity separation technique to improve silver metallurgy
- Utilisation of grinded blast furnace slag as a binder in paste fill plant
- Nitrate based leaching test work conducted to enhance zinc recovery and reduce the waste footprint in zinc hydro process
- Optimise the use of strontium-based reagent and explore the alternate reagent to suppress lead impurities in zinc cell house
- Optimisation of metallurgical performance at various grind characteristics
- Improvements in advanced process control for flotation circuit stability and metal recovery
- Development of model and simulation for flotation circuits
- Flotation recipe for recovery of metal values from oxide ore

b) Benefits derived as result of above R&D

- Implemented the process to improve silver recovery at Zawar by utilising silver promoter reagent
- Deployed non-hazardous flotation-reagent across sites, while simultaneously reducing costs
- Alternative low capex process for jarosite preparation for its use in cement industry, customer test planned
- Sodium based salt production from effluent stream and its use in hydro process
- Increase the current efficiency of zinc electrowinning process and improve quality of HG grade zinc in the manually operated zinc cell house

- Implemented the process of increasing metal recovery from zinc process residue at ancillary plant
- Improve recovery of metals from copper matte and enhance copper sulphate production
- Geo-metallurgical studies have provided advance insight of ore performance to guide flotation recipe for plant problem solving and to support mines expansion plans
- Maintained concentrate grade and recovery from RD ore by suitable ore blend

c) **Future projects for R&D in FY 2022-23**

- Development and use of process monitoring and simulation approaches to improve concentrate grade and recovery by reducing misplacements of metals and impurities
- Progress development of processes for metal recovery from tailings
- Feasibility and opportunity for regrinding and fines flotation technologies to improve metal recoveries
- To evaluate opportunity for recovery of REE and strategic metals from waste streams
- Explore the impact of ions present in electrolyte during zinc electrowinning operation
- Optimise the process conditions to achieve the highest current efficiency in electrorefining of lead
- Explore technologies to recover silver from the zinc concentrate and jarosite
- Development of value added high-purity products
- Plant support with ore and mill specific mineralogical characterisation and metallurgical performance studies
- Progress development and implementation of online monitoring tools to enhance process stability of roasting operation and Cupola furnace
- Recover metal values from waste generated from lead smelting process
- Explore the useful utilisation of calcium bearing residue
- Explore replacement of flotation reagents to reduce cost with improved environmental profile and without performance deterioration

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, foreign exchange outgo was ₹ 2,806.24 crore (which includes import of capital goods, stores & spares, coal, consumables, consultancy, travelling etc.), while foreign exchange earned was ₹ 9,265.11 crore.

FORM "A"

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

Particulars		Unit	Year ended March 31, 2023	Year ended March 31, 2022
A	**Electricity, Power Generation & Fuel Consumption**			
	Purchase Units	Million kWh	1,640	616
	Total Amount	₹ crore	1,132	475.63
	Average rate of purchasing	₹/kWh	6.90	7.73
	CPP - Units generated from fuel oil			
	Own Generation Units (from fuel oil)	Million kWh	1.3	0.9
	Quantity Consumed			
	LSHS/FO	MT	0.0	0.4
	HSD	KL	257	328
	Total Amount	₹ crore	2.55	2.44
	Average cost of fuel per Kg	₹/kg	99.00	90.57
	Average cost of generation	₹/kWh	24.71	26.88
	Unit generated per unit of fuel (LSHS/FO/HSD)	kWh/kg	5.05	3.37
	CPP - Units generated from coal			
	Own Generation Units (from coal)	Million kWh	2,739	3,584
	Quantity Consumed			
	Coal	MT	1,272,533	1,692,706
	LDO	KL	382	476
	Total Amount	₹ crore	2,402.66	1822.99

Particulars		Unit	Year ended March 31, 2023	Year ended March 31, 2022
	Average cost per Kg (coal)	₹/kg	18.88	8.54
	Average cost per Kg (LDO)	₹/kg	72.28	86.56
	Average cost of generation	₹/kWh	9.47	5.83
	Unit generated per unit of fuel (coal)	kWh/kg	2.35	2.30
B)	**Fuel Consumption for Metal Production**			
(a)	**L.P.G./Propane**			
	Quantity	Million Kg	6.91	0.11
	Total Amount	₹ crore	43.78	0.61
	Average cost per Kg	₹/Kg	63.32	55.18
(b)	**L.D.O./LSHS/FO**			
	Quantity	KL	22,413	20,272
	Total Amount	₹ crore	172.05	105.47
	Average cost per Ltr	₹/Ltr	76.76	52.03
(c)	**HSD**			
	Quantity	KL	56,280	51,805
	Total Amount	₹ crore	557.16	425.32
	Average cost per Ltr	₹/Ltr	99.00	82.10
(d)	**Coal for Steam & Others**			
	Quantity	MT	11,702	24,727
	Total Amount	₹ crore	23.60	31.40
	Average cost per MT	₹/MT	20,168	12,700
(e)	**Met Coke & Coke Breez**			
	Quantity	MT	99,048	81,159
	Total Amount	₹ crore	491.06	379.51
	Average cost per MT	₹/MT	49,578	46,762
(f)	**Gas, PNG, Process, Gas**			
	Quantity	M^3	5,606,314	12,537,063
	Total Amount	₹ crore	34.7	45.4
	Average cost per MT	₹/M^3	61.9	36.2

Annexure 2

Particulars of contract or arrangements with related parties

FORM NO. AOC-2

Form for disclosure of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis: NIL**
   - (a) Name(s) of the related party and nature of relationship
   - (b) Nature of the contracts/arrangements/transactions
   - (c) Duration of the contracts/arrangements/transactions
   - (d) Salient terms of the contracts or arrangements or transactions including value, if any
   - (e) Justification for entering into such contracts or arrangements or transactions
   - (f) Date(s) of approval by the Board
   - (g) Amount paid as advances, if any
   - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. **Details of the material contracts or arrangements or transactions at arm's length basis: NIL**
   - (a) Name(s) of the related party and nature of relationship
   - (b) Nature of contracts/arrangements/transactions
   - (c) Duration of the contracts/arrangements/transactions
   - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
   - (e) Date(s) of approval by the Board
   - (f) Amount paid as advances, if any

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Director
DIN : 01835605
Place: Udaipur
Date: April 21, 2023

Anjani K Agrawal
Director
DIN : 08579812
Place: Mumbai

Note: In item 2, material is defined as greater than 10% of the turnover

Annexure 3

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2022-23

1. Brief outline on CSR Policy of the Company:

Hindustan Zinc is committed to the principles of harmonious and sustainable development, protecting human life, health and environment, ensuring social well-being and adding value to the communities. CSR policy is in line with organisation’s philosophy & governance protocols wherein various aspects of geographical reach, thematic areas, execution & monitoring of programmes are well defined.

The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013 and amendments thereto from time to time. Details of the Company's website of the CSR policy and projects or programmes undertaken by the Company are available on links given below:

https://www.hzlindia.com/csr/overview/

2. Composition of CSR Committee:

S. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during their tenure	Number of meetings of CSR Committee attended during their tenure
1	Mrs. Kiran Agarwal*	Chairperson	3	3
2	Ms. Priya Agarwal**	Chairperson	-	-
3	Mr. Akhilesh Joshi	Independent Director	3	3
4	Ms. Nirupama Kotru	NED	3	3

* Mrs. Kiran Agarwal, Chairperson and Director of the Company ceased to be Chairperson & Director w.e.f. January 18, 2023 from the close of business hours

** Ms. Priya Agarwal has been appointed as a Director & Chairperson w.e.f. January 19, 2023

During FY 2022-23, three (3) CSR Committee meetings were held as on April 18, 2022, July 18, 2022 & January 16, 2023

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company

Composition of the CSR Committee shared above and is available on the Company’s website on https://www.hzlindia.com/wp-content/uploads/Committee-Composition-as-on-March-31-2022.pdf

CSR policy - https://www.hzlindia.com/csr/csr-policy/

CSR projects - https://www.hzlindia.com/csr/csr-policy/hzl-csr-activities/

4. Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

The Impact Assessment of CSR projects is applicable for FY 2022-23.

The link for accessing the same is https://www.hzlindia.com/wp-content/uploads/Consolidated-Impact-Report-IICA.pdf

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

S. No.	Financial year	Amount available for set-off from preceding financial years (in ₹ crore)	Amount required to be set- off for the financial year, if any (in ₹ crore)
1	2022-23	4.24	4.24
	TOTAL	**4.24**	**4.24**

6. Average net profit of the Company as per section 135(5) - ₹ 10,719.16 crore

7. (a) Two percent of average net profit of the Company as per section 135(5) - ₹ 214.38 crore

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - NIL

(c) Amount required to be set off for the financial year, if any - ₹ 4.24 crore

(d) Total CSR obligation for the financial year (7a+7b- 7c) - ₹ 210.14 crore

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ crore)	Amount Unspent (in ₹ crore)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 260.91*	NIL	NA	NA	NIL	NA

* Difference of reported CSR Spent of ₹ 260.91 crore & actual CSR Spent of ₹ 276.34 crore consists of (a) Opening prepaid asset of ₹ 4.24 crore & (b) ₹ 11.18 crore absorbed by the organisation due to STP asset transfer

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (in years)	Amount allocated for the project (in ₹ crore)	Amount spent in the current financial year (in ₹ crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Khushi	(i)	Yes	Rajasthan	Chittorgarh, Bhilwara	4	4.79	4.79	0.00	No	CARE India Solution	CSR00000786
2	Khushi	(i)	Yes	Rajasthan	Ajmer	4	0.88	0.88	0.00	No	Gramin Avam Samajik Vikas Sanstha	CSR00003124
3	Khushi	(i)	Yes	Rajasthan	Rajsamand	4	2.12	2.12	0.00	No	JATAN SANSTHAN RAILMAGRA	CSR00000529
4	Khushi	(i)	Yes	Rajasthan	Udaipur	4	5.17	5.17	0.00	No	SEVA MANDIR	CSR00000288
5	Shiksha Sambal	(ii)	Yes	Rajasthan	Udaipur, Chittorgargh, Bhilwara, Ajmer, Rajsamand	4	4.60	4.60	0.00	No	Vidya Bhawan Society	CSR00003180
6	Child Care Centers	(i)	Yes	Rajasthan	Udaipur, Rajsamand, Chittorgarh	4	0.47	0.47	0.00	No	SEVA MANDIR	CSR00000288
7	Jeevan Tarang	(ii)	Yes	Rajasthan	Udaipur, Ajmer, Bhilwara	4	0.16	0.16	0.00	No	NOIDA DEAF SOCIETY	CSR00000396
8	Jeevan Tarang	(ii)	Yes	Rajasthan	Bhilwara, Udaipur	4	0.03	0.03	0.00	Yes		
9	Jeevan Tarang	(ii)	Yes	Rajasthan	Ajmer	4	0.15	0.15	0.00	No	Badhit Bal Vikas Samiti	CSR00007782
10	Jeevan Tarang	(ii)	Yes	Rajasthan	Bhilwara	4	0.25	0.25	0.00	No	Badhir Bal Kalyan Vikas Samiti	CSR00007249
11	Unchi Udaan	(ii)	Yes	Rajasthan	Udaipur	4	2.20	2.20	0.00	No	Vidya Bhawan Society	CSR00003180
12	Unchi Udaan	(ii)	Yes	Rajasthan	Udaipur	4	1.25	1.25	0.00	Yes		
13	Support for Higher education	(ii)	Yes	Rajasthan	Udaipur, Chittorgarh, Bhilwara, Rajsamand	4	0.15	0.15	0.00	No	Vedanta Foundation	CSR00001617
14	Support for Higher education	(ii)	Yes	Rajasthan	Udaipur	4	0.044	0.044	0.00	No	Sumedha	CSR00002372
15	Company run schools	(ii)	Yes	Rajasthan	Chittorgarh, Bhilwara, Rajsamand, Udaipur	4	6.22	6.22	0.00	YES		
16	Swasthya Sewa	(i)	Yes	Rajasthan/ Uttarakhand	Udaipur, Chittorgarh, Bhilwara, Rajsamand, Ajmer,Udham Singh Nagar	4	1.05	1.05	0.00	No	Deepak Foundation	CSR00000353
17	Swasthya Sewa	(i)	Yes	Rajasthan/ Uttarakhand	Rajsamand, Udaipur, Ajmer, udham singh nagar	4	0.41	0.41	0.00	No	Wockhardt Foundation	CSR00000161
18	Vedanta-Zinc Heart Hospital, Udaipur	(i)	Yes	Rajasthan	Udaipur	3	0.33	0.33	0.00	Yes		
19	Company Run Hospitals	(i)	Yes	Rajasthan	Udaipur, Chittorgarh, Bhilwara, Rajsamand	4	8.90	8.90	0.00	YES	-	-

1	2	3	4	5		6	7	8	9	10	11	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (in years)	Amount allocated for the project (in ₹ crore)	Amount spent in the current financial year (in ₹ crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
20	Zinc Kaushal	(ii)	Yes	Rajasthan	Rajsamand, Bhilwara, Ajmer, Udaipur	4	4.03	4.03	0.00	No	Ambuja Cement Foundation.	CSR00006913
21	Zinc Kaushal	(ii)	Yes	Rajasthan/ Uttarakhand	Chittorgarh , Udham Singh Nagar	4	0.62	0.62	0.00	No	Tata Community Initiatives Trust	CSR00002739
22	SAMADHAN	(iv)	Yes	Rajasthan	Udaipur, Rajsamand, Bhilwara, Chittorgarh, Ajmer	4	7.90	7.90	0.00	No	BAIF INSTITUTE of SUSTAINABLE LIVEL	CSR00000308
23	SAKHI	(iii)	Yes	Rajasthan/ Uttarakhand	Udaipur, Rajsamand, Chittorgarh, Bhilwara, Udham Singh Nagar	4	5.70	5.70	0.00	No	Manjari Foundation	CSR00000074
24	Zinc Football Academy	(vii)	Yes	Rajasthan	Udaipur	1	6.47	6.47	0.00	No	Vedanta Zinc Football & sports Foundation	CSR00029273
25	STP	(iv)	Yes	Rajasthan	Udaipur	4	7.68	7.68	0.00	Yes		
26	Support for Digital Classrooms	(ii)	No	Madhya Pradesh	Gwalior	4	0.08	0.08	0.00	No	Muskaan dream Foundation	CSR00005242
27	Micro enterprises/ SME	(ii)	Yes	Rajasthan/ Uttarakhand	Udaipur, Rajsamand, Chittorgarh, Bhilwara and Ajmer, Udham Sing Nagar	4	4.41	4.41	0.00	No	Manjari Foundation	CSR00000074
28	Drinking water supply to community	(i)	Yes	Rajasthan	Udaipur, Rajsamand, Chittorgarh, Bhilwara, ,Ajmer	3	10.05	10.05	0.00	Yes		
29	Indira Gandhi Stadium Civil work	(vii)	Yes	Rajasthan	Chittorgarh	2	0.76	0.76	0.00	Yes		
30	Construction of stadium	(vii)	Yes	Rajasthan	Jaipur	2	5.03	5.03	0.00	No	Rajasthan Cricket Association	CSR00044864
31	Maintenance of stadium	(vii)	Yes	Rajasthan	Rajsamand	4	0.03	0.03	0.00	Yes		
32	Special projects	(iv)	Yes	Rajasthan	Bhilwara	2	25.05	25.05	0.00	Yes		
33	Preventive Cancer care	(i)	Yes	Rajasthan	Udaipur	2	0.56	0.56	0.00	Yes		
34	Livestock Management Projects	(iv)	Yes	Rajasthan	Bhilwara	3	0.10	0.10	0.00	No	Sparsh Trust	CSR00011221
35	Promotion of Traditional Art & Culture	(v)	Yes	Rajasthan	Udaipur	1	3.00	3.00	0.00	Yes		
	Total						**120.64**	**120.64**				

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (in years)	Amount allocated for the project (in ₹ crore)	Amount spent in the current financial year (in ₹ crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Health & Awareness Camp	(i)	Yes	Rajasthan	Udaipur	1	0.11	0.11	0.00	Yes		N.A.
2	Hospital Renovation (CHC Upgradation)	(i)	Yes	Rajasthan	Rajsamand	1	0.26	0.26	0.00	Yes		N.A.
3	SAMADHAN (Support for Lumpy)	(iv)	Yes	Rajasthan	Chittorgarh	1	0.07	0.07	0.00	No	BAIF Institute of Sustainable Livelihood & dev	CSR00000259
4	Coaching for Competitive Exam	(ii)	Yes	Rajasthan	Rajsamand, Bhilwara, Chittorgarh	1	0.20	0.20	0.00	No	Dr Anushka Memorial Educational Soc	CSR000029833
5	Health & Sanitation	(i)	Yes	Rajasthan	Rajsamand, Bhilwara, Udaipur, Ajmer	1	0.50	0.50	0.00	YES		
6	Special Project- Har Ghar Tiranga	(v)	Yes	Rajasthan	Udaipur, Rajsamand	1	0.46	0.46	0.00	YES		
7	Stakeholder Engagement Prog	(v)	Yes	Rajasthan	Udaipur, Ajmer	1	0.03	0.03	0.00	YES		
8	Promotion of Traditional Culture	(v)	Yes	Rajasthan	Udaipur	1	0.10	0.10	0.00	No	Srajan The Spark	CSR00009867
9	Promotion of Traditional Culture	(v)	Yes	Rajasthan	Udaipur	1	0.12	0.12	0.00	No	Tabla Wizard Pt. Chaturlal Memorial Society	CSR00002154
10	Promotion of Sports & Culture	(vii)	Yes	Rajasthan	Udaipur Bhilwara, Rajsamand, Ajmer	1	1.30	1.30	0.00	Yes		
11	Zinc Football Academy	(vii)	Yes	Rajasthan	Udaipur	1	0.07	0.07	0.00	Yes		
12	Environment & safety Awareness	(iv)	Yes	Rajasthan	Udaipur	1	0.37	0.37	0.00	Yes		
13	Safety Awareness	(iv)	Yes	Rajasthan	Udaipur, Rajsamand, Bhilwara, Chittorgarh, Ajmer	1	0.03	0.03	0.00	No	JATAN SANSTHAN RAILMAGRA	CSR00000529
14	Plantation & Canal Dev	(iv)	Yes	Rajasthan	Udaipur, Rajsamand, Bhilwara, Chittorgarh, Ajmer	1	0.66	0.66	0.00	Yes		
15	Sewage Treatment Plant	(iv)	Yes	Rajasthan	Udaipur	1	117.25	117.25	0.00	Yes		

1	2	3	4	5		6	7	8	9	10	11	
S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration (in years)	Amount allocated for the project (in ₹ crore)	Amount spent in the current financial year (in ₹ crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ crore)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
16	Solar Light Installation	(iv)	Yes	Rajasthan	Rajsamand, Chittorgarh	1	1.31	1.31	0.00	Yes		
17	Rural Infra	(x)	Yes	Rajasthan	Bhilwara, Chittorgarh, Ajmer, Udaipur, Rajsamand	1	10.02	10.02	0.00	Yes		
18	*Community asset creation (Education & water Infra)	(x)	Yes	Rajasthan	Bhilwara, Rajsamand, Chittorgarh, Udaipur, Ajmer	1	1.17	1.17	0.00	Yes		
	TOTAL							**134.03**				

* Adjustment of ₹ 11.18 crore on account of unabsorbed amount of STP Asset transfer value is netted against Community Asset Creation (Education & water Infra) in serial number 18 above.

d. Amount spent in administrative overheads - ₹ **6.12 crore**

e. Amount spend on Impact assessment, if applicable - ₹ **0.12 crore**

f. Total amount spent for the financial year (8b + 8c + 8d + 8e) - ₹ **260.91 crore** *

* Excludes ₹ 4.24 crore carried forward from previous year

g. Excess amount for set off, if any

S. No.	Particulars	Amount (in ₹ crore)
(i)	Two percent of average net profit of the Company as per section 135(5)	214.38
(ii)	Total amount spent for the financial year	260.91*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	46.53
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	46.53**

* Excludes ₹ 4.24 crore carried forward from previous year and an amount of ₹ 11.19 crore absorbed by the organisation due to STP asset transfer

** Total amount to carry forward for set off in succeeding financial year is 50.77 crore which includes ₹ 46.53 crore of current financial year & ₹ 4.24 crore of previous financial year

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding financial year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	NA	NIL	NIL	NIL	NIL	NA	NIL
	TOTAL	NIL	NIL	NIL	NIL	NA	NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

S. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹ crore)	Amount spent on the project in the reporting financial year (in ₹ crore)	Cumulative amount spent at the end of reporting financial year (in ₹ crore)	Status of the project - Completed/ Ongoing
1		Khushi	2020-21	36 Months	8.36	4.79	13.15	Completed
2		Khushi	2020-21	36 Months	1.89	0.88	2.77	Completed
3		Khushi	2020-21	36 Months	4.35	2.12	6.47	Completed
4		Khushi	2020-21	36 Months	12.18	5.17	17.35	Completed
5		Shiksha Sambal	2021-22	48 Months	3.07	4.60	7.67	Ongoing
6		Child Care Centers	2020-21	48 Months	0.95	0.47	1.42	Ongoing
7		Jeevan tarang	2022-23	48 Months	0	0.25	0.25	Ongoing
8		Jeevan tarang	2021-22	48 Months	0.07	0.15	0.22	Ongoing
9		Jeevan tarang	2021-22	48 Months	0	0.03	0.03	Ongoing
10		Jeevan tarang	2021-22	48 Months	0.18	0.16	0.34	Ongoing
11		Unchi udaan	2020-21	48 Months	3.83	2.20	6.03	Ongoing
12		Unchi udaan	2020-21	48 Months	2.26	1.25	3.51	Ongoing
13		Scholarship- Yashad	2020-21	36 Months	0.69	0.04	0.73	Completed
14		Support for Higher education (Ringus)	2020-21	48 Months	0.22	0.15	0.37	Ongoing
15		Company run schools	2020-21	48 Months	12.49	6.22	18.71	Ongoing
16		Company Run Hospitals	2020-21	48 Months	22.42	8.90	31.32	Ongoing
17		Zinc Kaushal	2022-23	48 Months	0	4.03	4.03	Ongoing
18		Zinc Kaushal	2021-22	48 Months	0.55	0.62	1.17	Ongoing
19		SAMADHAN	2021-22	48 Months	6.24	7.90	14.14	Ongoing
20		SAKHI	2021-22	48 Months	5.62	5.70	11.32	Ongoing
21		Zinc Football Academy	2021-22	48 Months	5.5	6.47	11.97	Ongoing
22		STP	2020-21	48 Months	15.56	7.68	23.24	Ongoing
23		Support for digital classrooms	2018-19	48 Months	1.69	0.08	1.77	Completed

S. No.	Project ID	Name of the Project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹ crore)	Amount spent on the project in the reporting financial year (in ₹ crore)	Cumulative amount spent at the end of reporting financial year (in ₹ crore)	Status of the project - Completed/ Ongoing
24		Micro enterprises/ SME	2021-22	48 Months	2.36	4.41	6.77	Ongoing
25		Drinking water supply to community	2021-22	48 Months	0.093	0	0.093	Completed
26		Drinking water supply to community	2020-21	48 Months	0	0	0	Completed
27		Drinking water supply to community	2019-20	48 Months	0.13	0.29	0.42	Completed
28		Sports- Maintenance of stadium	2020-21	48 Months	0.04	0.03	0.07	Ongoing
29		Preventive Cancer Care	2021-22	24 Months	0.76	0.56	1.32	Completed
30		Mobile Health Van – Smile	2018-19	48 Months	1.53	0.00	1.53	Completed
31		Swasthya Sewa	2021-22	48 Months	0.7	1.05	1.75	Completed
32		Swasthya Sewa	2021-22	48 Months	0.81	0.41	1.22	Completed
33		Water Ag	2021-22	24 Months	0.2	0.35	0.55	Completed
34		Micro enterprises/ SME - BAIF	2021-22	48 Months	0.04	0	0.04	Completed
35		Drinking water supply to community	2019-20	48 Months	0.21	0.75	0.96	Completed
36		Drinking water supxply to community	2022-23	48 Months	0	0.33	0.33	Ongoing
37		Drinking water supply to community	2022-23	48 Months	0	0.01	0.01	Ongoing
38		Drinking water supply to community	2022-23	48 Months	0	0.03	0.03	Ongoing
39		Drinking water supply to community	2021-22	48 Months	0.09	0.14	0.23	Ongoing
40		Drinking water supply to community	2019-20	48 Months	0.52	0.33	0.85	Completed
				Total	**115.60**	**78.55**	**194.15**	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **NA**

(asset-wise details):

(a) Date of creation or acquisition of the capital asset(s)

(b) Amount of CSR spent for creation or acquisition of capital asset

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): **NA**

Arun Misra
(CEO & Whole-time Director)
DIN: 01835605

Priya Agarwal
(Chairperson, CSR Committee)
DIN: 05162177

Date: April 21, 2023

Annexure 4

I) DISCLOSURE ON REMUNERATION OF MANAGERIAL PERSONNEL

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Name of Director	Mr. Arun Misra
Mean	1:47
Median	1:68

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Name	Annual Increment (%)
Mr. Arun Misra	49%
Mr. Sandeep Modi	65%*
Mr. Rajendra Pandwal	14%

*FY 2021-22 full year remuneration had been considered for the purpose of comparison

(iii) The percentage increase in the median remuneration of employees in the financial year: Mean 10.2%, Median 8.9%

(iv) The number of permanent employees on the rolls of Company: 3,472 (including 4 expats and retainers)

(v) The explanation on the relationship between average increase in remuneration and Company performance: Based on overall industry trend and Company performance in FY 2022-23

(vi) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company: Remuneration of the KMPs as % of the PAT for 2022-23 is 0.13%

(vii) Variation in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies the variations in the net worth of the Company as at the close of the current financial year and previous financial year:

Date	Market Price in ₹	EPS* (₹)	P/E ratio	Market Capitalisation In ₹ crore	% Change
March 31, 2022	309.7	22.79	13.59	1,30,858	
March 31, 2023	293.4	24.88	11.79	1,23,971	-5.26

*EPS is on consolidated amount

Percentage increase over the last public offer price is not relevant as there has never been any public offer by the Company

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

- Average increase in the remuneration of all employees excluding KMPs: 10%
- Average increase in the remuneration of KMPs: 49%
- Justification: Remuneration is based on the current year's performance, industry trend and overall market situation and external benchmarking

(ix) Comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company; each KMP is granted salary based on his qualification, experience, nature of job, industry benchmark, earlier salary and many other factors, comparison of one against the other is not feasible

(x) The key parameters for any variable component of remuneration availed by the Directors: Only Whole-time Director is given variable component, which is benchmarked against Company performance

(xi) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: **Nil**

(xii) Affirmation that the remuneration is as per the remuneration policy of the Company: **Yes**

Note: For Director, only CEO & Whole-time Director has been considered. All remuneration figures are for Executives only who have completed full financial year in the Company.

CEO's compensation also considers financial returns (return on assets, equity, invested capital), total shareholder return and volume growth of integrated metal.

Note: This analysis included only those Executives who were on rolls for full financial i.e. FY 2022-23

Corporate Governance

FY 2022-23

CODE OF GOVERNANCE

Your Company is committed towards achieving the highest standards of Corporate Governance and its adherence in the true spirit, at all times by staying true to its core values of transparency and accountability in all its engagements which are the two basic tenets of Corporate Governance. Responsible corporate conduct is integral to the way the Company does its business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We consider it our inherent responsibility to protect the rights of all our stakeholders and disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company. The Company remains resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance practices, so that the Company's reliability and reputation are not put at stake. This approach to value creation emanates in our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We believe that any business can be conducted ethically only when it rests on the six core values viz. Customer Value, Ownership mindset, Respect, Fairness, Integrity, One Team One Goal. The Company's Business Ethics & Code of Conduct provides the overarching philosophy of its Corporate Governance practices. Our Business Ethics & Code of Conduct inspires us to set standards which not only meets applicable legislation but goes beyond in many areas of our functioning. Sustainable governance requires highest standards of corporate behaviour towards everyone we work with the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long-term value for all our stakeholders. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. All Directors and employees are bound by the Code of Conduct that sets out the fundamental standards to be followed in all activities carried out on behalf of the Company. We believe, Corporate Governance is not just a destination, but a continuous journey to constantly improve its long-term sustainable value for all the stakeholders, comprising of regulators, employees, business partners, investors, and the society at large through ethically driven business practices. It is an upward moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of ethics and governance are detailed in this Report.

The Company is compliant with the requirements under Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, and amendment thereto hereinafter referred to the "Listing Regulations" or "SEBI (LODR)" except as stated in the Report. This chapter, along with those in the Operational Review Section and Additional Shareholder Information, reports the Company's compliance with SEBI (LODR).

BOARD OF DIRECTORS

The Board is at the core of our Corporate Governance Practice. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to the best global practices across industries.

As trustees, the Board has a fiduciary responsibility towards all the stakeholders and ensures that the Company has clear goals aligned to shareholder value and its growth. The Company has defined guidelines and an established framework for the meetings of the Board and its committees. These guidelines seek to systematise the decision-making process at the meetings of the Board and its various committees in an informed and efficient manner. The Board sets strategic goals and seeks accountability for their fulfilment. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils all stakeholders' aspirations, enhance value and meet societal expectations.

(i) Composition of the Board

The composition of the Board is an optimum combination of Executive Director, Non-executive and Independent Directors. As on March 31, 2023, the Company's Board comprised of 9 (nine) Directors, out of which 4 (four) are women Directors. Further, amongst them 3 (three) are nominated by Government of India, 2 (two) are nominated by promoters, 3 (three) are Independent Directors and 1 (one) Executive Director. As the Chairperson is related to the promoter's, in compliance to clause 17(1)(b) of SEBI (LODR), targeted Independent Directors is to have at least one half of the total Board members; however, at the year end, the Company is short by 2 (two) Independent Directors including at least one woman Independent Director as per clause 17(1)(a). To that extent the certificate on Corporate Governance issued by the auditors is qualified. The matter is pending with the Ministry of Mines – Government of India for appointment of more Independent Directors including atleast one woman Independent Director. The Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee, which considers their overall experience, expertise and industry knowledge. One third of the Non-executive Directors of the Company other than Independent Directors and Executive Director (whose tenure are fixed), are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders at the Annual General Meeting (AGM). As per Section 149(6) of the Companies Act, 2013 read along with Reg 16(1)(b)of Listing Regulations, an Independent Director means:

An Independent Director in relation to a Company, means a Director other than a Managing Director or a Whole-time Director or a Nominee Director—

(a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

(b) (i) who is or was not a promoter of the Company or its holding, subsidiary or associate company;

(ii) who is not related to promoters or Directors in the Company, its holding, subsidiary or associate company;

(c) who has or had no pecuniary relationship, other than remuneration as such Director or having transaction not exceeding ten percent of his total income or such amount as may be prescribed, with the Company, its holding, subsidiary or associate company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year;

(d) none of whose relatives—

(i) is holding any security of or interest in the Company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:

Provided that the relative may hold security or interest in the Company of face value not exceeding fifty lakh rupees or two percent of the paid-up capital of the Company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

(ii) is indebted to the Company, its holding, subsidiary or associate company or their promoters, or Directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

(iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate company or their promoters, or Directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

(iv) has any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate company amounting to two percent or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);

(e) who, neither himself nor any of his relatives -

(i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of -

(A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two percent or more of the total voting power of the Company;

(iv) is a Chief Executive or Director, by whatever name called, of any nonprofit organisation that receives twenty five percent or more of its receipts from the Company, any of its promoters, Directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the Company;

(f) who possesses such other qualifications as may be prescribed

Accordingly, Mr. Anjani K Agrawal, Mr. Akhilesh Joshi and Mr. Kannan Ramamirtham, Independent Directors have confirmed their independence, and they do not have any business relationship with the Company/Promoters. All the Board members have confirmed that they are not disqualified to act as Director of the Company. Average tenure of Board Members is about 4.3 years.

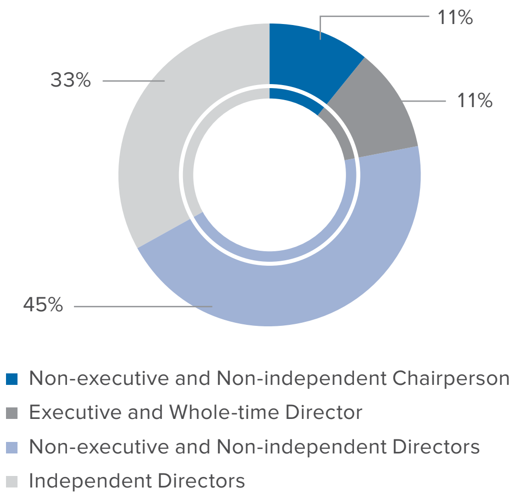
The Company had appointed Independent Directors as per the provisions of Companies Act, 2013 and SEBI (LODR) and the Independent Directors had confirmed their independence of the management and accordingly they had given the required declaration of independence.

Company has separate position for Chairperson, and CEO & Whole-time Director. Chairperson of the Company is a Non-executive Non-independent Director while CEO & Whole-time Director is an Executive Director looking after day-to-day operations of the Company. Role of Chairperson and CEO & Whole-time Director are different as per the requirement of the Companies Act, 2013 and SEBI (LODR).

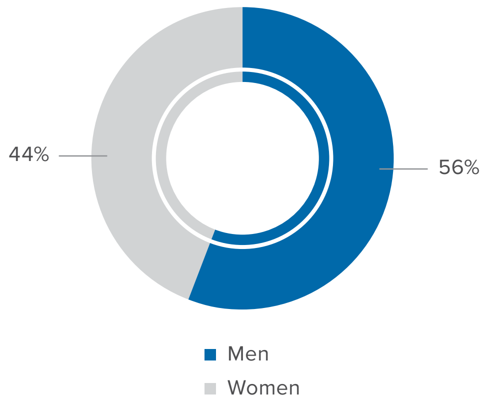
The profile of Directors is available at https://www.hzlindia.com/about-hzl/leadership/board-of-directors/

Hindustan Zinc Board is highly diverse with 44% women Directors including the Chairperson at the helm of affairs.

Composition



Gender Diversity



Board Members Representation

Criteria	Specifications	Number
By age group	upto 45 years	1
	Between 46 and 55 years	2
	Over 55 years	6
By gender	Men	5
	Women	4
By tenure	Upto 2 years	4
	Between 2 and 4 years	3
	Over 4 years	2

(ii) Number of Board Meetings

The Board of Directors met six times during the financial year, on April 22, July 21, August 24, October 21 in 2022 and on January 19 and March 21 in 2023. The maximum time gap between any two meetings was less than 120 days and at least one meeting was held in each calendar quarter. The required quorum was present for all the meetings. The agenda for each meeting is prepared well in advance, along with explanatory notes and required documents were timely provided to all Directors.

(iii) Directorships and Attendance

As mandated by the SEBI (LODR) and Companies Act, 2013, none of the Directors serve as Director in more than 20 (twenty) Companies; out of which the directorship in public companies does not exceed 10 (ten) and are not member of more than 10 (ten) Board-level committees nor are they Chairperson of more than 5 (five) committees in which they are members and not serving as a Director in more than 7 (seven) listed Companies and as an Independent Director in more than (7/3) seven/three listed Company, as explained further. Independent Directors have confirmed that they do not serve as an Independent Director in more than 7 (seven) listed companies or where they are Whole-time Director in any listed company, they do not serve as Independent Director in more than 3 (three) listed companies. Further Independent Directors fulfil all the conditions specified in the SEBI (LODR) and are independent of the management.

For continuing directorship, Directors are required to attend atleast one Board meeting in the financial year. The names and categories of the Directors on the Board, their attendance at Board meeting during the year and at last AGM, and also the number of directorships and committee memberships held by them in other Companies are shown in Table 1.

Table 1: Composition of the Board of Directors

Name of Director	Relationship with Other Directors	Category	No. of Meetings held during their tenure	No. of Meetings attended	Whether attended last AGM	No. of Outside Directorships of Public Companies	No. of Outside Committee Member-ships#	No. of Outside Committee Chairman-ships#	Tenure in years	Average Board attendance in%	Shareholding as on March 31, 2023
Ms. Priya Agarwal***	Relative of Mrs. Kiran Agarwal	NED & Chairperson	2	2	NA	1	-	-	0.19	100	Nil
Mrs. Kiran Agarwal**	Relative of Mr. Navin Agarwal	NED & Chairperson	4	4	Yes	-	-	-	3.88	100	Nil
Mr. Navin Agarwal	Relative of Mrs. Kiran Agarwal	NED	6	6	No	1	-	-	21	100	Nil
Ms. Farida M. Naik$	None	NED	6	5	No	-	-	-	6.05	83	Nil
Mr. Arun Misra	None	ED	6	6	Yes	2	-	-	2.66	100	Nil
Mr. Anjani K Agrawal	None	ID & NED	6	6	Yes	5	1	2	2.66	100	Nil
Mr. Akhilesh Joshi	None	ID & NED	6	6	Yes	5	4	-	2.66	100	Nil
Mr. Kannan Ramamirtham*	None	ID & NED	3	3	NA	4	3	2	0.58	100	3500
Dr. Veena Kumari Dermal$	None	NED	6	5	No	2	-	-	1.67	83	Nil
Ms. Nirupama Kotru$	None	NED	6	4	No	2	-	-	1.68	67	Nil

Notes:

* Mr. Kannan Ramamirtham appointed as Independent Director on Board w.e.f. September 01, 2022

** Mrs. Kiran Agarwal ceased to be Director and Chairperson w.e.f. January 18, 2023 from the close of business hours

*** Ms. Priya Agarwal appointed as Additional Director and Chairperson on Board w.e.f. January 19, 2023

$ Nominee Director of Government of India

Only Audit & Risk Management Committee and Stakeholder Relationship Committee considered as per SEBI (LODR), 2015

The directorships, held by the Directors as mentioned above, do not include directorship(s) in private companies, foreign companies and Section 8 companies under the Companies Act, 2013.

ID: Independent Director as defined in the Companies Act, 2013 and SEBI (LODR) 2015

NED: Non-executive Director

ED: Executive Director

Average Board Meeting Attendance

The average Board meeting attendance of the Directors in the Board meetings held during FY 2022-23 is more than 92%.

Directorship held by the Directors in other listed companies in India as on March 31, 2023

Name of Director	DIN	Name of the listed entity including debt listed entities	
		Name of Entity	Category
Ms. Priya Agarwal	05162177	Vedanta Limited	NED
Mr. Navin Agarwal	00006303	Vedanta Limited	Executive Vice Chairman
Ms. Farida M. Naik	07612050	-	-
Mr. Arun Misra	01835605	-	-
Mr. Anjani K Agrawal	08579812	Firstsource Solutions Limited Vodafone Idea Limited Emami Limited	ID
Mr. Akhilesh Joshi	01920024	Vedanta Limited	ID
Mr. Kannan Ramamirtham	00227980	Orient Press Limited Ram Ratna Wires Limited Jyoti Structures Limited	ID
Dr. Veena Kumari Dermal	08890469	National Aluminium Company Limited	NED
Ms. Nirupama Kotru	09204338	Coal India Limited	NED

Diversity and Inclusion

Your Company continues to recognise that an appropriate mix of diversity and skills is key for introducing different perspectives into Board discussion and for better anticipating the risks and opportunities in building a long-term sustainable business. As set out in the charts below, each member of the Board offers a range of core skills and experience that is relevant to the successful operation of your Company.

The below table summarises the key qualifications, skills and attributes which are taken into consideration while nominating any person to serve on the Board.

Business Leadership	Sustainable success in business at a senior executive level
Financial Expertise	Proficiency in financial accounting and reporting, corporate finance and internal controls, corporate funding, and associated risks
Natural Resources	Senior executive experience in a large global mining organisation involved in the discovery, acquisition, development and marketing of natural resources
Capital Projects	Experience working in an industry with projects involving large scale long cycle capital outlays
Global Experience	Experience of working/handling multiple Indian/global locations, exposed to a range of political, cultural, regulatory and business environments
Sustainability & ESG	Familiarity with issues associated with workplace health and safety, asset integrity, sustainability, environment and social responsibility and communities
Corporate Governance	Experience with a major organisation that demonstrates rigorous governance standards
Government & Industry Associations/Chambers	Interaction with government and regulators and involvement in public policy advocacy
Technology/Digital/ Cybersecurity	A strong understanding of technology and innovation, and the development and implementation of initiatives to enhance production
Merger & Acquisition	Experience in corporate transactions and actions and joint ventures

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted. However, the absence of a mark (√) against a member's name does not necessarily mean the member does not possess the corresponding qualification or skills :

Name of Director	Areas of Expertise									
	Business Leadership	Financial Expertise	Natural Resources	Capital Projects	Global Experience	Sustainability & ESG	Corporate Governance	Merger & Acquisition	Government & Industry Associations/ Chambers	Technology/ Digital/ Cybersecurity
Priya Agarwal	√	√	√	√	√	√	√	√	√	√
Navin Agarwal	√	√	√	√	√	√	√	√	√	√
Farida M. Naik	√	√	√	√	√	√	√		√	√
Arun Misra	√	√	√	√	√	√	√	√	√	√
Anjani K Agrawal	√	√	√	√	√	√	√	√	√	√
Akhilesh Joshi	√	√	√	√	√	√	√	√	√	√
Kannan Ramamirtham	√	√	√	√	√	√	√	√	√	√
Nirupama Kotru	√	√	√	√	√	√	√		√	√
Veena Kumari Dermal	√	√	√		√	√	√		√	√

(iv) Information supplied to the Board

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

- Annual and quarterly Financial Statements for the Company and the accounting policy
- Minutes of the meetings of all the Board committees
- Annual business plan
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required
- Expansion projects and its status monitoring
- Materially important notices of show cause, demand, prosecution and penalty, if any
- Fatal accidents or any material environmental problems, if any

- Any material default in financial obligations to and by the Company, or substantial non-payment for goods purchased by the Company, if any
- Any issue involving possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Details of any joint venture or significant collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any
- Significant labour issues and their proposed solutions, whenever necessary
- Any significant development in human resources or industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Sale and purchase of material equity investments and fixed assets, which is not in the normal course of business, if any
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material
- Quarterly disclosure of all the investments made
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- Quarterly review of compliance status under various laws applicable to the Company
- Corporate Social Responsibility activities
- Substantial non-receipt of payments for goods sold by Company
- Related Party Transactions, if they are not at arm's length or not in the ordinary course of business
- Near term outlook
- Operation of Subsidiary Companies
- Sustainability and ESG
- All other matters required to be placed before the Board for its review or information or approval under the statutes

(v) Remuneration to Directors

Non-executive Directors except Government Nominee Directors in the employment of the Government are paid a remuneration in the form of commission and sitting fees for each meeting, as recommended by the Nomination and Remuneration Committee and approved by the Board and within statutory limits. The remuneration paid to Mr. Arun Misra, CEO & Whole-time Director is as per the approval granted by the Board and the shareholders. For FY 2022-23, the detailed remuneration for Non-executive Directors is shown in Table 2. Payment of commission to Non-executive Directors and Independent Directors have been approved by the shareholders up to the limit specified under the Companies Act, subject to the annual amount approved by the Board.

Table 2: Sitting fee and commission of Non-executive Directors for FY 2022-23 (in ₹)

Name of Director	Category	Sitting fees	Commission
Mrs. Kiran Agarwal	Non-executive	275,000	2,488,000
Ms. Priya Agarwal	Non-executive	100,000	612,000
Mr. Navin Agarwal	Non-executive	425,000	2,888,000
Mr. Anjani K Agrawal	Independent	600,000	2,888,000
Mr. Akhilesh Joshi	Independent	725,000	2,940,000
Mr. Kannan Ramamirtham	Independent	175,000	1,677,000

The details of shares held by the Directors in the Company as on March 31, 2023, is given in Table 1. The Directors do not have any pecuniary relationships or transactions vis-à-vis the Company, except as mentioned above. The Company has not granted any stock options to any of its Directors.

Company does not give any Employee Stock Option Plan (ESOP) to its employees/Directors. However, senior management/certain executives of the Company are given ESOP by its Holding Company.

During FY 2022-23, the Company did not advance any loan or advance in nature of loan or guarantee to any of its Directors or firms/companies in which the Directors are interested.

Approach towards remuneration of Mr. Arun Misra, CEO & Whole-time Director is detailed below:

The remuneration structure is in line with the relevant industry peers and it is benchmarked periodically to ensure it provides enough excitement and motivation to the individuals to stretch and aim to deliver beyond the set KPIs and business plan targets.

- **Fixed Pay:** This is fixed component of compensation includes the basic salary, house rent allowance, personal allowance, statutory benefits such as provident fund, leave travel allowance etc. as per employment contract and aims to ensure to remunerate the individual for their KPIs

- **Grade Linked Benefits:** Grade wise benefits given to employees. These include VMA, furniture allowance and car benefit, club membership, cell phone and sim card benefit reimbursable to employees in accordance with the Group Policy

- **Annual Bonus:** The bonus scheme as part of the total rewards philosophy is a testament to the high performance and results driven culture and is linked to Company/business and individual performance for the financial year in accordance with the business plan targets approved by the Board. CEO's Annual Bonus is having a weightage of 60% (Hindustan Zinc Scorecard) and 40% (Group Scorecard)

Bucket	Performance Parameters	Weightage FY 2022-23	Multiplier	
			APA Rating	**Fatality**
Organisational Parameters	Volume, COP & Reserves Creation EBITDA, FCF Strategic/Regulatory Objectives	60%	A - 125% B - 100% C - 75% D - 0%	Nil - 100% 1 - 90% 2 - 80% >2 - 75%
HSE Parameters	Safety (5%) Sustainability/VSAP (10%)	15%		
People Metrics	1) MIP 2) Talent Retention/Development 3) Employee Engagement	5%		
Individual Performance	APA Rating	20%		
	Total	**100%**		

Strategic Objectives: 1/3rd of the Organisational Performance metric weightage shall be attributed to Strategic Objectives as indicated below for FY 2022-23:

1. 125 licence automatically approved
2. Preparedness for 1.35 Mt MIC in FY 2022-23

- **Long-Term Incentive Plan:** Employee Stock Option Scheme (of Holding Company) is a conditional share plan for rewarding performance on pre-determined performance criteria and continued employment with the Company during the vesting period of 36 months from the date of grant. The pre-determined performance criteria shall focus on rewarding him for Company performance and superior individual performance.

  He is eligible for an annual grant of upto a maximum of 100% of his fixed pay, subject to necessary approvals.

- **Performance Parameters:**

Business Category	Business Performance (40%)				Individual Performance	Mgmt. Discretion	Multiplier	
	Vol	**COP**	**NSR**	**ESG/Carbon Footprint**			**APA Rating**	**Nil Fatality**
Hindustan Zinc	60%	15%	10%	15%	40%	20%	Sustained 3 years rating	110%

The Target, Threshold and corresponding Actual performance values of business wise metrices shall be the same as will be used for computing the Annual Bonus for the respective financial years under the approved Annual Bonus Scheme for the year.

Performance Period:

Business Performance: The performance period for the business/SBU performance based option will be a period of 3 financial years (April 1 – March 31) i.e. FY 2022-23, FY 2023-24 and FY 2024-25.

Sustained Individual Performance: The performance period for the individual performance-based option will be a period of 3 financial years (April 1 – March 31) i.e., FY 2022-23, FY 2023-24 and FY 2024-25.

Management Discretion: Vesting period from date of grant to date of vesting.

The overall vesting basis performance will be on completion of the vesting period. Furthermore, for an employee to be eligible for performance-based vesting, he/she is required to be in continued employment as on the date of vesting.

Other incentive programmes such as monthly incentive, production incentive, etc. will continue to be paid with 100% linkage to key business outcomes.

(vi) Meetings of Independent Directors

The Company's Independent Directors met once during the financial year 2022-23 on March 27, 2023. The meeting was conducted to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their views and also to have separate discussion(s) with the statutory auditors.

Declarations from Independent Directors

a. The Company has received declarations from the Independent Directors that they meet the criteria of independence stipulated under Section 149 of the Act read with Rule 5 of the Companies Appointment and Qualification of Directors) Rules, 2014 and Regulations 16(1)(b), 25(1) and 25(8) of the Listing Regulations. The Independent Directors have also confirmed that they have registered themselves with the Independent Director's database maintained by the Indian Institute of Corporate Affairs

b. The Independent Directors under Regulation 25(8) of the Listing Regulations have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective, independent judgement and without any external influence

Based on the declaration(s) received from the Independent Directors, supported by a certificate from Company Secretary in practice, the Board has confirmed the veracity of such disclosures and confirmed that the Independent Directors fulfil the conditions of independence specified in the Act and the Listing Regulations and are independent of the management of the Company.

(vii) Familiarisation programme for Directors

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarise themselves with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board committee meetings, on business and performance updates of the Company, global business environment, business strategy and business risks and sustainability. Details of the familiarisation programme are available on website of the Company, https://www.hzlindia.com/wp-content/uploads/FAMILIARIZATION-PROGRAMME-CONDUCTED-for-ID-2022-23.pdf

(viii) Succession Planning

The Company believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. The Human Resources team of the Company works in close coordination with Management/Nomination and Remuneration Committee for a structured leadership succession plan.

(ix) Performance evaluation criteria for Directors

The Nomination and Remuneration Committee has devised criteria for yearly evaluation of the performance of the Directors including the Independent Directors. The said criteria provide certain parameters like attendance, acquaintance with business, communication inter se between Board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, benchmarks established by global peers etc., which is in compliance with applicable laws, regulations and guidelines.

Board evaluation is done on an annual basis by a third party.

For the last 2 years, Company engaged Deloitte Haskins & Sells LLP (DHS) for carrying out the performance evaluation of all the Board members, Board as a whole and various committees. DHS used the digital platform for carrying out Board performance evaluation.

The criteria used by them basis which the individual Director performance evaluation has been done included:

- preparation and participation in Board meetings
- personality and conduct
- quality of value added
- understanding of the Company's mission, vision, philosophy and strategy
- understanding of the industry and the business in which the Company operates
- independence of judgement
- independent thinking
- ability to bring a divergent view, etc.

CEO & Whole-time Director evaluation was more focussed towards:

- Company performance and leadership
- team building and management succession
- edge in execution of strategy formulated by the Board

The evaluation of the various Board committees was more focussed towards:

- It's charter/terms of reference
- Number of meetings held and it's appropriateness
- Timely availability of information
- Committee composition
- Committee decisions are adequately conveyed and implemented
- Meetings are conducted in a manner that ensures open communication, meaningful participation and timely resolution of issues
- Independency of committee to contribute effectively

Apart from third party assessment there is self-assessment of each Director on the Board done by the other Directors including that of various committees. The consolidated outcome from all the Directors is prepared by Chairperson of Nomination and Remuneration Committee and presented to the Board of Directors.

All the Directors had been rated very good to excellent and overall finding shows that the Board and its various committees are working well. All Board members come with a very strong background and add a lot of value to the meetings by making them participative and engaging.

(x) Director retiring by rotation

As per law, two-third of Non-executive and Non-independent Directors should retire by rotation. One-third of these Directors are required to retire every year and if eligible, offer themselves for re-appointment. Ms. Farida M. Naik would retire by rotation in the upcoming AGM and being eligible, has offered herself for re-appointment. A brief profile of Ms. Farida M. Naik is as follows:

Ms. Farida M. Naik

Non-executive Nominee Director

Ms. Farida M. Naik, DIN (07612050) was appointed on the Board on March 14, 2017. She is an alumnus of Sophia College, Mumbai from where she graduated in Psychology. She is currently Joint Secretary in Ministry of Mines, Government of India. She has held various positions in different ministries and departments of Central Government, which includes her last stint as Joint Director of National Book Trust and Director in Ministry of Mines. She is also on the Board of the Bharat Aluminium Company Limited.

(xi) Committees of the Board

The Company has five Board level committees – Audit & Risk Management Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Nomination & Remuneration Committee and Sustainability and ESG Committee.

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

Name of Director	Audit and Risk Management Committee	Stakeholder Relationship Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	Sustainability and ESG Committee
Ms. Priya Agarwal*	--	--	--	Chairperson	--
Mr. Navin Agarwal	--	--	Member	--	--
Ms. Farida M. Naik	--	Member	--		--
Mr. Arun Misra	--	Member	--	--	Member
Mr. Anjani K Agrawal	Chairperson	Chairperson	Member	--	
Mr. Akhilesh Joshi	Member	--	Chairperson	Member	Chairperson
Dr. Veena Kumari Dermal	--	Member	--	--	Member
Ms. Nirupama Kotru	Member	--	--	Member	Member
Total no. of members	**3**	**4**	**3**	**3**	**4**

*Pursuant to cessation of Mrs. Kiran Agarwal as Chairperson of the CSR Committee, Ms. Priya Agarwal appointed as Chairperson of the CSR Committee w.e.f. January 19, 2023

a) Audit & Risk Management Committee

The Audit & Risk Management Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- efficiency and effectiveness of operations
- safeguarding of assets and adequacy of provisions for all liabilities
- reliability of financial and other management information and adequacy of disclosures
- compliance with all relevant statutes
- approval of related party transactions

Mr. Anjani K Agrawal is the Chairperson of the Audit & Risk Management Committee.

The Audit & Risk Management Committee met seven times during the year and the gap between two consecutive meetings was not more than 120 days. The Committee met on April 22, July 21, September 29, October 21, 2022, and on January 19, March 21 and March 27 in 2023. The details of the Audit & Risk Management Committee are given in Table 3.

Table 3: Attendance record of Audit & Risk Management Committee Meetings

Name	Position	Status	No. of Meetings held during their tenure	No. of Meetings attended	% attendance at Meeting	Sitting fees (₹)
Mr. Anjani K Agrawal	Chairperson	ID & NED	7	7	100	175,000
Mr. Akhilesh Joshi	Member	ID & NED	7	7	100	175,000
Ms. Nirupama Kotru	Member	NED	7	5	71	-

The Chief Financial Officer, the representative of the Statutory Auditors (S.R. Batliboi & Co. LLP), Internal Auditors (KPMG) and Head of Management Assurance Cell are invitees to the Audit & Risk Management Committee meetings. The Company Secretary is the Secretary to the Committee.

Mr. Anjani K Agrawal is a Chartered Accountant and Chairperson of the Audit & Risk Management Committee, and all the members of the Audit & Risk Management Committee are well versed with financial management. The quorum for the Audit & Risk Management Committee meeting shall either be two members or one third of the members of the Committee, whichever is greater, with at least two Independent Directors. The quorum for the meeting of the Audit & Risk Management Committee is two members. The Audit & Risk Management Committee functions in accordance with its constitution and charter framed in compliance with SEBI (LODR), 2015.

The role and functions of the Audit & Risk Management Committee include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statements are correct, sufficient and credible
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory and other auditor and the fixation of audit fees
- Approval of payment to statutory auditors for any other services rendered by them
- Reviewing with the management, the annual Financial Statements before submission to the Board for approval, with particular reference to:
    - matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of section 134 of the Companies Act, 2013
    - changes, if any, in accounting policies and practices and reasons for the same
    - major accounting entries involving estimates based on the exercise of judgement by management
    - significant adjustments made in the Financial Statements arising out of audit findings, if any
    - compliance with listing and other legal requirements relating to Financial Statements
    - approval of related party transactions and their subsequent modifications, if any
    - scrutiny of inter corporate loans and advances qualifications if any in the draft statutory auditor report
- Reviewing with the management, the quarterly Financial Statements before submission to the Board for approval
- Reviewing with the management, performance of statutory and internal auditors, their independence, effectiveness of audit process and adequacy of the internal financial control systems
- Reviewing the adequacy of internal audit plan
- Reviewing all related party transactions on yearly basis
- Discussion with internal auditors on any significant findings and follow up thereof
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults in the payment to the shareholders (in case of non-payment of declared dividends) and creditors, if any
- Reviewing the functioning of the vigil and whistle blower mechanism
- Appointment of the Chief Financial Officer of the Company, as and when required
- Carrying out any other function, as is mentioned in the terms of reference of the Audit & Risk Management Committee
- Valuation of undertaking of the assets of the Company, wherever necessary

The Audit & Risk Management Committee is empowered pursuant to its terms of reference to:

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

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

- Business overview including results of its operations and financial condition
- All related party transactions
- Management letters and letters of internal control weaknesses issued by the statutory auditors
- Internal audit reports relating to internal control weaknesses and review of processes
- The appointment, removal and terms of remuneration of the Auditors
- Periodic review of key risk and its mitigation plans

During the year, all related party transactions were approved by the Audit & Risk Management Committee and were at arm's length and in the ordinary course of business. There was no material transaction with any of the related parties of the Company for the year.

b) Stakeholders Relationship Committee

Mr. Anjani K Agrawal is the Chairperson of the Stakeholders Relationship Committee. The Committee met once during the financial year under review on January 19, 2023.

The terms of reference for the Stakeholders' Relationship Committee of the Company inter-alia include:

- Review the timely resolution of the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of Annual Report, issue of new/ duplicate certificates, etc.
- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent
- Review of the various measures and initiatives taken by the listed entity for timely receipt of dividend warrants/Annual Reports/statutory notices by the shareholders of the Company

The minutes of the Committee meeting are reviewed by the Board. The attendance details are mentioned in Table 4.

Table 4: Attendance record of Stakeholder Relationship Committee meetings

Name	Position	Status	No. of Meetings held during their tenure	No. of Meetings attended	% attendance at Meeting	Sitting fees (₹)
Mr. Anjani K Agrawal	Chairperson	ID & NED	1	1	100	25,000
Mr. Arun Misra	Member	ED	1	1	100	-
Ms. Farida M. Naik	Member	NED	1	1	100	-
Ms. Veena Kumari Dermal	Member	NED	1	1	100	-

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

Details of investor grievances received and addressed by the Company during FY 2022-23 is given in Table 5.

Table 5: Nature of complaints received and attended to during FY 2022-23

1.	Number of complaints received from the investors comprising non-receipt of dividend warrants, non-receipt of securities sent for transfer and transmission, complaints received from SEBI/Registrar of Companies/Bombay Stock Exchange/National Stock Exchange/SCORE and so on	105
2.	Number of complaints resolved	105
3.	Number of complaints not resolved to the satisfaction of the investors as on March 31, 2023	0
4.	Complaints pending as on March 31, 2023	0
5.	Number of Share transfers pending for approval, as on March 31, 2023	0

c) Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee as on March 31, 2023, consisted of three members. The Committee met thrice during the financial year under review on April 18, 2022, July 18, 2022, and January 16, 2023.

The primary function of the Committee is to monitor the CSR function of the Company in furtherance to Company's CSR vision & mission. The Committee is responsible for framing the CSR policy of Company and tracks implementation of key CSR projects approved by it during the financial year. In this financial year, the Company has spent ₹ 265.15 crore on CSR activities (including ₹ 4.24 crore brought forward). As per 2% criteria, amount required to be spent on CSR activities for FY 2022-23 is ₹ 214.38 crore. The excess amount spent of ₹ 50.77 crore is being carried forward and would be adjusted in coming years.

Table 6: Attendance record of CSR Committee meetings

Name	Position	Status	No. of Meetings held during their tenure	No. of Meetings attended	% attendance at Meeting	Sitting fees (₹)
Mrs. Kiran Agarwal*	Chairperson	NED	3	3	100	75,000
Mr. Akhilesh Joshi	Member	ID & NED	3	3	100	75,000
Ms. Nirupama Kotru	Member	NED	3	3	100	-

*Pursuant to cessation of Mrs. Kiran Agarwal as Chairperson of the CSR Committee, Ms. Priya Agarwal appointed as Chairperson of the CSR Committee w.e.f. January 19, 2023. During her tenure, no CSR Committee meeting was held

d) Nomination & Remuneration Committee

The Nomination & Remuneration Committee as on March 31, 2023, consisted of three members. The Committee met three times during the financial year under review on August 24, 2022, and January 18 and March 29 in 2023. The primary function of the Committee is to recommend to the Board the appointment or reappointment of Directors, remuneration of Directors, Key Managerial Personnel (KMPs) and senior management personnels, formulate criteria for evaluation of Independent Directors, Board diversity, identification and selection of persons who could be appointed as Independent Directors etc.

Criteria for selection of Independent Directors

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as an Independent Director on the Board. The Committee inter alia considers qualification, positive attributes, area of expertise by such persons in accordance with the Company's Policy for selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation and takes appropriate decision.

Table 7: Attendance record of Nomination and Remuneration Committee meetings

Name	Position	Status	No. of Meetings held during their tenure	No. of Meetings attended	% attendance at Meeting	Sitting fees (₹)
Mr Akhilesh Joshi	Chairperson	ID & NED	3	3	100	75,000
Mr. Navin Agarwal	Member	NED	3	3	100	75,000
Mr. Anjani K Agrawal	Member	ID & NED	3	3	100	75,000

As per the requirement of Companies Act, 2013 and SEBI (LODR), 2015, the Nomination & Remuneration Committee has carried out a performance review of the individual Directors on the following parameters:

- The size and composition (executive, non-executive, independent members and their background in terms of knowledge, skills and experience) of the Board is appropriate
- The Board conducts itself in such a manner that it is seen to be sensitive to the interests of all stakeholders (including minority shareholders) and it has adequate mechanism to communicate with them
- The Board is active in addressing matters of strategic concerns in its review of the Board agenda with the executive management
- The Board makes well-informed high-quality decisions on the basis of full information and clear insight into Company's business
- The Board is effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations
- The Board meets frequently enough and for sufficient duration to enhance its effectiveness
- The Board meeting time is appropriately allocated between management presentation and Board discussion
- The Board has a good understanding of the Company's key drivers of performance and associated risks, threats and opportunities
- The Board devotes considerable amount of time in developing the business strategy and annual business plan
- The Board has clearly defined the mandates of its various committees and effectively oversees their functioning
- The Board is effective in formulating and monitoring various financial and non-financial policies and plans
- The Board is effective in developing a corporate governance structure that allows and encourages the Board to fulfil its responsibilities
- The Board pays considerable attention to the quality of financial reporting process and internal financial controls and effectively oversees them

- The Board regularly follows up on its decisions to ensure that action is taken on all its decisions
- The Board gives effective advice and assistance for achieving the Company's mission and vision
- Board Members performance is assessed through internal assessment

The Committee expressed its overall satisfaction on the performance of the individual Board members and the overall Board.

(e) Committee of Director (CoD)

The Committee of Director ("CoD") as on March 31, 2023, consisted of three members. Mr. Navin Agarwal (Chairperson of the Committee), Mr. Akhilesh Joshi and Mr. Arun Misra are the members. The CoD meeting for the year 2022-23 was held on November 15, 2022 and March 14, 2023. The objective of the CoD is to consider, review and approve the proposals relating to policies on financial matters, investments, securities, general authorisations and treasury related proposals including all borrowing proposals, including borrowing for the purpose of refinancing of existing debt, including that for working capital facilities, within the overall limits as may be approved by the Board from time to time.

(f) Sustainability and ESG Committee

As on March 31, 2023, the Committee consisted of four members. Mr. Akhilesh Joshi is the Chairperson of the Committee, Mr. Arun Misra, Ms. Nirupama Kotru and Dr. Veena Kumari Dermal are the members. Sustainability and ESG Committee meeting for the year 2022-23 was held on October 03, 2022.

The role of the Sustainability and ESG Committee has been established to assist the Board in meeting its responsibilities in relation to the Environmental, Social and Governance (ESG) matters and ensuring strong governance for sustainability and is responsible for providing guidance to ensure continual improvement in sustainability performance and the implementation of appropriate processes and policies across the Company.

Committee will be responsible for structuring sustainability strategy and long-term goals & targets, also will play a key strategic role in all business decisions to ensure workplace safety, eliminating any potential damage to the environment, enhancing a commitment towards stakeholders, and maintaining Company's reputation as one of leading sustainable Metal & Mining Company.

Mr. Rajendra Pandwal is the secretary for all the Board level committees of the Company.

Table 8: Attendance record of Sustainability and ESG Committee meetings

Name	Position	Status	No. of Meetings held during their tenure	No. of Meetings attended	% attendance at Meeting	Sitting fees (₹)
Mr Akhilesh Joshi	Chairperson	ID & NED	1	1	100	25,000
Mr. Arun Misra	Member	ED	1	1	100	-
Ms. Nirupama Kotru	Member	NED	1	1	100	-
Dr. Veena Kumari Dermal	Member	NED	1	1	100	-

SHAREHOLDERS MATTERS

(i) Dividend

During the year 2022-23, Company declared four interim dividends details of which are as under:

Dividend	₹ per share	% of Dividend	Date of declaration
1st Interim dividend	21.00	1,050	July 13, 2022
2nd Interim dividend	15.50	775	November 16, 2022
3rd Interim dividend	13.00	650	January 19, 2023
4th Interim dividend	26.00	1,300	March 21, 2023
Total	**75.50**	**3,775**	

Total amount of dividend declared for the financial year ended March 31, 2023, is ₹ 31,901 crore (approx)

(ii) Transfer of unclaimed/unpaid dividend amounts to the Investor Education and Protection Fund (IEPF)

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority restraining any transfer of the shares.

In the interest of the shareholders, the Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends/ shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority.

In light of the aforesaid provisions, the Company has during the year under review, transferred to IEPF the unclaimed dividends, outstanding for seven years. Further, shares of the Company, in respect of which dividend has not been claimed for seven consecutive years or more from the date of transfer to unpaid dividend account, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends transferred to IEPF during FY 2022-23 are as follows:

Financial Year	Amount of Unclaimed Dividend transferred (in ₹)
2014-15 (Final Dividend)	4,602,631
2015-16 (Interim Dividend)	3,466,412
2015-16 (Special Interim Dividend)	3,424,131

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed, to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred to IEPF authority.

(iii) Listing

At present, the equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Unsecured Non-Convertible Debentures (NCD's) of the Company are listed only on BSE. The annual listing fees for FY 2022-23 to BSE and NSE have been paid. The addresses of stock exchanges are as under:

BSE Limited 25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001	National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex Bandra (East) Mumbai – 400 051

Table 9: Stock Exchange Codes

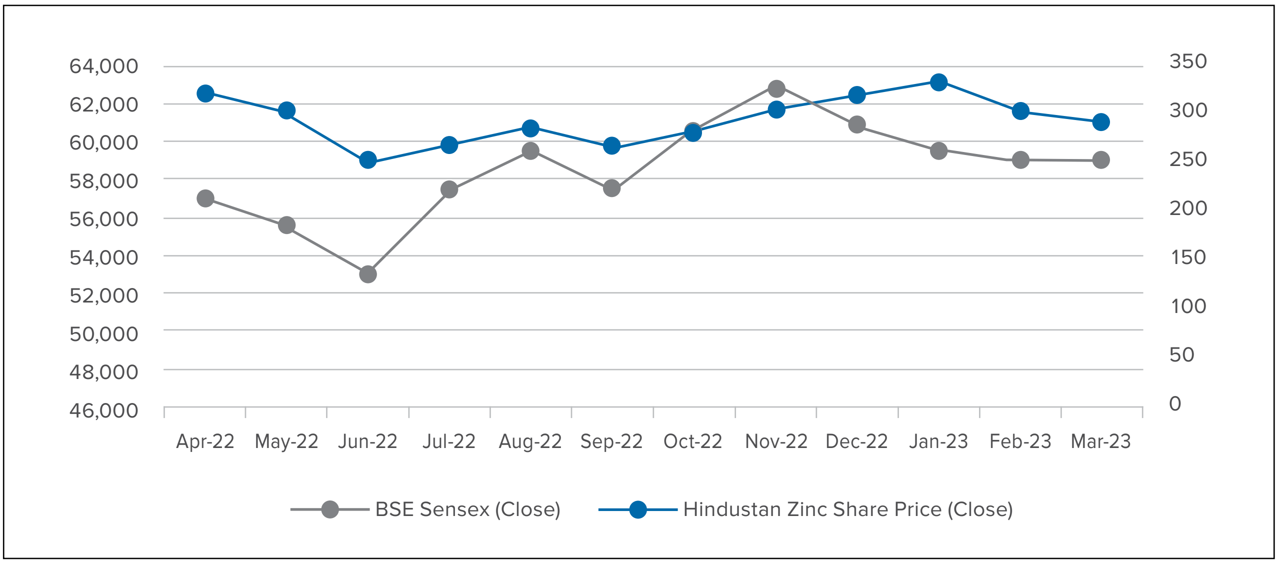
Name of the Stock Exchange	Type	Stock Code	ISIN Code
National Stock Exchange of India Limited	**Equity**	HINDZINC	INE267A01025
BSE Limited (Equity)	**Equity**	500188	
BSE Limited (NCD's)	**NCD**	960099	INE267A08012

(iv) Stock Market Data

Table 10: High, lows and volumes of the Company's equity shares for FY 2022-23

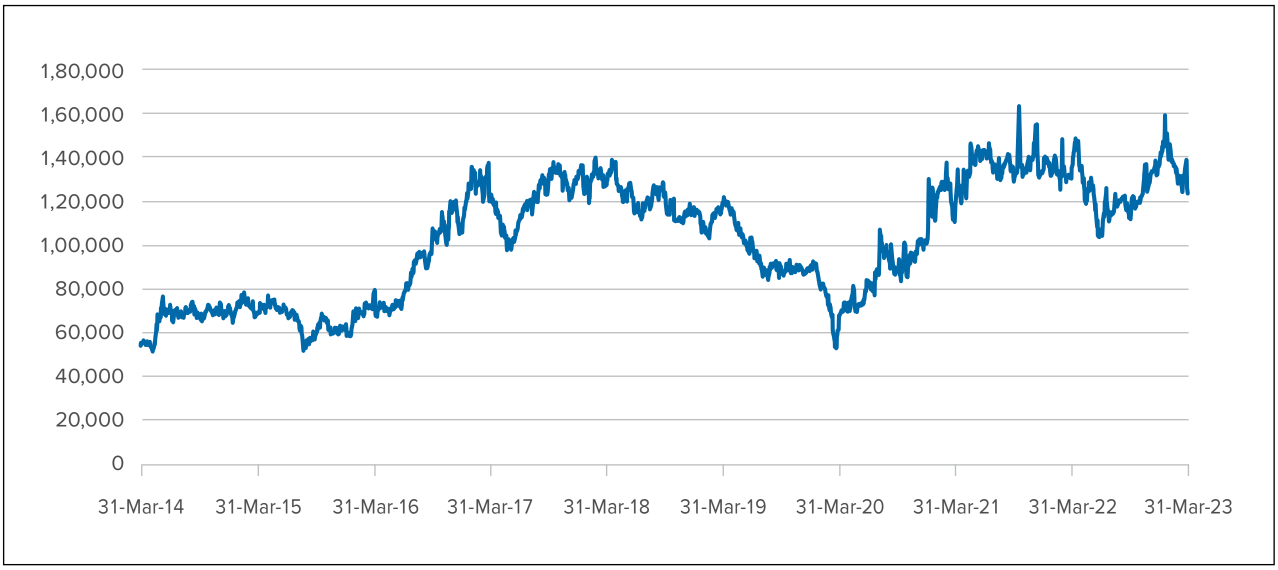
	BSE			NSE		
Month	High (₹)	Low (₹)	Volume (No. of Shares)	High (₹)	Low (₹)	Volume (No. of Shares)
Apr-22	356.70	310.35	1,428,317	356.75	309.95	23,582,363
May-22	326.05	279.00	1,367,124	328.80	278.95	18,079,935
Jun-22	311.50	245.25	900,820	311.65	245.10	11,977,039
Jul-22	299.50	242.40	2,518,152	299.75	242.05	28,406,061
Aug-22	301.50	266.85	1,956,720	302.00	266.85	19,884,945
Sep-22	295.00	262.95	1,177,869	295.00	262.65	11,164,498
Oct-22	292.00	264.50	570,322	292.75	264.00	8,376,394
Nov-22	326.80	282.20	1,593,271	326.80	282.60	21,143,865
Dec-22	333.00	304.25	1,017,632	333.00	304.20	13,930,516
Jan-23	383.00	316.10	2,010,142	383.00	323.25	26,656,920
Feb-23	349.45	296.10	596,407	349.60	295.95	8,480,081
Mar-23	331.90	292.30	3,269,086	331.55	292.30	49,987,914

Chart: Share Performance versus BSE Sensex



Market Capitalisation Performance from March 31, 2014 to March 31, 2023

(₹ In crore)



(v) Distribution of Shareholding

Table 11 and 12 list the distribution of the shareholding of the equity shares of the Company by size and by ownership class, as on March 31, 2023.

Table 11: Shareholding pattern by size on March 31, 2023

Distribution schedule as on March 31, 2023					
S. No.	**No. of Shares**	**No. of Shareholders**	**% of Shareholders**	**No. of Shares**	**% of Shareholding**
1	1 - 5,000	319,084	99.40	48,694,587	1.15
2	5,001 - 10,000	1,007	0.31	7,572,277	0.18
3	10,001 - 20,000	511	0.16	7,361,654	0.17
4	20,001 - 30,000	158	0.05	3,903,565	0.09
5	30,001 - 40,000	56	0.02	2,000,595	0.05
6	40,001 - 50,000	42	0.01	1,916,366	0.05
7	50,001 - 100,000	73	0.02	5,195,158	0.12
8	100,001 and above	85	0.03	4,148,674,798	98.19
	TOTAL:	**321,016**	**100.00**	**4,225,319,000**	**100.00**

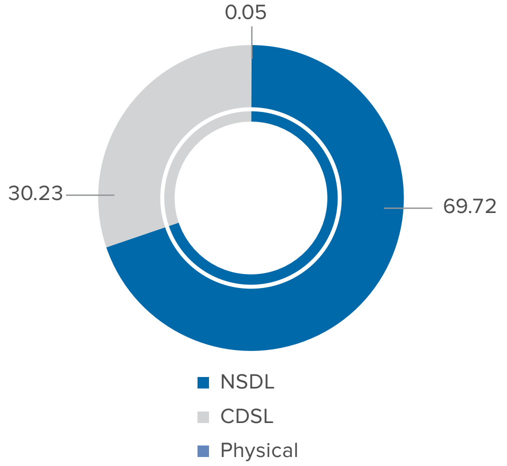
Table 12: Shareholding pattern by ownership as on March 31, 2023

	Category & Name of the Shareholder	Total no. of shares held	Shareholding as a % of total no. of shares
(A)	**Promoter's Holding**		
	Promoters		
	Indian Promoters		
	Vedanta Limited	2,743,154,310	64.92
	Foreign Promotors	0	0.00
	Sub Total (a) (1)	**2,743,154,310**	**64.92**
(B)	**Public Shareholding**		
(1)	**Institutions (Domestic)**		
(a)	Mutual Funds	2,533,718	0.06
(b)	Venture Capital Funds	0	0.00
(c)	Alternate Investment Funds	59,018	0.00
(d)	Banks	79,900	0.00
(e)	Insurance Companies	121,758,749	2.88
(f)	Provident Funds/Pension Funds	0	0.00
(g)	Asset Reconstruction Companies	0	0.00
(h)	Sovereign Wealth Funds	0	0.00
(i)	NBFC Registered with RBI	10,928	0.00
(j)	Other Financial Institutions	0	0.00
(k)	Any Other		
	Sub Total (B)(1)	**124,442,313**	**2.95**
(2)	**Institutions (Foreign)**		
(a)	Foreign Direct Investment	0	0.00
(b)	Foreign Venture Capital	0	0.00
(c)	Sovereign Wealth Funds	0	0.00
(d)	Foreign Portfolio Investors Category I	32,511,943	0.77
(e)	Foreign Portfolio Investors Category II	1,313,336	0.03
(f)	Overseas Depositories (holding DRs) (balancing figure)	0	0.00
(g)	Any Other		
	Foreign Institutional Investors	111,000	0.00
	Foreign Portfolio Investors	1,672	0.00
	BANKS	10,000	0.00
	Sub Total (B)(2)	**33,947,951**	**0.80**
(3)	Central Government/State Government(s)/President of India		
(a)	Central Government/President of India	1,247,950,590	29.54
(b)	State Government/Governor	0	0.00
(c)	Shareholding by Companies or Bodies Corporate where Central/State Government is a promoter	310	0.00
	Sub Total (B)(3)	**1,247,950,900**	**29.54**
(4)	Non-Institutions		
(a)	Associate Companies/Subsidiaries	0	0.00
(b)	Directors and their relatives (excluding Independent Directors and Nominee Directors)	0	0.00
(c)	Key Managerial Personnel	25,000	0.00
(d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	0	0.00
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	0	0.00
(f)	Investor Education and Protection Fund (IEPF)	285,710	0.01
(g)	Resident Individuals holding nominal share capital up to ₹ 2 lakhs	63,943,445	1.51
(h)	Resident Individuals holding nominal share capital in excess of ₹ 2 lakhs	1,706,162	0.04
(i)	Non-Resident Indians (NRIs)	2,948,287	0.07
(j)	Foreign Nationals	7,100	0.00
(k)	Foreign Companies	0	0.00
(l)	Bodies Corporate	4,164,034	0.10
(m)	Any Other		
	Clearing Members	**191,811**	**0.00**
	H U F	2,413,872	0.06
	Trusts	138,105	0.00
	Sub Total (B)(4)	**75,823,526**	**1.79**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)+(B)(4)	**1,482,164,690**	**35.08**
	Grand Total	**4,225,319,000**	**100.00**

(vi) Dematerialisation of shares and NCD's

The shares and NCD's of the Company are compulsory traded in dematerialised form only. The Company's shares are available for trading in the depository system of both NSDL and CDSL. As at the financial year end 4,223,161,065 equity shares forming 99.95% of the share capital of the Company, stand dematerialised.

Dematerialisation of Shares



The Company's shares are actively traded on both the stock exchanges, namely BSE and NSE. Any shareholder desiring to transfer his shares either in physical form or to get the physical shares converted into electronic form, may contact the Company Secretary or the RTA for necessary advice and the procedure.

All the NCDs issued are in demat form only.

(vii) Outstanding GDRs/ADRs/Warrants/Options

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

(viii) Details of Public Funding obtained in the last three years

Company has not obtained any public funding during the last three years.

(ix) Political contribution

Company has not granted any political contribution during the financial year ended March 31, 2023.

(x) Communication with Shareholders and others

The Company published its quarterly, half yearly and yearly results in the form as prescribed under SEBI (LODR) within the prescribed time. The results were sent to stock exchanges where shares and NCDs are listed and the same were duly published in select newspapers.

The financial results and official news releases are also displayed on the website of the Company (www.hzlindia.com). Annual Report containing inter-alia Audited Annual Financial Statements (Standalone & Consolidated), Board's Report, Auditors Report and other important and statutory information are circulated to all members and to others entitled thereto. The operational review alongwith CEO certificate forms a part of the Annual Report.

Presentations made to the institutional investors or to the analysts from time to time are available on the Company's web site under investor relations section.

Table 13: Details of the announcement of the Financial Results for FY 2022-23

Description	Date
Unaudited Financial Results for the quarter ended on June 30, 2022	July 21, 2022
Unaudited Financial Results for the quarter and half year ended on September 30, 2022	October 21, 2022
Unaudited Financial Results for the quarter and nine months ended on December 31, 2022	January 19, 2023
Audited Financial Results for the quarter and year ended on March 31, 2023	April 21, 2023

In addition to this, if there is any other announcement concerning the shareholders or public, it is duly informed to the stock exchanges and published in newspapers for the benefit of shareholders and public at large. The same are also placed on the website of the Company for information of all.

(xi) General Body Meetings

Table 14: Details of the last three General Body Meetings

Date	AGM	Location	Time
September 03, 2020	54th AGM	Convened through video conferencing ("VC")/other audio-visual mode ("OAVM")	12.00 Noon
August 09, 2021	55th AGM	Convened through video conferencing ("VC")/other audio-visual mode ("OAVM")	12.00 Noon
August 08, 2022	56th AGM	Convened through video conferencing ("VC")/other audio-visual mode ("OAVM")	12.00 Noon

In the last three Annual General Meetings, special resolution was passed in 54th AGM to approve the appointment of Mr. Arun Misra as CEO & Whole-time Director.

(xii) Policies and other disclosures

Table 15 : Details of the Policies and other disclosures available on the website of Company

S. No.	Particulars	Statutes	Detail	Website link of the policy
1	Related party transactions	Regulation 23 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	There are no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during FY 2022-23 were in the ordinary course of business and at arms' length basis and were approved by the Audit & Risk Management Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company	https://www.hzlindia.com/wp-content/uploads/HZL_RPT-Policy_Revised_21.04.2023.pdf
2	Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has this Policy and has established the necessary vigil mechanism for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairperson of the Audit & Risk Management Committee. The said policy has been uploaded on the website of the Company	https://www.hzlindia.com/wp-content/uploads/HZL-WHISTLE-BLOWER-POLICY-19.10.2015.pdf
3	Discretionary requirements	Schedule II Part E of the SEBI Listing Regulations	• A message from the CEO & Whole-time Director is published as a part of press release issued at the time of declaration of quarterly/half-yearly financial performance of the Company • The Auditors' Report on Financial Statements of the Company are unmodified • Internal auditors of the Company make quarterly presentations to the Audit & Risk Management Committee on their reports	
4	Material Subsidiary Company	Regulation 24 of SEBI Listing Regulations	The Company does not have any material subsidiary company. The Company has a policy for determining 'material subsidiaries' which is disclosed on its website	https://www.hzlindia.com/wp-content/uploads/Material-Subisidary.pdf
5	Policy on Determination of Materiality for Disclosures	Regulation 30 of SEBI Listing Regulations	The Company has adopted this policy	https://www.hzlindia.com/wp-content/uploads/Policy-for-determination-of-materiality-of-evensUPSI-and-archival-policy.pdf
6	Policy on Archival and Preservation of Documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted this policy	https://www.hzlindia.com/wp-content/uploads/HZL-Policy-for-preservation-of-Documents-21-01-16.pdf
7	Reconciliation of Share Capital Audit Report	Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No D&CC/FITTC/Cir-16/2002 dated December 31, 2002	Practising Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL	https://www.hzlindia.com/investors/share-information/reconciliation-of-share-capital-audit-report/

S. No.	Particulars	Statutes	Detail	Website link of the policy
8	Business Ethics & Code of Conduct	Regulation 17 of the SEBI Listing Regulations	All the employees and Board of Directors have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2023. The Integrated Annual Report of the Company contains a certificate by the CEO & Whole-time Director on the above compliance	https://www.hzlindia.com/wp-content/uploads/HZL-BUSINESS-ETHICS-CODE-OF-CONDUCT-22.04.2022.pdf
9	Dividend Distribution Policy	Regulation 43A of the SEBI Listing Regulations	Company has adopted a dividend distribution policy. The same has been uploaded on the website of Company	https://www.hzlindia.com/wp-content/uploads/Dividend-Policy-2016.pdf
10	Terms of Appointment of Independent Directors	Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act	Terms and conditions of appointment/re-appointment of Independent Directors being a part of nomination and remuneration policy of the Company is available on the Company's website	https://www.hzlindia.com/wp-content/uploads/HZL-Nomination-Remuneration-Policy-20.1.2020.pdf
11	Familiarization programme conducted for Independent Directors 2022-23	Regulations 25(7) and 46 of SEBI Listing Regulations	Details of familiarization programme imparted to Independent Directors are available on the Company's website	https://www.hzlindia.com/wp-content/uploads/FAMILIARIZATION-PROGRAMME-CONDUCTED-for-ID-2022-23.pdf
12	Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018	Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014	Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Policy on prevention of sexual harassment at the workplace is also available on the Company's website	https://www.hzlindia.com/wp-content/uploads/SHPolicy.pdf
13	Insider trading prohibition code	Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015	To Regulate, Monitor and Report Trading in Securities of the Company. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information & Policy for determination of "Legitimate Purpose"	https://www.hzlindia.com/wp-content/uploads/Final-Insider-Trading-Prohibition-Policy-R6-20-10-2020-final.pdf
14	Nomination & Remuneration Policy	As per provisions of Companies Act, 2013 and SEBI Listing Regulations	The Committee shall evaluate the balance of knowledge, skill, professional & functional expertise, industry orientation, gender, age etc. Terms and conditions of appointment/re-appointment of the Directors	https://www.hzlindia.com/wp-content/uploads/HZL-Nomination-Remuneration-Policy-20.1.2020.pdf
15	Anti Bribery & Anti-Corruption Policy	UKBA/FCPA	Compliance of UKBA & FCPA on AB & AC clauses	https://www.hzlindia.com/wp-content/uploads/Anti-Bribery-and-Anti-Corruption-Policy-21.01.2022.pdf
16	Board Diversity Policy	As per provisions of Companies Act, 2013 and SEBI Listing Regulations	To ensure an inclusive and diverse membership of the Board of Directors of Hindustan Zinc as per Good Governance practice	https://www.hzlindia.com/wp-content/uploads/HZL-Board-Diversity-Policy-22-04-2022.pdf

(xiii) Means of communication

The quarterly, half yearly and annual financial results of the Company are published in leading newspapers in India which include Financial Express, Business Standard, Rajasthan Patrika, Dainik Navjyoti, Dainik Bhaskar etc. The results are also displayed on the Company's website https://www.hzlindia.com/. The Company also issues press releases from time to time. Financial Results, Statutory Notices, Press Releases and Presentations made to the institutional investors/ analysts after the declaration of the quarterly, half yearly and annual results are submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as well as uploaded on the Company's website. A Management Discussion and Analysis Report is a part of this Integrated Annual Report.

Green Initiative

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report to Shareholders at their e-mail address previously registered with the depositories or the Company's Registrar and Share Transfer Agent (RTA).

In line with the SEBI Listing Regulations, the Company has emailed soft copies of its Annual Report to all those Shareholders who have registered their email address for the said purpose. With reference to MCA General Circular No. 20/2020 dated May 5, 2020 and MCA Circular dated May 05, 2022 and MCA General Circular No. 11/2022 dated December 28, 2022 , read with the Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Companies have been dispensed with the printing and dispatch of Annual Reports to Shareholders. Hence, the Annual Report of the Company for the financial year ended March 31, 2023, would be sent through email to the Shareholders. We would greatly appreciate and encourage more Members to register their email address with their Depository Participant or the RTA/Company, to receive soft copies of the Annual Report and other information disseminated by the Company.

Shareholders who have not registered their e-mail addresses so far are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the RTA/Company, by sending KYC updation forms as uploaded on website, duly signed by the shareholder(s) with required details.

Please note that all documents relating to Annual General Meeting shall be available on the Company's website https://www.hzlindia.com/.

Annual General Meeting

Date: August 24, 2023
Day: Thursday
Time: 12.00 noon
Venue: VC/OAVM

Financial Calendar

The Company follows the financial year i.e., April to March for accounting purposes.

For the year ending March 31, 2023, financial results will be announced within the statutory time period provided under the Act.

Book Closure

The dates of book closure are from August 19, 2023 to August 23, 2023 (both days inclusive).

(xiv) Postal Ballot

During the current year, approval of shareholders was taken through Postal Ballot on the following resolutions:

1) **Appointment of Mr. Kannan Ramamirtham (DIN: 00227980) as an Independent Director on the Board of the Company as special business through Special Resolution**

Procedure adopted for postal ballot

In accordance with various General Circular General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 read with other relevant circulars, including General Circular Nos. 10/2021 dated June 23, 2021 and 20/2021 dated December 8, 2021and 3/2022 dated May 5, 2022, issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars"), the special resolution was proposed by means of Postal Ballot only by way of remote e-voting process ("e-voting"). The Company has engaged the services of National Securities Depository Limited ('NSDL') to provide remote e-voting facility to its members.

Notice was sent only through electronic mode to those members whose e-mail addresses were registered with the Company/Depositories/RTA and whose names were recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on Friday, September 23, 2022 ('Cut-off date').

Mr. Manoj Maheshwari of M/s. V.M. & Associates, Practicing Company Secretary (Membership No. FCS 3355) acted as Scrutiniser for conducting the Postal Ballot in a fair and transparent manner.

The remote e-voting period commenced on Saturday, October 01, 2022, at 10:00 a.m. (IST) and ended on Sunday, October 30, 2022 at 5:00 p.m.

(IST). The e-voting module was disabled by NSDL thereafter. Voting rights of the Members were in proportion to the number of shares held by them in the paid-up equity share capital of the Company as on Cut-off date.

The Scrutiniser submitted his report on October 31, 2022, after the completion of scrutiny and result of the e-voting was announced on the next day. The summary of voting result is given below:

Particulars	% of total votes	Result
Votes in favour of the Resolution	99.9345	Passed with requisite majority
Votes against the Resolution	0.0655	

The said resolution was passed with requisite majority. Voting result of postal ballot is available on the website of the Stock Exchanges and website of the Company.

2) **Appointment of Ms. Priya Agarwal (DIN 05162177), as a Non-executive Director on the Board of the Company as special business through Ordinary Resolution**

Procedure adopted for postal ballot

In accordance with various General Circular General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 read with other relevant circulars, including General Circular Nos. 10/2021 dated June 23, 2021 and 20/2021 dated December 8, 2021and 3/2022 dated May 5, 2022, issued by the Ministry of Corporate Affairs, Government of India (the "MCA Circulars"), the special resolution was proposed by means of Postal Ballot only by way of remote e-voting process ("e-voting"). The Company has engaged the services of National Securities Depository Limited ('NSDL') to provide remote e-voting facility to its members.

Notice was sent only through electronic mode to those members whose e-mail addresses were registered with the Company/Depositories/RTA and whose names were recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on Friday, March 03, 2023 ('Cut-off date').

Mr. Manoj Maheshwari of M/s. V.M. & Associates, Practicing Company Secretary (Membership No. FCS 3355) acted as Scrutiniser for conducting the Postal Ballot in a fair and transparent manner.

The remote e-voting period commences on Friday, March 10, 2023 at 10:00 a.m. (IST) and ended on Saturday, April 08, 2023 at 5:00 p.m. (IST). The e-voting module was disabled by NSDL thereafter. Voting rights of the Members were in proportion to the number of shares held by them in the paid-up equity share capital of the Company as on Cut-off date.

The Scrutiniser submitted his report on April 10, 2023, after the completion of scrutiny and result of the e-voting was announced on the same day. The summary of voting result is given below:

Particulars	% of total votes	Result
Votes in favour of the Resolution	98.8567	Passed with requisite majority
Votes against the Resolution	1.1433	

The said resolution was passed with requisite majority. Voting result of postal ballot is available on the website of the Stock Exchanges and website of the Company.

There is no immediate proposal for passing any resolution through postal ballot. However, if required, the same shall be passed in compliance of provisions of the Companies Act, 2013, the Listing Regulations or any other applicable laws.

(xv) Scheme of Arrangement between Company and its Shareholders

Pursuant to the directions of the Hon'ble National Company Law Tribunal (NCLT), Jaipur Bench vide order dated February 06, 2023, on Scheme of Arrangement pursuant to Section 230(3) of the Companies Act, 2013 and rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for transfer of general reserve to retained earnings, meeting of equity shareholders of the Hindustan Zinc Limited was held on March 29, 2023. The scheme was approved by the shareholders by the requisite majority (by value 99.997%, by number 94.58%). The scheme would be implemented post receipt of further regulatory and statutory approvals.

(xvi) Registrar and Transfer Agent

Kfin Technologies Limited
(formerly known as Kfin Technologies Private Limited)
Selenium Tower B, Plot Nos. 31 & 32 | Financial District
Nanakramguda | Serilingampally Mandal | Hyderabad – 500032 | India
Ph. No. : +91 40 67161591
Fax no. : 040-23311968
E-mail : anandan.k@kfintech.com

GOVERNANCE & COMPLIANCE

1. **Code of Conduct**

Our values and principles are enshrined in the Business Ethics & Code of Conduct ('Code') applies to all executives of the Company. All Board members and all executives annually affirm compliance with the Code. This Code also ensures compliance with the provisions of the SEBI

(LODR). All existing executives were imparted training during the year in addition to 100% of new joinees.

During the year, the Business ethics and COC was revised laying more emphasis on the below:

- Better indication of the complete applicability of the Code
- Clearer guidance on facilitation payments, gifts, and business partner relations
- Introduction of contemporary concepts for sanctions & trade controls and social media conduct
- Expansion of confidentiality with data privacy & GDPR and information security
- Addition of diversity & inclusion with equal opportunity and making the POSH policy gender neutral
- Inclusion of charity & sponsorships along with acknowledgement to the Code
- Separate annexure for Anti-bribery & Anti-corruption Policy

These covers:

- Securities Dealing Code (Insider Trading Regulations)
- Whistle Blower Policy
- The UK Bribery Act
- Foreign Corrupt Practices Act (USA)
- Prevention of Fraud
- Environment Health and Safety Political Activities & Personal Political Contribution
- Prevention of Sexual Harassment
- CSR, Charity & Sponsorship
- Anti-Corruption & Bribery
- Business Partner Relations
- Gifts, Entertainment & Hospitality
- Accuracy of Company Records
- Conflict of Interest
- Protection & Use of Company Assets
- Confidentiality Fair Dealing
- Quality of Products & Services
- Media & Communication
- Reporting Violations of the Code of Conduct
- POSH policy
- Diversity & Inclusion with Equal Opportunity
- Sanctions & Trade Controls and Social Media Conduct
- Data Privacy & GDPR and Information Security

The Code also covers Whistle Blower policy and Vigil Mechanism, which is available on the website of the Company, https://www.hzlindia.com/about-hzl/code-of-conduct/. The annual declaration of its compliance is given by the CEO & Whole-time Director, the same is annexed. During the year, no personnel who intended to lodge complaint as per the aforesaid policy was denied access to the Audit & Risk Management Committee.

We adhere to section 184 of the Companies Act, 2013 which requires that every Director of a Company who is in any way concerned or interested in a contract or arrangement, is required to disclose the nature of his concern or interest at a meeting in which such agenda is being taken up.

2. Internal Control System

On the recommendation of the Audit & Risk Management Committee, the Company appointed M/s KPMG as the internal auditors of the Company for the financial year 2022-23. Documents, policies and authorisation guidelines comply with the level of responsibility and standard operating procedures specific to the respective businesses. Observations made in internal audit reports on business processes, systems, procedures and internal controls and implementation status of recommended remedial measures by the Internal Auditors, are presented quarterly to the Audit & Risk Management Committee of the Board. The Company has a well established internal control system and procedures and the same has been working effectively throughout the year.

3. Risk Management

The Company operates in conditions where economic, environment and social risk are inherent to its businesses. To overcome this and as per requirement of SEBI (LODR), the Board has formed an Audit & Risk Management Committee to oversee the mitigation plan for the key risks faced by the Company.

The Company has developed a very comprehensive risk management policy under which all key risks and mitigation plans are compiled into a "Risk Matrix". The same is reviewed quarterly by senior management and periodically by the Audit & Risk Management Committee of the Board. The Risk Matrix comprises of the Company's assessment of impact and probability of each significant risk and mitigation steps taken or planned. The Company has a unit-wise Risk Matrix which is reviewed quarterly by unit and location management. During the year, Company has launched an Enterprise Risk Management (ERM) Project called "Pragya". In this project, Hindustan Zinc has transformed its risk management to have a fresh perspective on risk globally faced by metal and mining industries and risk reporting mechanism.

During this project, multiple innovative initiatives were taken to assess and build a risk intelligent culture across the organisation including current state assessment, risk culture assessment, review and refreshing risk registers, data driven and scientific assessment of the identified risks and finally developing mitigation strategies and contingency plans.

Moreover, as part of this project, Hindustan Zinc developed a crisis management framework to respond to any disaster in an efficient way to ensure minimum damage and continuous improvement in efforts to reduce the probability and impact of the event.

Hindustan Zinc has introduced a third dimension to its risk matrix by adding the "Velocity" aspect. Velocity is the speed of onset of the risk event, or the time taken for the risk event to manifest.

Along with this, the concept of risk aggregation is adopted. In automatic risk aggregation, the system calculates an aggregated risk from multiple input risks. Any change in one of the input risks automatically updates this calculation. In this way, it allows us to set up a hierarchy of risks, where the higher risks are automatically synchronised with the changes happening on the lower levels.

Introduction of scenario analysis application sets up the Monte Carlo/what if scenario, to assign risk and apply assumptions to perform analysis and measure the effectiveness of risk mitigation vis a vis the targeted key risk indicator.

Also, developed automated Key Risk Indicators (KRIs) with related timelines/targets to monitor changes in level of risk exposure and contribute as early warning signals.

For monitoring emerging and global risk, Hindustan Zinc has installed a global sensing tool which enables it to analyse the nascent movements in its business environment, customer needs and actionable insights on its competitors. To get an outside – in approach to identify risks for our organisation to have better informed decision making related to risks.

As part of this project, Hindustan Zinc has worked on capability development of its internal and external stakeholders including employees, risk management team, top management, and Board of Directors. Hindustan Zinc has developed an efficient team to take decisions for managing risks and crises.

Hindustan Zinc Limited has implemented SAP's GRC Risk Management module. Since Hindustan Zinc financial data and primary ERP is hosted on SAP, there is complete compatibility between the Risk Management solution and the ERP. As part of the implementation, all users with GRC access can utilise the tool to report, assess and monitor risks. Additionally, the tool has been configured to automatically pull data from SAP and other linked systems to monitor KRIs and report any breach to owners based on defined functionality. This will allow for more informed decision making based on real time data available on dashboards and provide management with reports already available through audited systems.

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

4. Compliance

Our compliance systems, which is ISO 37301, certified covers a multitude of statutory obligations and ensures adherence to all applicable laws and regulations. During FY 2022-23, no material and uncontested financial or non-monetary sanctions were imposed upon the Company (except as disclosed in the Financial Statements). Some of the key compliance aspects are dealt with below:

(a) Disclosure of Related Party Transactions

All the related party transactions that were entered into during the financial year were at arm's length basis and predominantly in the ordinary course of business and with the prior approval of the Audit and Risk Management Committee/Board. Members may refer to disclosures made in Note No. 37 to Financial Statements in compliance of Regulation 23 of SEBI (LODR) and Ind AS 24. As per section 177 and 188 of the Companies Act 2013, Related Party Transaction policy is also available on the Company website, https://www.hzlindia.com/wp-content/uploads/Final-HZL-RPT-Policy-21.01.2022.pdf.

(b) Disclosure of accounting treatment in preparation of Financial Statements

The Company follows the guidelines of Accounting Standards referred to in section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 together with Ind AS issued by the Institute of Chartered Accountants of India.

(c) Compliance with Capital Market Regulations

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

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

Since the Company is short of Independent Directors, during the year NSE and BSE had imposed a total penalty of ₹ 18.25 lakh each (excluding GST) on the Company and the same had been paid.

(d) Vigil Mechanism

The Company has formatted a Vigil Mechanism for all the employees of the Company, its subsidiaries and all external stakeholders to report genuine concerns. The Vigil Mechanism provides adequate safeguards against victimisation of any person who avails the mechanism and also provides for direct access to the Chairperson of the Audit & Risk Management Committee. The designated email id for lodging the complaints under Vigil Mechanism or Whistle Blower is hzl.whistleblower@vedanta.co.in and has also provided a dedicated phone number. The same is also available on the website of the Company.

(e) Loans and Advances

The Company has not given any loans and advances to firms/company in which Directors are interested.

(f) Code of Conduct to regulate, monitor and report trading by Designated Persons

In accordance with the SEBI Insider Trading Regulations, the Company has a Code of Conduct to regulate, monitor and report trading by Designated Person ("Code for Prevention of Insider Trading") and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code of Fair Disclosure").

Further, the Company has established systems and procedures to prohibit insider trading activity. All compliances relating to the Code of Conduct for Prevention of Insider Trading are being managed through a web-based portal developed by the Company. The Company periodically circulates the informative emails on Prevention of Insider Trading, Do's and Don'ts, etc. to the employees to familiarise them with the provisions of the Code for Prevention of Insider Trading and educate and sensitise them on various aspects of Code for Prevention of Insider Trading. These activities have created substantial awareness amongst the Designated Persons.

During the year under review, the Audit & Risk Management Committee has reviewed the compliance with the provisions of the SEBI Insider Trading Regulations and has verified that the systems for internal controls are adequate and operating effectively. Any violation under the provisions of this Code is liable for penal/disciplinary/remedial action as may be considered appropriate by the 'Insider Trading Monitoring Committee (ITMC)' as per the sanction framework decided and approved by the ITMC. All breaches of this Code with actions taken are reported to the Audit & Risk Management Committee & Board of Directors of the Company on a quarterly basis.

The said non-compliances are promptly intimated to the Stock Exchanges in the prescribed format and penalty, if any, is being directly deposited by the Designated Person with SEBI's Investor Protection and Education Fund. The Board has also formulated a policy for determination of 'legitimate purposes' as a part of the Code of Fair Disclosure as per the requirements of the SEBI Insider Trading Regulations. The Code for Prevention of Insider Trading and Code of Fair Disclosure have been uploaded on the Company's website at https://www.hzlindia.com/wp-content/uploads/Final-Insider-Trading-Prohibition-Policy-R6-20-10-2020-final.pdf

(g) Credit Rating

Company is rated by 2 agencies – namely CRISIL Long Term – AAA, Short Term – A1+; and by India Ratings Short Term – A1+

(h) During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under regulation 32(7A) of SEBI (LODR)

(i) Fee disclosure as required by clause 10(K), part C, schedule V of SEBI (LODR) Regulation 2015

Total fees for all services paid by the Company on a consolidated basis to S R Batliboi & Co. LLP (statutory auditors of the Company) and to entities of the network of which the statutory auditor is a part for the year ended March 31, 2023 is as follows:

Particulars	Amount (₹)
Statutory Audit for March 2023 FS	9,403,000
Limited Review Report for Q1 to Q3	6,108,000
Audit of UK Reporting Package March 2023	1,628,000
Audit of UK Reporting Package September 2022	1,018,000
Consolidation Audit Fees	400,000
Other Fee - Certificate	1,000,000
Out of Pocket	1,000,000
Total	20,557,000

(j) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Fluctuation in commodity prices

Impact: Prices of the Company's finished goods are linked to international benchmark i.e. LME (for zinc and lead) and LBMA (for silver) and are strongly influenced by global economic conditions and global demand supply for the products. Volatility in commodity prices and demand may adversely affect our earnings, cash flow and reserves.

Mitigation: We consider exposure to commodity price fluctuations to be an integral part of Company's business and its usual policy is to sell its products at prevailing market prices, and not to enter into long-term price hedging arrangements. However, to minimise price risk for finished goods and to achieve monthly average, hedging is done. In the current year, while considering the market conditions, we entered into strategic hedging with prior approval of the Company's Management in respect of zinc metal. The Company monitors the commodity markets closely to determine the effect of price fluctuations on earnings, capital expenditure and cash flows.

S. No.	Commodity Name	Exposure in ₹ towards the particular commodity (in absolute)	Units	Exposure in quantity towards the particular commodity	% of such exposure hedged through commodity derivatives				
					Domestic market		International market		Total
					OTC	Exchange	OTC	Exchange	
1	Zinc	241,799,709,721	MT	821,327.86	0%	0%	51%	0%	51%
2	Silver	43,591,425,372	MT	714.31	0%	0%	51%	0%	51%
3	Lead	39,130,708,547	MT	210,673.62	0%	0%	85%	0%	85%

Notes:
1. The term 'exposure' shall mean gross exposure of the listed entity including exposure both on the asset and liability side.
2. If the listed entity has exposure in non-rupee terms, the Indian rupee equivalent after conversion shall be used for the aforesaid disclosures.

Currency exchange rate fluctuations

Impact: Our assets, earnings and cash flows are influenced by a variety of currencies. Fluctuations in exchange rates of those currencies may have an impact on our financials. Although the majority of the Company's revenue is tied to commodity prices that are typically priced by reference to the US dollar, a significant part of its expenses is incurred and paid in local currency.

Mitigation: We do not speculate in forex. We have developed robust controls in forex management to monitor, measure and hedge currency risk liabilities. The treasury team reviews our forex related matters periodically and suggests necessary courses of action as may be needed by businesses from time to time, and within the overall framework of our forex policy.

The Company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged. The Company uses forward exchange contracts to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies as well as financing transactions denominated in foreign currencies. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed.

(k) CEO and CFO certification

The CEO and CFO certification of the Financial Statements for FY 2022-23 is enclosed at the end of this report.

(l) During the Year, out of unsecured Non-Convertible Debentures (NCDs) of ₹ 3,520 crore issued on September 29, 2020, Company made repayment of principal amount of ₹ 704 crore and ₹ 150.65 crore of interest on the due date which was September 29, 2022.

The total amount of NCD due and repaid on due dates, is ₹ 1,408 crore. The outstanding amount of NCDs as on March 31, 2023, is ₹ 2,112 crore.

(m) Certificate of Non-disqualification of Directors

Certificate from Practising Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34(3) of the Listing Regulations, is attached to this Report.

(n) The Company has complied with all mandatory requirements of SEBI (LODR) Regulations, 2015 including discretionary requirements. The ones not yet adopted are as follows:

- Maintenance of Chairperson's office: Currently, the Chairperson is a Non-executive Chairperson
- Communication of half yearly results to each household of members: Results are placed on the Company's website and published in leading newspapers

(o) Additional Shareholder Information

Registered Office

Hindustan Zinc Limited
Yashad Bhawan
Udaipur – 313004
Rajasthan

Plant Locations

Mining Units (all in Rajasthan):

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

Smelting Units (all in Rajasthan):

Chanderiya Lead-Zinc Smelter	:	Chittorgarh District
Dariba Smelting Complex	:	Rajsamand District
Debari Zinc Smelter	:	Udaipur District

Captive Power Plants (all in Rajasthan):

Chanderiya Lead-Zinc Smelter	:	Chittorgarh District
Dariba Smelting Complex	:	Rajsamand District
Zawar	:	Udaipur District

Processing & Refining Units:

Pantnagar Metal Plant	:	Rudrapur District (Uttarakhand)

Discontinued Units:

Vizag Zinc Smelter	:	Visakhapatnam District (Andhra Pradesh)
Tundoo Lead Smelter	:	Dhanbad District (Jharkhand)
Maton Mine	:	Udaipur District
Haridwar Zinc Plant	:	Haridwar District, (Uttarakhand)

Wind Power Farms:

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

Details of Wholly Owned Subsidiary Companies

- Hindustan Zinc Alloys Private Limited
- Vedanta Zinc Football & Sports Foundation
- Zinc India Foundation
- Hindustan Zinc Fertilisers Private Limited

Address for Correspondence:

Mr. Rajendra Pandwal
Company Secretary & Compliance officer
Hindustan Zinc Limited
Yashad Bhawan,
Udaipur – 313004,
Rajasthan

Compliance Certificate under Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015

A. We, Arun Misra, CEO & Whole-time Director and Sandeep Modi, Chief Financial Officer of Hindustan Zinc Limited, have reviewed the Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading

(2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit & Risk Management Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit & Risk Management Committee:

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the Financial Statements; and

(3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Sandeep Modi
Chief Financial Officer
PAN: AJKPM0857A
Place: Udaipur

Arun Misra
CEO & Whole-time Director
DIN: 01835605

Date: April 21, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Hindustan Zinc Limited
Yashad Bhavan, Yashadgarh
Udaipur- 313004 (Rajasthan)

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Hindustan Zinc Limited having CIN: L27204RJ1966PLC001208 and having registered office at Yashad Bhavan, Yashadgarh Udaipur-313004 (Rajasthan) (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Director	DIN
1.	Mr. Navin Agarwal	00006303
2.	Mr. Arun Misra	01835605
3.	Mr. Akhilesh Joshi	01920024
4.	Ms. Priya Agarwal	05162177
5.	Ms. Farida Mahmood Naik	07612050
6.	Mr. Anjani Agrawal	08579812
7.	Ms. Veena Kumari Dermal	08890469
8.	Ms. Nirupama Kotru	09204338
9.	Mr. Kannan Ramamirtham	00227980

Ensuring the eligibility of, for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **V. M. & Associates**
Company Secretaries
UDIN: F003355E000154825
(ICSI Unique Code P1984RJ039200)
PR 581/2019

CS Manoj Maheshwari
Partner
Membership No.: FCS3355
C P No.: 1971

Place: Jaipur
Date: April 20, 2023

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under clause 17 (5) (a) of the SEBI (LODR) Regulation 2015, all Board Members and the Senior Management personnel have confirmed compliance with the Business Ethics and Code of Conduct for the year ended on March 31, 2023.

For **Hindustan Zinc Limited**

Arun Misra
CEO & Whole-time Director
DIN: 01835605

Place: Udaipur
Date- April 21, 2023

FORM NO. MR-3

Secretarial Audit Report
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Hindustan Zinc Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hindustan Zinc Limited (hereinafter called 'Company' or 'Hindustan Zinc') for the financial year ended March 31, 2023 ('Audit Period') in terms of the engagement letter dated May 05, 2022. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, subject to our comments herein, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the Audit Period, according to the provisions of applicable law provided hereunder:

a) The Companies Act, 2013 and the rules made thereunder including any re-enactment thereof;

b) Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI');

c) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

f) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

g) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company);

h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;

i) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

k) Specific laws, as identified and compliance whereof confirmed by the Company:

   1. The Mines Act, 1952 and Rules made thereunder; and
   2. The Mines and Minerals (Development and Regulation) Act, 1957 and Rules made thereunder

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

We report that during the Audit Period, the Company has confirmed compliance with the provisions of the act, rules, regulations, guidelines, standards etc.

It may, however, be noted that during the Audit Period, four interim dividends were declared and paid by the Company, aggregating to ₹ 75.50 per equity share, resulting in a pay-out of ₹ 31,900 crore. This dividend was paid out of the entire amount of profits for the year, as also almost the entire retained earnings. Given the dividend history of the Company for the last three years, the significant increase in dividends, the utilisation of almost the entire profits and retained earnings and for an interim distribution, we are of the view that the reasons for taking such a decision should have been documented in detail in the Board minutes. Further, two out of the four resolutions for the interim dividend were passed by circulation. In our view, given the specific scenario as above, the item should have been ideally approved at a meeting of the Board in place of resolution by circulation.

We further report that:

As the chairperson of the Company is promoter/relative of promoter, the Board ought to have at least five (5) out its current strength of nine (9) Directors as Independent Directors. However, the Board currently has only three (3) Independent Directors. We have been informed that in accordance with the shareholders agreement, dated April 4, 2002, with the Government of India, Ministry of Coal and Mines, two (2) Directors are to be nominated by the Government of India, which remains pending. Save as above, the Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period, were carried out in compliance with the provisions of the Act and other applicable laws.

Adequate notice is given to all Directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance with due compliance of the Act and SS-1. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There have been dissents on certain matters, which are appropriately recorded in the minutes of the respective Board or Committee Meetings.

We further report that there are adequate systems and processes in the Company, which commensurate with its size and operations to monitor and ensure compliance with applicable laws, ules, regulations and guidelines.

We further report that during the Audit Period, the Company has undertaken the below mentioned specific event/action that can have a major bearing on the Company's compliance responsibility in pursuance of the above-referred laws, rules, standards, etc:

(a) Declaration of interim dividend

Declaration of four interim dividends, at ₹ 75.5 per share resulting in pay-out of ₹ 31,900 crore, as referred to above.

(b) Equity investment of 26% in SPV for procurement of renewable power

During the Audit Period, the Board has, at its meeting held on January 19, 2023 accorded approval for procurement of renewable power under the group captive scheme and to infuse ₹ 438 crore in the form of equity investment (without any equity returns) of 26% in SPV by the Company in partnership with Serentica Renewables India Private Limited ("SRIPL") & its affiliates and to enter into a Power Delivery Agreement ("PDA") for a period of 25 (twenty-five) years.

For **M/s Vinod Kothari & Company**
Practicing Company Secretaries
Unique Code: P1996WB042300

Nitu Poddar
Partner
Membership No.: A37398
CP No.:15113
UDIN: A037398E000152876 Peer Review
Certificate No.: 781/2020

Place: New Delhi
Date: 20.04.2023

The report is to be read with our letter of even date which is annexed as Annexure 'I' and forms an integral part of this report.

ANNEXURE I

AUDITOR AND MANAGEMENT RESPONSIBILITY

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
Hindustan Zinc Ltd.

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in Annexure II;

2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts were reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;

3. Our Audit examination is restricted only up to legal compliances with the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same;

4. Wherever our Audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. Considering the effectiveness of information technology tools in the audit processes, we have conducted online verification and examination of records, as facilitated by the Company, for the purpose of issuing this Report. In doing so, we have followed the guidance as issued by the Institute. We have conducted online verification & examination of records, as facilitated by the Company;

5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as the correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns;

6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc;

7. Compliance with the provisions of corporate and other applicable laws, rules, regulations, and standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis;

8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices;

9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company;

10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

ANNEXURE II
LIST OF DOCUMENTS

1. Signed minutes for the meetings of the following held during the Audit Period:
    a. Board of Directors;
    b. Audit and Risk Management Committee;
    c. Stakeholders Relationship Committee;
    d. Nomination and Remuneration Committee;
    e. Corporate Social Responsibility Committee;
    f. Sustainability and ESG Committee;
    g. Committee of Directors
    h. Annual General Meeting;
    however, the Company has shared the unsigned minutes of the meetings, held in March 2023.
2. Proof of circulation of draft and signed minutes of the Board and Committee meetings on a sample basis;
3. Resolutions passed by circulation;
4. Agendas of various committees and Board meetings;
5. Annual Report for financial year 2021-22;
6. Financial Statements and Auditor's Report for financial year 2021-22
7. Directors disclosures under the Act and rules made thereunder;
8. Statutory Registers maintained under the Act;
9. Forms filed with the Registrar of Companies;
10. Policies framed under Act, 2013 viz. CSR Policy, Nomination and Remuneration Policy and Whistle Blower Policy;
11. Memorandum of Association and Articles of Association of the Company.

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Hindustan Zinc Limited

We have examined the compliance of Corporate Governance by Hindustan Zinc Limited ("Company") for the financial year ending on March 31, 2023, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"Listing Regulations"**), on the basis of the examination of documents provided in **Annexure 1**.

Compliance with the conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, except that:

The chairperson of the Company is promoter/relative of promoter, the Board ought to have at least five (5) out its current strength of nine (9) Directors as Independent Directors. However, the Board currently has only three (3) Independent Directors. We have been informed that in accordance with the shareholders agreement, dated April 4, 2002, with the Government of India, Ministry of Coal and Mines, two (2) Directors are to be nominated by the Government of India, which remains pending.

We further 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 its affairs.

For **Vinod Kothari & Company**
Practising Company Secretaries

Nitu Poddar
Partner
Membership No.: A37398
CP No.: 15113
UDIN: A037398E000159234
Peer Review Certificate No.: 781/2020

Date: April 21, 2023
Place: New Delhi

Business Responsibility & Sustainability Reporting

CEO STATEMENT

Sustainability has always been at the forefront of Hindustan Zinc's vision and mission. The global ramifications of climate change highlight the susceptibility of our planet to global warming. This, in turn, is encouraging organisations worldwide to focus consciously on implementing impactful climate actions.

In line with this global shift, we, at Hindustan Zinc, have dedicated ourselves to achieving long-term, sustainable business growth, while prioritising safety, minimal environmental impact, human rights and community benefits. We are actively pursuing an ambitious sustainability journey guided by our Sustainability Goals 2025, with a vision of 'Zero Harm, Zero Waste, Zero Discharge'. The goals we have consciously set for 2025 encompass the critical areas of climate change, water stewardship, circular economy, biodiversity conservation, zero harm, social impact, diversity in workforce, and responsible sourcing.

We firmly believe that these goals will enable us to meet the expectations of all our stakeholders and attain tangible outcomes. We are working continually on our long-term objective to achieve net-zero emissions by 2050 or sooner, in accordance with the business ambition for 1.5°C campaign led by the Science Based Targets initiative (SBTi).

It is our endeavour to ensure comprehensive coverage of Environmental, Social and Governance (ESG) aspects across our business. For this purpose, we have established a three-tier sustainability governance framework, which allows us to set both short-term and long-term goals, and enables systematic monitoring of performance at all levels. The framework provides clear roadmaps to promote energy efficiency, minimise our carbon footprint, and ensure effective water management and biodiversity protection. It also aids our efforts in the areas of corporate social responsibility (CSR), supply chain, occupational health and safety, communications, and finance.

Our sustainability framework is built on four pillars: Responsible Stewardship, Strong Relationships, Value Creation, and Strategic Communications. With clear alignment to our sustainability goals, it is designed to drive our future growth while benefitting the communities and the environment beyond our operational boundaries.

Climate change being critical to our sustainability journey, we have identified renewable energy (RE) as an important area of focus at Hindustan Zinc. We are on the path to increase our renewable energy portfolio by signing power delivery agreement (PDA) for 450 MW of RE. At the same time, we are working towards reduction in emissions across our operations through the adoption of low carbon fuels, battery-operated electrical vehicles and by improving energy efficiency.

To support our green endeavours, we have decided to invest US$ 1 bn in the next few years to make our operations more environment-friendly. We are also working towards full compliance with the Global Industry Standards on Tailings Management (GISTM) by the fiscal year 2024-25.

Our investments in water conservation have emerged as another major engine of sustainable development at Hindustan Zinc. These investments have already helped us achieve a water-positive status of 2.41 times, and we are on track to become a 5 times water-positive company.

In recent years, we have concertedly focussed our efforts towards achieving zero waste in the organisation by adopting a well-articulated '4R' strategy – Reduce, Reuse, Recycle, and Reclaim. We believe this is essential to ensuring a cleaner environment not just for the organisation but also for the communities around our operations.

At Hindustan Zinc, we also remain invested in proactive management of our impact on biodiversity and strive to protect the ecosystems in which we operate. Our 3-year engagement with the International Union for Conservation of Nature (IUCN) is an important step in this direction.

Further, with the implementation of a sustainable sourcing policy, we have successfully expanded the ambit of our sustainable development framework to cover our business partners. We believe this will help foster a culture of responsible sourcing among all our stakeholders – a key imperative for inclusive sustainable future development.

Over the years, we have significantly augmented our CSR outreach in line with our strong thrust on driving a positive social impact among the communities surrounding our operations. Our CSR initiatives are in line with both the United Nations' Sustainable Development Goals (UN SDGs) and our national development objectives. We are working concertedly in the areas of education, sustainable livelihood, community asset creation, environmental and safety initiatives, women's empowerment, health, water and sanitation, as well as sports and culture. To ensure that our social initiatives are relevant and impactful, we periodically evaluate the needs of our communities and analyse the outcomes achieved. This helps us refine our future plans and strategies, and enables a more meaningful engagement with the communities.

In addition to our steadfast commitment to sustainability, we have taken significant steps to ensure transparency and accountability in our endeavours. To this end, we have published reports on the Task Force on Climate Related Financial Disclosures (TCFD), Integrated Reports, and Sustainability Reports. These disclosures serve as a testament to our unwavering dedication to transparently communicate our sustainability efforts, responsible business practices, and progress.

While these initiatives have given a strong impetus to our sustainability efforts, it will be our endeavour, going forward, to further scale up our ESG performance, in order to drive long-term growth while making a positive impact on the environment and society. I am confident that we, at Hindustan Zinc, can achieve a harmonious balance between economic progress and environmental stewardship, ensuring a sustainable and thriving planet for all.

Arun Misra
CEO & Whole-time Director

SECTION A GENERAL DISCLOSURES

I. DETAILS OF THE LISTED ENTITY

1	**Corporate Identity Number (CIN) of the Listed Entity**	L27204RJ1966PLC001208
2	**Name of the Listed Entity**	Hindustan Zinc Limited
3	**Year of incorporation**	1966
4	**Registered office address**	Yashad Bhavan, Udaipur, Rajasthan 313004 - India
5	**Corporate address**	Yashad Bhavan, Udaipur, Rajasthan 313004 - India
6	**E-mail**	Hzl.ir@vedanta.co.in
7	**Telephone**	+91-294-6604000-02
8	**Website**	www.hzlindia.com
9	**Financial year for which reporting is being done**	April 01, 2022 to March 31, 2023
10	**Name of the Stock Exchange(s) where shares are listed**	Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE)
11	**Paid-up capital**	₹ 845.06 crore
12	**Name and contact details of the person who may be contacted in case of any queries on the BRSR report**	Mr. Rajendra Pandwal Company Secretary & Compliance Officer Telephone Number: +91 294-6604015 Email Address - rajendra.pandwal@vedanta.co.in
13	**Reporting boundary**	Disclosures made in this report are on a consolidated basis which covers all Company's operating locations. During the year, two wholly owned subsidiaries (Private Limited Company), namely Hindustan Zinc Fertilisers Private Limited and Zinc India Foundation – Section 8 Company were incorporated. As on March 31, 2023, Company has four wholly owned subsidiary companies.

II. PRODUCTS/SERVICES

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Metal & Metal products	95%

15. Products/services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Zinc	27204	71%
2	Lead	27209	11%
3	Silver	27205	13%

III. OPERATIONS

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National*	14	5	**19**
International	0	0	**0**

*Only operating locations considered

17. Markets served by the entity:

a. Number of locations:

Location	Number
National (No. of States)	Pan India
International (No. of Countries)	Internationally

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports is 29% of the total turnover of the entity.

c. A brief on types of customers

Our Company has B2B customers across various industries including galvanisers, battery manufacturers, pipe industry, jewellery makers, steel industry and traders. We were effectively able to reach out to MSME customers with live London Metal Exchange (LME) benchmarked prices and quantity as low as 1 tonne delivery for zinc and lead metals through our e-commerce portals.

18. Details as at the end of financial year:

a. Employees and Workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES*					
1.	Permanent (D)	**2,566**	2,067	80.6%	499	19.4%
2.	Other than Permanent (E)	**9**	7	77.8%	2	22.2%
3.	Total Employees (D + E)	**2,575**	2,074	80.5%	501	19.5%
	WORKERS**					
4.	Permanent (F)	**897**	879	98.0%	18	2.0%
5.	Other than Permanent (G)	**19,724**	19,490	98.8%	234	1.2%
6.	Total Workers (F + G)	**20,621**	20,369	98.8%	252	1.2%

*Permanent Employees means Executive

**Permanent Workers means Non-executive

**Other than Permanent Workers means business partner employees

b. Differently abled Employees and Workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES*						
1.	Permanent (D)	**2**	2	100%	0	0%
2.	Other than Permanent (E)	**0**	0	0%	0	0%
3.	Total differently abled Employees (D + E)	**2**	2	100%	0	0%
DIFFERENTLY ABLED WORKERS**						
4.	Permanent (F)	**11**	11	100%	0	0%
5.	Other than permanent (G)	**13**	13	100%	0	0%
6.	Total differently abled Workers (F + G)	**24**	24	100%	0	0%

*Permanent Employees means Executive

**Permanent Workers means Non-executive

**Other than Permanent Workers means business partner employees

19. Participation/inclusion/representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	**9**	4	44.44%
Key Management Personnel	**3**	0	0%

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in the current year)			FY 2021-22 (Turnover rate in the previous year)			FY 2020-21 (Turnover rate in the prior to previous year)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	17%	19%	**17%**	17%	26%	**18%**	19%	22%	**19%**
Permanent Workers*	NA	NA	**NA**	NA	NA	**NA**	NA	NA	**NA**

*There is no hiring in permanent workers

IV. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. (a) Names of holding/subsidiary/associate companies/joint ventures

S. No.	Name of the holding/subsidiary/ associate companies/joint ventures (A)	Indicate whether holding/ subsidiary/associate/joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Vedanta Limited	Immediate Holding Company	64.92	No
2	Hindustan Zinc Alloys Private Limited*	Wholly Owned Subsidiary	100	No
3	Vedanta Zinc Football & Sports Foundation	Wholly Owned Subsidiary – Section 8 Company	100	Yes
4	Zinc India Foundation	Wholly Owned Subsidiary – Section 8 Company	100	Yes
5	Hindustan Zinc Fertilisers Private Limited*	Wholly Owned Subsidiary Company	100	No
6	Madanpur South Coal Company Limited**	Joint Venture	17.62	No

*Hindustan Zinc Alloys Private Limited & Hindustan Zinc Fertilisers Private Limited are under project phase

**No activity or mining asset in this Company

V. CSR DETAILS

22. (i) Whether CSR is applicable as per section 135 of the Companies Act, 2013: Yes

Turnover (in ₹) - 34,097.86 crore

Net worth (in ₹) - 12,932.61 crore

VI. TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place (Yes/No) (If Yes, then provide web-link for grievance redressal policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes Grievance Mechanisms Technical Standard	85	19	Employment, Environment & CSR related	36	0	Environment & CSR related
Investors (other than shareholders)	Yes Hindustan Zinc Contact Details	0	0	-	0	0	-
Shareholders	Yes Contact Details	105	0	Dividend & Share	23	0	Dividend & Share
Employees and Workers	Yes Business Ethics Code of Conduct HZL Whistle Blower Policy	5	0	Sexual Harassment	1	0	Sexual Harassment
Customers	Yes https://vedantametalbazaar.moglix.com/	45	4	Customer grievances on varied issues	46	0	All were quality-related complaints
Value Chain Partners	Yes Supplier Code of Conduct HZL Whistle Blower Policy Vendor Grievance Redressal Portal	96	1	Supplier and service provider grievances on varied issues	0	0	-
Other (please specify)	-	-	-	-	-	-	-

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Environmental					
1	**Water Management**	Risk	Our operational activities involve processes in which water is an indispensable input, both for extraction and processing & smelting. Thus, it is even more important for us to strive to reduce water use and increase reutilisation throughout the value chain. According to our climate change assessment, climate change may result in increase in extreme weather events and subsequent resource shortages. Our operations are located in Rajasthan, which is one of the designated water-stressed regions in the country based on WRI's Aqueduct tool. There is a high probability of experiencing situations of drought and extreme heat waves. Since water is a critical input to our business, these factors have the potential to disrupt operations, to impact productivity of staff as well as our revenues and logistics.	Water conservation is particularly important for us as we operate in a water-stressed region. We are 2.41 times water-positive and are well on the path to be 5 times Water Positive Company and reducing the water consumption by 25% by 2025 from base year 2020. Company has taken several initiatives to reduce its dependencies on fresh water and greater availability of water for the communities surrounding our sites: • Increasing efficiency in water usage and exploring less water-intensive technologies • Strengthening water recycling and installation of zero liquid discharge (ZLD) across all plants • Using alternative water sources to reduce dependency on freshwater using treated water from sewage treatment plant • Replenish water within local watersheds and rainwater harvesting • Water risk assessment using WBCSD's India Water Tool, WRI Aqueduct and GEMI local water tools	Negative
2	**Tailings Management**	Risk	The monitoring and management of tailings storage facilities (TSFs) plays a significant role in reducing environmental impact on our local stakeholders. Tailings dam failure can lead to loss of life, injuries and damages to the environment, as well as can impact our Company's reputation. It can also entail significant financial costs/losses and stoppages in production.	Failing of tailings dams can cause huge environmental impact. Hence, we accord top priority to managing them responsibly. • All the Company's tailings facilities are designed and constructed to the highest engineering standards and best-in-class benchmarked practices • External and internal inspection and monitoring of the TSFs to review the integrity/stability of our TSF structures and their associated management practices	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Environmental					
				• Effectiveness of reclaim water system • Collection and recycling of supernatant water • Conducting periodic TSF risk assessment and developing mitigation plans to minimise associated risks • Surveillance of tailings storage facility • Effectiveness of emergency planning and response • Utilisation of tailings in backfilling • Replacement of wet tailing disposal with dry tailing disposal • Dam break analysis and emergency preparedness • Company introduced a novel, satellite-based Interferometric Synthetic Aperture Radar (InSAR) monitoring technique to provide early warning of surface ground movements • We aim to be fully compliant with the Global Industry Standards on Tailings Management (GISTM) by FY 2024-25	
3	**Air Emissions & Quality**	Risk	Failure to comply with emission norms could lead to negative/ inevitable long-term impact on the environment and society, with imposition of levies/fines, escalation in costs related to monitoring and reporting, among others.	Large-scale air emissions can cause serious impact on the environment and local communities. We continuously work towards reducing air emissions. • Well-designed state-of-the-art air pollution control devices (APCD) are in place • Effective fugitive emission management • Continuous monitoring and reporting	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			Environmental		
4	**Climate Change & Decarbonisation**	Risk	We are an energy-intensive industry due to the nature of our operational activities, logistics and transportation processes. That is why we seek new technologies and progress regarding sustainable energy generation. This can impact the overall market value of the products in the geographies with restrictions, thus impacting our revenues. As a result, we keep track of all transition risks and changes in regional Climate Change Policy. As per the physical risk assessment for the timeline 2030 and 2050, Hindustan Zinc is likely to face natural disasters like droughts, heat waves and increase in extreme weather conditions. These would impose challenges to mining operations. Climate change may cause or result in increase in extreme weather events and subsequent resource shortages, impacting overall cost of acquisition of resources from alternative sources.	The rising challenges of climate change and resource scarcity have put us on a path of transformation to a low carbon economy. Our strategies for mitigating these risks include: • Reducing fossil fuel-based energy use in our operations by using innovative energy-efficiency technologies and process optimisation • Shifting to renewables and/or low-carbon solutions where possible • The Company has committed for net-zero carbon emissions by 2050 or sooner and is planning to increase RE power portfolio by addition of 450 MW renewable energy by 2026 • Replace diesel-fuelled transportation vehicles with electric vehicles. We have introduced India's first underground mining electric vehicle • Introduced LNG-powered trucks and electric trucks for upstream and downstream transportation • Business partners also introduced electric vehicles, several forklifts, towing vehicles, passenger vehicles introduced • 100% RE power consumption at Pantnagar Metal Plant • Use of biomass (5%) in power plant • Climate change risk assessment based on TCFD guidelines	Negative
		Opportunity	• Use of decarbonised electricity may result in lower Levelised Cost of Energy (LCOE) • New market opportunities due to expected growth in solar PV panels and energy storage systems using Zn, Pb and Ag • Decarbonised metals may give differentiator and may command premium well before 2030		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Environmental					
5	**Biodiversity & Ecosystems**	Risk	Biodiversity provides many ecosystem services. If improperly managed, mining, smelting and exploration activities have the potential to negatively affect biodiversity and ecosystem services. Impact could be loss of protected species and habitat fragmentation. Such risks could affect our social licence to operate as well as our reputation.	We work to proactively manage our impact on biodiversity and strive to protect the ecosystems in which we operate. • Three-year engagement with IUCN • Biodiversity risk assessment • Implementation of project with respect to Biodiversity Management Plan in alignment with global standard practices • Miyawaki Afforestation at DSC, DZS and CLZS • Restoration of Jarofix Yard at CLZS using Mycorrhiza technology	Negative
6	**Circularity & Waste Management**	Risk	Waste generated from our operations poses challenge to us in terms of increasing our cost of production, challenge in terms of its storage and risk of non-compliance.	• At Hindustan Zinc, we believe in Zero Waste and have designed a comprehensive approach in managing waste generated. We have aligned our waste management practices to '4R' strategy – Reduce, Reuse, Recycle and Reclaim • Gainful utilisation of waste in terms of recovering minor metals and using waste in other industries (cement, road construction, etc.) • Commissioning of Fumer plant will be resulting in 100% elimination of Jarosite waste from one of the hydro zinc smelter	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Social					
7	**Health, Safety & Well-being**	Risk	Hindustan Zinc's mining and smelting operations involve various procedures that can have significant consequences on the workers and the environment. Failure to ensure health and safety could result in increased cost of litigation, reduce availability of manpower, reduced employee morale, or even threaten the viability of operations in worst-case scenarios. • Implementation of critical control management as per ICMM guidelines with support of DuPont • Digitalisation of fatal and serious injury prevention plan • Mining mate competency enhancement programme • Deploying IoT-based solutions • Implementation of learnings from fatalities/HIPO in past 10 years • Emergency response plan at all locations	It is our constant endeavour to make our workplace free of fatalities, injuries and occupational diseases. • Identifying, understanding, controlling and eliminating the risks associated with hazards at workplace, including man-machine interactions, molten metal handling, fall of ground, underground fire, etc. • Implementation of critical risk management to ensure all identified critical control are being monitored and effective on ground • Implementing engineering solution to avoid manual intervention • Horizontal implementation of all fatality/HIPO recommendations • Structured skill improvement/ competency enhancement programme for employees and business partner • Exposure monitoring for better and timely controls • The Company partnered with a globally recognised industrial hygiene service company, to develop a sustainable industrial hygiene programme to reduce potential health risks by recognising, evaluating and controlling occupational health hazards and occupational exposures	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Social					
8	**Diversity, Equal Opportunity & Inclusion**	Risk	People are our core assets and responsible for organisational success. By establishing a culture of safety, employee engagement and support for diverse groups in our workforce, we have been able to deliver in the top quartile of the business performance. We are an employer of choice and a company that continues to attract, develop and retain talent across all the levels. Diversity is a business imperative for us and we firmly believe that healthy diversity mix is more likely to have financial returns above industry median. Strategically, we focus on having a strong representation of women across levels and women currently constitute 19.5% of the strength in the executive cadre. Simultaneously, we have successfully onboarded Transgenders in front-end roles. We have flagship programmes for identification and development of diverse workgroups such as V-Build, V-Lead, ACT-UP, She-Leads, V-Aspire which focus on technical & behavioural aspects of individuals.	While we see opportunity in diverse workgroups, there are apparent risks. The workplace has to be inclusive, safe, secure, free of discrimination, harassment and bullying. • Mitigation: Policy on Prevention of Sexual Harassment, Anti-discrimination Policy, Internal Complaint Committee • Grievance Redressal Committee, Women Councils are in place which are channels to directly approach for any grievance, complaint, or suggestion • Sensitisation and awareness on these policies, external and internal pulse surveys are taken care at central as well as IBU level to ensure mitigation of the mentioned risks	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			Social		
9	**Talent Attraction & Retention**	Risk	A high-quality talent pipeline paves the way for organisation excellence. Our talent management framework is conceptualised and implemented to maximise individual contribution by developing existing skills & experience. We believe in deploying best-in-class talent management practices that boost performance and help in building our brand to attract and retain talent. We continuously work with a focussed approach to get the right people in the right jobs, developing them and creating a great work environment, which in turn will build the foundation for an exceptionally talented and successful organisation. The core operations at Hindustan Zinc including mining, smelting & refinery require workforce with niche skills. Attrition in this talent pool is considered as a threat to the business deliverables. Mitigation Plan: Talent identification platforms, high visibility role, well-defined career path, training & development, competitive remuneration, ring fencing	We build and leverage the talent through a robust framework, as mentioned below: • Attraction and Acquisition - Empanelment of premier institutes across the country to tap the best talent, unique drives for attracting best talent from diverse work groups, etc. • Promoting Young Talent - Right MIP, building the talent pipeline through succession planning • Capability Building - Ensuring that we have people with the right skills which are niche skills in mining and smelting. Also acquiring new skills at par with external requirements and be agile with both internal & external developments. We ensure the development of our people on technical & behavioural aspects through customised interventions • Driving Diversity - DEI is a business imperative and our objective is to achieve gender parity across all levels starting from the Board • Performance Management - Cascading organisations goals to the last line to ensure that entire workforce is aligned to achieve the business targets	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Social					
10	**Community Engagement and Development**	Risk	Communities are identified as foremost stakeholder group. Stakeholders especially communities may get impacted at the socio-cultural and economic level due to our business operations. Deficit of trust and relationship with the earmarked stakeholders may not only impede the progress on initiatives for furthering our societal impact but may also lead to consequential loss of reputation, brand and business continuity. Mismatch between expectations of community and actions deployed or lack of awareness or poor deployment of engagement initiatives may lead to discontented communities. A proactive and sustained approach towards consultation with stakeholders including communities is critical to strengthen the engagement levels and sustained interactions and engagement platforms would lead to presenting our commitment to driving value for both communities and organisation. We also are cognisant that each location has a different cultural and economic significance, which influences the expectations local communities have from us. Hence, community engagement for sustainable integrated land use planning, the training of community persons in specialised skills, importance to cultural values and its integration into the relationship, empowering and bringing women in leadership by focussing on equality, overall developing the assets within the community and intensely educating them thereby making self-sustained communities' local employment, local sourcing is one of the most important aspect for us to build a trust and uplift their standard of living.	• Proactive and sustained engagement platforms like "Community Connect", "Community Leadership Connect" shall ensure two-way communication network and strengthen the trust element. Our approaches towards strengthening Social Performance Steering Committees (SPSC) at business locations with active involvement of the functional leaders across Hindustan Zinc is key to monitoring the grievances and its resolution, key risks and its mitigation and creating strong relationships with the stakeholder base. Thereby, reducing the collective risks and immediately addressing the grievances and feedbacks received from the communities • Engagement of senior management at village level across all BUs on a regular basis for discussing village level development and ensure resolution of concerns/grievances, if any • Model village as a strategic approach is being adopted to strengthen the village infrastructure in discussion with the villages and its elected members • Assessing the community need and impact derived of our interventions including perception studies aid us in learning the insights and further help us draw inferences and future action plans	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Governance					
11	**Data Privacy & Cyber Security**	Risk	Risk of leakage of personal information of stakeholder and organisation's business critical information and also non-adherence to legal and statutory compliances may lead to financial/reputational loss. Unavailability of business critical systems or change in integrity of system/data due to cybersecurity incident may lead to wrong business decision and/ or business loss.	• Implementation of right set of policies, procedures and practices for IT operations and their effective communication and enforcement to all stakeholders • Structured and comprehensive approach for data governance through its life cycle including policies, procedures and deployment of best-in-class tools and technologies • Comprehensive Vulnerability Management programme to proactively identify vulnerabilities in technology systems/landscape and remediate them in a timely manner • Effective management of accesses to all systems, including privilege access management • Periodically conduct Business Impact Assessment for all business-critical system and deploy effective Business Continuity and Disaster Recovery Plan • Company has adopted a globally recognised ISO frameworks for various domains of its IT operations and has been certified on an integrated ISO certification including ISO 27001, 27701, 31000 and 22301 • Company has also implemented a very comprehensive programme for Vulnerability Management, Data Governance and Cyber Security Awareness across all its stakeholders. Company has defined a set of Risk Controls Matrix in line with ISO and Sarbanes-Oxley Compliance framework to regularly and proactively review and monitor all its IT processes	Negative

SECTION B MANAGEMENT AND PROCESS DISCLOSURES

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	Anti-Bribery & Anti-Corruption Policy Business Ethics Code of Conduct Supplier Code of Conduct	Sustainable Sourcing Policy	Human Rights Policy Health Safety & Environment Policy Policy on Diversity Equity and Inclusion	Stakeholder Engagement Standard	Human Rights Policy	Health Safety & Environment Policy	Business Ethics Code of Conduct	CSR Policy	Customer Delight Policy
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 31000 (Risk Management System) ISO 37301 (Compliance Management System)	ISO 9001 (Quality Management System) ISO 14001 (Environmental Management System)	ISO 45001 (Occupational Health and Safety (OH&S) Management System) ISO 22301 (Business Continuity Management System & Disaster Recovery System)	SA 8000 (Social Accountability Standards)	SA 8000 (Social Accountability Standards)	ISO 14001 (Environmental Management System) ISO 50001 (Energy Management System) Environment Product Declaration (EPD) for Zinc Product	-	SA 8000 (Social Accountability Standards)	ISO 27001 ISO 9001 (Quality Management System) ISO 27000 (Information Security Management System) Environment Product Declaration (EPD) for Zinc Product

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.

Hindustan Zinc is built on inherently sustainable principles. We believe in driving long-term sustainable economic development and value creation for our stakeholders by protecting the health and safety of our people and community, minimising the environmental impact of our operations, respecting human rights and sharing benefits with the community.

We have taken a holistic view in setting our sustainability goals for 2025, aligning them with UN Sustainable Development Goals. Following a formal materiality analysis process and extensive internal and external stakeholder dialogue, In 2020, we identified the high priority material issues and subsequently set ambitious sustainability goals for 2025.

Sustainability Goals 2025

- **Goal 1:**
  - o Achieving Net-Zero Emissions by 2050 or sooner.
  - o 0.5 mn tCO_2e GHG emission savings in our operations in 2025 from base year 2017
  - o Reduction in non GHG emission (SOx and NOx emission) by 17% by 2025 base year of 2020
- **Goal 2:**
  - o Become 5x water-positive Company and achieve 25% reduction in freshwater by 2025
  - o Complete transition from wet tailing to dry tailing disposal by 2025
- **Goal 3:**
  - o 3x Increase in gainful utilisation of smelting process waste
- **Goal 4:**
  - o Positively impacting 1 million lives through social, economic and environmental initiatives by 2025
- **Goal 5:**
  - o Protect and enhance biodiversity throughout the life cycle
  - o 1 million Plantation drive by 2025
  - o Achieve No Net Deforestation through compensatory afforestation whenever applicable in mining sites, throughout the life cycle
- **Goal 6:**
  - o Inclusive and diverse workplace with 30% diversity by 2025
- **Goal 7:**
  - o Zero work-related fatalities and 50% reduction in Total Recordable Injury Frequency Rate (TRIFR) by 2025
- **Goal 8:**
  - o 100% Responsible Sourcing in the supply chain by 2025

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9

Policy and management processes

		Goals	Action taken	Performance KPI's	Status
6.	Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	Goal 1	• PDA signed for 450 MW renewable energy • 100% RE power consumption at Pantnagar Metal Plant • Turbine revamping • Use of biomass in power plants • Energy-efficiency programmes/ISO 50001 certification • Switching to electric mobility • Alternate fuel use for transportation	0.34 mn tCO_2e GHG emission savings (68% achieved) 10.66% emission intensity decrease on y-o-y basis	On Track
		Goal 2	• Utilisation of STP-treated water • Maintaining zero discharge across sites • Water recycling through integrated waste water treatment facilities ETP/RO/MEE/MVR plants • Dry tailing plant • Rainwater harvesting • Water risk assessment	9.41% reduction in freshwater withdrawal in FY 2022-23 compared with FY 2019-20 (baseline) Water recycling at 41.95% in FY 2022-23	On Track
		Goal 3	• 100% utilisation of Jarosite in Cement from DZS • Jarofix utilisation in road construction • Metal recovery from waste	31.01% recycling and reuse of total waste (mines and smelters) in FY 2022-23	On Track
		Goal 4	• Outreach 237 villages; ~1.72 million beneficiaries through sustained CSR initiatives • Enhancing the local economy by sustainable livelihood practices • Improving quality of life of communities including the lifecycle approach in education sphere and developing model villages • Promoting community-led microenterprises	1.7 million lives impacted	Achieved
		Goal 5	• Three years engagement with IUCN o IBAT assessment o Ecosystem service review o 1st season biodiversity assessment • Miyawaki afforestation • Restoration of Jarofix Yard • 1 million plantation drive • Wildlife conservation plan	3.4 lakhs increase in plantation from FY 2019-20	On Track
		Goal 6	• Improving Diversity - Gender, sexual orientation, specially abled, regional diversity - Transgenders onboarded in front end role (3 nos.) • Sensitisation workshop for Diversity and Inclusion (16 session 600+ employees covered) • Rolled out various women professional development programmes • Effective employee engagement programme	Gender diversity increased from 14.4% in FY 2019-20 to 19.5% in FY 2022-23	On Track
		Goal 7	• Critical Risk Management/FSIPP (Fatality & Serious Injury Prevention Programme) • Community of practice: Structural Integrity • Infrastructure and automation • Safety governance structure for business partners • Elimination of high-risk manual activities • Industrial Hygiene - QLEA and QNEA • Strengthening of emergency preparedness	7 Fatalities TRIFR decreased by 27% in FY 2022-23 from base year FY 2019-20	Off Track
		Goal 8	Incorporating ESG into the commercial process • ESG questionnaire in Pre-qualification criteria • Suppliers due diligence • Standard ESG expectations in the contracts • Single use plastic, MSA declaration in RFQ • Incorporating subcontractor approval during RFQ • Launched vendor grievance through ROBOS portal • Conducted webinar for ESG, COC, Ethics, Labour law	39.30% sourced directly from within the district and neighbouring districts in FY 2022-23. 70.45% of total supplier by value (total 235 suppliers) have been assessed by third party for sustainable sourcing and ESG criteria in FY 2022-23	On Track

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9

Governance, leadership and oversight

7. Statement by Director responsible for the business responsibility report, highlighting ESG-related challenges, targets and achievements
Mr. Arun Misra, CEO & Whole-time Director is responsible for Business Responsibility and Sustainability Report. Please refer to page 259 of the Integrated Annual Report FY 2022-23 for CEO statement covering ESG risk, challenges, highlights and achievements.

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy (ies).	Mr. Arun Misra, CEO & Whole-time Director who is also the member of Board-level Sustainability and ESG Committee is responsible for the implementation and oversight of the Business Responsibility and Sustainability Policy (ies)
9.	Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability-related issues? (Yes/No). If yes, provide details.	Yes, the Company has Board-level Sustainability and ESG Committee in place for decision-making on sustainability-related issues. The Sustainability and ESG Committee, chaired by Independent Director, is responsible for providing oversight and in formulating our sustainability strategy including topics such as climate change, environment, safety, transparent disclosures besides setting long-term goals and targets. The Committee is responsible for: • Periodically review the Company's stakeholder base and their material interests • Review and approve any reporting on sustainability aspects to the public or government agencies • Implement industry best practices and standards, to ensure that the Company's sustainability strategy minimises environmental impact and creates shared value in the long-term for stakeholders • Manage risks in all forms, by applying controls and testing their effectiveness against environmental risks and opportunities, social impacts and activities related to stakeholder engagement The Committee also plays a key strategic role in all business decisions to ensure workplace safety, eliminating any potential damage to the environment, enhancing a commitment towards stakeholders and maintaining Hindustan Zinc's reputation as one of leading sustainable metal & mining Company. Committee Composition Mr. Akhilesh Joshi - Non-Executive - Independent Director - Chairperson (DIN : 01920024) Mr. Arun Misra - Executive Director - Member (DIN : 01835605) Ms. Nirupama Kotru - Non-Executive - Nominee Director - Member (DIN : 09204338) Ms. Veena Kumari Dermal - Non-Executive - Nominee Director - Member (DIN : 08890469) ESG risk and mitigation are also reassured by Audit and Risk Committee

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow-up action	Y	Y	Y	Y	Y	Y	Y	Y	Y
Compliance with statutory requirements of relevance to the principles and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y

Subject for Review	Frequency (Annually/Half yearly/Quarterly/Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow-up action	H	H	H	H	H	H	H	H	H
Compliance with statutory requirements of relevance to the principles and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y
	The Company is in compliance with regulations as applicable, except to the extent of non-compliances as already disclosed.								

		P1	P2	P3	P4	P5	P6	P7	P8	P9
11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Yes, apart from internal audits, audits like Vedanta Sustainability Assurance Programme (VSAP) and ISO certification surveillance/renewal audit from independent auditors are conducted annually, to ensure the integrity of the implementation process. The VSAP is a sustainability risk assurance tool, used to assess the compliance of all our units with the Vedanta Sustainability Framework. The assurance model has various modules, covering environment, health, safety, community and human rights elements. The assurance system works on the premise of tracking corrective and preventive actions by each of our businesses and commissioning periodic formal audits by external experts. Based on the gap assessment, our businesses undertake management plans and corrective actions, with periodic review, evaluation and documentation. This aids in identifying the improvement areas and promotes cross-functional working environment.								

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

SECTION C PRINCIPLE-WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

S. no.	Segment	Total number of training and awareness programmes held	Topics/principles covered under the training	%age of persons in respective category covered by the awareness programmes
1	Board of Directors	5	• Overview of mining, smelting, power, marketing, ESG, fertiliser project, risk management, etc. • On site visit to mining and smelting complex • ESG Risk Awareness Training • Two Risk Awareness training • Board Familiarization Programme	100%
2	Key Managerial Personnel	11	• Overview of mining, smelting, power, marketing, ESG, fertiliser project, risk management, etc. • On site visit to mining and smelting complex • Risk Awareness Training • Business Ethics and Code of Conduct covering insider trading • Training on LCA, LME responsible sourcing guidelines, net-zero SBTi targets, materiality assessment, TNFD guidelines, SBTN, etc.	100%
3	Employees other than BoD and KMPs	447	• Business Ethics • Code of Conduct • Insider Trading • ESG, Technical/Behavioural training	97%
4	Workers	2,968	Health, Safety, Environment Behavioural Upskilling	88%

2. **Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	NIL	NIL	NIL	NIL	NIL
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding fee	NIL	NIL	NIL	NIL	NIL
Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the Case		Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL	NIL		NIL
Punishment	NIL	NIL	NIL		NIL

3. **Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed:**

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
Not Applicable	

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Company has adopted the anti-corruption or anti-bribery policy. The policy has been developed in alignment with Company's code of conduct, including whistle blower policy bound by various laws including Indian Prevention of Corruption Act, UK Bribery Act and Foreign Corrupt Practices Act, etc. The policy reiterates Hindustan Zinc's stance of zero tolerance towards fraud, bribery and corrupt practices. The policy facilitates ethical decision-making and reinforces Company's culture of transparency in all its dealings. This policy applies to all employees and business partners of Company and sets out conduct that must be always adhered to.

The policy can be accessed at
https://www.hzlindia.com/wp-content/uploads/Anti-Bribery-and-Anti-Corruption-Policy-21.01.2022.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	Not applicable	NIL	Not applicable
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	Not applicable	NIL	Not applicable

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

There were no fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest. Hence, there is no corrective action.

The Company ensures that necessary policies, processes, systems and monitoring mechanism are put in place to ensure compliances. The policies are regularly reviewed to update them with best practices adopted globally. The implementation of these policies is ensured through regular training, communication and awareness building sessions. As part of the risk assessment methodology, all sites are regularly assessed for risks related to corruption, environment, and social aspects.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness held	Topics/principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
122	ARIBA training, Supplier code of conduct, ESG awareness, Labour law, Health Safety and Environment, etc. (P1 to P6)	• 100% partners for Supplier Code of Conduct, ESG, Labour law, Health, Safety Environment training • 100% of new suppliers given training on ARIBA portal

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes. The Company has a policy on Business Ethics & Code of Conduct. Ethical conduct of business, at our Company, encompasses all its stakeholders, right from our Board members, top management and employees to our partners, contractors, shareholders and others. The Code of Conduct is pillared on the ethos of trust, mutual respect, professionalism, responsibility, accountability and transparency in communication. It is also aligned with the Indian Prevention of Corruption Act, Foreign Corrupt Practices Act and UK Bribery Act. The Code guides our behaviour, while helping us in the promotion of honest and ethical conduct, along with ethical handling of any conflicts of interest, complete and timely disclosures, among others. Our Company is committed to conducting business with responsibility and integrity.

Our Company's daily conduct reflects the core values and purpose which are integral to the brand and reputation. The Code ensures that the actions and policies are not only in compliance with applicable laws and regulations, but also in line with the highest standards of business ethics and integrity. On an annual basis, all the Board members provide directorship disclosures for the entities in which they are Directors/interested. Intimations are being sent separately in case of any changes in the annual disclosures already submitted.

The policy is placed on the Company's website
https://www.hzlindia.com/wp-content/uploads/HZL-BUSINESS-ETHICS-CODE-OF-CONDUCT-22.04.2022.pdf

PRINCIPLE 2 BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D*	100%	100%	All R&D Investments are focussed at sustainable technologies development, metal recovery and waste utilisation. Among the various investments we have initiated in this regard is in the development of technology for mill tailings and various waste recycling projects to reduce our environmental footprint. We have also identified and replaced one of the hazardous reagent used in mineral flotation by non-hazardous environment-friendly reagent. In an endorsement of its progress on its circularisation goal, the Company has been granted US patents for two of its sustainability technologies, developed in-house by our R&D centre – ZnTech (formerly known as Central Research and Development Laboratory). US10844551B2 for manufacturing Paver Blocks from process waste and US10919924B2 for the method of production of Potassium Antimony Tartrate (PAT) by utilising Antimony bearing residues. Both these technologies are aimed at creating value from waste, that can be utilised within Company's operations and support local entrepreneurs and communities.
Capex#	10%	12%	Fumer project, Solar Power, Sewage Treatment Plant (STP), Tailing Dam Strengthening, Dry Tailing Plant (DTP), Zero Liquid Discharge (ZLD) plants, Tail Gas Treatment (TGT) plants, Jarofix yard capping, Fire Hydrant System, CPP turbine revamping for efficiency, improvement, bag filters installation for curbing fugitive emissions, etc.

* Total R&D expenditure is considered including salaries, material cost, R&M, etc.

* % R&D calculated as ESG R&D/Total R&D expenditure

% CAPEX calculated as CAPEX related to ESG/Total CAPEX expenditure

2. A. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes. The Company conducts business in a manner that improves welfare, health and safety of workers across our supply chain, ensures compliance with the law and adherence to ethical standards of governance and sustainability. To achieve this vision, we have put in place a Sustainable Sourcing policy that aligns our goals with our valued business partners and promote a culture of responsibility towards sustainability in all our stakeholders. The policy applies to all our immediate business partners including service and supply partners ("business partner/(s)") based on fundamental requirement of adherence to the Supplier's Code of Conduct, which embodies our commitment to internationally recognised standards on five core principles – Labour and Human Rights, Occupational Health and Safety, Environmental Sustainability, Business Integrity and Governance. We may require our business partners to provide information, complete training and perform other activities in connection with this policy before, during or after supply of goods or performance of services. We are committed to working with our business partners through collaborations and improvement in their process for responsible procurement based on global best practices.

To ensure responsible sourcing of minerals, including when sourcing from CAHRA (Conflict-Affected and High-Risk Area), Hindustan Zinc has established effective internal management of due diligence system to identify, assess and manage potential risks associated with our mineral supply chains. Through this, Hindustan Zinc identifies potential red flags, triggering enhanced due diligence in its mineral supply chains. Where red flags are identified, we undertake enhanced due diligence to map the factual circumstances of the presence of risks, including serious human rights abuses; risks associated with the contracting of public or private security forces; direct or indirect support to non-state armed groups; money laundering; non-payment of taxes, fees and royalties due to governments; bribery; and fraudulent misrepresentation of the origin of the materials. We also map out risk management plans, including a feedback/grievance mechanism, to ensure prevention and quick mitigation of identified risks.

B. **If yes, what percentage of inputs were sourced sustainably?**

70.45% of total supplies by value (total 235 nos. suppliers) have been assessed by a third party for sustainable sourcing and ESG criteria. The Company has plans to enhance the assessment and diligence process for GHG emissions and natural resources, water management practices, social practices, etc. in the upcoming year.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Company is in the business of mineral extraction and processing. Our final product – Lead, Zinc and Silver is used as a raw material for many industries and can be recycled and reused multiple times. The minerals are converted into ingot which are supplied to customers without any packaging. Company has recently started producing HZDA, a Die-Casting alloy which is a premix of Zn, Al, Mg/Cu in certain ratio to get best output of end product at customer's side. Readily available premix saves the energy, time and cost to the customers. Thus, customer does not need to re-melt the zinc ingot to make an alloy, they can directly use the premix for their end product.

However, the procedures are in place for managing all kinds of wastes generated during the manufacturing of finished goods. We are using technology and innovation to reduce-reuse-recycle waste and restore natural systems, including land rehabilitation through top-soil cultivation. Company also prioritises the repurposing of end-of-life mines as part of a broader remit to support local communities. Company is also exploring technologies to extract the valuable residual metals and minerals. New chemicals are enabling the Company to optimise the mining process, minimise wastage through the leaching process and significantly enhancing recoveries.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No, it is not applicable for our product/product packaging. However, EPR is applicable for the plastic being received as packaging material for imported material goods. These materials are unwrapped in our stores and sent for further recycling, waste collection plan is in-line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Board.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
Zinc - 27204 Lead - 27209 Silver - 27205	Zinc, Lead and Silver	95%	Cradle to Grave	Yes, through the third party	Sustainability Development Report 2017-18 Results are shared as part of Zinc Environment product declaration (EPD)

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.**

Company conducted Life Cycle Assessment (LCA) study as per ISO 14040/44 standard, using the approach of "cradle to grave" for their Zinc, Lead and Silver products. The study established the baseline impact of '1 tonne of Zinc, Lead and Silver Production' for facilities of Hindustan Zinc Limited. The system boundary for this study is a cradle to grave system.

As per the results there are no significant social/environmental concerns or risks arising from our manufacturing process. Following with the recommendations from the above study for which we have worked on:

- Identifying all potential areas for improvement and direct efforts so as to reduce the impact, or otherwise minimise as far as possible, getting the consequent environmental improvement and compare with the benchmark and best available technologies
- Optimisation and improvement of the production processes, end-of-life scenarios, etc.
- Stimulating the generation of information on the life cycle performance of materials to support both reductions in the footprint of the upstream activities to harvest the materials, as well as more sustainable applications of materials in products
- Objectively analysing different future scenarios and possible alternatives and their implications and impact on the life cycle
- Third party standards and rating schemes that are trying to improve the environmental footprint of product and building systems

A set of life cycle environmental impact indicators such as Abiotic Depletion of Fossil Elements, Acidification Potential, Eutrophication Potential, Global Warming Potential, Ozone Layer Depletion Potential, Photochemical Ozone Creation Potential, Primary Energy Demand and Blue Water Consumption were considered. While comparing the results, it was found that Company's results are at par with the world average data.

Electricity consumption contributes to major environmental impact in the value chain of zinc. Company relies on captive thermal power plant, it is imperative to improve the captive power plant efficiency. Energy-efficiency projects such as revamping of all the turbines, improvement of cellhouse efficiency, other projects like installation of variable frequency drives across operations, switching from high-speed diesel to piped natural gas, have contributed to energy savings in our operations. We have signed power delivery agreements (PDAs) of 200 MW & 250 MW renewable energy. We are using biomass along with coal in our captive power plants. Electric vehicles have been introduced in our underground mining & smelter operations. With all these initiatives and supply of RE round-the-clock with these PDAs, we will be able to source about 50% of our electrical energy requirement from renewable energy and to reduce Global Warming Potential, Acidification Potential and Blue Water Potential significantly below world average data.

Water consumption was also identified as major environmental impact in the value chain of zinc. Company has commissioned India's 1st dry tailing plant at Zawar mines which recirculates more than 80% of the process water present in tailings. We have zero liquid discharge (ZLD) plants at all smelters which recycles processed water, which is then reused in operations. We have also set out plans to commission the ZLD plants at all our units and remain committed to principles of water conservation and zero discharge. Rainwater harvesting facility has been introduced in Rampura Agucha mines. We have set Sustainability Goal to reduce fresh water consumption by 25% by 2025.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry):

Nil. We are primary manufacturer of non-ferrous metals.

Indicate input material	Recycled or reused input material to total material	
	FY 2022-23	FY 2021-22
No such material used	NIL	NIL

4. Of the products and packaging reclaimed at end of life of products, amount (in MT) reused, recycled and safely disposed, as per the following format:

Not applicable

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category:

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable	

PRINCIPLE 3 BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	2,067	2,067	100%	2,067	100%	NA	NA	2,067	100%	2,067	100%
Female	499	499	100%	499	100%	499	100%	NA	NA	499	100%
Total	**2,566**	**2,566**	**100%**	**2,566**	**100%**	**499**	**19.4%**	**2,067**	**80.6%**	**2,566**	**100%**
Other than Permanent employees											
Male	7	7	100%	7	100%	NA	NA	NA	NA	7	100%
Female	2	2	100%	2	100%	2	100%	NA	NA	2	100%
Total	**9**	**9**	**100%**	**9**	**100%**	**2**	**22.2%**	**NA**	**NA**	**9**	**100%**

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	879	879	100%	879	100%	NA	NA	NA	NA	879	100%
Female	18	18	100%	18	100%	18	100%	NA	NA	18	100%
Total	**897**	**897**	**100%**	**897**	**100%**	**18**	**2%**	**-**	**-**	**897**	**100%**
Other than Permanent workers											
Male	19,490	19,490	100%	19,490	100%	NA	NA	NA	NA	19,490	100%
Female	234	234	100%	234	100%	227	100%	NA	NA	234	100%
Total	**19,724**	**19,724**	**100%**	**19,724**	**100%**	**227**	**100%**	**NA**	**NA**	**19,724**	**100%**

2. Details of retirement benefits, for Current FY and previous financial year:

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.8%	100%	Y	99.77%	100%	Y
Gratuity	99.8%	NA	Y	99.77%	NA	Y
ESI	NA	NA	NA	NA	NA	NA
Others – medical, term life & accidental coverage	100%	-	NA	100%	-	NA

3. Accessibility of workplaces:

Our Company recognises the value of a diverse workforce. We are committed to providing equal opportunities in employment and create an inclusive workplace and work culture in which all employees are treated with respect and dignity. Company proactively work towards ensuring that its workforce is comprised of people with benchmark disability, subject to applicable regulations, qualifications and merit of the individual. This Equal Opportunity Policy is in accordance with the provisions of The Rights of Persons with Disabilities Act, 2016.

Inclusive infrastructure facilities are available at our premises. Few of them are:

- Elevators with braille inscribed for person with visual impairment
- Ramp for mobility impaired person with disability
- Touchless entry for person with disability
- Text to speech software for visually impaired
- Training on Indian sign language to employees to assist them in communication with deaf & mute

4. Does the entity have an equal opportunity policy as per the rights of persons with disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. The Company has adopted an Equal Opportunity Policy in accordance with the provisions of The Rights of Persons with Disabilities Act, 2016 and the rules framed thereunder and provides a framework, which is committed towards the empowerment of persons with disabilities. Company is committed to providing equal employment opportunities, without any discrimination on the grounds of disability.

We are guided by our Code of Conduct Policy which clearly specifies that we have zero tolerance policy against discrimination – HZL Business Ethics and Code of Conduct

We promote an inclusive work culture of creating a supportive professional environment that promotes trust, empathy and mutual respect. Our policy on Diversity, Equality and Inclusion has been developed in line with our commitment – Diversity-Inclusion-Policy.pdf

5. Return to work and retention rates of permanent employees and workers that took parental leave:

	Permanent employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	100%	95%	NA	NA
Female	100%	100%	NA	NA
Total	**100%**	**100%**	**NA**	**NA**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers Other than Permanent Workers Permanent Employees Other than Permanent Employees	**Grievance Redressal Committees:** Across locations are institutionalised for redressal of complaints from internal as well as external stakeholders. **Joint Consultation Committee:** A joint committee with equal representation from the management and workers meet at regular frequency ensuring grievances of workers are timely redressed. **Hindustan Zinc Worker's Federation & Executive Committee Meet:** The General Secretary along with the federation representatives meet Hindustan Zinc Executive members to redress the grievances at larger forum which requires intervention from EXCO. **Sampark:** CEO townhall is an open forum where employees as well as workers can share the grievances directly with CEO. **Visible Felt Leadership Drive:** Every leader is mandated to interact once in a month with workforce. This redresses the grievances related to safe working environment on the spot. The policy encourages external stakeholders such as vendors, customers and business partners, etc. to have the opportunity to submit 'Complaints'. The Vigil Mechanism provides adequate safeguards against victimisation of any person who avail the mechanism as well as provides for direct access to the Chairperson of the Audit Committee. The designated email id for lodging the complaints under Vigil Mechanism or Whistle Blower is hzl.whistleblower@vedanta.co.in and has also provided dedicated phone number. The same is also available on the website of the Company. Toll free number: 000-800-100-1681.

7. Membership of employees and workers in association(s) or unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of Association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of Association(s) or Union (D)	% (D/C)
Total Permanent Employees	2,566	0	0%	2,487	0	0%
- Male	2,067	0	0%	2,096	0	0%
- Female	499	0	0%	391	0	0%
Total Permanent Workers*	897	897	100%	1,013	1,013	100%
- Male	879	879	100%	992	992	100%
- Female	18	18	100%	21	21	100%

*Non-executives are Members of Unions

8. Details of training given to employees and workers:

	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees*										
Male	2,067	1,557	75%	1,953	94%	2,096	1,877	90%	1,877	90%
Female	499	362	73%	486	97%	391	369	94%	369	94%
Total	**2,566**	**1,919**	**75%**	**2,439**	**95%**	**2,487**	**2,246**	**90%**	**2,246**	**90%**
Workers**										
Male	19,490	17,385	89%	6,155	32%	19,414	11,885	61%	2,739	14%
Female	234									
Total	**19,724**	**17,385**	**88%**	**6,155**	**31%**	**19,414**	**11,885**	**61%**	**2,739**	**14%**

* Covers only Executive employees

** This covers other than permanent workers, i.e., Business Partner employees. Data separately not tracked for male and female

9. **Details of performance and career development reviews of employees and workers:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees*						
Male	2,074	2,074	100%	2,096	2,096	100%
Female	501	501	100%	391	391	100%
Total	**2,575**	**2,575**	**100%**	**2,487**	**2,487**	**100%**
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**

*Only Executive employees covered

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system?**

- Yes, we have established Integrated Management System (IMS) in line with requirement of ISO 9001, ISO 14001, ISO 45001 and Vedanta Sustainability Framework (VSF) across all sites
- We have HSE Policy and has been implemented for both executive as well as business partners
- Vedanta Sustainability Framework (VSF) is aligned with International Finance Corporation (IFC), International Council on Mining and Metals (ICMM), United Nations Global Compact (UNGC) principles, standards and guidelines to confirm congruence. It includes policies, management standards, technical standards, performance standards and guidance notes on all sustainability aspects including occupational health & safety
- Hindustan Zinc's flagship programme for achieving safety excellence, Aarohan, has been running since 2013. We have partnered with DuPont to enhance our safety culture and inculcate a behaviour and habit of safety among our workforce. Our endeavours help us work towards enhancing our safety standards and processes, to minimise the health and safety risks across all our operations
- We have initiated Critical Risk Management (CRM) programme to identify, verify and ensure healthiness of critical controls for identified high risk

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Process:

We follow Vedanta standard (GN 07: Risk Assessment) and the Indian Standard 15656 for Hazard Identification & Risk Assessment (HIRA). Based on the requirement, we do qualitative, semi-quantitative and quantitative type risk assessment by using different risk assessment tools like HAZAN, HAZOP, QRA, PHA, SIL, etc. All the sites of Hindustan Zinc have their HIRA registers which are updated at regular intervals. We provide training to all our employees on risk assessment techniques.

For all routine activities, proper risk assessment has been conducted and Standard Operating Procedures (SOPs) are developed. These SOPs are reviewed periodically. All non-routine activities are covered under Permit to Work (PTW) system which requires risk assessment prior to starting any job. Job Safety Analysis (JSA), Take 5 and controls are identified and placed before issuing any work permit for non-routine job.

We have identified 28 high risks activities and developed SOPs for all the identified risk for the effective management. Regular update and follow-up on implementation of these SOPs is being done. All the past incidents, near miss reported by the employees, work area inspection, contractor, field safety audits, etc. are evaluated and analysed for the root cause. Once identified as a risk, these are added into the HIRA register.

Governance:

Hindustan Zinc Corporate Safety Council which is the apex body of Company is responsible for implementing risk assessment of all routine & non-routine activities by conducting risk assessment {i.e., HAZOP study, PHA, Hazard Identification & Risk Assessment (HIRA), etc.} for existing system and implementation of recommendations of assessment.

Capacity building:

Many drives are taken across the units to create awareness on identification of high-risk activities like work at height, confined space, fall of ground, electrocution, etc. and training on its standards. We acknowledge the fact that operations free from risks on health have the potential to escalate productivity also. Hence, we have processes in place to manage and monitor health risks of employees, right from the time of their first interaction with the Company. We are having OH&S management system (as per the requirement of ISO 45001 for managing OH&S risks related to our activities, with HIRA in place for all activities and for every significant risk, appropriate control measures are implemented as per control measures hierarchy i.e., elimination, substitution, engineering, administration and personal protective equipment (PPE).

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks? (Y/N)**

- Yes, we have digital platform to report any work-related hazards and is accessible to both executives and business partners. Apart from web portal, we also have mobile app available for ease of reporting
- Moreover, each site has suggestion boxes where employees, workers and business partners can report grievances and suggestions for improving the safety performance. Employees and workers can also report incidents and inaction on the safety incident through a formal whistle blower portal, the details of which are displayed at each site
- The reported incidents are discussed by the PIT & Central Safety Committee, which is equally represented by Union members, workmen and executive involvement for discussion of safety issue. The meetings are conducted monthly to review the incidents
- SAMPARK/Safety townhall which is chaired by Hindustan Zinc CEO are being conducted where employees and business partners can raise safety-related issues and can give suggestions for safety improvement

d. **Do the employees/workers of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes. All employees of the Company are covered under the Company's medical and healthcare services. To safeguard and support them from uncertainties and during unfortunate times or distress.

We care for our employees' and our business partners' health and well-being and provide them with well-equipped hospitals across locations. We have some of the best medical insurance and accident coverage policies to help employees deal with medical emergencies. Periodic health check-ups and awareness sessions for all employees are conducted regularly. Not only the physical well-being, but the mental well-being of our employees is also taken care of. We conduct several programmes across locations to help employees deal with stress and maintain a healthy work-life balance. We also have in place stress reduction and mental health programme in place.

We have introduced 'Group Term Life Insurance' policy with a coverage limit of 5 times of fixed salary of each executive up to a maximum of free cover limit i.e. ₹ 5.5 crore This policy portrays our value of care and commitment to the triple bottom line.

11. Details of safety-related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one mn-person hours worked) *	Employees	0.83	0.94
	Workers	0.68	0.79
Total recordable work-related injuries (Nos.) *	Employees	10	12
	Workers	117	128
No. of fatalities	Employees	1	0
	Workers	6	4
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

* Reported as per ICMM guidelines

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- We have launched Employee Well-being and Assistance Programme, aimed at improving productivity through stress management
- Programme focusses on year-round engagement with employees, with thrust on building resilience and mindfulness as strategies for stress management which fosters mental health
- It includes round-the-year programmes and app-based stress management learning opportunities to engage multi-generational workforces
- The services include 24X7 psychological counselling for employees and their dependents which are completely confidential
- As part of our efforts to upskill our contractual workers, we include our business partners in various safety training programmes such as induction safety training, on-the-job safety training, safety townhalls and field safety audits. We conduct regular trainings for contract workforce on SOP and trade skills. There is endeavour to continuously upgrade the digital touchpoints for our business partners through project RuBaRu and other initiatives
- We have a digital platform to capture maximum leading indicators and all the lagging indicators, with the objective of ensuring transparency and improving the analytics of data being reported by our employees. Our digital platform has helped us in capturing safety-related observations for intelligent analysis, tracking closure, reduction of manual data capturing and reduction of error due to human intervention and limitations
- The project RuBaRu aims to establish a safe and productive environment at our job sites by improving the execution capability of our business partners. The project focusses on four key areas, namely: a) Health, Safety and Environment (HSE) commitment for safe operations and strengthening our safety culture, b) Skill enhancement for continuous performance improvement, c) Management-in-place to ensure that our business partners have the right organisation structure, complete with right talent in right positions, d) Asset optimisation to maximise all aspects of our critical equipment

Please see responses above in Question 10 for more details.

13. Number of complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	506	47	Continuous and under progress	267	3	-
Health & Safety	690	70		296	3	-

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% (every site is ISO 45001:2018 certified) HSE is also very important part of VSAP Module assessment and all units are participating in VSAP which is organised through third party
Working conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

Despite promoting a culture of safety and wellbeing, we are deeply saddened by 2 fatal incidents and 7 loss of lives that took place during this year. We have carried out detailed investigations of the incidents to learn and deploy the learnings across Company to prevent re-occurrences. Lesson learned and its horizontal deployment is underway to avoid reoccurrence across the locations.

Fatal Incident	Management Plan and Mitigation Measure
Zawar Mine – 1 Contract Employee While IP was entering the cage at 250 mRL shaft inset, a rock piece of size approx. 13cm x 9cm x 8cm fell down from shaft and after deflection from cage hit IP's helmet.	• Interlocking done so that the skip movement is automatically stopped when cage is operated • Installation of an automated system that detect skip overfilling • Conducted risk assessment to check the surrounding area of cage landing including condition of penthouse, wire mesh condition and other places where there is hazard of rock falling from height
CLZS – 1 employee & 5 contract employees The sulphuric acid tank ST-02 capacity 5,000 MT at CLZS, Hydro 2 unit suddenly got ruptured and collapsed.	• Tank wall thickness to be measured twice a year to get better trend of erosion and reduce the tank loading as per thickness • Modify and reposition the acid inlet nozzle (away from shell) to decrease hydrogen grooving • Plant to be interlocked with tank level (in no case SOL exceeds) and acid feed shall stop • Remote control operated field isolation valve (away from the influence of the acid leakage) to be installed to facilitate loading and unloading • CCTV monitoring in all acid storage tanks/dykes/loading & unloading areas • Acid storage control room and driver rest room to be relocated away from the storage tanks

Leadership Indicators

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?**

   Yes. For executives to safeguard and support them from uncertainties and during unfortunate times or distress, we have 'Group Term Life Insurance' policy with a coverage limit of 5 times of fixed salary of each employee up to a maximum of free cover limit i.e. ₹ 5.5 crore. This policy portrays our value of care and commitment to the triple bottom line. For Non-executives personal accident policy had been obtained. There is a benevolent fund for the worker in case of death.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   The entity ensures adherence to statutory compliances related to workers such as timely wage payment by 7th of every month, provident fund by 15th of every month. In case of non-compliances, stringent actions are taken against defaulter business partner. Company has partnered with external agency as its outsourced partner to ensure all Labour Law related compliances to wage and PF.

3. **Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/ fatalities (as reported in Q11 of essential indicators above), who have been/are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/workers (No. of fatalities)		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	1	0	0	0
Workers	6	4	3	0

4. **Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

   Yes, some of the highly qualified employees are retained as advisors post their superannuation. During the employment, several skill upgradation programmes are imparted to employees to facilitate continued employability.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	70.45%
Working conditions	70.45%

6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

During the assessment, we have not identified any of such risks in our vendors, covered 235 vendors in assessment. Apart from due diligence, we have also conducted contractor field safety audit during the year, we have covered 136 business partners and achieved 97% corrective and preventive action closure. These observations were made in the categories like procedures, tools and equipment, plant upkeep, PPE and positions of people. We conducted a need assessment and a baseline across our earmarked region to revalidate as well as re-assess the needs and revision in our identified stakeholder groups.

PRINCIPLE 4 BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Persons or groups that are directly or indirectly affected by a project as well as those that may have interests in a project and/or the ability to influence its outcome, either positively or negatively. This inter alia includes customers, suppliers, communities, government regulators, shareholders and employees. That said, identification of stakeholders is an ongoing process. We proactively engage with our stakeholders on a regular basis. For long-term ongoing projects, stakeholders are identified before initiation of the project, basis the geographical area of the project as well as through the baseline and need assessment that is conducted.

For any new proposed project or expansion, we map and engage with all such stakeholders on a proactive basis, particularly through our CSR activities. Further, we have stakeholder management processes in place at all our locations. Our stakeholder identification and prioritisation process is based on inclusivity, materiality and responsiveness. Our primary stakeholder groups are identified and prioritised based on their influence, dependency and impact. Grievance redressal is an important aspect of our stakeholder engagement process. We have a Grievance Committee, chaired by the respective unit heads, to review the grievances on a periodic basis.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	• Intuitive Vedanta Metal Bazaar (Moglix) platform for continuous engagement and feedback • Periodic connects with key customers by senior executives and at times by top management • Biennial customer satisfaction survey • Forum for quick customer query resolution • Frequent customer visits to understand their needs and give technical support	• Ongoing/ Need basis	• Understanding of their needs helps in determining product quality & pricing • Product innovation and development is guided by customer requirements • Reduction in environmental and social impacts of products to help customers meet their Sustainability Goals

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers	No	• Contract negotiations, supplier code of conduct, policies & standards • Regular supplier meetings, physical workshops at site location • Vendor due diligence and pre-qualification meetings • On-site quality audits of critical suppliers • Supplier sustainability desktop assessment • Vendor grievance mechanism portal for speedy resolution of supplier query • Physical meetings, webinars for supplier engagement • Tracking of suggestions from business partners for possible implementation	• Ongoing/ Need basis	• Critical to ensure operational efficiency through timely supplies & logistical efficiency • Vital to our goals of sustainability and responsible sourcing • Safety of workers and workplace
Communities	Yes	• CSR initiatives & interventions • Robust grievance mechanism through strategic Social Performance Committees • Leadership community connect • Community meetings • Impact assessment survey as well as perception studies • Communication via newsletters, leaflets, social, print and electronic media, etc.	• Ongoing/ Need basis	• Community engagement leads to understanding of vital social aspects for sustainable development of community also resulting in overall business growth and sustainability as well • To have focussed approach towards improving economic well-being and quality of life of the community • Reduction in environmental and social impacts that may affect communities • During such discussions, initiatives leading to overall community growth and development are taken up and basis the same strategy to implement such initiatives is designed

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government	No	• Advocacy through various Industry Associations on policy matters through technical representations • Advocacy through state/central mines departments & MOEFCC • Regular engagement with regulators, local administration, inspection bodies, political leadership, etc. • Partnerships in government's social welfare programmes • Regulatory and legal compliances	• Periodic/Need basis	• Contribution of our business to nation-building through taxes, royalties and employment • Alignment and partnership with government for sustainable CSR initiatives thereby creating a multiplier impact by generating such opportunities • Meeting the compliance requirements as per the statutes • Policy advocacy on subjects relevant to the Company in our core business of exploration, mining and smelting • Community engagement through social & cultural platforms
Shareholders	No	• Annual General Shareholders Meetings; Financial results declaration (quarterly) and earnings call with senior management • Investor relations events; one-on-one investor meetings, investor conferences, NDRs • Disclosure tools, including Annual Reports, Sustainability Reports, Tax Transparency Reports and Investor Presentations • Complaints and grievance management	• Annual, Quarterly, Ongoing basis	• Shareholder support and feedback on operations provides continuous guidance for the management and governance • Keeping communications channels open with analysts and investor community and helps to connect them with management • ESG concerns are of importance to shareholders

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employee & Business Partners Employees	No	• Emails as part of the official HR communication handle of Hindustan Zinc, which also ensures transparency • Mentorship programmes for new hires until the first 6 months of their training with senior leaders • Sampark - Monthly townhall meetings with the CEO • Location townhall with location heads, along with constant pulse checks by HR teams • Communication of behavioural, motivational and many other aspects through flyers in the office space e.g. – promoting positive work culture, camaraderie and more • Focus group discussions with a specific group of employees by leaders • One-on-one discussion with managers • Grievance handling portals to raise concerns • Company website for significant communications • In-person gatherings with families for festivals and events to improve sense of belongingness, enhance positive atmosphere and thus develop a healthy community • Awareness of employee benefit policies to employees via regular connects • Annual employee surveys, both internal and external	• An ongoing task. We also bring forward need-based strategic interventions to implement required tasks	• To improve employee experience, monitor organisational health and provide a better quality of life at workplace • Motivate employees to perform above and beyond their roles and improve the levels of trust and loyalty within the Company. As a result, high levels of engagement will lead to increased employee retention, performance and innovation • Annual employee surveys show us a clear picture of how employees navigate their experience and assess areas of improvement • All these would make employees feel energised at their work and maintain positive mental health, which is also critical to performance and driving value • Also, to help senior leadership interact directly with employees to understand needs and requirements on grassroots level • Our engagement model is made to touch all the 8 dimensions of wellbeing along with an additional dimension this year, the Career Wellbeing. Employee engagement at Hindustan Zinc also includes enhancing opportunities for growth to our employees, work-life improvements and many more
NGOs	No	• CSR initiatives • Regular review meetings • Events at the field & community meetings • Capacity building programmes and stakeholder meetings • Third party assessments • Email • Notice boards • Websites • Communication via newsletters, leaflets, social, print and electronic media, etc.	Monthly	To onboard & engage experts in the field for effective implementation of the CSR programmes as well as to regularly discuss & share updates to strengthen the existing programmes implemented

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   Consultation with the stakeholders is a continuous process. It is led by leadership from the front through regular engagements at various platforms. Each of our units are having their stakeholder engagement plan and unit heads are responsible for regular engagement with various relevant stakeholders, based on feedback various interactions are being planned with CEO and outcome of these interactions are being presented to the Board by CEO during the quarterly the Board meetings.

   There is continuous dialogue with the community stakeholders which are reviewed at business unit levels at our Social Performance Committee Meetings and at the CSR Committee level. Also, every three years through the third-party engagement, impact, baseline and need assessment, feedback from the stakeholders is taken and same is being presented to Board CSR Committee.

   We have established the Board-level ESG and Sustainability Committee. Periodic review of the Company's stakeholder base and their material interests is the part of roles and responsibility of the Board. During the year in consultation with stakeholders, we have reassessed our material issues.

   On an annual basis, shareholders through Annual General Meeting platform gets an opportunity to interact with all the Board members.

2. **Whether stakeholder consultation is used to support the identification and management of environmental and social topics (Yes/No)? If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, during the materiality assessment, we identify the material topics and take the various initiatives to mitigate the risk due to those issues and to maintain healthy relationships with our stakeholders. Material topics were shortlisted and prioritised based on their impact on our stakeholders and our business. We ensure that we take inputs received from stakeholders and integrate them into our processes and policies. We have framed our Sustainability Goals 2025 on material topics from our stakeholder consultations. We also take stakeholder's input through public consultation prior to establishing any greenfield/brownfield projects.

3. **Provide details of instances of engagement with and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.**

   The Company identifies the disadvantaged, vulnerable and marginalised stakeholders on an ongoing basis. A comprehensive stakeholder management and grievance mechanism exist at all our locations.

   Please refer to the CSR section on page no. 142 of our Integrated Annual Report FY 2022-23 for more details.

PRINCIPLE 5 BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	2,566	2,277	89%	2,487	1,975	79%
Other - permanent	9	5	56%			
Total Employees	**2,575**	**2,282**	**89%**	**2,487**	**1,975**	**79%**
Workers*						
Permanent	-	-	-	-	-	-
Other - permanent	878	878	100%	880	878	99.77%
Total Workers	**878**	**878**	**100%**	**880**	**878**	**99.77%**

* All Security personnel are accounted here

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	2,566	-	-	2,566	100%	2,479	-		2,479	100%
Male	2,067	-	-	2,067	100%	2,089	-		2,089	100%
Female	499	-	-	499	100%	390	-		390	100%
Other than Permanent	9	-	-	9	100%	8	-		8	100%
Male	7	-	-	7	100%	7	-		7	100%
Female	2	-	-	2	100%	1	-		1	100%
Workers										
Permanent	897	-	-	897	100%	1013	-		1,013	100%
Male	879	-	-	879	100%	992	-		992	100%
Female	18	-	-	18	100%	21	-		21	100%
Other than Permanent	19,724	-	-	19,724	100%	19,414	-		19,414	100%
Male	19,490	-	-	19,490	100%	19,228	-		19,228	100%
Female	234	-	-	234	100%	186	-		186	100%

3. **Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD) (Whole-time Directors)	1	₹ 947.5 Lakhs	0	0
Key Managerial Personnel	2	₹ 194.8 Lakhs	0	0
Employees other than BoD and KMP	1,772	₹ 14.7 Lakhs	331	₹ 9.6 Lakhs
Workers	878	₹ 22.5 Lakhs	18	₹ 16.9 Lakhs

4. **Do you have a focal point (individual/committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes. The Company has Internal Complaints Committee to address the issues relating to human rights impacts or issues caused or contributed to by the business. Upholding employees fundamental rights is at the heart of Company's business operations.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company considers human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed. Hindustan Zinc has defined a technical standard (TS-04) for handling all types of grievances including the grievances related to human rights.

Every unit has a Grievance Redressal Committee and a grievances handling procedure is defined at all units wherein any employee/worker/stakeholders can register any kind of grievance. The grievance can be captured through various means. Also, grievance boxes are available at conspicuous places where the person can post their grievance and the Committee takes it up as per the procedure.

Company has the whistle blower policy in place and aims to protect the confidentiality and anonymity of the complainant to the fullest extent possible with an objective to conduct an adequate review and consequence.

Company respects the dignity of all employees working for the Company irrespective of their gender or hierarchy and expect responsible conduct and behaviour on the part of all employees at all levels. Providing for a safe and congenial work environment to all employees is an integral part of the Company's employment policy.

6. **Number of complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	5	0	-	1	0	-
Discrimination at Workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other Human Rights related issues	0	0	-	0	0	-

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment case:**

The Company is committed to providing equal opportunities to all individuals and is intolerant towards discrimination and/or harassment based on race, religion, colour, age, sexual orientation, national origin, gender identification, political affiliation and political beliefs, minority or vulnerable groups.

The Company has adopted Diversity & Inclusion Policy and the objective of the policy is to ensure that the Company continues to be an employer for all diversity groups to create and foster an open culture of inclusion for all its stakeholders; and to create an environment, which has zero tolerance for discrimination.

Company also has a policy on prevention, prohibition and redressal of sexual harassment of women at the workplace and has an Internal Complaints Committee (ICC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Members of the Corporation's ICC are responsible for conducting enquiries pertaining to such complaints.

Hindustan Zinc follows several mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

- **Confidentiality:** Keeping the complaint and its details confidential helps to protect the complainant's privacy and prevent retaliation. The organisation ensures protection of aggrieved women by taking appropriate steps such as change of workplace or leaves, etc. as prescribed by the law.
- **Non-retaliation policy:** At Hindustan Zinc, Human Rights Policy and Prevention of Sexual Harrassment Policy is established to ensure the prohibition of retaliation against an employee who reports discrimination or harassment.
- **Investigation:** An investigation conducted to determine whether the complaint has merit and to identify any witnesses or evidence to support the complaint.
- **Remedial actions:** If the investigation finds that discrimination or harassment has occurred, remedial actions are taken to address the situation. It includes disciplinary action against the perpetrator, training to employees and managers and change/amendment/modification in policies and procedures.
- **Support and counselling:** Support and counselling to the complainant to help them to cope with the emotional impact of the situation.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, Human Rights forms the part of the business agreements.

1. Onboarding/selection – Applicable certificates, MSA compliance, Labour Laws including statutory requirements such as child labour, forced and compulsory labour are asked during onboarding of suppliers
2. ESG expectations – An ESG expectations document is floated to vendors stating Company's expectations which is a self-declaration from vendors and a part of the contracting document
3. Company's code of conduct is also accepted by the vendors and signed as a part of the contract
4. Due diligence – Desktop assessment and on-site assessment of vendors is done for risk mapping of selected existing vendors by a third party appointed for the same

9. Assessments for the year:

During the year we conducted an extensive assessment on our current readiness and compliance in human rights rules and policies across the Company. Conducted the assessment in respective locations for:

A. Identifying the risk areas

B. Formulating the mitigation plan for those highlighted areas

We used the Global Compact Self-Assessment Tool. Developed by the Danish Institute for Human Rights, the Confederation of Danish Industries, the Ministry of Economic and Business Affairs and the Danish Investment Fund for Developing Countries – the tool gives an assessment of our performance against 5 key categories – Management, Human Rights, Labour, Environment and Anti-corruption.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	-
Others – please specify	-

10 Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at question 9 above.

Appropriate actions taken under the purview of law and Company cases in case of Sexual Harassment

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints:

No complaints were received during the reporting year except five cases of sexual harassment which is resolved. The Company is of the belief that it has upheld the basic principles of human rights in all its dealings. The Company regularly creates awareness among its employees on the Code of Conduct through various training programmes as well.

Hindustan Zinc follows several mechanisms to address Human rights grievances/complaints, it includes:

- **Due diligence processes:** Hindustan Zinc complied Human Rights Due Diligence to identify and assess potential human rights risks in its operations and supply chains. It involves mapping of its supply chains, engagement with stakeholders and risk assessments to identify and address human rights grievances.
- **Complaints mechanisms:** To address human rights grievances, complaints mechanisms are in place that allow stakeholders to report grievances and provide feedback and the complaints are reviewed by Grievance Committee on periodic basis.
- **Supplier management:** Hindustan Zinc also ensures compliance of human rights issues at suppliers/vendor. To ensure this, supplier has to follow compliance of Hindustan Zinc codes of conduct, periodic audits are also conducted to ensure that suppliers are meeting human rights standards.
- **Human rights policies**: At Hindustan Zinc, Human Rights policy is developed to ensure its commitment to respecting human rights and providing guidance to employees on how to identify and address human rights risks.
- **Training and awareness:** To ensure that employees understand the importance of human rights and how to address grievances at Hindustan Zinc, training and awareness programmes are conducted for employees/workers, stakeholders on human right issues.
- **Collaboration and engagement:** Hindustan Zinc also has collaboration with stakeholders, including NGOs, civil society organisations and human rights experts, to identify and address human rights risks and grievances.

2. Details of the scope and coverage of any human rights due-diligence conducted:

We encourage suppliers/business partners/joint ventures to adopt principles and practices comparable to our own. Our due diligence process covers own operations, joint ventures and activities related to our business. It is undertaken through inductions, screenings, inspections and audits. For any of our new projects or significant changes to existing operations, human rights at Hindustan Zinc, upholding people's fundamental rights is central in our everyday business operations. At a minimum, the Company will comply with all applicable local, state and national laws regarding human rights and workers' rights where the Company does business. All our businesses are compliant with applicable regulations, strive to uphold all labour rights and are aligned with national and international regulations. The clauses of the Code of

Conduct are extended to all business partners. All units are required to evaluate human rights aspects covering forced and compulsory labour, child labour, slavery, human trafficking, freedom of association or collective bargaining, etc., into their assessments (through social impact assessments). Our significant suppliers and contractors generally include well-reputed and well-governed organisations, with robust human rights and fair practice mechanisms. Human rights are an important part of the supplier onboarding process and all suppliers are required to commit to our Supplier Code of Conduct, which includes human rights provisions. We also conduct basic due diligence in the pre-qualification process, including for human rights issues, on all direct suppliers before contracting with them. We track human rights compliance at every step of any activity – right from document verification at registration, to screening and inspections for vendors/ suppliers. Any concerns identified during the due diligence process are addressed through corrective and preventive action planning. Further, any concerns raised by interested parties on any of our key suppliers are promptly addressed by undertaking an independent assessment.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

The office of the Company has ramps for easy movement of differently abled visitors. All the offices have infrastructure for differently abled visitors.

- Inclusive infrastructure facilities are available at our premises. Few of them are:
    - Elevators with braille inscribed for person with visual impairment
    - Ramp for mobility impaired person with disability
    - Touchless entry for person with disability
- Text to speech software for visually impaired
- Training on Indian sign language to employees to assist them in communication with deaf & mute
- Wheelchair accessible restrooms are available in the office at the ground floor

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	70.45% of total supplies by value (total 235 nos. suppliers) have been assessed by a third party for sustainable sourcing and ESG criteria
Discrimination at Workplace	
Child Labour	
Forced Labour/Involuntary Labour Wages	
Others – Please Specify	

5. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at question 4 above.**

During the assessment, we have not identified any of such risks in our vendors.

PRINCIPLE 6 BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	6,211,728 GJ	2,271,856 GJ
Total fuel consumption (B)	35,568,909 GJ	43,582,451 GJ
Energy consumption through other sources (C)	1,056,581 GJ	1,044,886 GJ
Total energy consumption (A+B+C)	42,837,219 GJ	46,899,193 GJ
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.000126	0.000159
Energy intensity (optional) – the relevant metric may be selected by the entity (Total energy consumption/tonne of metal)	41.53	48.46

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance activity has been carried out by Ernst and Young (E&Y).

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   Zinc and mining sector were incorporated under PAT scheme through the gazette notification by Ministry of Power on "Notification for New Energy Intensive Sectors under PAT Scheme" vide dated January 03, 2022. The targets are yet to be assigned.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	14,226,150	13,728,928
(ii) Groundwater	3,870,510	3,048,092
(iii) Third party water	8,570,662	9,522,980
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	26,667,322	26,300,000
Total volume of water consumption (in kilolitres)	25,457,583	24,701,063
Water intensity per rupee of turnover *(Water consumed/ turnover)*	0.0000747	0.0000839
Water intensity *(optional)* – the relevant metric may be selected by the entity (Water consumed/tonne of metal)	24.67	25.52

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance activity has been carried out by Ernst and Young (E&Y).

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   Yes, all our units are maintaining zero discharge. Effluent generated at our smelters is treated in Effluent Treatment Plant (ETP) followed by two stages RO plant. The treated effluents conform to the prescribed standards and recycled in the process. Further, to strengthen Zero Liquid Discharge (ZLD) and improved water recovery using upgraded technology by installation of Multiple Effect Evaporator (MEE)/Mechanical Vapour Recompression (MVR).

5. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	MT	4,851	6,145
SOx	MT	17,247	22,006
Particulate matter (PM)	MT	1,048	963
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance activity has been carried out by Ernst and Young (E&Y).

6. **Provide details of greenhouse gas emissions (scope 1 and scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	MT of CO2 equivalent	3,444,672	4,320,181
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	MT of CO2 equivalent	1,135,622	491,403
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.0000134	0.0000163
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity (Scope1+2 emissions/tonne of metal)		4.44	4.97

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance activity has been carried out by Ernst and Young (E&Y).

7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Company's Efforts towards Decarbonisation are as under:

- We have set a long-term target to reach net-zero emission by 2050, in line with the Business Ambition for 1.5° C campaign led by the Science Based Targets initiative. We have an interim target to reduce our GHG Emissions by 14% by 2026
- We have conducted a climate change risk assessment – aligned with TCFD guidelines for all of our sites to identify potential risks and accordingly implement adaptation and mitigation plans
- Company has signed the power delivery agreement for 200 MW & 250 MW, this will help the Company to move towards green energy
- Moreover, we have initiated a process to convert all our mining equipment to battery-operated electric vehicles (EVs) in a phased manner
- We have signed a memorandum of understanding with global manufacturers to introduce battery-powered service equipment, frontline fleet and utility vehicles in underground mining
- In order to make our system more energy-efficient, turbine revamping, cell house efficiency improvement, VFD installation, etc. are few such projects
- We have initiated biomass utilisation in our captive power plants as substitute to coal and used 71,176 MT during the year
- All Units are certified to ISO 50001 Energy Management System

For more details, please refer to the Environment chapter on page no. 132 of Integrated Annual Report FY 2022-23.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste Generated (in MT)		
Plastic waste ***(A)***	37.80	34.48
E-waste ***(B)***	48.4	37.4
Bio-medical waste ***(C)***	1.26	1.22
Construction and demolition waste ***(D)***	28	14
Battery waste ***(E)***	189.9	70
Radioactive waste ***(F)***	-	-
Other Hazardous waste. *Please specify, if any.* ***(G) (other than above mentioned Hazardous Waste)*** ***ETP Sludge, Purification Cake, Anode Mud, Cooler cake, dross, etc.***	116,836.6	106,553
Other Non-hazardous waste generated ***(H)***. Please specify, if any. (***Excluding plastic waste, construction waste***) Jarosite, Overburden, Tailings	20,961,131.70	19,748,668
Total (A + B + C + D + E + F + G + H)	**21,078,273.66**	**19,855,378**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in MT)		
Category of waste		
(i) Recycled	681,382	634,339
(ii) Re-used	5,856,896	5,542,340
(iii) Other recovery operations	-	-
Total	**6,538,277**	**6,176,679**
For each category of waste generated, total waste disposed by nature of disposal method (in MT)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	13,535,451.74	14,038,281
Total	**13,535,451.74**	**14,038,281**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance activity has been carried out by Ernst and Young (E&Y).

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by the Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We have in place a Resource Use and Waste Management Technical Standard and the supporting guidance notes which augment us to mitigate the environmental impacts of our products and process. The Company believes in Zero Waste and has aligned waste management practices to '4-R Policy" Reduce, Reuse, Recycle and Reclaim in our operations. Company is taking various initiatives and has adopted state-of-the-art technologies to reduce the waste generation, reuse of waste, recovery, of metal from waste and disposal of remaining waste in environmentally sound manner. With the commissioning of Fumer plant, there will be complete elimination of Jarosite generation from one of the Hydro Zinc Smelter and generated slag will be 100% utilised in cement industries, for effective metal recovery, a second ancillary plant commissioned for treatment of process residues at Chanderiya Lead-Zinc Smelter; a project to recover sodium sulphate crystal from RO Reject commissioned at Dariba Zinc Smelter; gainfully utilised waste such as Jarosite, Jarofix, slag and fly ash in cement manufacturing and road construction, also tailings used in back-filling voids in mines through Paste fill/Hydrofill.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:

There is no Ecological sensitive area like Protected Areas, National Parks, Wildlife Sanctuaries, Bio-Sphere Reserves, Wild-Life Corridors, etc. situated in core/buffer zone (10 km area) of any of the operating site.

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
Not applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Expansion in Existing CLZS Complex [Expansion in Hydro Smelter Unit by adding 1 Induction Furnace, 1 Slab Casting Line & Integration of RZO Unit in Hydro-II, Change in Product Mix in Pyro Unit on total metal basis and Installation of 1 Lead Refinery, Expansion of CPP through Modernisation, Recovery of Minor Metals & Installation 4 DG Sets] at village: Putholi, Ajoliya Ka Khera & Biliya, Tehsil: Gangrar & Chittorgarh, District: Chittorgarh (Rajasthan)	S.O. 1533 (E)	September 14, 2006	Yes	Yes Public hearing held on: July 20, 2022	https://environmentclearance.nic.in/onlinesearchnewrk.aspx?autoid=44182&proposal_no=IA/RJ/IND1/408023/2022&typep=EC

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control Boards or by courts	Corrective action taken, if any
Nil				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (in GJ)	FY 2021-22 (in GJ)
From renewable sources		
Total electricity consumption (A)	1,212,105	1,044,886
Total fuel consumption (B)	930,739	201,779
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	**2,142,844**	**1,246,665**
From non-renewable sources		
Total electricity consumption (D)	6,056,204	2,271,856
Total fuel consumption (E)	34,638,170	43,380,672
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	**40,694,374**	**45,652,528**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance activity has been carried out by Ernst and Young (E&Y).

2. Provide the following details related to water discharged:

Not applicable as we are maintaining zero liquid discharge across all sites.

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	Nil	Nil
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater	-	-
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater	-	-
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	-	-
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	-	-
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance activity has been carried out by Ernst and Young (E&Y).

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

(i) Name of the area – Rampura Agucha Mine, Kayad Mine, Sindesar Khurd Mine, Rajpura Dariba Mine, Zawar Mine, Dariba Smelter Complex, Chanderiya Smelting Complex, Debari Smelter Complex

(ii) Nature of operations – Except for the refining plant in Pantnagar, Uttarakhand, all our mining and smelting operations are in the state of Rajasthan. All our sites, which contribute to about 99% of all our water withdrawals are in the state of Rajasthan which falls under water-stressed region as per the WRI's Aqueduct Country level water risk atlas

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	14,211,922	13,705,762
(ii) Groundwater	3,830,702	3,016,201.5
(iii) Third party water (Treated sewage water)	8,570,662	9,522,980
(iv) Seawater/desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	26,613,286	26,244,943
Total volume of water consumption (in kilolitres)*	25,405,113	24,646,227
Water intensity per rupee of turnover *(Water consumed/turnover)*	0.0000745	0.000837
Water intensity *(optional)* – the relevant metric may be selected by the entity (Water consumed/finished good (MT))	24.62	25.46

*Water used in Community Township and CSR Activities is not included in consumption

Parameter		FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)			
(i)	Into Surface water	0	Nil
	- No treatment	NA	NA
	- With treatment – please specify level of treatment	NA	NA
(ii)	Into Groundwater	0	0
	- No treatment	NA	NA
	- With treatment – please specify level of treatment	NA	NA
(iii)	Into Seawater	0	0
	- No treatment	NA	NA
	- With treatment – please specify level of treatment	NA	NA
(iv)	Sent to third-parties	0	0
	- No treatment	NA	NA
	- With treatment – please specify level of treatment	NA	NA
(v)	Others	0	0
	- No treatment	NA	NA
	- With treatment – please specify level of treatment	NA	NA
Total water discharged (in kilolitres)		**0**	**0**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance activity has been carried out by Ernst and Young (E&Y).

4. Please provide details of total scope 3 emissions and its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	MT of CO2 equivalent	4,162,188	4,012,094
Total Scope 3 emissions per rupee of turnover		0.0000122	0.0000136
Total Scope 3 emission intensity *(optional)* – the relevant metric may be selected by the entity (Total scope 3/tonne of metal)		4.03	4.15

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, assurance activity has been carried out by Ernst and Young (E&Y).

5. With respect to the ecologically sensitive areas reported at Question 10 of essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

There is no Ecological sensitive area like Protected Areas, National Parks, Wildlife Sanctuaries, Biosphere Reserves, Wild-Life corridors, etc. situated in core/buffer zone (10 km area) of any of the operating site.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
1	STP at Udaipur	Company commissioned a 20 MLD STP in Udaipur in 2014 under a public-private partnership, which is the first of its kind in Rajasthan. Further, Hindustan Zinc and Udaipur Smart City Limited signed an agreement in June 2017 to extend the sewage treatment capacity by another 40 MLD. 25 MLD has been commissioned in January 2019. Another 15 MLD commissioned in FY 2020-21 taking the total to 60 MLD.	The replacement of fresh water for operations by STP treated water has led to increased availability of fresh water for the community. Nearly 36% of total water withdrawal was satisfied with treated sewage.
2	Dry Tailing Plant	India's first Dry Tailing Plant was set up at the Zawar Mines in Rajasthan. The dry tailing technology is based on separating water from tailings slurry, which is generated in the beneficiation process. Company repurposes tailings materials and waste rock as backfill to stabilise our underground mining operations, while the remaining tailings are then placed in a specially-designed tailings storage to minimise the environmental, social and economic risks. We externally review the integrity/stability of our dam structures and their associated management practices by global experts.	Key benefits of the dry tailing technology include recirculation of more than 80% of the process water present in tailings, a faster rehabilitation and restoration of storage site at mine closure and ensuring re-availability of water for further use.
3	Rainwater Harvesting Structure	Company executed groundwater recharge intervention project across Hurda, Shahpura, Kotri and Jahazpur blocks of Bhilwara district. We were able to complete the desilting of ponds, repairing, strengthening and increasing the height of damaged embankments and construction of 358 recharge shafts for effective groundwater recharge, in 83 ponds.	>8.7 MCM/annum total groundwater recharge potential created.
4	Paste fill	Instead of conventional hydraulic filling, Company chose to use the paste fill technology. This technology ensured fast filling and practically no bleeding water in the stopes. The other benefits of paste fill technology have been water conservation, better stope stability, surface integrity in mines and more recycling of tailings.	• Metal recovery from secondary stopes • It reduces cement consumptions with increase in uses of fly ash • It reduces water consumption as paste solids content is high (77-79% solids) • Nearly, 39% of tailings used in paste fill plant and this also helped in improving the stability of tailing dam
5	Ancillary Plant	It treats residues produced during smelting process leading to in-house production of few key consumables and by-products, in collaboration with the Company's central R&D team. Few projects were successfully executed including production of copper sulphate and zinc sulphate from PF cake as well as production of potassium antimony tartrate from antimony dust.	• It treats different kinds of residues, namely copper dross, purification waste cake, antimony dust/slag and raw zinc oxide • This has also enabled in improvement of metal recoveries of lead, copper and silver

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
6	Jarofix Yard Restoration	Company follows the principle of reducing the waste, quantitatively as well as qualitatively and performing recovery and recycle. The last priority is disposal in landfills. Company used Mycorrhiza technology for rejuvenation and reclamation of wasteland into productive land by increasing the green cover, enhance biodiversity and control fugitive dust emission and restoring site. It also makes plants less vulnerable to environmental stresses and by optimum use of water resources.	Development of green belt in an area of 6.25 Hectare (10,000 plants). Provides overall stability to waste dump and dump failure due to heavy rains – ensuring safe and stable dump.
7	Solar Plant	Company has installed 40.42 MW of solar power project by utilising its waste lands without disturbing any productive land.	40.42 MW of renewable power capacity
8	Resource Efficiency	Company has been able to bring improvement in its metal recovery from beneficiation plant through digitalisation. Advanced control opportunity for grinding and flotation circuit: To address the difficulty in flotation process plants coming from the constantly changing feed characteristics, Advance Process Control (APC) system was introduced to maintain a stabilised circuit operation while optimising the process performance to maximise recovery. Three APCs were implemented for grinding & flotation operation (lead and zinc) in mills at Rampura Agucha and SK Mines.	• Pb recovery improved by 0.9% while also moving concentrate grade distribution on higher side • Zn recovery improved by 0.9% while narrowing concentrate grade distribution around target
9	Fumer Plant	In the existing zinc hydro metallurgical process, Jarosite is generated which is treated with lime & cement and disposed in Jarofix Yard. In the proposed Fumer plant, a clean slag will be produced and utilised in cement manufacturing and goethite cake produced will be treated with lime & cement and disposed in captive secured landfill.	• Production of usable clean slag and elimination of Jarosite waste • Elimination of recurring land for storage of Jarofix • Power generation from waste heat recovery • Increased recovery of Zinc, Lead, Silver, Copper and Sulphur • Saving of Cement and Lime
10	Jarofix/ Jarosite Utilisation in Cement and Road construction	Jarosite is waste produced in the hydrometallurgy process of zinc extraction, necessitating additional investment for its stabilisation and disposal. In collaboration with IIT-R, Company conducted a feasibility study to utilise Jarosite in construction-related works, using Jarosite in concrete, mortar and paver blocks as 10% - 15% replacement of cement. The study showed positive results and encouraged us to conduct field trials. Company has been granted permission by Rajasthan State Pollution Control Board for gainful utilisation of Jarofix waste for Road Construction/Highway Construction (embankment). Company also partnered with few Government agencies like NCCBM, NEERI and CRRI for the utilisation of jarosite in cement and road construction.	• Jarosite used in Cement Construction in FY 2022-23 – 111,266 MT • Jarofix used in road construction in FY 2022-23 – 140,820 MT

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
11	Closure of SLF at Vizag	Company's Vizag closure and capping was first project in the entire country in which a slurry pond was stabilised, closed and capped as per the CPCB Guidelines due to introduction of superior geotechnical concepts and material science knowledge.	• Nearly 56,000 sqm (6 Ha.) of the plan area at site has been stabilised and capped as per CPCB guidelines • Aligned to our site closure management standard
12	Miyawaki at DZS	Miyawaki technique helps to build dense and native forests. The approach is supposed to ensure that plant growth is 10 times faster and the resulting plantation is 30 times denser than usual. It involves planting dozens of native species in the same area and becomes self-sustaining after the first three years.	• 1 Acre (0.4 Ha.) area in Debari colony has been converted to green land through this technique with nearly 50 types of native species and 8,000 plantation • Miyawaki afforestation completed at DSC and CLZS. 12,000 Indigenous Plants and 6,500 native seeds in the area of 1 hectare at each of the location to create a self-sustaining forest in the span of 3 years
13	450 MW Renewable power	Hindustan Zinc has signed power delivery agreement for 450 MW Renewable Energy and it will contribute towards transitioning to green energy and reduce carbon emissions.	It will contribute towards transitioning to green energy and reduce 2.7 mn tCO_2e carbon emissions by 2026

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

- All our operating sites are having emergency preparedness plan (including disasters) along with responsibilities in place covering all the risk associated with the operational activities to mitigate and handle the emergency. Emergency scenarios, mock drills, rescue team and training are regularly being carried out for making the system more robust and to check the healthiness of the emergency response procedure.
- We have Incident Management Committee to investigate all the incidents (safety, environment, process) and learnings are being shared across all the locations for horizontal deployment and based on the recommendations suitable changes are being made in emergency response plan also.
- Stand downs are being conducted at shop floor to communicate the learnings from all such incidents. Regular trainings and awareness programme are being conducted at sites. Unit leadership regularly review the emergency preparedness and contingency planning at their sites. We have a standalone standard on emergency preparedness and contingency planning and uniformly applies to all the sites of the Company.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

There has been no adverse impact to the environment arising from the value chain of the entity.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:

70.45% of partners by value (235 existing partners) were evaluated on ESG criteria in FY 2022-23, also 119 new onboarded partners has pre-assessed basis ESG criteria i.e. ISO14001/18001/SA8000 and equivalent standard.

PRINCIPLE 7 BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/associations:**

   14

   b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to:**

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Mineral Industries	National
2	Confederation of Indian Industry	National & State
3	Federation of Indian Chambers of Commerce & Industry	National & State
4	Indian Chamber of Commerce	National
5	Associated Chambers of Commerce and Industry of India	National
6	India Lead Zinc Development Association	National
7	Udaipur Chambers of Commerce	State
8	Gujmin Industry Association of Gujarat	National
9	UN Global Compact Network - INDIA	National
10	Mining Engineers Association of India	National

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
NIL	NA	NA

Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

S. No.	Public policy if advocated able	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others - please specify)	Web Link, if available
	NA	NA	NA	NA	NA

No public policy positions advocated by the Company

PRINCIPLE 8 BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
-	NIL	NA	NA	NA	NA

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in FY (In ₹)
NA	NA	NA	NA	NA	NA	NA

3. Describe the mechanisms to receive and redress grievances of the community.

Aligning with Vedanta Technical Standards (TS-04), structured grievance mechanisms is adhered to for receiving and resolving grievances. In line with sustainability strategy of establishing strong relationships with stakeholders and adhering to the IFC, ICMM, OECD and UNEP Standards for responsible stewardship, UN Global Compact (UNGC) Principles & Vedanta Technical standards, Company has set up a robust Grievance Redressal Mechanism. Regular monitoring and reviewing of the mechanism established is undertaken at various platforms. To further strengthen it, effective stakeholder engagement is a continuous process taken up to reduce the grievances of the stakeholders. Proactive and sustained engagement platforms like "Community Connect", "Community Leadership Connect" established to ensure two-way communication network and strengthen the trust element thereby reducing the grievances.

A grievance box has been placed outside the plant main gate for stakeholders to share their grievances in written form in the local language. All grievances are required to be resolved in maximum 15 days, failing which they are escalated to the senior management for its resolution and closure. Also, at each Company location, we have well established Social Performance Steering Committee, consisting representatives of major functions and chaired by Social Performance Manager, through which all grievances are raised and discussed for the timely resolution of the same and thereby reduction in the collective risk involved. Our approaches towards strengthening Social Performance Steering Committees (SPSC) at business locations with active involvement of the functional leaders across the Board is key to monitoring the grievances and its resolution, key risks and its mitigation and creating strong relationships with the stakeholder base. Thereby, reducing the collective risks and immediately addressing the grievances and feedbacks received from the communities. Engagement of senior management at village level across all BUs on a regular basis for discussing village-level development and ensure resolution of concerns/grievances, if any.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/small producers	12.05%	12.77%
Sourced directly from within the district and neighbouring districts	39.30%	40.52%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
NIL	NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
1	Uttarakhand	Udham Singh Nagar	2,095,115

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

(a) From which marginalised/vulnerable groups do you procure?

(b) What percentage of total procurement (by value) does it constitute?

No, Company does not have a preferential procurement policy. However, Company strives to procure locally which makes up 56.42% of the overall procurement spent (Rajasthan & Uttarakhand State based).

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
NA		NA	NA	NA

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
NIL	Nil	Nil

6. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Khushi Anganwadi & Nandghar Programme including Child Care Services	240,843	100%
2	Community Asset Creation	76,903	100%
3	Swasthya Sewa	207,978	100%
4	Drinking Water	229,125	100%
5	Scholarship	111	100%
6	Company-Run Schools	1,696	100%
7	Shiksha Sambal	8,389	100%
8	Jeevan Tarang	639	100%
9	Unchi Udaan	125	100%
10	Zinc Kaushal	1,771	100%
11	Samadhan	34,357	100%
12	Sakhi	27,160	100%
13	Sports	28,396	100%
14	Digitisation	18,323	100%
15	Culture Programmes	382,094	100%
16	Environment	444,066	100%
17	Safety	28,000	100%
18	**Total**	**1,729,976**	

PRINCIPLE 9 BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   Vedanta Metal Bazaar portal is one-stop portal for the customers from buying the product to raising concerns or complaints, etc. Customers can raise their concerns or feedback on the portal. An automatic ticket will be raised and customers can monitor the progress of the complaint https://vedantametalbazaar.moglix.com/#/login.

2. **Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect to the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	45	4	The given number is of formal complaints logged by customers in the Company's portal related to quality	46	0	The given number is of formal complaints logged by customers in the Company's portal related to quality
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

5. Does the entity have a framework/policy on cybersecurity and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Company has adopted an Integrated Management Framework and therefore all policies are defined incorporating various applicable frameworks and domains pertaining to Information Security, Risk Management, Disaster Recovery & Business Continuity Management and Data Privacy.

Under Enterprise Risk Management (ERM) framework, Company has established a robust Information Security Management Framework which includes Policies, Standard Operating Procedures (SOP), Technology Standards and has set up an effective Security Assessments & Audit Process for prevention of cyber-attacks and strengthening the overall Information Security Posture of Company's Technology Landscape.

Company's Information Security Framework is cohesive and comprehensive and takes following aspects as an input:

- Globally-recognised Information Security Management Frameworks and Standards
- Applicable Regulatory Requirements
- Risk Assessment and Risk Control Matrix defined under Risk Management Process
- Information Security Objectives aligned to Business Objectives
- Prevailing Best Practices
- Security Threat Intelligence

Based on this framework, information security strategy, long-term roadmap and annual information security plan is prepared. This Information Security Framework is reviewed annually by Company Information Security Organisation in consultation with external expert agencies to incorporate applicable regulatory requirements, prevailing industry knowledge and considering newer threats and risks.

Company is compliant to ISO 27001 framework and is certified as per defined Statement of Applicability (SOA) since year 2018. Certification is applicable to all Infrastructure & Applications under the purview of Information Technology & Operational Technology functions across all sites of the Company.

Subsequently, Company has taken an integrated approach to implement an integrated framework covering various domains of Information Security, Disaster Recovery & Business Continuity Management, Risk Management and Data Privacy Management. Under this approach, Company has achieved an Integrated ISO Certification consisting of ISO 27001 (Information Security), ISO 22301 (DR & BCP), ISO 31000 (Risk Management) and ISO 27701 (Privacy Management) in the year 2021. Company has also adopted a proven process of Third-Party Risk Management (TPRM) for all its key business partners (vendors/suppliers/service partners).

All the policies and procedure enforced in the Company environment are all inclusive to manage the Information Security and Data Governance aspects. All these policies are reviewed annually by competent personnel in Information Security Function. All the approved and enforced policies are made available to all employees and business partners over Hindustan Zinc Intranet Portal.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

   No corrective actions are underway relating to cyber security and data privacy as there are no customer complaints and no penalties/regulatory action has been levied or taken on the above mentioned parameters.

Leadership Indicators

1. **Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available):**

   We provide products and services related information on our website. It has all the factsheets about each product we sell. Vedanta metal bazaar portal also consists of all the required information on products and services we offer:

   https://www.hzlindia.com/bussiness/products-2/products/

   https://www.hzlindia.com/prodfactsheet/

   https://vedantametalbazaar.moglix.com/#/login

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:**

   All the customers are provided with the Safety Data Sheet (SDS), that has all the relevant information about the product and its usages. And we continuously engage with the customers to ensure safe and responsible usage of our products. We also conduct studies on our product applications in various sectors to come up with value-added products and improved services for the relevant customers. Hindustan Zinc has published its 1st Environmental Product Declaration (EPD) for Zinc Products, which can be accessed by anyone.

   Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:

   Mechanisms in place are regular interaction with sales & marketing team through telephone, e-mail, meetings and seminars. The Company also shares regular communication to customers via circulars and notifications.

3. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, product label carries all required information, like product grade, date of production, origin of product (made in India), product weight details. Yes, Hindustan Zinc carries out customer satisfaction survey every two years to understand the customer satisfaction levels with our service.

4. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches along with impact –** Nil

   b. **Percentage of data breaches involving personally identifiable information of customers –** Not Applicable

Independent Auditor's Report

To the Members of Hindustan Zinc Limited

REPORT ON THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying standalone Ind AS financial statements of Hindustan Zinc Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Claims and exposure relating to taxation and litigation (as described in Note 3(III)(B), 30 and 32 of the standalone Ind AS financial statements)	
The Company is subject to several legal and tax related claims and exposures which have been either disclosed or accounted for in the accompanying standalone Ind AS financial statements. Taxation and litigation exposures have been identified as a key audit matter due to complexities involved in these matters, timescales involved for resolution and the potential financial impact of these on the standalone Ind AS financial statements. Further, significant management judgement is involved in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed. Accordingly, this matter has been identified as a key audit matter.	Our audit procedures included the following: • Gained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process. For selected controls, we have performed test of controls. • Obtained the year end summary of Company's legal and tax cases and critically assessed management's position through discussions with the Legal Counsel, Head of Tax and operational management, on both the probability of success in significant cases, and the magnitude of any potential loss. • Inspected external legal opinions and/ or past judicial orders, wherever considered necessary, and other evidence to evaluate the management's assessment in respect of legal claims. • Engaged tax specialists to technically assess the management's assessment on tax disputes and positions. • Assessed the relevant disclosures made within the standalone Ind AS financial statements to address whether they reflect the facts and circumstances of the respective tax and legal exposures as per the requirements of relevant accounting standards.
Accounting and disclosure of transactions with the related parties (as described in note 37 of the standalone Ind AS financial statements)	
The Company has undertaken transactions with related parties including parent company and fellow subsidiaries for payment of strategic services and brand fee, power delivery agreements, residue treatment contract and IT service agreement. Accounting and disclosure of such related party transactions has been identified as a key audit matter due to a) Significance of such related party transactions; b) Risk of such transactions being executed without proper authorizations; c) Risk of material information relating to aforesaid transactions not getting disclosed in the standalone Ind AS financial statements.	Our procedures included the following: • Obtained and read the Company's policies, processes and procedures in respect of identification of such related parties in accordance with relevant laws and standards, obtaining approval, recording and disclosure of related party transactions and identified key controls. For selected controls we have performed tests of controls. • On sample basis tested some related party transactions and balances with the underlying contracts, confirmation letters and other supporting documents provided by the Company. • Examined, where applicable the approvals of the board and audit committee of these transactions. • Obtained and read the reports including the benchmarking report issued by the experts engaged by the management for the payment towards strategic services and brand fees, Power delivery agreement & residue treatment contract. • Assessed the competence and objectivity of the external experts. • Engaged internal specialists to assist us in evaluating the arms-length assessment carried out by the management for payment towards strategic services and brand fees. • Held discussions and obtained representations from the management in relation to such transactions. • Read the disclosures made in this regard in the financial statements and assessed whether relevant and material information have been disclosed.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 30 and 32 to the standalone Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The interim dividends declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Tridevlal Khandelwal**
Partner
Membership Number: 501160
UDIN: 23501160BGYHCB6377

Place of Signature: Pune
Date: April 21, 2023

Annexure 1

referred to in paragraph under the heading "Report on other legal and regulatory requirements of our report of even date

Re : **HINDUSTAN ZINC LIMITED ("the Company")**

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that :

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) Property, Plant and Equipment were physically verified by the management in the current year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material deficiencies were identified on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate.. Inventories lying with third parties have been confirmed by them as at March 31, 2023 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.

(b) The Company has not been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee and provided security to companies, firms, Limited Liability Partnerships or any other parties as follows:

(Amount in ₹ Crores)

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year				
Subsidiary	81.00	-	111.32	-
Joint Ventures	-	-	-	-
Associates	-	-	-	-
Others	-	-	-	-
Balance outstanding as at balance sheet date in respect of above cases				
Subsidiary	81.00	-	111.32	-
Joint Ventures	-	-	-	-
Associates	-	-	-	-
Others (Employees)	-	-	3.70	-

(b) During the year the investments made and the terms and conditions of the grant of all loans to subsidiary and any other parties are not prejudicial to the Company's interest.

(c) The Company has granted loan(s) during the year to a subsidiary where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans granted to the subsidiary which are overdue for more than ninety days.

(e) There were no loans granted to the subsidiary which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans, either repayable on demand or without specifying any terms or period of repayment to subsidiary and any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable, hence the requirement to report compliance with section 185 is not applicable on the Company. Further, according to the information and explanations given to us, provisions of sections 186 of the Companies Act, 2013 in respect of investments have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of products and generation of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance are not applicable to the Company.

(b) The dues of goods and services tax, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues that have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (₹ in crores)*#	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	3	1998-99 to 2003-2004, 2013-14,	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	9,601	1988-1989 to 1990-1991, 1992-1993, 1997-98, 1999- 00 to 2001-02, 2004-05 to 2010-2011, 2012-13 to 2014-15 and 2015-16, 2016-17, 2017-18	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	2,765	1989-90 to 2011-12	High Court / Supreme Court
Customs Act, 1962	Customs Duty	49.24	2009-2019	CESTAT
Customs Act, 1962	Customs Duty	0.09	2015-16 to 2019-20	Commissioner and Commissioner Appeal
Customs Act, 1962	Customs Duty	0.00	2017-18	AC/DC
Central Excise Act, 1944	Excise duty	244.29	1989-2017	CESTAT
Central Excise Act, 1944	Excise duty	7.70	1991 to 1992, 1998 to 2005 and 2007 to 2017	Commissioner and Commissioner Appeal
Central Excise Act, 1944	Excise duty	145.95	1995 to 1996 and 1997 to 2013	High Court
Finance Act, 1994	Service Tax	23.84	1997 to 1999 and 2004 to 2017	CESTAT
Finance Act, 1994	Service Tax	12.94	2002 to 2005 and 2007-18	Commissioner and Commissioner Appeal
Finance Act, 1994	Service Tax	201.17	2004-14 and 2016-2018	High Court

Name of the statute	Nature of the dues	Amount (₹ in crores)*#	Period to which the amount relates	Forum where the dispute is pending
Rajasthan sales tax act, 1994	Sales tax	90.99	2009 to 2011 and 2012 to 2019	Commissioner and Assistant Commissioner
Rajasthan sales tax act, 1994	Sales tax	14.25	2007-2008	High Court
Rajasthan sales tax act, 1994	Sales tax	0.49	1985-1986	Supreme Court
Rajasthan sales tax act, 1994	Sales tax	5.67	1998 to 2000, 2001 to 2004 and 2009 to 2014	Tax Board

* Net of amount paid under protest / adjusted against refunds
# Includes interest where applicable

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have generally not been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a),(b) & (c) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a),(b),(c) & (d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year and immediately preceding financial year..

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 38 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 34 to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 34 to the financial statements

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Tridevlal Khandelwal**
Partner
Membership Number: 501160
UDIN: 23501160BGYHCB6377

Place of Signature: Pune
Date: April 21, 2023

Annexure 2

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF HINDUSTAN ZINC LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Hindustan Zinc Limited ("the Company") as of March 31, 2023, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Committee of Sponsoring Organisations of the Treadway Commission (2013 Framework) ("COSO 2013 Criteria"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE IND AS FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO STANDALONE IND AS FINANCIAL STATEMENTS

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

OPINION

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in COSO 2013 criteria.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Tridevlal Khandelwal**
Partner
Membership Number: 501160
UDIN: 23501160BGYHCB6377

Place of Signature: Pune
Date: April 21, 2023

Standalone Balance Sheet

as at March 31, 2023

(₹ in Crore)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
a) Property, plant and equipment	4	17,528	17,165
b) Capital work-in-progress	4A	2,107	2,075
c) Intangible assets	5	92	231
d) Financial assets			
i) Investments	9	257	0
ii) Loans	6	61	2
iii) Others	13	112	56
e) Other non-current assets	7	290	275
f) Income tax assets		145	884
Total Non-current assets		**20,592**	**20,688**
Current assets			
a) Inventories	8	1,862	1,953
b) Financial Assets			
i) Investments	9	9,850	15,052
ii) Trade receivables	10	380	716
iii) Cash and cash equivalents	11	59	1,592
iv) Other Bank balances	12	1,353	4,171
v) Loans	6	53	2
vi) Others	13	97	34
c) Other current assets	7	336	463
d) Income tax assets		872	-
Total Current assets		**14,862**	**23,983**
TOTAL		**35,454**	**44,671**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	14	845	845
b) Other equity		12,097	33,437
Total Equity		**12,942**	**34,282**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	15	1,500	2,111
ia) Lease Liabilities	33	19	6
ii) Other financial liabilities	16	0	0
b) Other non-current liabilities	18	1,048	1,024
c) Provisions	17	189	212
d) Deferred tax liabilities (net)	32	2,314	942
Total Non-current liabilities		**5,070**	**4,295**
Current liabilities			
a) Financial liabilities			
i) Borrowings	15	10,341	712
ia) Lease Liabilities	33	21	15
ii) Operational buyers' credit/ suppliers' credit	19	307	280
iii) Trade payables	20		
a) Total outstanding dues of Micro Enterprises and Small Enterprises		29	50
b) Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises		2,057	1,988
iv) Other financial liabilities	16	2,402	1,901
b) Other current liabilities	18	1,695	860
c) Provisions	17	26	32
d) Income tax liabilities		564	256
Total Current liabilities		**17,442**	**6,094**
TOTAL		**35,454**	**44,671**

See accompanying notes to financial statements.

As per our report on even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per **Tridevlal Khandelwal**
Partner
ICAI Membership No.: 501160

Date: April 21, 2023
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Director
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Chief Financial Officer

Date: April 21, 2023
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377

Date: April 21, 2023
Place: Udaipur

Standalone Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Crore)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations	21A	33,272	28,790
Other Operating income	21B	826	650
Other income	22	1,382	1,216
Total Income		**35,480**	**30,656**
Expenses:			
Decrease/ (Increase) in inventories of finished goods and work-in-progress	23	(143)	(278)
Employee benefits expense	24	843	717
Depreciation and amortization expense	26	3,264	2,917
Power and fuel		3,711	2,452
Mining Royalty		4,068	3,667
Finance costs	25	333	290
Other expenses	27	8,107	6,656
Total expenses		**20,183**	**16,421**
Profit before exceptional item and tax		**15,297**	**14,235**
Exceptional Items	28	-	(134)
Profit before tax		**15,297**	**14,101**
Tax expense:			
Current tax	32	3,431	2,445
Deferred tax charge	32	1,346	2,026
Total tax expenses		**4,777**	**4,471**
Profit for the year		**10,520**	**9,630**
Other comprehensive income/ (loss)			
A) Items that will not be reclassified to profit or loss in subsequent period			
(a) Remeasurement gain of the defined benefit plans		3	15
(b) Tax (expense)/ credit		4	(6)
B) Items that will be reclassified to profit or loss in subsequent period			
(a) Gain/ (Loss) on cash flow hedges recognised during the year		98	(98)
(b) Tax (expense)/ credit		(34)	34
(c) Net (Loss) on FVTOCI investments		(34)	-
(d) Tax credit		4	-
Total other comprehensive income/ (loss) for the year		**41**	**(55)**
Total comprehensive income for the year		**10,561**	**9,575**
Earnings per share (nominal value of shares ₹ 2)			
- Basic earnings per share (₹)	29	24.90	22.79
- Diluted earnings per share (₹)	29	24.90	22.79

See accompanying notes to financial statements.

As per our report on even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per **Tridevlal Khandelwal**
Partner
ICAI Membership No.: 501160

Date: April 21, 2023
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Director
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Chief Financial Officer

Date: April 21, 2023
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377

Date: April 21, 2023
Place: Udaipur

Standalone Statement of Cash Flow

for the year ended March 31, 2023

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	15,297	14,101
Adjustments to reconcile profit to net cash provided by operating activities:		
Depreciation and amortization expense	3,264	2,917
Interest expense	333	290
Interest income	(1,158)	(838)
Amortization of deferred revenue arising from government grant	(157)	(135)
Provision for doubtful debts/ advance (refer note 27(4))	28	-
Net Loss on investments measured at FVTPL	16	28
Net Loss/ (Gain) on sale of Property, plant and equipment	9	(11)
Net (Gain) on sale of financial asset investments	(32)	(205)
Charge pertaining to Amnesty Scheme (refer note 28)	-	134
Transfer of CSR Assets (refer note 5(1))	117	-
Operating profit before working capital changes	**17,717**	**16,281**
Changes in assets and liabilities		
Decrease/ (Increase) in Inventories	91	(528)
Decrease/ (Increase) in Trade receivables	336	(310)
Decrease/ (Increase) in Other current assets	35	(95)
(Increase)/ Decrease in Other non current assets	(57)	4
Increase in Trade payables	75	773
Increase/ (Decrease) in Other current liabilities	76	(1,043)
Cash flows from operations	**18,273**	**15,082**
Income taxes (paid) during the year (net of refunds)	(3,140)	(2,391)
Net cash flows from operating activities	**15,133**	**12,691**
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of Property, Plant and Equipment (including intangibles, CWIP and Capital Advances)	(3,457)	(2,998)
Interest received	1,441	936
Deposits made during the year	(1,500)	(5,500)
Deposits matured during the year	5,500	10,227
Inter-corporate loans given	(111)	-
Purchase of Non current investments	(105)	-
Purchase of current investments	(43,180)	(46,753)
Proceeds from sale of current investments	47,950	44,904
Proceeds from sale of Property, Plant and Equipment	20	30
Net cash flows generated from investing activities	**6,558**	**846**
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Interest and other finance charges paid	(287)	(332)
Proceeds from short term borrowings	13,458	9
Repayment of short term borrowings	(5,276)	(2,120)
Proceeds from long term borrowings	1,500	-
Repayment of long term borrowings	(704)	(2,204)
Payment of principal portion of lease liabilities	(14)	(5)
Dividend paid	(31,901)	(7,606)
Net cash(used) in financing activities	**(23,224)**	**(12,258)**
Net (Decrease)/ Increase in Cash and cash equivalents	(1,533)	1,279
Cash and cash equivalents at the beginning of the year	1,592	313
Cash and cash equivalents at the end of the year (refer note 11)	**59**	**1,592**

Notes :-

1. The figures in brackets indicates outflows.
2. The above cash flow has been prepared under ''Indirect method'' as set out in Indian Accounting Standard (Ind AS -7) Statement of Cash Flows.

See accompanying notes to financial statements.

As per our report on even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per **Tridevlal Khandelwal**
Partner
ICAI Membership No.: 501160

Date: April 21, 2023
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Director
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Chief Financial Officer

Date: April 21, 2023
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377

Date: April 21, 2023
Place: Udaipur

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 2 each issued, subscribed and fully paid	Numbers of shares (in Crore)	₹ in Crore
As at March 31, 2022	423	845
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the current year	-	-
As at March 31, 2023	**423**	**845**

B. OTHER EQUITY

(₹ in Crore)

Particulars	Reserve and surplus			Items of Other comprehensive Income		Total
	Capital Reserve	Retained earnings	General reserve(2)	Hedging reserve	Debt instruments at FVTOCI	
Balance as at April 01, 2021	**1**	**21,084**	**10,383**	**-**	**-**	**31,468**
Profit for the year	-	9,630	-	-	-	9,630
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Other comprehensive income/ (loss)						-
(a) Remeasurements gain of the defined benefit plans	-	15	-	-	-	15
Tax effect on above	-	(6)	-	-	-	(6)
(b) (Loss) on cash flow hedges recognised during the year	-	-	-	(98)	-	(98)
Tax effect on above	-	-	-	34	-	34
Total Other comprehensive (loss) for the year	**-**	**9**	**-**	**(64)**	**-**	**(55)**
Total comprehensive income for the year	**-**	**9,639**	**-**	**(64)**	**-**	**9,575**
Dividend declared - Paid (1)	-	(7,606)	-	-	-	(7,606)
Balance as at March 31, 2022	**1**	**23,117**	**10,383**	**(64)**	**-**	**33,437**
Profit for the year	-	10,520	-	-	-	10,520
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Other comprehensive income/ (loss)						
(a) Remeasurements gain of the defined benefit plans	-	3	-	-	-	3
Tax effect on above	-	4	-	-	-	4
(b) Gain on cash flow hedges recognised during the year	-	-	-	98	-	98
Tax effect on above	-	-	-	(34)	-	(34)
(c) Net (loss) on FVTOCI investments	-	-	-	-	(34)	(34)
Tax effect on above	-	-	-	-	4	4
Total Other comprehensive income for the year	**-**	**7**	**-**	**64**	**(30)**	**41**
Total comprehensive income for the year	**-**	**10,527**	**-**	**64**	**(30)**	**10,561**
Dividend declared - Paid (1)	-	(31,901)	-	-		(31,901)
Balance as at March 31, 2023	**1**	**1,743**	**10,383**	**-**	**(30)**	**12,097**

Standalone Statement of Changes in Equity

for the year ended March 31, 2023

(1) During the year, the Company has declared and paid interim dividend of ₹ 31,901 Crore (₹ 75.50 per share) (March 31, 2022: ₹ 7,606 Crore (₹ 18 per share))

(2) General reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn.

During the previous year, the Board of Directors of the Company, Audit & Risk Management Committee and Committee of Independent Directors of the Company, at its meeting held on January 21, 2022 had approved the Scheme of Arrangement ("Scheme") between the Company and its shareholders under Section 230 and other applicable provisions of the Companies Act, 2013 ("Act"). The Scheme inter alia provides for capital reorganization of the Company, whereby it is proposed to transfer amounts standing to the credit of the General Reserves to the Retained Earnings of the Company with effect from the Appointed Date. During the current year, Securities and Exchange Board of India (through BSE Limited and National Stock Exchange of India Limited), BSE Limited and National Stock Exchange of India Limited (collectively referred to as "Stock Exchanges") have approved the scheme. Further, the Hon'ble National Company Law Tribunal ('NCLT'), Jaipur Bench vide its order dated February 06, 2023, approved the scheme and directed to convene shareholders meeting for their approval. NCLT convened shareholders meeting was held on March 29, 2023, where in shareholders also approved the subject scheme. The Scheme will be implemented post receipt of further regulatory approvals/ clearances from the NCLT, Jaipur Bench (second order) and such other approval clearances as may be applicable and required.

Pursuant to the Scheme, the Company will possess greater flexibilty to undertake capital related decisions and reflect a more efficient balance sheet.

See accompanying notes to financial statements.

As per our report on even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per **Tridevlal Khandelwal**
Partner
ICAI Membership No.: 501160

Date: April 21, 2023
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Director
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Chief Financial Officer

Date: April 21, 2023
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377

Date: April 21, 2023
Place: Udaipur

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

1. COMPANY OVERVIEW

Hindustan Zinc Limited ("HZL" or "the Company") was incorporated on January 10, 1966 and has its registered office at Yashad Bhawan, Udaipur (Rajasthan). HZL's shares are listed on National Stock Exchange and Bombay Stock Exchange. The Company is engaged in exploring, extracting, processing of minerals and manufacturing of metals.

HZL's operations include five zinc-lead mines, four zinc smelters, one lead smelter, one zinc-lead smelter, eight sulphuric acid plants, one silver refinery plant, six captive thermal power plants and four captive solar plants in the state of Rajasthan. In addition, HZL also has a rock-phosphate mine in Matoon, near Udaipur in Rajasthan and zinc, lead, silver processing and refining facilities in the state of Uttarakhand. The Company also has wind power plants in the states of Rajasthan, Gujarat, Karnataka, Tamil Nadu and Maharashtra and solar power plants in the state of Rajasthan.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation

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

Accounting policies have been consistently applied in all material aspects except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are approved for issue by the Board of Directors on April 21, 2023. The revision to these financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

3.(I) SIGNIFICANT ACCOUNTING POLICIES

a) Fair value measurement

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

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

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

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

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

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

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

or liability and the level of the fair value hierarchy as explained above.

b) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

c) Functional and presentation currency

The financial statements are prepared in Indian Rupees (₹), which is the Company's functional currency. All financial information presented in Indian Rupees (₹) has been rounded to the nearest crores. Amounts less than ₹ 0.50 Crore have been presented as "0".

d) Revenue recognition

(i) Sale of goods (products, scrap and residual)

Revenue from contracts with customers is recognised when control (as defined in Ind AS 115) of the goods or services is transferred to the customer as per the terms of contract, which usually is on delivery of the goods to the carriers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised net of discounts, volume rebates, outgoing sales taxes/ goods and service tax and other indirect taxes. Revenues from sale of by-products are included in revenue.

Certain of the Company's sales contracts provide for provisional pricing based on the price on the London Metal Exchange (LME), as specified in the contract. Revenue in respect of such contracts is recognised when control passes to the customer and is measured at the amount the entity expects to be entitled – being the estimate of the price expected to be received at the end of the measurement period. Post transfer of control of goods, provisional pricing features are accounted in accordance with Ind AS 109 'Financial Instruments' rather than Ind AS 115 and therefore the Ind AS 115 rules on variable consideration do not apply. These 'provisional pricing' adjustments i.e. the consideration received post transfer of control are included in total revenue from operations on the face of the Statement of Profit and loss. Final settlement of the price is based on the applicable price for a specified future period. The Company's provisionally priced sales are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on Company's future performance.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(ii) Income from wind energy

Revenue from sale of wind power is recognised when delivered and measured based on rates as per bilateral contractual agreements with buyers and at rate arrived at based on the principles laid down under the relevant Tariff Regulations as notified by the regulatory bodies, as applicable.

(iii) Dividends

Dividend income is recognized in the Statement of Profit and Loss only when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(iv) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(v) Others

Revenue relating to insurance claims and interest on delayed or overdue payments from trade receivable is recognized when no significant uncertainty as to measurability or collection exists.

e) Property, plant and equipment

(i) Property, plant and equipment other than mining properties

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/ other expenses in the Statement of Profit and Loss.

Assets held for sale are carried at lower of their carrying value or fair value less cost to sell.

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

Government grant related to fixed asset is capitalized along with the asset that it relates to and depreciated over the life of the primary asset.

(ii) Mining properties

The costs of mining properties, which include the costs of acquiring and developing mining properties are capitalized as Property, Plant and Equipment under the heading "Mining properties" in the year in which they are incurred. When a decision is taken that a Mining property is viable for commercial production (i.e. when the Company determines that the Mining Property will provide sufficient and sustainable return relative to the risks and the Company decided to proceed with the mine development), all further pre-production primary development expenditure other than land, buildings, plant and equipment is capitalized as developing asset until the mining property are capable of commercial production. Revenue derived during the project phase is adjusted from the cost incurred on the project from which such revenue is generated.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

(iii) Capital work in progress (CWIP)

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

(iv) Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible property and other equipment has been provided on the straight-line method.

- Depreciation has been provided over remaining useful life of the respective property, plant and equipment in respect of additions arising on account of insurance spares, on additions or extension forming an integral part of existing plants and on the revised carrying amount of assets identified as impaired.
- Mining properties are amortized, from the date on which they are first available for use, in proportion to the annual ore raised to the remaining commercial Ore Reserves (on a unit-of-production basis) over the total estimated remaining commercial reserves of each property or group of properties and are subject to impairment review. Commercial reserves are proved and probable reserves and any changes affecting unit of production calculations are dealt with prospectively over the revised remaining reserves. In the year of abandonment of mine, the residual balance in mining properties are written off. Costs used in the computation of unit of production comprises the net book value of the capitalised costs plus the future estimated costs required to be incurred to access the commercial reserves.
- Based on technical evaluation, the management believes that the useful lives as given below best represent the period over which the management expects to use the asset.

Assets	Useful life in years
Factory buildings	30 years
Residential buildings	60 years
Roads (included in buildings)	5-10 years
Computers and data processing equipment (included in office equipments)	3-6 years
Plant and Equipment (including captive power plant)	8-40 years
Railway sidings	15 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8-10 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(v) Exploration & evaluation assets

Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as incurred.

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore, are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment, if any. Exploration and evaluation assets are transferred to the appropriate category of property, plant and equipment when the technical feasibility and commercial viability has been determined. Exploration and evaluation assets are assessed for impairment and impairment loss, if any, is recognised prior to reclassification.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific Mineral Resources.

(vi) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowings of the funds.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

amortization and accumulated impairment losses. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible assets are amortized over their estimated useful life. Amounts paid for securing mining rights are amortized over the period of mining lease of 20 years. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

g) Impairment of non-financial assets

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

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

If any such indication exists then an impairment review is undertaken, the recoverable amount is calculated, as the higher of fair value less costs of disposal and the asset's value in use.

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use is determined by applying assumptions specific to the Company's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the Statement of Profit and Loss.

Any reversal of the previously recognized impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

h) Financial instruments

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

Financial assets – recognition and subsequent measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

of the financial asset. Purchases or sales of financial assets except treasury investment that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset. Trade receivables that do not contain a significant financing component are measured at transaction price as per Ind AS 115. Treasury investments are accounted for when the amount is settled in Bank account. For purposes of subsequent measurement, financial assets are classified in three categories:

- **Financial assets at amortized cost**

  A 'financial asset' is measured at the amortized cost if both the following conditions are met:

  a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

  b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

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

  A 'financial asset' is classified as the FVTOCI if both of the following criteria are met:

  a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

  b) The asset's contractual cash flows represent SPPI.

  Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

  For equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

  FVTPL is a residual category for debt instruments and default category for equity instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

  In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not invested in any equity instruments.

  Debt instrument included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. For equity instruments which are classified as FVTPL, all subsequent fair value changes are recognised in the Statement of Profit and Loss.

  Further, the provisionally priced trade receivables are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

Financial assets - derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and trade receivables
- Financial assets that are debt instruments and are measured as at FVTOCI

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss (P&L). The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities – recognition and subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

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

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

- **Financial liabilities at fair value through profit or loss**

  Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

- **Financial Liabilities at amortized cost (Loans, Borrowings and Trade and Other payables)**

  After initial recognition, interest-bearing loans, borrowings and Trade and Other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

  Financial liabilities - derecognition

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

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through Profit or Loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through Profit or Loss. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

Offsetting of financial instruments

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

i) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Company enters into forward currency contracts, commodity contracts and other derivative financial instruments. The Company does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss. When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the Statement of Profit and Loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the Statement of Profit and Loss.

Amounts recognized as OCI are transferred to Statement of Profit and Loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in OCI remains separately in equity

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

until the forecast transaction occurs or the foreign currency firm commitment is met.

j) **Government grants, subsidies and export incentives**

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/ subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

k) **Inventories**

Inventories are valued at the lower of cost and net realizable value, less any provision for obsolescence.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

(i) Ore, concentrate (mined metal), work-in-progress and finished goods (including significant by-products i.e. silver) are valued at lower of cost or net realizable value on weighted average basis.

(ii) Stores and spares are valued at lower of cost or net realizable value on weighted average basis.

(iii) Immaterial by-products, aluminium scrap, chemical lead scrap, anode scrap and coke fines are valued at net realizable value.

Net realizable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal.

l) **Taxation**

Current tax

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

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

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Retirement and other employee benefit schemes

i. Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

ii. Post-employment benefits

Gratuity

In accordance with the Payment of Gratuity Act of 1972, the Company contributes to a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to employees who have completed at least 5 years of service; at retirement, disability or termination of employment being an amount equal to 15 days' salary (based on the respective employee's last drawn salary) for every completed year of service.

Based on actuarial valuations conducted as at year end, a provision is recognized in full for the benefit obligation over and above the funds held in the Gratuity Plan.

In respect of defined benefit schemes, the assets are held in separately administered funds. In respect of defined benefit schemes, the cost of providing benefits under the plans is determined by actuarial valuation separately each year using the projected unit credit method by independent qualified actuary as at the year end.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

The Company recognizes the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Provident fund

The Company offers retirement benefits to its employees, under provident fund scheme which is a defined benefit plan. The Company and employees contribute at predetermined rates to 'Hindustan Zinc Limited Employee's Contributory Provident Fund' (the 'Trust') accounted on accrual basis and the conditions for grant of exemption stipulate that the employer shall make good the deficiency, if any,

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

between the return guaranteed by the statute and actual earning of the Trust. The contribution towards provident fund is recognized as an expense in the Statement of Profit and Loss.

Family Pension

The Company offers its employees benefits under defined contribution plans in the form of family pension scheme. Contributions are paid during the year into the fund under statutory arrangements. The contribution to family pension fund is made at predetermined rates by the Company based on prescribed rules of family pension scheme. The contribution towards family pension is recognized as an expense in the Statement of Profit and Loss. The Company has no further obligation other than the contribution made.

Superannuation

Certain employees of the Company, who have joined post disinvestment are members of the Superannuation plan. The Company has no further obligations to the Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India. The contribution is recognized as an expense in the Statement of Profit and Loss.

iii. **Other Long-Term employee benefits**

Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur. Actuarial differences are recognised immediately in the Statement of Profit and Loss.

n) **Provision**

Provisions are recognized when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

(i) **Provision for Decommissioning**

The Company recognizes a provision for decommissioning costs of smelting and refining facilities. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at pre-tax rate that reflects the risks specific to the liability. The unwinding of the discount is expensed as incurred and recognized in the Statement of Profit and Loss as a finance cost. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

The Company recognizes provision for discontinuing of a smelting operation which is charged to the Statement of Profit and Loss. Management estimates are based on third party technical estimates. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate.

(ii) **Provision for restoration, rehabilitation and environmental costs**

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or on-going production of a mine. Such costs, discounted to net present value, are provided for and a corresponding amount is capitalized at the start of each project as mining properties, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision (considered as finance cost). The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate as per the depreciation policy.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

Costs for the restoration of subsequent site damage, which is caused on an on-going basis during production, are charged to the Statement of Profit and Loss as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred.

o) Foreign currency translation

The functional currency for the Company is determined as the currency of the primary economic environment in which it operates. For the Company, the functional currency is the local currency of the country in which it operates, which is Indian Rupee.

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the Statement of Profit and Loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

p) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker ("CODM") i.e. CEO. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

r) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

(b) Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

(ii) Lease liabilities

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Other Financial Liabilities.

(iii) Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

s) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

t) Investment in joint venture

Investments representing equity interest in joint ventures are carried at cost. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

u) Operational buyers' credit/ suppliers' credit

The Company enters into arrangements where by banks and financial institutions make direct payments to suppliers for goods and services. The banks and financial institutions are subsequently repaid by the Company at a later date providing working capital timing benefits. These are normally settled up to twelve months. Where these arrangements are for goods used in the normal operations of the Company with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/ suppliers' credit and disclosed on the face of the balance sheet. Interest expense on these are recognised in the finance cost. Payments made by banks and financial instiutions to the operating vendors are treated as a non cash item and settlement of due to operational buyer's credit/ suppliers' credit by the Company is treated as an cash outflow from operating activity reflecting the substance of the payment.

Payments made to vendors are treated as cash item and disclosed as cash flows from operating / investing activity depending on the nature of the underlying transaction. Settlement of dues to banks and financial institution are treated as cash flows from financing activity.

v) Provisions, contingent liabilities and contingent assets

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

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

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Balance Sheet.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Financial guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefit is probable.

The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet.

3.(II) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards

The Company has adopted, with effect from April 01, 2022, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the financial statements.

1. Amendment to Ind AS 16 clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

2. Amendment to Ind AS 37 regarding costs that an entity needs to include when assessing whether a contract is onerous or loss-making.

3. Amendment to Ind AS 109 Financial Instrument regarding inclusion of fees in the '10 per cent' test for derecognition of financial liabilities.

4. Amendment to Ind AS 103 Business Combination, reference to the Conceptual Framework for Financial Reporting.

Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023, effective from April 01, 2023, resulting in amendments to below existing Ind AS.

Ind AS 102 - Share Based Payment

Ind AS 103 - Business Combinations

Ind AS 107 - Financial Instruments - Disclosures

Ind AS 109 - Financial Instruments

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 1 - Presentation of Financial Statements

Ind AS 8 - Accounting Policies, Change in Accounting Estimates and Errors

Ind AS 12 - Income Taxes

Ind AS 34 - Interim Financial Reporting

These amendments are not expected to have any significant impact on the Company. The Company has not early adopted any amendments that have been notified but is not yet effective.

3.(III) CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENT

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

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

(A) Significant estimates

(i) Mining property and Ore Reserve

Ore Reserves and Mineral Resources estimates are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The Company estimates its Ore Reserves and Mineral Resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

of the ore body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body. As a consequence of such an assessment made at the end of the current year, the Company has added new reserves and there is no material impact on the depreciation charge for the year due to this change.

(ii) Restoration, rehabilitation and environmental costs

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine fields. The costs are estimated on annual basis on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalized when incurred reflecting the Company's obligations at that time. The Company has not considered salvage value for the estimates of provision for decommissioning calculated as at March 31, 2023.

The provision for decommissioning liabilities (refer note 17) is based on the current estimate of the costs for removing and decommissioning producing facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate.

(iii) Assessment of useful lives and consumption pattern of Property, Plant and Equipments

The Company reviews the useful lives and consumption pattern of Property, Plant and Equipment at the end of each reporting period.

(B) Significant judgement

(i) Contingencies

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

While considering the possible, probable and remote analysis of taxation, legal and other claims, there is always a certain degree of judgement involved pertaining to the application of the legislation which in certain cases is supported by views of tax experts and/ or earlier precedents in similar matters. Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability.

(ii) Climate change

The Company aims to achieve net carbon neutrality by 2050 or sooner & committed to reduce its GHG emissions (Scope-1 & 2) by 14% by 2026 & Scope 3 by 20% by 2026 from 2017 baseline, 5 times water positive by 2025 from current 2.41 times etc.as part of their climate mitigation and adaptation efforts and sustainability strategy. The Company conducted climate risk assessment and outlined its risks and opportunities in Task Force on Climate-Related Financial Disclosures ("TCFD") report. Climate change may have various impacts on the Company in the medium to long term. These impacts include the risks and opportunities related to the demand of products, impact due to transition to a low-carbon economy, disruption to the supply chain, risk of physical harm to the assets due to extreme weather conditions, regulatory changes etc. The accounting related measurement and disclosure items that are most impacted by our commitments, and climate change risk more generally, relate to those areas of the financial statements that are prepared under the historical cost convention and are subject to estimation uncertainties in the medium to long term.

The potential effects of climate change may be on assets and liabilities that are measured based on an estimate of future cash flows. The main ways in which potential climate change impacts have been considered in the preparation of the financial statements, pertain to (a) inclusion of capex in cash flow projections, (b) recoverable amounts of existing assets, (c) review of estimates of useful lives of property, plant and equipment, (d) assets and liabilities carried at fair value, etc.

The Company's strategy consists of mitigation and adaptation measures and is committed to reduce its carbon footprint by limiting its exposure to coal-based projects and reducing its GHG emissions through high impact initiatives such as investment in Renewable Energy (450 MW Power delivery

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

agreement ('PDA') signed on a group captive basis, fuel switch, electrification of vehicles and mining fleet and energy efficiency opportunities. However, renewable sources have limitations in supplying round the clock power, so existing power plants would support transition and fleet replacement is part of normal lifecycle renewal. We have also taken certain measures towards water management such as commissioning of zero liquid discharge plants, sewage treatment plant, dry tailing plant, rainwater harvesting, thus reducing freshwater consumption. These initiatives are aligned with the Company's ESG strategy and no material changes were identified to the financial statements as a result

As the Company's assessment of the potential impacts of climate change and the transition to a low-carbon economy continues to mature, any future changes in the Company's climate change strategy, changes in environmental laws and regulations and global decarbonisation measures may impact the Company's significant judgments and key estimates and result in changes to financial statements and carrying values of certain assets and liabilities in future reporting periods. However, as of the balance sheet date, the Company believes that there is no material impact on carrying values of its assets or liabilities

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

Particulars	Freehold land	Buildings	Plant and equipment (refer note 5(1))	Furniture and fixtures	Vehicles	Office equipment	Railway siding	Mining properties (refer note 5(2))	Right of use [4]	Total
At Cost										
As at April 1, 2021	**331**	**2,086**	**20,146**	**36**	**42**	**363**	**94**	**8,556**	**193**	**31,847**
Additions [1&4]	-	45	1,494	-	15	33	-	1,811	2	3,400
Disposals/ adjustments	-	1	449	0	4	3	-	-	-	457
Transfer/ Reclassification (from)/ to	(40)	-	-	-	-	-	-	247	40	247
As at March 31, 2022	**291**	**2,130**	**21,191**	**36**	**53**	**393**	**94**	**10,614**	**235**	**35,037**
Additions [1&4]	3	132	1,719	2	4	21	-	1,595	32	3,508
Disposals/ adjustments	2	12	650	2	5	12	-	-	-	683
Transfer/ Reclassification (from)/ to	-	-	-	-	-	-	-	149	-	149
As at March 31, 2023	**292**	**2,250**	**22,260**	**36**	**52**	**402**	**94**	**12,358**	**267**	**38,011**
Accumulated depreciation										
As at April 1, 2021	**-**	**609**	**9,554**	**25**	**26**	**239**	**38**	**4,895**	**14**	**15,400**
Depreciation charge for the year [3]	-	80	1,114	2	4	30	5	1,665	9	2,909
Disposals/ adjustments	-	-	433	-	2	2	-	-	-	437
As at March 31, 2022	**-**	**689**	**10,235**	**27**	**28**	**267**	**43**	**6,560**	**23**	**17,872**
Depreciation charge for the year [3]	-	77	1,225	2	6	34	5	1,889	17	3,255
Disposals/ adjustments	-	11	616	2	3	12	-	-	-	644
As at March 31, 2023	**-**	**755**	**10,844**	**27**	**31**	**289**	**48**	**8,449**	**40**	**20,483**
Net Book Value										
As at March 31, 2023	**292**	**1,495**	**11,416**	**9**	**21**	**113**	**46**	**3,909**	**227**	**17,528**
As at March 31, 2022	**291**	**1,441**	**10,956**	**9**	**25**	**126**	**51**	**4,054**	**212**	**17,165**

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

4(A) Capital work in progress

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of Capital work in progress	2,107	2,075

Capital work in progress (CWIP) Ageing Schedule

(₹ in Crore)

CWIP	As at March 31, 2023			As at March 31, 2022		
	Projects in progress	Projects temporarily suspended	Total	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	1,007	-	1,007	1026	-	1,026
1-2 years	300	-	300	378	-	378
2-3 years	240	-	240	206	-	206
More than 3 years	560	-	560	465	-	465
Total	**2,107**	**-**	**2,107**	**2075**	**-**	**2,075**

CWIP completion schedule for projects whose completion is overdue compared to its original plan:

(₹ in Crore)

CWIP	As at March 31, 2023				As at March 31, 2022			
	To be completed in				To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project in Progress								
Fumer Project	534	-	-	-	527	-	-	-
RD Mill project	285	-	-	-	-	-	-	-
Others	93	-	-	-	67	-	-	-
Total	**912**	**-**	**-**	**-**	**594**	**-**	**-**	**-**

(1) Addition to plant & equipment includes finance cost capitalised of ₹ 14 Crore (March 31, 2022: ₹12 Crore)

(2) During the year, the Company has capitalised the following expenses which are attributable to the construction activity and are included in the cost of CWIP. Consequently, expenses disclosed under the respective notes are net of such amounts.

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Power and fuel charges	79	34
Repairs and Others	386	361
Consumption of Stores and Spare parts	322	322
Employee Benefit Expenses	121	76
Finance Cost	20	11
Insurance	2	-
Miscellaneous expenses	-	1
Total	**930**	**805**

(3) During the year, the Company has capitalised Nil depreciation attributable to certain assets under development (March 31, 2022: ₹4 Crore). Accordingly, depreciation reported in note 26 for the year ended March 31, 2023 is ₹ 3,255 Crore (March 31, 2022: ₹ 2,905 Crore)

(4) Carrying amount of right-of-use assets recognised and the movements during the period is as below:

(₹ in Crore)

Particulars	Plant & machinery	Buildings	Land	Total
As at April 1, 2021	**26**	**3**	**150**	**179**
Additions	-	1	41	42
Depreciation	(1)	(1)	(7)	(9)
As at March 31, 2022	**25**	**3**	**184**	**212**
Additions	32	-	-	32
Depreciation	(9)	(1)	(7)	(17)
As at March 31, 2023	**48**	**2**	**177**	**227**

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

5. INTANGIBLE ASSETS

(₹ in Crore)

Particulars	Computer software	Mining rights	Right to use asset[1]	Exploration & Evaluation asset[2]	Total
At Cost					
As at April 1, 2021	**49**	**67**	**143**	**200**	**459**
Additions	1	-	-	128	129
Disposals/ adjustments	-	-	-	-	-
Transfer (from)/ to	-	-	-	(247)	(247)
As at March 31, 2022	**50**	**67**	**143**	**81**	**341**
Additions	1	-	-	126	127
Disposals/ adjustments	-	-	143	-	143
Transfer (from)/to	-	-	-	(149)	(149)
As at March 31, 2023	**51**	**67**	**-**	**58**	**176**
Accumulated depreciation					
As at April 1, 2021	**44**	**29**	**25**	**-**	**98**
Charge for the year	2	4	6	-	12
Disposals/ adjustments	-	-	-	-	-
As at March 31, 2022	**46**	**33**	**31**	**-**	**110**
Charge for the year	1	4	4	-	9
Disposals/ adjustments	-	-	35	-	35
As at March 31, 2023	**47**	**37**	**-**	**-**	**84**
Net Book Value					
As at March 31, 2023	**4**	**30**	**-**	**58**	**92**
As at March 31, 2022	**4**	**34**	**112**	**81**	**231**

(1) Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company, during the current year, has transferred its CSR assets after obtaining regulatory approvals, having carrying value of ₹ 117 Crore as on the date of transfer, at nominal consideration to Zinc India Foundation (wholly owned subsidiary), incorporated during the current year under Section 8 of the Companies Act, 2013. The carrying value of these assets has been included as CSR expense in the financial statements owing to such transfer.

(2) ₹ 149 Crore (March 31, 2022: ₹ 247 Crore) transferred from Exploration & Evaluation asset to Mining properties (refer note 3(I)(e)v)

6. LOANS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured, considered good		
Loan to related party (refer note 37)	61	-
Loans to employees	-	2
Total	**61**	**2**
Current		
Unsecured, considered good		
Loan to related party (refer note 37)	50	-
Loans to employees	3	2
Total	**53**	**2**

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

7. OTHER ASSETS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured, considered good		
Capital advances	179	166
Claims and other receivables[(1)]	111	109
	290	**275**
Unsecured, credit impaired		
Claims and other receivables	7	7
Provision on doubtful deposits and claims	(7)	(7)
	-	-
Total	**290**	**275**
Current		
Unsecured, considered good		
Advance given to vendors for supply of goods and services	47	106
Balance with government authorities	154	230
Claims and other receivables[(2)]	135	127
Total	**336**	**463**

(1) Pertains to Indirect taxes and royalty deposited under dispute with respect to various matters currently litigated in court of law and at various levels of adjudication. During the previous year, the Company had opted to settle Entry Tax matter under phase II of "Amnesty Scheme 2021" launched by Government of Rajasthan, pursuant to which Company had written off balances of ₹ 113 Crore (see note 28).

(2) Includes mainly ₹ 51 Crore (March 31, 2022: ₹ 74 Crore) export benefit incentive receivable which mainly includes RoDTEP receivable of ₹ 25 Crore (March 31, 2022: ₹ 38 Crore), ₹ 51 Crore (March 31, 2022: ₹ 4 Crore) CSR pre-spent and ₹ 32 Crore (March 31, 2022: ₹ 49 Crore) prepaid expenses.

8. INVENTORIES*[(2)]

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
a. Work in progress		
Ore	96	66
Mined Metal	677	475
Others	457	547
b. Finished goods[(1)]	28	27
c. Fuel Stock [Including goods in transit ₹ 148 Crore (March 31,2022: ₹ 293 Crore)]	236	354
d. Stores and spare parts [Including goods in transit ₹ 20 Crore (March 31,2022: ₹ 22 Crore)]	368	484
Total	**1,862**	**1,953**

* For method of valuation of inventories, refer note 3(I)(k)

(1) Inventory held at net realizable value amounted to ₹ 5 Crore (March 31,2022: ₹ 5 Crore). The write down on this inventory of Nil (March 31, 2022: Nil) has been recognized as an expense in Statement of Profit and Loss.

(2) The Company follows suitable provisioning norms for writing down the value of inventories towards slow moving, non-moving and surplus inventory. Provision for slow and non moving inventories amounting to ₹ 36 Crore has been reversed (March 31, 2022: ₹ 36 Crore created) on account of consumption of respective slow moving/ non-moving inventories during the year and has been recognized in the Statement of Profit and Loss.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

9. INVESTMENTS

Non Current

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at cost		
Investment in equity shares (fully paid up unless otherwise stated)		
Subsidiary Company - Unquoted		
Hindustan Zinc Alloys Private Limited (1,00,000 equity shares (March 31, 2022: 1,00,000) of ₹ 10 each)	0	0
Vedanta Zinc Football & Sports Foundation (1,000 equity shares (March 31, 2022: 1,000) of ₹ 100 each)	0	0
Zinc India Foundation (1,000 equity shares (March 31, 2022: Nil) of ₹ 100 each)	0	-
Hindustan Zinc Fertilisers Private Limited (1,00,000 equity shares (March 31, 2022: Nil) of ₹ 10 each)	0	-
	0	**0**
Joint Venture - Unquoted		
Madanpur South Coal Company Limited (1,14,391 equity shares (March 31, 2022: 1,14,391) of ₹ 10 each)	2	2
Less: Aggregate amount of impairment in the value of investment	(2)	(2)
	-	-

The Company had access of up to 31.5 million MT of coal as a partner in the joint venture 'Madanpur South Coal Company Limited' (Madanpur JV), a Company incorporated in India, where it holds 17.62% of ownership interest. During the year 2013-14, Honourable Supreme Court had passed the judgment cancelling all the coal blocks including Madanpur JV allocated since 1993 with certain exceptions and consequently the Company does not have any business to pursue. Accordingly, the Company had created 100% provision against its investment in Madanpur JV amounting to ₹ 2 Crore.

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at fair value through profit and loss		
Investment in preference shares - Unquoted		
Serentica Renewables India 4 Private Limited (10,50,00,000 Optionally Convertible Redeemable Preference Shares of ₹ 10 each)	105	-
	105	-

During the current year, the Company has entered into Power delivery agreement ('PDA') with Serentica Renewables India 4 Private Limited ('Serentica 4') for sourcing of 200 MW (contracted capacity) renewable power on round the clock ('RTC') basis under group captive arrangement for 25 years. Under the terms of the PDA, Company is expected to infuse equity of ₹ 350 Crore for twenty six percent in Serentica 4. During the current year, the Company has made an investment of ₹ 105 Crore in Optionally Convertible Redeemable Preference Shares ('OCRPS') and pending committed investment of ₹ 245 Crore in OCRPS to be made basis fulfilment of conditions of the PDA. These OCRPS will be converted into equity basis conversion terms of the PDA.

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at fair value through other comprehensive income		
Investment in zero coupon bonds - quoted	152	-
	152	-
Total Non Current Investments	**257**	**0**

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

Current

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at fair value through profit and loss		
Investment in bonds - quoted	1,573	2,157
Investment in zero coupon bonds - quoted	-	4,153
Investment in perpertual bonds - quoted	2,261	2,277
Investments in commercial paper - quoted	-	150
Investment in mutual funds - quoted	-	1,196
Investment in mutual funds - unquoted	1,777	5,119
	5,611	**15,052**
Measured at fair value through other comprehensive income		
Investment in zero coupon bonds - quoted	2,133	-
Investment in perpertual bonds - quoted	2,106	-
	4,239	**-**
Total Current Investments*	**9,850**	**15,052**
Aggregate amount of quoted investment at market value thereof	8,073	9,933
Aggregate amount of unquoted investment	1,777	5,119

*Investments amounting to ₹ 1,812 Crore (March 31, 2022: Nil) are pledged as security for repurchase liability (refer note 15(4)). The Company continues to record these investments as it retains rights to contractual cash flows on such investments and thus do not meet the criteria for derecognition or transfer of financial asset as per Ind AS 107.

10. TRADE RECEIVABLES(1)(3)(4)

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
Considered good(2)	380	716
Trade receivables - credit impaired	2	1
	382	**717**
Provision for doubtful trade receivables	(2)	(1)
Total	**380**	**716**

Trade receivables Ageing Schedule

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Undisputed - considered good		
Not Due	300	556
Less than 6 months	69	139
6 months - 1 year	6	11
1-2 years	5	8
2-3 years	-	-
More than 3 years	-	-
Total	**380**	**714**

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Disputed - considered good		
Not Due	-	-
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	2
Total	**-**	**2**
Undisputed - Credit Impaired		
Not Due	-	-
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	2	1
Total	**2**	**1**
Less: Provision for doubtful trade receivables	(2)	(1)
Total Trade receivables	**380**	**716**

(1) The average credit period given to customer ranges from zero to one hundred twenty days (March 31, 2022: zero to one hundred eighty days). Interest is charged on trade receivables for the credit period, from the date of the invoice at 7.25% to 10.10% (March 31, 2022: 7.15% to 8.65%) per annum on the outstanding balance.

(2) Unsecured considered good includes, ₹ 35 Crore (March 31,2022: ₹ 75 Crore) due from wind energy segment's trade receivables. Unsecured trade receivable of ₹ 136 Crore (March 31,2022: ₹ 329 Crore) are covered against letter of credit and bank guarantees.

(3) Refer note 37 for details of related party balances and terms and conditions.

(4) The total trade receivables as at April 01, 2021 were ₹ 406 Crore (net of provision of ₹ 1 Crore).

11. CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
On current accounts	59	82
Deposits with original maturity of less than 3 months	-	1,510
Total	**59**	**1,592**

12. OTHER BANK BALANCES

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank deposits having maturity more than 3 months but not more than 12 months	0	-
Bank deposits with original maturity of more than 12 months(1)	-	4,145
Earmarked unpaid dividend accounts	1,353	26
Total	**1,353**	**4,171**

(1) The deposits can be withdrawn by the Company at any point without prior notice or penalty on the principal.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

13. OTHER FINANCIAL ASSETS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured, considered good		
Security Deposits	107	51
Bank Deposits with more than 12 months maturity	5	5
Unsecured, credit impaired		
Security Deposits	27	27
Provision for doubtful deposits	(27)	(27)
Total	**112**	**56**
Current		
Unsecured, considered good		
Interest accrued on deposits	3	1
Derivative assets (refer note 35)	32	1
Receivable from related party (refer note 37)	9	32
Other receivable	53	-
Unsecured, credit impaired		
Receivable from related party (refer note 37)	28	-
Provision for doubtful receivable (see note 27(4))	(28)	-
Total	**97**	**34**

14. EQUITY SHARE CAPITAL

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
A. Authorized equity share capital		
Equity shares of ₹ 2 (March 31, 2021: ₹ 2) each	1,000	1,000
No. of Shares (In Crore)	500	500
B. Issued, subscribed and paid up		
Equity shares of ₹ 2 (March 31, 2021: ₹ 2) each	845	845
No. of Shares (In Crore)	423	423
C. Equity shares held by Holding Company		
Vedanta Limited		
No. of Shares (In Crore)	274	274
% of Holding	64.92%	64.92%
D. No shares issued for consideration other than cash and no shares bought back during the period of five years immediately preceding the reporting date		
E. Details of shareholders holding more than 5% shares in the Company		
Vedanta Limited		
No. of Shares (In Crore)	274	274
% of Holding	64.92%	64.92%
Government of India - President of India		
No. of Shares (In Crore)	125	125
% of Holding	29.54%	29.54%

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
F. Details of shares held by promoters		
Vedanta Limited		
No. of shares at the beginning of the year (In Crore)	274	274
Change during the year (In Crore)	-	-
No. of shares at the end of the year (In Crore)	274	274
% of Total Shares*	64.92%	64.92%
% change during the year	-	-

*As at March 31, 2023, 6.77% (March 31, 2022: 5.77%) of total paid up share capital of the Company have been pledged by promoters for securing loan facilities from banks/ financial institutions along with a non-disposal undertaking in respect of their holding in the Company to the extent of 50.1% of the paid up share capital of the Company. Subsequent to March 31, 2023, this has increased from 6.77% to 9.21% till board meeting date.

G. Terms/ Rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 2 per share. Each equity shareholder is eligible for one vote per share held. Each equity shareholder is entitled to dividend as and when declared by the Company. Interim dividend is paid as and when declared by the Board. Final dividend is paid after obtaining shareholders' approval. Dividends are paid in Indian Rupees. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

15. BORROWINGS

Non-current

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Unsecured		
Non-convertible debentures[(1)]	2,111	2,814
Term-loan from banks[(2)]	1,500	-
Total Non-current borrowing	**3,611**	**2,814**
Less: Current maturities of long-term borrowings	(2,111)	(703)
Total (Net)	**1,500**	**2,111**

(1) During the financial year 2020-21, the Company had issued 35,200 Unsecured, Rated, Non-convertible debentures (NCDs) of face value of ₹ 10,00,000 each at an interest rate of 5.35%, aggregating upto ₹ 3,520 Crore. The NCDs are due for repayment in three yearly installments of ₹ 704 Crore, ₹ 704 Crore and ₹ 2,112 Crore respectively starting from September, 2021. As at March 31, 2023, the carrying value is ₹ 2,111 Crore (net of non cash changes).

(2) Term Loan from banks carry an effective interest rate of 8.25% p.a., and are due for repayment in two installments of ₹ 500 Crore and ₹ 1,000 Crore in September 2024 and March 2025 respectively. The loan facility is subject to financial covenant of Debt Service Coverage Ratio (DSCR) (Standalone) which must be complied with. The Company has complied with the covenant as per the terms of the loan agreement.

Current

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Unsecured		
Commercial paper[(1)]	4,225	-
Current maturities of long-term borrowing	2,111	703
Term-loan from banks[(2)]	2,500	-
Working capital loans from banks[(3)]	-	9
	8,836	**712**
Secured		
Repurchase liability[(4)]	1,505	-
	1,505	**-**
Total	**10,341**	**712**

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

(1) Commercial Papers as on March 31, 2023 carry an effective interest rate in the range of 7.30% p.a. to 8.12% p.a. (March 31, 2022: Nil), and are repayable in 85 to 182 days (March 31, 2022: Nil days) from the date of issue of commercial papers.

(2) Term Loan from banks carry an effective interest rate of 7.57% p.a. and are due for repayment in two installments of ₹ 1,500 Crore and ₹ 1,000 Crore in November 2023 and March 2024 respectively. The loan facility is subject to financial covenant of Debt Service Coverage Ratio (DSCR) (Standalone) which must be complied with. The Company has complied with the covenant as per the terms of the loan agreement.

(3) Working Capital Loans from banks as on March 31, 2022 carried an effective interest rate of 7.20% and were repayable after 7 days.

(4) Repurchase liability as on March 31, 2023 carry an effective interest rate in the range of 7.99% p.a. to 8.15% p.a. (March 31, 2022: Nil), secured by current investments amounting to ₹ 1,812 Crore and are repayable in 102 to 109 days (March 31, 2022: Nil days) from the date of borrowings through repurchase obligation.

Movement in borrowings during the year is provided below:

(₹ in Crore)

Particulars	Short term borrowings	Long term borrowings*	Total
As at April 1, 2021	2,161	5,016	7,177
Cash flow	(2,152)	(2,204)	(4,356)
Other non cash changes	-	2	2
As at March 31, 2022	**9**	**2,814**	**2,823**
Cash flow	8,221	796	9,017
Other non cash changes	-	1	1
As at March 31, 2023	**8,230**	**3,611**	**11,841**

*Including current maturities of long-term borrowings & unamortized borrowing fees.

16. OTHER FINANCIAL LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Security deposits and other liabilities	0	0
Total	**0**	**0**
Current		
Derivatives - liabilities (refer note 35)	-	147
Capital creditors	1,218	1,216
Due to related party (refer note 37)	38	71
Deposits from vendors	168	165
Interest accrued but not due	78	76
Dividend payable	609	-
Unclaimed dividend [(1)]	31	26
Other liabilities (Includes employee benefits etc.)	260	200
Total	**2,402**	**1,901**

(1) Represents the unclaimed dividend for a period less than 7 years.

17. PROVISIONS

Non-current

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for mine restoration & decomissioning [(a)]	189	212
Total	**189**	**212**

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

(a)

(₹ in Crore)

Particulars	Provision for mine restoration[1]	Provision for decommissioning[2]	Total
As at April 1, 2021	**192**	**5**	**197**
Addition during the year/ (revision during the year)	24	-	24
Unwinding of discount	8	-	8
Utilized	-	(3)	(3)
As at March 31, 2022	**224**	**2**	**226**
Addition during the year/ (revision during the year)	(38)	-	(38)
Unwinding of discount	15	-	15
Utilized	(1)	(1)	(2)
As at March 31, 2023	**200**	**1**	**201**
Classification as at March 31, 2022			
Non-current	212	-	212
Current	12	2	14
Classification as at March 31, 2023			
Non-current	189	-	189
Current	11	1	12

(1) The provision for restoration, rehabilitation, and environmental cost represents the Company's best estimate of the costs which will be incurred in the future to meet the obligations under the laws of the land and the terms referred to in the Company's mining arrangements. The principal restoration, rehabilitation and environmental provisions are the costs, which are expected to be incurred in restoring at the end of life of these mines at Rampura Agucha, Rajpura Dariba, Zawar Mines, Sindesar Khurd and Kayad.

(2) Provision for decommissioning is created to meet the obligation at decommissioned smelting facility at Vizag location basis an independent technical evaluation.

Current

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for gratuity (refer note 31)	7	-
Provision for compensated absenses	7	18
Provision for mine restoration & decomissioning (refer (a) above)	12	14
Total	**26**	**32**

18. OTHER LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Deferred government grant[2]	1,048	1,024
Total	**1,048**	**1,024**
Current		
Advance from customers[3]	461	252
Statutory and other liabilities[1]	1,068	467
Deferred government grant[2]	166	141
Total	**1,695**	**860**

(1) Statutory and other liabilities mainly includes contribution to PF, Goods and service tax (GST), TDS, amount payable to District Mineral Fund (DMF), National Mineral Exploration Trust (NMET) etc.

(2) Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of Property, Plant and Equipments accounted for as government grant and being amortised over the useful life of such assets.

(3) Advance from customers are contract liabilities and include amounts received under short term supply agreements. The advance payment plus a fixed rate of return/ discount will be settled by supplying respective commodity over a period up to twelve months under an agreed delivery schedule as per the terms of the respective agreements. As these are contracts that the Company expects, and has the ability, to fulfil through delivery of a non-financial item, these are recognised as advance from customers and will be released to the income statement as respective commodity is delivered under the agreements. The amount of such balances as of April 01, 2021 was ₹ 1,219 Crore. Changes in contract liabilities are either due to exchange differences, receipt of fresh advances or revenues recognised as detailed in note 21A.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

19. OPERATIONAL BUYERS' CREDIT/ SUPPLIERS' CREDIT

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Operational buyers'/ suppliers' credit from banks [1]	307	280
Total	**307**	**280**

(1) Operational buyers'/ suppliers' credit is availed in foreign currency from offshore branches of Indian banks at weighted average interest rate of 5.04% p.a. (March 31, 2022: 0.57 % p.a.) as at March 31, 2023. The tenure of these trade credits ranges from 90 days to 143 days (March 31, 2022: 59 days to 88 days) from the date of draw down. This is backed by Standby Letter of Credit issued under unsecured working capital facilities sanctioned by domestic banks.

20. TRADE PAYABLES

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of Micro Enterprises and Small Enterprises	29	50
Total outstanding dues to creditors other than Micro Enterprises and Small Enterprises	2,057	1,988
Total	**2,086**	**2,038**

Trade payables Ageing Schedule

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Undisputed dues - Micro Enterprises and Small Enterprises		
Less than 1 year	29	50
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**29**	**50**
Undisputed dues - Other than Micro Enterprises and Small Enterprises		
Less than 1 year	2,023	1,952
1-2 years	8	10
2-3 years	2	4
More than 3 years	24	22
Total*	**2,057**	**1,988**

*Includes Unbilled dues of ₹ 1,491 Crore (March 31, 2022: ₹ 1402 Crore)

The disclosures relating to Micro Enterprises and Small Enterprises have been furnished to the extent such parties have been identified on the basis of the intimation received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. There is no interest paid/ payable as at March 31, 2023 (March 31,2022: NIL)

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
i) Principal amount due to micro and small enterprises	29	50
ii) Interest due on above	-	-
iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
v) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

21. (A) REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products	33,120	28,624
Income from wind energy	152	166
Total Revenue (1) (also refer note 35)	**33,272**	**28,790**

(1) Revenue is shown exclusive of GST and other indirect taxes, as these collections are not an inflow on entity's own account, rather it is collected on behalf of government authorities.

The above revenue from sale of products for the year ended March 31, 2023 comprises of revenue from contracts with customers of ₹ 34,252 Crore (March 31, 2022: ₹ 29,792 Crore) and a net loss on mark to market of ₹ 980 Crore (March 31, 2022: ₹ 1,002 Crore) on account of gains/ losses relating to sales that were provisionally priced as at the beginning of the year with the final price settled in the current year, gains/ losses relating to sales fully priced during the year, and marked to market gains/ losses relating to sales that were provisionally priced as at the end of the year. Entire revenue from contract with customers is recorded at a point in time and includes ₹ 252 Crore (March 31, 2022: ₹ 1,219 Crore) for which contract liabilities existed at the beginning of the year. Majority of the Company's sales are against advance or are against letters of credit/ cash against documents/ guarantees of banks of national standing. Where sales are made on credit, the amount of consideration does not contain any significant financing component as payment terms are within six months.

(B) OTHER OPERATING INCOME

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of scrap and residuals	410	319
Export incentives	235	205
Others (unclaimed amount, carbon credits, liquidated damages etc.)	181	126
Total	**826**	**650**

22. OTHER INCOME

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net gain on sale of current investments	32	205
Net gain on foreign currency transactions and translation	35	27
Amortization of deferred revenue arising from government grant	157	135
Gain on sale of property, plant and equipment (net)	-	11
Interest Income on		
Bank deposits measured at amortized cost	197	407
Investments measured at FVTOCI	281	-
Investments measured at FVTPL	504	392
Other financial assets measured at amortised cost	176	39
Total	**1,382**	**1,216**

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

23. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crore)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Opening inventory			
Finished goods		27	48
Work in progress:-			
Ore		66	40
Mined metal		475	258
Others (includes various semi-finished goods having Zinc, Lead & Silver content)		547	491
Total	**(A)**	**1,115**	**837**
Closing inventory			
Finished goods		28	27
Work in progress:-			
Ore		96	66
Mined metal		677	475
Others (includes various semi-finished goods having Zinc, Lead & Silver content)		457	547
Total	**(B)**	**1,258**	**1,115**
Changes in Inventory	**(A- B)**	**(143)**	**(278)**

24. EMPLOYEE BENEFIT EXPENSE

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus (1)	617	538
Contribution to provident and other funds (refer note 31)	74	46
Share based compensation(2)	16	6
Staff welfare expenses (1)	136	127
Total	**843**	**717**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(1) Includes Corporate social responsibility expenditure of ₹ 4 Crore and ₹ 15 Crore (March 31,2022: ₹ 3 Crore and ₹ 16 Crore) towards salaries, wages and bonus and Company run schools & hospitals respectively.

(2) The Company offers equity-based and cash based option plans to its employees, officers and directors through its Holding Company, Vedanta Limited [Vedanta Limited - Employee Stock Option Scheme ("Vedanta Limited- ESOS")].

During the year, share - based incentives arrangement under ESOS of Vedanta Limited (introduced effective December 2016) are provided to the defined management group. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference to the individual fixed salary and share-based remuneration consistent with local market practice. ESOS scheme of Vedanta Limited are both tenure and performance based share schemes. The awards are indexed to and settled by Parent's shares (Vedanta Ltd shares as defined in the scheme). The awards have a fixed exercise price denominated in Parent's functional currency (Re.1), the performance period of each award is 36 months and is exercisable within a period of six months from the date of vesting beyond which the option lapses.

Further, in accordance with the terms of the agreement between the Parent and the Company, the cost recognised towards ESOS scheme is recovered by the Parent from the Company.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

25. FINANCE COSTS

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on financial liabilities at amortised cost[(1) (3)]	273	237
Other interest[(2)]	12	28
Bill discounting charges	20	8
Bank charges	5	5
Other finance costs	23	12
Total	**333**	**290**

(1) Interest expenses on lease liabilities is ₹ 4 Crore (March 31, 2022: ₹ 3 Crore)

(2) Interest expenses on income tax is ₹ 7 Crore (March 31, 2022: ₹ 22 Crore)

(3) Interest rate of 5.79% was used to determine the amount of general borrowing costs eligible for capitalization in respect of qualifying asset for the year ended March 31, 2023 (March 31, 2022: 5.08%)

26. DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Property, Plant and Equipments (refer note 4)	3,255	2,905
Amortization on intangible assets (refer note 5)	9	12
Total	**3,264**	**2,917**

27. OTHER EXPENSES

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spare parts	2,067	1,622
Repairs and Maintenance:		
- Plant and equipment	1,995	1,749
- Building	130	105
- Others	2	7
Carriage inwards	167	174
Mine expenses	1,999	1,679
Other manufacturing and operating expenses	447	441
Strategic services & brand fees[(2)]	318	-
Rates and taxes	2	3
Conveyance and travelling expenses	28	20
Directors sitting fees and commission	2	1
Payment to auditors[(1)]	2	2
Carriage outwards	335	349
Grass root exploration expenses	18	16
Legal and professional expenses	51	65
Provision for doubtful debts/ advance[(4)]	33	-
Research and development expenditure	11	8
Corporate social responsibility[(3)]	199	150
Loss on sale of property, plant and equipment (net)	9	-
Net loss on investments measured at FVTPL	16	28
Miscellaneous expenses	276	237
Total	**8,107**	**6,656**
[(1)] Remuneration to auditors:		
- Audit fees	2	2
- Other services	0	0
Total	**2**	**2**

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

(2) During the current year, The Audit & Risk Management Committee and Board of Directors of the Company have approved payment towards strategic services and brand fees to Vedanta Limited ("Holding Company") at 2% of the consolidated turnover of the Company effective from October 01, 2022.

(3) Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company, during the current year, has transferred its CSR assets after obtaining regulatory approvals, having carrying value of ₹ 117 Crore as on the date of transfer, at nominal consideration to Zinc India Foundation (wholly owned subsidiary), incorporated during the current year under Section 8 of the Companies Act, 2013. The carrying value of these assets has been included as CSR expense in the financial statements owing to such transfer (see note 5(1)).

(4) Target plus scheme ("TPS") as a part of foreign trade policy was announced on August 31, 2004 w.e.f. April 01, 2004, with an objective of accelerating growth in exports. Pursuant to this scheme, Vedanta Limited ("erstwhile Sterlite Industries Ltd.") (Holding Company) had applied for TPS scrips of value of ₹ 306 Crore. However, certain retrospective amendments in this scheme were made by Directorate General of Foreign Trade ('DGFT') resulting in reduction in these scrips value by ₹ 216 Crore in which HZL had a share of ₹ 48 Crore. This was challenged by the Holding Company in the Hon'ble Supreme Court. Basis the favourable judgements from the Hon'ble Supreme Court, HZL had recognised an income of ₹ 48 Crore as an export incentive recoverable in December 2015. However, during FY 2020-21, the TPS scrips of value of ₹ 216 Crore were issued by Directorate General of Foreign Trade ('DGFT') in the name of Vedanta Limited ("Holding Company") basis which, the export incentive recoverable was reclassified to recoverable from Vedanta Limited. The Company has realised ₹ 20 Crore from Vedanta Limited on the basis of proportionate scrips utilization by Vedanta Limited and has created a provision of remaining ₹ 28 Crore considering the expiry of the utilization timeline for these scrips till February 24, 2023 and no favorable outcome of the petition filed by the Holding Company in the Hon'ble Supreme Court for extension of the utilization timeline.

28. EXCEPTIONAL ITEMS

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
One time settlement of entry tax under amnesty scheme (1)	-	134
Total	**-**	**134**

(1) During the previous year, Company had opted to settle Entry Tax matter under phase II of "Amnesty Scheme 2021" launched by Government of Rajasthan, persuant to which Company had written off balances of ₹ 113 Crore outstanding under claims and receivable (note 7) as at March 31, 2021 paid under protest for entry tax matter and paid additional ₹ 21 Crore towards settlement.

29. EARNINGS PER SHARE

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic earnings per share (₹)	24.90	22.79
Diluted earnings per share (₹)	24.90	22.79
The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:		
Profit after tax attributable to owners of the Company (in ₹ Crore)	10,520	9,630
Earnings used in the calculation of basic earnings for the year (in ₹ Crore)	10,520	9,630
Weighted average number of equity shares outstanding (number in Crore)	423	423
Nominal value per share (in ₹)	2	2

30. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a. **Contingent liabilities(1)**		
Claims against the Company not acknowledged as debts		
- Suppliers and contractors	82	98
- Ex-employees and others	3	3
- Land acquisition	3	6
- Mining cases(2)	334	334
- Government : Electricity Duty	9	9
: Road Tax	15	15
: Environmental Cess(3)	142	142
Guarantees issued by the banks	264	278
Sales tax demands	68	68
Income tax demands(5)	720	725
Excise Duty, Custom duty, Service tax and GST demand (4)	525	413

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

(1) Future cash out flows in respect of the above matters are determinable only on receipt of judgments or decisions pending at various forums. Accordingly interest and penalty where applicable will be additionally payable.

(2) The Department of Mines and Geology (DMG) of the State of Rajasthan issued several show cause notices in August, September and October 2006 to HZL, amounting to ₹ 334 Crore. These notices alleged unlawful occupation and unauthorised mining of associated minerals other than zinc and lead at HZL's Rampura Agucha, Rajpura Dariba and Zawar mines in Rajasthan during the period from July 1968 to March 2006. HZL believes that the likelihood of this claim is not probable and thus no provision has been made in the financial statements. HZL had filed writ petitions in the High Court of Rajasthan in Jodhpur and had obtained a stay in respect of these demands. The High Court restrained the Department of Mines and Geology from undertaking any coercive measures to recover the penalty. In January 2007, the High Court issued another order granting the Department of Mines and Geology additional time to file their reply and also ordered the Department of Mines and Geology not to issue any order cancelling the lease. Affidavit of the Central Government is awaited. The State Government filed for an early hearing application in the High Court. The High Court has passed an order rejecting the application stating that Central Government should file their replies.

(3) The State of Rajasthan issued a notification in June 2008 notifying the Rajasthan Environment and Health Cess Rules, 2008, imposing environment and health cess on major minerals including lead and zinc. HZL and other mine operators resisted this notification and the imposition thereunder before the High Court of Rajasthan on the ground that the imposition of such cess and all matters relating to the environment fall under the jurisdiction of the Central government as opposed to the State government. In October 2011, the High Court of Rajasthan disposed the writ petitions and held the Rajasthan Environment and Cess Rules, 2008 that impose a levy of cess on minerals, as being constitutionally valid. An amount of ₹150 per metric ton of ore produced would be attracted under the Statute if it is held to be valid. HZL challenged this order by a special leave petition in December 2011 before the Supreme Court of India. The Supreme Court of India issued a notice for stay. Further direction was issued by the Supreme Court on March 23, 2012 not to take any coercive action against HZL for recovery of cess. The aforementioned notification was rescinded via notification dated January 6, 2017, and hence no further obligation exists after that date.

(4) Various demands raised on the Company towards CENVAT, service tax and excise for FY 1991-92 to 2020-21. The Company has paid an amount of ₹ 19 Crore (March 31, 2022: ₹ 20 Crore) against these demands under protest and is confident of the liability not devolving on the Company.

(5) Tax demands have been raised mainly on account of depreciation disallowances, withholding taxes and interest thereon. Although, the Company has paid certain amounts in relation to these demands, which are pending at various levels of appeals, management considers these disallowances as not tenable against the Company, and therefore no provision for tax has been created. Also, refer note 32c(ii).

b. The Department of Mines and Geology (DMG) of the State of Rajasthan initiated the royalty assessment process from January 2008 to 2019 on certain question of law and issued a show cause notice vide an office order dated January 31, 2020 amounting to ₹ 1,925 Crore, further an additional demand was issued vide an office order dated December 14, 2020 for ₹ 311 Crore on similar questions of law. The Company has challenged (the show cause notice or/ and) computation mechanism of the royalty on the ground that the state has not complied with the previous orders of Rajasthan High court where a similar computation mechanism was challenged and court had directed DMG to reassess basis the judicial precedents and mining concession rules. Pending compliance of previous orders, High court has granted a stay on the notice and directed DMG not to take any coercive action. State Government has also been directed to not take any coercive action in order to recover such miscomputed dues. Inspite of the High court stay order, the State Government raised a revised demand of ₹ 1,423 Crore vide order dated March 16, 2022 for the same period. The Company challenged this notice before the Revisionary Authority ("RA") and also moved an application in RA against the earlier demand raised by DMG for recovery of ₹ 311 Crore. RA has granted a stay on the recovery of ₹ 1,423 Crore vide its order dated June 15, 2022, and on the recovery of ₹ 311 Crore, vide its order dated September 07, 2022 respectively. Based on the opinion of external counsel, the Company believes that it has strong grounds of a successful appeal.

c. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 1,924 Crore (March 31,2022: ₹ 1,480 Crore).

d. Other Commitments

(i) During the current year, the Company has entered into Power delivery agreement ('PDA') with Serentica Renewables India 4 Private Limited ('Serentica 4') for sourcing of 200 MW (contracted capacity) renewable power on round the clock ('RTC') basis under group captive arrangement for 25 years. Under the terms of the PDA, Company is expected to infuse equity of ₹ 350 Crore for twenty six percent in Serentica 4. During the current year, the Company has made an investment of ₹ 105 Crore in Optionally Convertible Redeemable Preference Shares ('OCRPS') and pending committed investment of ₹ 245 Crore in OCRPS to be made basis fulfilment of conditions of the PDA. These OCRPS will be converted into equity basis conversion terms of the PDA (see note 9).

Further during the current year, the Company has entered into Power delivery agreement ('PDA') with Serentica Renewables India 5 Private Limited ('Serentica 5') for sourcing of 250 MW (contracted capacity) renewable power on RTC basis under group captive arrangement for 25 years. Under the terms of the PDA, Company is expected to infuse equity of approximately ₹ 438 Crore for twenty six percent in Serentica 5. No investment has been made by the Company during the year pertaining to this.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

(ii) The Company has given Letter of Comfort and also assigned its bank limits to its wholly owned subsidiary Hindustan Zinc Alloys Private Limited ("HZAPL") primarily in respect of certain working capital needs and short-term borrowings amounting to ₹ 81 Crore (March 31, 2022: Nil)

(iii) During the current year, the Company under its Corporate Social Responsibilities ('CSR') initiative has signed a Memorandum of Understanding ('MOU') with Rajasthan Cricket Association ('RCA') for development of international cricket stadium at Jaipur (Rajasthan). As per the terms of MOU, the Company has committed to contribute ₹ 300 Crore against which ₹ 5 Crore has been contributed in the current year.

(iv) Export obligations

The Company has Nil export obligations (March 31,2022: Nil) on account of concessional rates of import duties paid on capital goods under the Export Promotion Capital Goods Scheme enacted by the Government of India (which is required to be fulfilled over the next six years from purchase). The Company has given bonds of ₹ 400 Crore (March 31, 2022: ₹ 1,705 Crore) to custom authorities against export obligations which will be released subject to verification of EODC (Export obligation discharge certificate) by the Customs department.

31. RETIREMENT AND OTHER EMPLOYEE BENEFIT SCHEMES

a. Defined contribution schemes

Family Pension Scheme

The contributions are based on a fixed percentage of the employee's salary, subject to a ceiling, as prescribed in the scheme. A sum of ₹ 5 Crore (March 31,2022: ₹ 5 Crore) has been charged to the Statement of Profit and Loss during the year. There are no further obligations on the Company.

Superannuation fund

A sum of ₹ 3 Crore (March 31,2022: ₹ 3 Crore) has been charged to the Statement of Profit and Loss in respect to contributions made to the superannuation fund. The Company has no further obligations to the plan beyond the monthly contributions.

b. Defined benefit plans

For defined benefit schemes, the cost of providing benefits under the plans is determined by actuarial valuation each year for the plan using the projected unit credit method by independent qualified actuaries as at the year end. Remeasurements in the year are recognized in full in other comprehensive income for the year.

Provident fund

The Company offers its employees, benefits under defined benefit plans in the form of provident fund scheme which covers all employees. Contributions are paid during the year into 'Hindustan Zinc Limited Employee's Contributory Provident Fund' (the 'Trust'). Both the employees and the Company pay predetermined contributions into the Trust. A sum of ₹ 28 Crore (March 31, 2022: ₹ 26 Crore) has been charged to the Statement of Profit and Loss in this respect during the year.

The Company's Trust is exempted under section 17 of Employees Provident Fund Act, 1952. The conditions for grant of exemption stipulate that the employer shall make good the deficiency, if any, between the return guaranteed by the statute and actual earning of the Trust. The Company has made good the deficiency of ₹ 17 Crore for previous year in this regard. Having regard to the assets of the Trust and the return on the investments, the Company does not expect any deficiency in the foreseeable future, except for investments in debt securities of IL&FS Limited and IL&FS Financial Services Ltd. for which necessary provisions exists.

The details of fund and plan asset position are given below:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Plan assets fair valued	1,633	1,574
Present value of benefit obligation at period end	1,644	1,591
Net Plan Assets/ (Liability)	**(11)**	**(17)**

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
% allocation of plan assets by category		
Central government securities	11%	14%
State government securities (including PSU Bond)	58%	53%
Private sector bonds, Mutual funds	31%	33%
Principal actuarial assumptions		
Financial Assumptions		
Discount rate	7.39%	7.14%
Expected statutory interest rate on the ledger balance	8.15%	8.10%
Expected short fall in interest earnings on the fund	0.05%	0.05%
Demographic Assumptions		
i) Retirement Age (years)	58	58
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
iii) Withdrawal rates		
Up to 30 years	3% - 24%	3% - 21%
From 31 to 44 years	2% - 9%	2% - 7.5%
Above 44 years	1% - 9%	1% - 3.2%

Gratuity plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, an employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The Company's defined benefit plans are funded with Life Insurance Corporation of India (LIC). The Company does not have any liberty to manage the fund provided to LIC.

The following tables set out the details of the gratuity plans and the amounts recognized in the financial statements.

Principal actuarial assumptions

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:		
Financial Assumptions		
Discount rate	7.39%	7.14%
Expected rate of increase in compensation level of covered employees	6% - 10.5%	6% - 9.5%
Demographic Assumptions		
i) Retirement Age (years)	58	58
ii) Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2012-14)
iii) Withdrawal rates		
Up to 30 years	3% - 24%	3% - 21%
From 31 to 44 years	2% - 9%	2% - 7.5%
Above 44 years	1% - 9%	1% - 3.2%
Amount recognized in the balance sheet consists of:		
Fair value of planned assets	232	243
Present value of defined benefit obligations	(239)	(243)
Net assets/ (Net unfunded liability)	**(7)**	-
% allocation of plan assets by category		
Qualified Policy from Life Insurance Corporation of India (LIC)	100%	100%

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

The movement during the year of the present value of the defined benefit obligation was as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Balance	243	261
Service cost	11	11
Benefits paid	(27)	(32)
Interest cost	17	18
Acturial (Gain)/ Loss on obligation	(5)	(15)
Closing Balance	**239**	**243**

The movement during the year in the fair value of plan assets was as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Balance	243	206
Employer Contributions	1	55
Benefits paid	(27)	(32)
Interest Income	17	14
Remeasurement Gain / (Loss) arising from return on plan assets	(2)	-
Closing Balance	**232**	**243**

Amounts recognized in Statement of Profit and Loss in respect of defined benefit plan are as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	11	11
Net Interest cost	-	4
Total charge to Statement of Profit and Loss	**11**	**15**

Amounts recognized in Other Comprehensive Income in respect of defined benefit plan are as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remeasurement (Gain)/ Loss arising from Change in Demographic Assumption	(3)	(3)
Remeasurement (Gain)/ Loss arising from Change in Financial Assumption	3	(3)
Remeasurement (Gain)/ Loss arising from Experience Adjustment	(5)	(9)
(Gain)/ Loss on plan assets	2	-
Components of defined benefit costs recognised in other comprehensive income	**(3)**	**(15)**

Expected contribution for the next annual reporting period of March 31, 2023:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Service Cost	13	12
Net Interest Cost	-	-
Expected contribution for the next annual reporting period of March 31, 2023	**13**	**12**

Sensitivity analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Impact of change in discount rate		
Increase by 0.50%	(5)	(6)
Decrease by 0.50%	5	6
Impact of change in salary increase rate		
Increase by 0.50%	5	6
Decrease by 0.50%	(5)	(6)

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

Maturity Profile of Defined Benefit Obligation

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Year:		
0 to 1 year	42	28
1 to 2 year	42	37
2 to 3 year	35	33
3 to 4 year	31	29
4 to 5 year	21	27
5 to 6 year	15	20
6 year onwards	53	69

Risk analysis

The Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

Investment risk

The Company's defined benefit plans are funded with Life Insurance Corporation of India (LIC). The Company does not have any liberty to manage the fund provided to LIC. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds for the Company's operations. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the interest rate on plan assets will increase the plan liability, however this will be partially offset by increase in the return on plan debt investment.

Longevity risk/ Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

32. INCOME TAX EXPENSES

The major components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are indicated below:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a. Tax charge recognised in Profit and Loss		
Current tax:		
Current tax on profit for the year	3,431	2,445
Total Current tax	**3,431**	**2,445**
Deferred tax:		
Reversal and origination of temporary differences	(189)	24
MAT credit asset (recognized)/ utilisation	1,601	2,079
Adjustment in respect of earlier years	(66)	(77)
Total Deferred tax	**1,346**	**2,026**
Tax expense for the year	**4,777**	**4,471**
Effective income tax rate (%)	31.23%	31.71%
b. Statement of other comprehensive income		
Deferred tax (credit)/ charge on:		
Cash flow hedges recognised during the year	34	(34)
Net Gain/ (Loss) on FVTOCI investments	(4)	-
Remeasurement of defined benefit obligation	(4)	6
Total	**26**	**(28)**

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

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax (after exceptional item)	15,297	14,101
Statutory income tax rate	34.94%	34.94%
Tax at statutory income tax rate	5,345	4,927
Disallowable expenses	41	71
Non-taxable capital gains	(50)	(57)
Tax holidays and similar exemptions	(208)	(335)
Additional depreciation under income tax reversible within tax holiday period	(3)	10
Effect of changes in tax laws (refer (i) below)	(253)	(43)
Impact of tax rate differences on capital gains	(30)	(23)
Adjustments in respect of prior years*	(65)	(79)
Total	**4,777**	**4,471**

(i) The Company has decided to opt for lower tax rate as permitted under section 115BAA of the Income Tax Act, 1961 from Financial Year 2023-24.

(ii) The tax department had raised demands on account of remeasurement of certain tax incentives, as described below, under section 80IA and 80 IC of the Income tax Act, 1961. Based on the favourable orders from Income Tax Appellate Tribunal relating to AY 2009-10 to AY 2012-13, AY 2017-18 and AY 2018-19, the Commissioner of Income Tax (Appeals) has allowed these claims for AY 14-15 to AY 15-16, which were earlier disallowed and has granted refund of amounts deposited under protest. Against the Tribunal order, department had filed an appeal before Hon'ble Rajasthan High Court in financial year 17-18 (for AY 2009-10 to AY 2012-13) which is yet to be admitted. For the AY 2017-18 and AY 2018-19, the ITAT orders were received in November 22 and we understand that department will be filing appeal before the hon'ble Rajasthan High Court as per the statutory timelines. With respect to earlier appeals filed by the department, as per the view of external legal counsel, Department's appeal seeks re-examination of facts rather than raising any substantial question of law and hence it is unlikely that appeal will be admitted by the High Court. Due to this there is a strong prima facie case that ITAT order will stand confirmed and the judgment of High Court

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

going in favour of HZL is highly probable [OR and the judgement of High Court going against HZL is unlikely] and department's appeal would be dismissed. The amount involved in this dispute as of March 31, 2023 is ₹ 12,447 Crore (March 31, 2022: ₹ 11,369 Crore) plus applicable interest upto the date of settlement of the dispute.

The Company is eligible for specified tax incentives which are included in the table above as 'tax holidays and similar exemptions'. These are briefly described as under:

Tax holiday claims for eligible units

To encourage the establishment of certain power plants, provided certain conditions are met, tax incentives exist to exempt 100% of profits and gains for any ten consecutive years within the 15 year period following commencement of the power plant's operation. The Company currently has total operational capacity of 474 Mega Watts (MW) of thermal based power generation facilities, wind power capacity of 274 MW and solar power plants of 16 MW. The tax holiday benefit with respect to 314 MW thermal based power generation facilities and 274 MW wind power capacity have expired in earlier years.

Tax incentives exist for certain infrastructure facilities to exempt 100% of profits and gains for any ten consecutive years within the 20 year period following commencement of these facilities' operation, provided certain conditions are met. The Company currently has certain eligible facilities.

However, above tax benefits would cease to exist from next year as the Company has decided to opt for new tax regime from financial year 2023-24 as per note (i) above.

*Adjustments in respect of prior years includes tax benefits of ₹ 40 Crore (March 31, 2022: ₹ 130 Crore) in respect of above infrastructure facilities.

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

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment, exploration and evaluation and intangible assets	(2,426)	(2,359)
Fair valuation of financial assets/ liabilities	(35)	(135)
Voluntary retirement scheme	14	26
Other temporary differences	133	249
MAT credit entitlement	-	1,277
Deferred Tax (Liabilities) (net)	**(2,314)**	**(942)**

Deferred tax charge of ₹ 1,372 Crore (March 2022: ₹ 1,998 Crore) is recorded as below:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Through Other Comprehensive Income		
Cash flow hedges recognised during the year	34	(34)
Net Gain/ (Loss) on FVTOCI investments	(4)	-
Remeasurements of defined benefit obligations	(4)	6
	26	**(28)**
Through Profit and Loss		
Property, plant and equipment, exploration and evaluation and intangible assets	67	154
Fair valuation of financial assets/ liabilities	(100)	(113)
Voluntary retirement scheme	12	11
Other temporary differences	90	(26)
MAT credit entitlement	1,277	2,000
	1,346	**2,026**
Total	**1,372**	**1,998**

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

33. LEASES

(a) Following are the amounts recognised in Statement of Profit & Loss account:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Depreciation expense for right-of-use assets	17	8
b) Interest expense on lease liabilities	4	3
c) Expense relating to short-term leases	1	1
Total amount recognised	**22**	**12**

(b) The movement in lease liabilities is as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Opening balance	21	24
b) Additions	32	1
c) Interest accrued	4	3
d) Repayments (Principal & interest)	(17)	(7)
Closing balance	**40**	**21**

(c) Lease liabilities carry an effective interest rate of 5.03% & 23.25%.

(d) The maturity analysis of lease liabilities is disclosed in note 35.

34. CORPORATE SOCIAL RESPONSIBILITY EXPENSES

(a) The Company is required to spend a gross amount of ₹ 214 Crore and ₹ 187 Crore for the year ended March 31, 2023 and March 31, 2022 respectively.

(₹ in Crore)

Particulars	For the year ended March 31, 2023		
	In Cash	Yet to be paid in Cash	Total
i) Amount required to be spent by the Company during the year	214	-	214
ii) Amount approved by the Board to be spent during the year	286	-	286
iii) Amount spent during the year on:			
- Construction/ acquisition of any assets	-	-	-
- On purposes other than (i) above[1][2]	230	46	276
iv) Nature of CSR activities	Community upliftment through Education, Sustainable Livelihoods, Women Empowerment, Health & Water, Sports & Culture, Environment and Community Assets Creation.		
v) Details of related party transactions, e.g., contribution to a section 8 company controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	6	-	6
vi) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	NA	NA	NA

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

(₹ in Crore)

Particulars	For the year ended March 31, 2022		
	In Cash	Yet to be paid in Cash	Total
i) Amount required to be spent by the Company during the year	187	-	187
ii) Amount approved by the Board to be spent during the year	191	-	191
iii) Amount spent during the year on:			
- Construction/ acquisition of any assets	-	-	-
- On purposes other than (i) above[(1)]	152	39	191
iv) Nature of CSR activities	Community upliftment through Education, Sustainable Livelihoods, Women Empowerment, Health & Water, Sports & Culture, Environment and Community Assets Creation.		
v) Details of related party transactions, e.g., contribution to a section 8 company controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard		NA	NA
vi) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year		NA	NA

(1) Includes depreciation on the sewage treatment plant (STP) and related assets of Nil (March 31, 2022: ₹ 1 Crore), amortisation expenditure on right to use the water of STP is Nil (March 31, 2022: ₹ 6 Crore), employee benefit expenses of ₹ 19 Crore (March 31, 2022 ₹ 19 Crore) and other expenses on running the STP of ₹ 8 Crore (March 31, 2022: ₹ 11 Crore).

(2) Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company, during the current year, has transferred its CSR assets after obtaining regulatory approvals, having carrying value of ₹ 117 Crore as on the date of transfer, at nominal consideration to Zinc India Foundation (wholly owned subsidiary), incorporated during the current year under Section 8 of the Companies Act, 2013. The carrying value of these assets has been included as CSR expense in the financial statements owing to such transfer.

(b) The Company has an excess CSR spent of ₹ 51 Crore (March 31, 2022: ₹ 4 Crore) which it proposes to offset against future obligations and has recognised the same as an asset in the balance sheet.

(₹ in Crore)

In case of Section 135(5) of Companies Act, 2013				
Particulars	CSR spent during the year			
	Opening Balance	Required to be spent	Actual spent (Net of opening excess spent and other adjustments)	Closing balance
For the year ended March 31, 2023	4	214	261	51
For the year ended March 31, 2022	18	187	173	4

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

35. FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 and note 3.

Financial assets and liabilities:

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

(₹ in Crore)

Particulars	Fair Value through profit and loss	Fair Value through other comprehensive income	Amortized Cost	Total carrying value	Total fair value
As at March 31, 2023					
Financial assets					
Cash and cash equivalents	-	-	59	59	59
Other bank balances	-	-	1,353	1,353	1,353
Investments	5,716	4,391	-	10,107	10,107
Trade receivables	90	-	290	380	380
Other Current financial assets and loans	32	-	118	150	150
Other Non-current financial assets and loans	-	-	173	173	173
Total	**5,838**	**4,391**	**1,993**	**12,222**	**12,222**
Financial liabilities					
Borrowings	-	-	11,841	11,841	11,816
Lease liabilities	-	-	40	40	40
Trade payables	-	-	2,086	2,086	2,086
Operational buyers' credit/ suppliers' credit	-	-	307	307	307
Other Current financial liabilities	-	-	2,402	2,402	2,402
Total	**-**	**-**	**16,676**	**16,676**	**16,651**
As at March 31, 2022					
Financial assets					
Cash and cash equivalents	-	-	1,592	1,592	1,592
Other bank balances	-	-	4,171	4,171	4,171
Investments	15,052	-	-	15,052	15,052
Trade receivables	180	-	536	716	716
Other Current financial assets and loans	1	-	35	36	36
Other Non-current financial assets and loans	-	-	58	58	58
Total	**15,233**	**-**	**6,392**	**21,625**	**21,625**
Financial liabilities					
Borrowings	-	-	2,823	2,823	2,833
Lease liabilities	-	-	21	21	21
Trade payables	-	-	2,038	2,038	2,038
Operational buyers' credit/ suppliers' credit	-	-	280	280	280
Other Current financial liabilities	49	98	1,754	1,901	1,901
Total	**49**	**98**	**6,916**	**7,063**	**7,073**

The management assessed that Cash and cash equivalents, Other bank balances, Trade receivables, Trade payables, Short term borrowings, Lease liabilities, Operational buyer’s credit, Other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

Fair value of the current instrument in bonds and zero coupon bonds are based on the price quotations at the reporting date. Fair value of current investments that are in the nature of 'close ended' mutual funds are based on market observable inputs i.e. NAV provided by mutual fund houses [a level 2 technique].

Fair value of current investments that are in the nature of 'open ended' mutual funds are derived from quoted market prices in active markets [a level 1 technique].

Fair value of non current investments that are in the nature of 'Investment in OCRPS' are derived from Net Asset Value method [a level 3 technique].

The fair value of other non current financial assets and liabilities are estimated by discounting the expected future cash flows using a discount rate equivalent to the risk free rate of return adjusted for the appropriate credit spread.

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Forward foreign currency contracts are valued using valuation technique with market observable inputs. The most frequently applied valuation techniques for such derivatives include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency (a level 2 technique). Commodity contracts are valued using the forward LME rates of commodities actively traded on the listed metal exchange i.e. London Metal Exchange, United Kingdom (U.K.) [a level 2 technique]. The changes in counterparty risk had no material effect on the hedge effectiveness assessment for the derivatives designated in hedge relationship and the value of the other financial instrument recognised at fair value.

Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by measurement hierarchy. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Quantitative disclosures on fair value measurement hierarchy:

(₹ in Crore)

Particulars	Level-1	Level-2	Level-3
As at March 31, 2023			
Financial Assets			
At fair value through profit and loss			
Investments	1,777	3,834	105
Derivatives financial assets*			
Forward foreign currency contracts	-	16	-
Commodity contracts	-	16	-
Trade receivables	-	90	-
At fair value through other comprehensive income			
Investments	-	4,391	-
Total	**1,777**	**8,347**	**105**
Financial Liabilities			
At fair value through profit and loss			
Derivatives financial liabilities*			
Forward foreign currency contracts	-	-	-
Commodity contracts	-	-	-

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

(₹ in Crore)

Particulars	Level-1	Level-2	Level-3
Derivatives designated as hedging instruments			
Derivatives financial liabilities*			
Commodity contracts	-	-	-
Total	**-**	**-**	**-**
As at March 31, 2022			
Financial Assets			
At fair value through profit and loss			
Investments	5,119	9,933	-
Derivatives financial assets*			
Forward foreign currency contracts	-	-	-
Commodity contracts	-	1	-
Trade receivables	-	180	-
Total	**5,119**	**10,114**	**-**
Financial Liabilities			
At fair value through profit and loss			
Derivatives financial liabilities*			
Forward foreign currency contracts	-	41	-
Commodity contracts	-	8	-
Derivatives designated as hedging instruments			
Derivatives financial liabilities*			
Commodity contracts	-	98	-
Total	**-**	**147**	**-**

* Refer section - "Derivative financial instruments"

The below table summarises the fair value of borrowings which are carried at amortised cost as at March 31, 2023 and March 31, 2022:

(₹ in Crore)

Financial Liabilities	Level-1	Level-2	Level-3
As at March 31, 2023			
Borrowings	-	11,816	-
Total	**-**	**11,816**	**-**
As at March 31, 2022			
Borrowings	-	2,833	-
Total	**-**	**2,833**	**-**

There were no transfers between level 1, level 2 and level 3 during the year.

Risk management framework

Risk management

The Company's businesses are subject to several risks and uncertainties including financial risks. The Company's documented risk management polices act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, commodity price risk, foreign exchange risk, interest rate risk, counterparty and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Company's Audit Committee. The Audit Committee is aided by the Risk Management Committee, which meets regularly to review risks as well as the progress against the planned actions. Key business decisions are discussed at the periodic meetings of the Executive Committee. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Company's risk situation
- improve financial returns

Treasury management

The Company's treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury policies are approved by the Board and adherence to these policies is strictly monitored at the Executive Committee meetings. Day-to-day treasury operations of the Company are managed by the finance team within the framework of the overall Company's treasury policies. A monthly reporting system exists to inform senior management about investments, currency and, commodity derivatives. The Company has a strong system of internal control which enables effective monitoring of adherence to Company's policies. The internal control measures are effectively supplemented by regular internal audits.

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury and commodity risks. Both treasury and commodities derivative transactions are normally in the form of forwards and these are subject to the Company's guidelines and policies.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, currency risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions, and the non-financial assets and liabilities of foreign operations.

Commodity price risk

The Company is exposed to the movement of base metal commodity prices on the London Metal Exchange. Any decline in the prices of the base metals that the Company produces and sells will have an immediate and direct impact on the profitability of the businesses. As a general policy, the Company aims to achieve the monthly average of the commodity prices for sales realization. In exceptional circumstances, the Company may enter into strategic hedging. Hedging is used primarily as a risk management tool and, in some cases, to secure future cash flows in cases of high volatility by entering into forward contracts or similar instruments. The hedging activities are subject to strict limits set out by the Board and to a strictly defined internal control and monitoring mechanism. Decisions relating to hedging of commodities are taken at the Executive Committee level and with clearly laid down guidelines for their implementation by the Company.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

Whilst the Company aims to achieve average LME prices for a month or a year, average realized prices may not necessarily reflect the LME price movements because of a variety of reasons such as uneven sales during the year and timing of shipments.

Financial instruments with commodity price risk are entered into in relation to following activities:

- economic hedging of prices realized on commodity contracts.
- cash flow hedging on account of forecasted highly probable transactions.

The sales prices of zinc and lead are linked to the LME prices. The Company also enters into hedging arrangements for its Zinc and Lead sales to realize month of sale LME prices.

Total exposure on provisionally priced Zinc, Lead & Silver contracts as at March 31, 2023 were ₹ 837 Crore (March 31, 2022: ₹ 426 Crore), ₹ 110 Crore (March 31, 2022: ₹ 44 Crore) and Nil (March 31, 2022: Nil) respectively. The impact on net profits for a 10% movement in LME prices of zinc, 5% movement in LME price of lead and 5% movement in LBMA price of silver that were provisionally priced as at March 31, 2023 is ₹ 84 Crore, ₹ 6 Crore and Nil respectively and as at March 31, 2022 is ₹ 43 Crore, ₹ 2 Crore and Nil respectively.

Financial risk

The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimize interest and commodity pricing through proven financial instruments.

a. Liquidity risk

The Company requires funds both for short-term operational needs as well as for long-term investment programme mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term.

The Company has been rated as 'AAA'/ Stable for long term and A1+ for short term by CRISIL Limited during the current and previous financial years.

The Company remains committed to maintaining a healthy liquidity, gearing ratio and strengthening the balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

(₹ in Crore)

Payment due by years	<1 year	1-3 years	3-5 years	> 5 years	Total
As at March 31, 2023					
Trade and other payables	4,721	0	-	-	4,721
Lease liabilities	21	18	-	1	40
Derivative financial liabilities	-	-	-	-	-
Borrowings*	10,849	1,598	-	-	12,447
Total	**15,591**	**1,616**	**-**	**1**	**17,208**
As at March 31, 2022					
Trade and other payables	3,996	0	-	-	3,996
Lease liabilities	15	5	0	1	21
Derivative financial liabilities	147	-	-	-	147
Borrowings*	863	2,224	-	-	3,087
Total	**5,021**	**2,229**	**0**	**1**	**7,251**

*Includes non-current borrowings, current borrowings, current maturities of non-current borrowings, committed interest payments on borrowings and interest accrued on borrowings.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

The Company had access to following funding facilities.

(₹ in Crore)

Funding facility	Total facility	Drawn	Undrawn
As at March 31, 2023			
Less than 1 year	11,776	9,024	2,752
More than 1 year	-	-	-
Total	**11,776**	**9,024**	**2,752**
As at March 31, 2022			
Less than 1 year	9,266	4,772	4,494
More than 1 year	-	-	-
Total	**9,266**	**4,772**	**4,494**

b. **Foreign exchange risk**

Fluctuations in foreign currency exchange rates may have an impact on the Statement of Profit and Loss, where any transaction references more than one currency other than the functional currency of the Company.

The Company uses forward exchange contracts, to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies denominated in foreign currency. The Company is also exposed to foreign exchange risk on its exports. Most of these transactions are denominated in US dollars. The policy of the Company is to determine on a regular basis what portion of the foreign exchange risk on financing transactions are to be hedged through forward exchange contracts and other instruments. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted for project expenditures to avoid budget overruns. Longer term exposures, are normally unhedged. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. The following analysis is based on the gross exposure as at the reporting date which could affect the Statement of Profit and Loss. The below table summarises the foreign currency risk from financial instrument and is partly mitigated by some of the derivative contracts entered into by the Company as disclosed under the section on “Derivative financial instruments.”

The carrying amount of the Company’s financial assets and liabilities in different currencies is as follows:

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
Currency exposure	**Financial Asset**	**Financial Liability**	**Financial Asset**	**Financial Liability**
US Dollar	251	395	350	358
Euro	-	634	-	330
Australian Dollar	-	4	-	2
SEK	-	14	-	6
Others	-	2	-	2

The Company’s exposure to foreign currency arises where a Company holds monetary assets and liabilities denominated in a currency different to the functional currency of the Company, with US dollar and Euro being the major non-functional currency. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, liquidity and other market changes.

The results of Company operations may be affected largely by fluctuations in the exchange rates between the Indian Rupee, against the US dollar and Euro. The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rate shift in the currencies by 10% against the functional currency of the respective entities.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

Set out below is the impact of a 10% strengthening/ weakening in the INR on pre-tax profit/ (loss) arising as a result of the revaluation of the Company's foreign currency financial assets/ liabilities:

(₹ in Crore)

Particulars	Total exposure		Effect of 10% strengthening/ weakening of INR on pre-tax profit/ (loss)	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
US Dollar	144	8	14	1
Euro	634	330	63	33
Australian Dollar	4	2	0	0
SEK	14	6	1	1
Others	2	2	0	0

c. **Interest rate risk**

Floating rate financial assets are largely mutual fund investments which have debt securities as underlying assets. The returns from these financial assets are linked to market interest rate movements; however the counterparty invests in the agreed securities with known maturity tenure and return and hence has manageable risk.

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

(₹ in Crore)

Particulars	Total	Floating rate	Fixed rate	Non-interest bearing
As at March 31, 2023				
Financials assets	12,222	1,981	8,340	1,901
Financial liabilities	16,676	4,000	8,188	4,488
As at March 31, 2022				
Financials assets	21,625	6,315	14,452	858
Financial liabilities	7,063	-	3,124	3,939

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rate. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term and long term debt obligations.

Considering the net debt position as at March 31, 2023 and the investment in bonds and debt mutual funds, any increase in interest rates would result in a net decrease in profits and any decrease in interest rates would result in a net increase in profits. The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date.

The below analysis gives the impact of a 0.5% to 2.0% change in interest rates on floating rate financial assets/ liabilities (net) on profit/ (loss) and equity and represents management's assessment of the possible change in interest rates.

The impact of change (increase/ (decrease)) in interest rate of 0.5%, 1.0% and 2.0% on profits for the period ended March 31, 2023 is ₹ 10 Crore, ₹ 20 Crore and ₹ 40 Crore and for year ended March 31, 2022 is ₹ 32 Crore, ₹ 63 Crore and ₹ 126 Crore respectively.

d. **Counterparty and concentration of credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company is exposed to credit risk for receivables, cash and cash equivalents, short-term investments and derivative financial instruments. Credit risk on receivables is limited as almost all credit sales are against letters of credit and guarantees of banks of good financial repute.

Moreover, given the nature of the Company's business, trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of revenue on a % basis in current year

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

(previous year: None). The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties.

For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by international credit-rating agencies. Defined limits are in place for exposure to individual counterparties in case of mutual funds schemes and bonds.

The carrying value of the financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk as at March 31, 2023 and March 31, 2022 are ₹ 12,222 Crore and ₹ 21,625 Crore respectively.

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade and other receivables, and other non-current assets, there were no indications as at March 31, 2023, that defaults in payment obligations will occur.

Of the year end trade receivables, loans and other financial assets (excluding derivatives), following balances were past due but not impaired as at March 31, 2023 and March 31, 2022:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Neither impaired nor past due	591	650
Past due but not impaired		
Less than 1 month	64	100
Between 1-3 months	2	14
Between 3-12 months	9	35
Greater than 12 months	5	11
Total	**671**	**810**

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

The credit quality of the Company's customers is monitored on an on-going basis and assessed for impairment where indicators of such impairment exist. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Company actively seeks to recover the amounts in question and enforce compliance with credit terms.

Derivative financial instruments

The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury and commodity risks. Both treasury and commodities derivative transactions are normally in the form of forward contracts and these are subject to the Company guidelines and policies.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value based on quotations obtained from financial institutions or brokers. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current assets and liabilities/ reserves. Derivatives that are designated as hedges are classified as current depending on the maturity of the derivative.

The use of derivatives can give rise to credit and market risk. The Company tries to manage credit risk by entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

Embedded derivatives

Derivatives embedded in other financial instruments or other contracts are treated as separate derivative contracts and marked-to-market when their risks and characteristics are not clearly and closely related to those of their host contracts and the host contracts are not fair valued.

Cash flow hedges

The Company also enters into commodity price contracts for hedging highly probable future forecast transaction and account for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognized in equity through OCI until the hedged transaction occurs, at which time, the respective gains or losses are reclassified to the Statement of Profit and Loss.

There is an economic relationship between the hedged items and the hedging instruments. The Company has established a hedge ratio of 1:1 for the hedging relationships. To test the hedge effectiveness, the Company uses the hypothetical derivative method and Dollar offset method.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments.
- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments.
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items.
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

These hedges have been effective for the year ended March 31, 2023.

Fair value hedges

The fair value hedges relate to commodity price risks and foreign currency exposure. The Company's sales are on a quotational period basis, generally one month to three months after the date of delivery at a customer's facility. The Company enters into forward contracts for the respective quotational period to hedge its commodity price risk based on average LME prices. Gains and losses on these hedge transactions are substantially offset by the amount of gains or losses on the underlying sales. There were no fair value hedges for the period ended March 31, 2023.

Non-qualifying/ economic hedges

Non-qualifying hedges related to commodity price risks and foreign currency exposure. The Company enters into forward foreign currency contracts and commodity contracts (for the period ended March 31, 2023) which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Fair value changes on such forward contracts are recognized in the Statement of Profit and Loss.

The fair value of the Company's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows:

(₹ in Crore)

Derivative financial instruments	As at March 31, 2023		As at March 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Current				
Cash flow hedges*				
Commodity contracts	-	-	-	98
Non - qualifying hedges				
Commodity contracts	16	-	1	8
Forward foreign currency contracts	16	-	-	41
Total	**32**	**-**	**1**	**147**

*Refer Statement of Profit and Loss and Statement of Changes in Equity for the change in the fair value of cash flow hedges.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

Disclosures of effects of Cash Flow Hedge Accounting:

Hedging instruments

The Company is holding the following commodity forward contracts:

	Maturity					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
At March 31, 2023						
Zinc						
Notional qty (in tonnes)	-	-	-	-	-	-
Notional amount (in ₹ Crore)	-	-	-	-	-	-
Average hedged rate (in $ per tonne)	-	-	-	-	-	
At March 31, 2022						
Zinc						
Notional qty (in tonnes)	6,025	54,625	55,500	4,275	1,500	121,925
Notional amount (in ₹ Crore)	188	1,697	1,686	127	44	3,742
Average hedged rate (in $ per tonne)	4,118	4,109	4,019	3,943	3,845	

The impact of the hedging instruments on the Balance Sheet is as under:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Commodity forward contracts		
Notional amount (in ₹ Crore)	-	3,742
Carrying amount (in ₹ Crore)	-	98
Line item in the Balance Sheet that's includes Hedging Instruments	Other Current Financial Assets	Other Current Financial Liabilities
Change in fair value used for measuring ineffectiveness for the period - Gain/ (Loss)	98	(98)

Hedge Items

The impact of the Hedged Items on the Balance Sheet is as follows:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Highly probable forecast sales		
Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax)	-	(64)
Change in value of the hedged items used for measuring ineffectiveness for the period	98	(98)

The effect of the cash flow hedge in the Statement of Profit and Loss and Other Comprehensive Income is as follows:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Commodity forward contracts		
Cash flow Hedge Reserve at the beginning of the year	(64)	-
Total Hedging Gain/ (Loss) recognised in OCI	979	(98)
Income tax on above	(342)	34
Ineffectiveness recognised in profit or loss	-	-
Line item in the Statement of Profit and Loss that includes the recognised ineffectiveness	NA	NA
Amount reclassified from OCI to profit or loss	(881)	-
Income tax on above	308	-
Cash flow Hedge Reserve at the end of the year	-	(64)
Line item in the Statement of Profit and Loss that includes the reclassification adjustments	Revenue from Operations	Revenue from Operations

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

Disclosures of Non qualifying Hedge:

A. The following are the outstanding forward exchange contracts entered into by the Company and outstanding as at year end

(In Crore)

Currency	Foreign currency	Indian Rupees	Buy/ Sell	Cross Currency
As at March 31, 2023				
USD	1	88	Buy	INR
EUR	0	18	Buy	INR
GBP	0	0	Buy	INR
EUR	8	720	Buy	USD
SEK	2	14	Buy	USD
JPY	13	8	Buy	USD
AUD	0	14	Buy	USD
GBP	0	6	Buy	USD

(In Crore)

Currency	Foreign currency	Indian Rupees	Buy/ Sell	Cross Currency
As at March 31, 2023				
USD	3	233	Buy	INR
EUR	0	10	Buy	INR
GBP	0	3	Buy	INR
EUR	9	733	Buy	USD
SEK	4	34	Buy	USD
JPY	10	6	Buy	USD
AUD	0	13	Buy	USD
GBP	0	19	Buy	USD

B. The following are the outstanding position of commodity hedging open contracts as at March 31, 2023:-

Zinc forwards/ futures (sale)/ buy for (30,237) MT (2022: (13,727) MT)

Lead forwards/ futures (sale)/ buy for (9,192) MT (2022: (324) MT)

Silver forwards/ futures (sale)/ buy for Nil Oz (2022: Nil Oz)

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

D. Unhedged foreign currency exposure

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Debtors	251	350
Creditors	345	179

36. CAPITAL MANAGEMENT

The Company's objectives when managing capital is to safeguard, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of internal accruals, equity and short term borrowings. The Company monitors capital on the basis of gearing ratio, which is net debt divided by total capital (equity + net debt). Net debt are non-current and current debt as reduced by cash and cash equivalents, other bank balances, current investments and certain non current investments. Equity comprises all components including other components of equity. The Company is not subject to any externally imposed capital requirement.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents (see note 11)	59	1,592
Other Bank balances[1] (see note 12)	0	4,145
Current investments (see note 9)	9,850	15,052
Non Current investments[2] (see note 9)	152	-
Total cash (a)	**10,061**	**20,789**
Non Current borrowings (see note 15)	1,500	2,111
Current borrowings (see note 15)	10,341	712
Total debt (b)	**11,841**	**2,823**
Net debt (c = (b-a))	1,780	-
Equity (d) (see Statement of changes in Equity)	**12,942**	**34,282**
Total Capital (e = equity + net debt)	**14,722**	**34,282**
Gearing ratio (times) (c/ e)	**0.12**	**-**

(1) The Company has included other bank balances as part of total cash. The same are excluding balances pertaining to earmarked unpaid dividend accounts.

(2) excluding investment in subsidiaries, JV and preference shares.

37. RELATED PARTY

a. List of related parties:

Particulars

(i) Holding Companies:

Vedanta Limited (Immediate Holding Company)
Vedanta Resources Limited (Intermediate Holding Company)
Volcan Investments Limited (Ultimate Holding Company)

(ii) Subsidiaries:

Hindustan Zinc Alloys Private Limited (wholly owned subsidiary)
Vedanta Zinc Football & Sports Foundation (Section 8 company) (wholly owned subsidiary)
Zinc India Foundation (Section 8 company) (wholly owned subsidiary incorporated on August 05, 2022)
Hindustan Zinc Fertilisers Private limited (wholly owned subsidiary incorporated on September 07, 2022)

(iii) Fellow Subsidiaries (with whom transactions have taken place):

Bharat Aluminium Company Limited
Sterlite Power Transmission Limited
Talwandi Sabo Power Limited
ESL Steel Limited
Malco Energy Limited
Fujairah Gold FZC
Black Mountain Mining (Pty) Limited
Namzinc (Pty) Limited
Vizag General Cargo Berth Private Limited
Ferro Alloys Corporation Limited
Serentica Renewables India 5 Private Limited
Serentica Renewables India 4 Private Limited
STL Digital Limited

(iv) Related Party having a Significant Influence

Government of India - President of India

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

(v) **Other related party**

Vedanta Foundation
Madanpur South Coal Company Limited (jointly controlled entity)
Minova Runaya Private Limited
Hindustan Zinc Limited Employee's Contributory Provident Fund Trust
Hindustan Zinc Limited Employee's Group Gratuity Trust
Hindustan Zinc Limited Superannuation Trust

b. Transactions with Key management Personnel:

Compensation of key management personnel of the Company recognised as expense during the reporting period

(₹ in Crore)

Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits [1]	13	9
Sitting fee and commission to directors	2	1
Total compensation paid to key management personnel	**15**	**10**

(1) Excludes gratuity and compensated absences as these are recorded in the books of accounts on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined.

There are no outstanding debts or loans due from directors or other officers (as defined under Section 2(59) of the Companies Act, 2013) of the Company.

c. Transactions with Government having significant influence:

Central government of India holds 29.54% shares in HZL. During the year, Company has availed incentives in the form of export incentive under Export promotion and credit guarantee scheme announced by the Government of India. Also, HZL has transactions with other government related entities (public sector undertakings) including but not limited to sales and purchase of goods and ancillary materials, rendering and receiving services and use of public utilities.

d. Transactions with Related Parties:

The details of the related party transactions entered into by the Company, for the period ended March 31, 2023 and March 31, 2022 are as follows:

(₹ in Crore)

Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Goods		
Fujairah Gold FZC	46	39
Vedanta Limited	0	0
Total	**46**	**39**
Purchase of Goods		
Vedanta Limited	33	40
Bharat Aluminium Company Limited	42	51
Minova Runaya Private Limited	218	116
Malco Energy Limited	255	42
Namzinc (Pty) Limited	-	0
Total	**548**	**249**
Purchase of IT services		
STL Digital Limited	3	-
Total	**3**	**-**
Purchase of property, plant and equipment		
Vedanta Limited	0	0
Fellow Subsidiaries	0	-
Total	**0**	**0**

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

(₹ in Crore)

Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of property, plant and equipment		
Vedanta Limited	0	0
Talwandi Sabo Power Limited	0	1
Hindustan Zinc Alloys Private Limited	2	-
Total	**2**	**1**
Strategic services and Brand fees		
Vedanta Limited	343	-
Total	**343**	**-**
Interest on Loan given		
Hindustan Zinc Alloys Private Limited	(3)	-
Total	**(3)**	**-**
Other Expenses and other reimbursements		
Vedanta Limited	70	117
Fellow Subsidiaries	(1)	(2)
Wholly Owned Subsidiaries	(6)	(0)
Total	**63**	**115**
Dividend		
Vedanta Limited	20,711	4,938
Government of India	9,422	2,246
Total	**30,133**	**7,184**
Donations		
Vedanta Zinc Football & Sports Foundation	6	-
Total	**6**	**-**
Investments made		
Serentica Renewables India 4 Private Limited (refer note 30(d)(i))	105	-
Wholly Owned Subsidiaries	0	0
Total	**105**	**0**
Loan Given		
Hindustan Zinc Alloys Private Limited	111	-
Total	**111**	**-**
Transfer of CSR Assets		
Zinc India Foundation (see note 5(1))	0	-
Total	**0**	**-**
Letter of Comfort/ Bank Limits assigned		
Hindustan Zinc Alloys Private Limited (refer note 30(d)(ii))	81	-
Total	**81**	**-**
Other commitments		
Serentica Renewables India 4 Private Limited (refer note 30(d)(i))	245	-
Serentica Renewables India 5 Private Limited (refer note 30(d)(i))	438	-
Total	**683**	**-**
Contribution to:		
Hindustan Zinc Limited Employee's Contributory Provident Fund Trust	50	31
Hindustan Zinc Limited Employee's Group Gratuity Trust	-	55
Hindustan Zinc Limited Superannuation Trust	3	3
Total	**53**	**89**

All the transactions entered by the Company with the related parties are at arm's length price.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

e. The balances receivable/ payable as at year end:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Receivable From		
Vedanta Limited*	0	31
Fujairah Gold FZC	12	19
Bharat Aluminium Company Limited	0	-
Black Mountain Mining (PTY) Limited	0	1
Hindustan Zinc Alloys Private Limited - loans receivable	111	0
Hindustan Zinc Alloys Private Limited - interest receivable	3	-
Hindustan Zinc Alloys Private Limited - Other receivable	1	-
Hindustan Zinc Alloys Private Limited - Letter of Comfort/ Bank Limits assigned	81	-
Vedanta Zinc Football & Sports Foundation	0	0
Zinc India Foundation	3	-
Total	**213**	**51**

*Target plus scheme ("TPS") as a part of foreign trade policy was announced on August 31, 2004 w.e.f. April 01, 2004, with an objective of accelerating growth in exports. Pursuant to this scheme, Vedanta Limited ("erstwhile Sterlite Industries Ltd.") (Holding Company) had applied for TPS scrips of value of ₹ 306 Crore. However, certain retrospective amendments in this scheme were made by Directorate General of Foreign Trade ('DGFT') resulting in reduction in these scrips value by ₹ 216 Crore in which HZL had a share of ₹ 48 Crore. This was challenged by the Holding Company in the Hon'ble Supreme Court. Basis the favourable judgements from the Hon'ble Supreme Court, HZL had recognised an income of ₹ 48 Crore as an export incentive recoverable in December 2015. However, during FY 2020-21, the TPS scrips of value of ₹ 216 Crore were issued by Directorate General of Foreign Trade ('DGFT') in the name of Vedanta Limited ("Holding Company") basis which, the export incentive recoverable was reclassified to recoverable from Vedanta Limited. The Company has realised ₹ 20 Crore from Vedanta Limited on the basis of proportionate scrips utilization by Vedanta Limited and has created a provision of remaining ₹ 28 Crore considering the expiry of the utilization timeline for these scrips till February 24, 2023 and no favorable outcome of the petition filed by the Holding Company in the Hon'ble Supreme Court for extension of the utilization timeline (see note 27(4)).

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Payable To		
Bharat Aluminium Company Limited	-	2
Vedanta Limited	20	37
Minova Runaya Private Limited	12	11
Malco Energy Limited	6	31
ESL Steel Limited	0	-
Sterlite Power Transmission Limited	0	0
Talwandi Sabo Power Limited	-	0
Hindustan Zinc Limited Employee's Contributory Provident Fund Trust	8	8
Hindustan Zinc Limited Employee's Group Gratuity Trust	7	0
Hindustan Zinc Limited Superannuation Trust	-	0
Sitting fee and commission to directors	1	1
Total	**55**	**90**

e. Terms and conditions of related party transactions:

The transactions from related parties are assessed to be at arm's length by the management. Outstanding balances at the year-end are unsecured and interest free, except for loans given to subsidiary company, and settlement occurs in cash.

Loan to Hindustan Zinc Alloys Private Limited (wholly owned subsidiary company) is towards funding of its capital expenditure. The total sanctioned limit of the loan is ₹ 191.90 Crore at a floating rate of interest of 6.25% p.a linked with Repo rate (benchmarked) which shall be reset every 3 months.

Company usually pays strategic services and brand fees in advance at the beginning of the year, based on its estimated annual turnover.

There have been no other guarantees/ letter of comfort provided or received from/ to any related party receivables or payables except as disclosed in note (d) above.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

38. RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance[1]
Current ratio[2]	Current Assets	Current Liabilities (excluding current maturities of long term borrowing) [2]	0.97	4.45	(78%)
Debt- Equity Ratio	Debt [Debt is long term borrowing (current & non current portion) and Short Term Borrowing]	Shareholder's Equity	0.91	0.08	1044%
Debt Service Coverage ratio	Earning before Interest, Tax, Depreciation & Amortisation (EBITDA) and exceptional items	Interest expense on long term and short term borrowing during the period + Scheduled principal repayment of long term borrowing during the year	17.65	6.64	166%
Return on Equity ratio	Net Profit after tax (PAT) before exceptional items (net of tax)	Average Shareholder's Equity	45%	29%	53%
Inventory Turnover ratio	Revenue from operations - Earning before Interest, Tax, Depreciation & Amortisation (EBITDA) and exceptional items	Average Inventory	8.65	7.79	11%
Trade Receivable Turnover Ratio	Revenue from operations (including Other operating income)	Average Trade Receivable	62.22	52.48	19%
Trade Payable Turnover Ratio	Total Purchases	Average Trade Payables	7.96	7.64	4%
Net Capital Turnover Ratio	Revenue from operations (including Other operating income)	Working capital = Current assets – Current liabilities excluding current maturities of long term borrowing	**	1.71	-
Net Profit ratio	Net Profit after tax (PAT) before exceptional items (net of tax)	Revenue from operations (including Other operating income)	31%	33%	(7%)
Return on Capital Employed	Earnings before interest and taxes (EBIT)	Average Capital Employed Capital Employed = Net Worth + Total Debt [Debt is long term borrowing (current & non current portion) and Short Term Borrowing]	46%	35%	33%
Return on Investment	Income on investments (including interest income on Bank deposits with original maturity of more than 12 months)	Average Investments (including Bank deposits with original maturity of more than 12 months)	7%	5%	45%

**Net working capital is negative

[1] Reason for Variance more than 25%

1. **Current Ratio:** Current ratio is lower mainly on account of higher short term borrowing taken during the year and lower investments and cash & bank balances.
2. **Debt- Equity Ratio:** Debt Equity ratio is higher mainly on account of higher borrowings and lower shareholder's equity (due to higher dividend payment during the year).
3. **Debt Service Coverage ratio:** Debt Service Coverage ratio is higher mainly on account of lower repayment of long term borrowing during the year, partially offsetted by lower EBITDA.
4. **Return on Equity ratio:** Return on Equity ratio is higher mainly on account higher PAT and lower average shareholder's equity (due to higher dividend payment during the year).
5. **Return on Capital Employed**: Return on Capital Employed ratio is higher mainly on account higher EBIT and average lower shareholder's equity (due to higher dividend payment during the year) partially offset by higher average borrowings during the year.
6. **Return on Investment:** Return on Investment ratio is higher mainly on account lower average investments

[2] Current maturities of long term borrowings have been excluded from current liabilities from current year, as the same are long term in nature. Accordingly ratio for previous year has been modified.

Notes Forming Part of the Financial Statements

as at and for the year ended March 31, 2023

39. LOANS AND ADVANCE(S) IN THE NATURE OF LOAN (REGULATIONS 34 (3) AND 53 (F) READ TOGETHER WITH PARA A OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS, 2015)

a) Subsidiaries

Name of the Company	Relationship	Maximum Amount Outstanding during the year	As at March 31, 2023	As at March 31, 2022
Hindustan Zinc Alloys Private Limited	Wholly owned subsidiary	111	111	-

40. SUBSEQUENT EVENTS

There are no other material adjusting or non-adjusting subsequent events, except as already disclosed.

41. OTHER STATUTORY INFORMATION

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has not been declared wilful defaulter by any bank or financial Institution or other lender.

(iii) The Company does not have any transactions with companies struck off.

(iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(viii) The Company has no any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

42. Previous year figures have been regrouped/ reclassified where ever necessary, to conform to those of the current year presentation.

See accompanying notes to financial statements.

As per our report on even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per **Tridevlal Khandelwal**
Partner
ICAI Membership No.: 501160

Date: April 21, 2023
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Director
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Chief Financial Officer

Date: April 21, 2023
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377

Date: April 21, 2023
Place: Udaipur

Independent Auditor's Report

To the Members of Hindustan Zinc Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying consolidated Ind AS financial statements of Hindustan Zinc Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Claims and exposure relating to taxation and litigation (as described in Note 3(III)(B)(i), 30 and 32 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The Holding Company is subject to several legal and tax related claims and exposures which have been either disclosed or accounted for in the accompanying consolidated Ind AS financial statements.

Taxation and litigation exposures have been identified as a key audit matter due to complexities involved in these matters, timescales involved for resolution and the potential financial impact of these on the consolidated Ind AS financial statements. Further, significant management judgement is involved in assessing the exposure of each case and thus a risk that such cases may not be adequately provided for or disclosed.

Accordingly, this matter has been identified as a key audit matter.</td><td>Our audit procedures included the following:
• Gained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process. For selected controls, we have performed test of controls.
• Obtained the year end summary of Holding Company’s legal and tax cases and critically assessed management’s position through discussions with the Legal Counsel, Head of Tax and operational management, on both the probability of success in significant cases, and the magnitude of any potential loss.
• Inspected external legal opinions and/ or past judicial orders, wherever considered necessary, and other evidence to evaluate the management’s assessment in respect of legal claims.
• Engaged tax specialists to technically assess the management’s assessment on tax disputes and positions.
• Assessed the relevant disclosures made within the consolidated Ind AS financial statements to address whether they reflect the facts and circumstances of the respective tax and legal exposures as per the requirements of relevant accounting standards.</td></tr>
<tr><td colspan="2">Accounting and disclosure of transactions with the related parties (as described in note 37 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The Holding Company has undertaken transactions with related parties including parent company and fellow subsidiaries for payment of strategic service and brand fee, power delivery agreements, residue treatment contract and IT service agreement.

Accounting and disclosure of such related party transactions has been identified as a key audit matter due to -
a Significance of such related party transactions;
b) Risk of such transactions being executed without proper authorizations;
c) Judgments and estimation involved in determination of fair value of loans and guarantees given and expected credit losses on subsequent measurement; and
d) Risk of material information relating to aforesaid transactions not getting disclosed in the consolidated Ind AS financial statements.</td><td>Our procedures included the following:
• Obtained and read the Holding Company’s policies, processes and procedures in respect of identification of such related parties in accordance with relevant laws and standards, obtaining approval, recording and disclosure of related party transactions and identified key controls. For selected controls we have performed tests of controls.
• On sample basis tested some related party transactions and balances with the underlying contracts, confirmation letters and other supporting documents provided by the Group.
• Examined the approvals of the board and audit committee of these transactions.
• Obtained and read the reports including the benchmarking report issued by the experts engaged by the management for the payment towards strategic services and brand fees, Power delivery agreement & residue treatment contract.
• Assessed the competence and objectivity of the external experts.
• Engaged internal specialists to assist us in evaluating the arms-length assessment carried out by the management for payment towards strategic services and brand fees.
• Held discussions and obtained representations from the management in relation to such transactions.
• Read the disclosures made in this regard in the financial statements and assessed whether relevant and material information have been disclosed.</td></tr>
</table>

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective company(ies)and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the company(ies) included in the Group are responsible for assessing the ability of their respective company(ies) to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the respective company(ies) or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the company(ies) included in the Group are also responsible for overseeing the financial reporting process of their respective company(ies).

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated Ind AS financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

We did not audit the financial statements and other financial information, in respect of 3 subsidiaries, whose financial statements include total assets of ₹ 73 Lakhs as at March 31, 2023, and total revenues of ₹ 639 Lakhs and net cash inflows of ₹ 15 Lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its subsidiaries, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, in its consolidated Ind AS financial statements – Refer Note 30 and 32 to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India during the year ended March 31, 2023.

iv. a) The respective managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries, from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement

v. The interim dividend declared and paid during the year by the Holding Company, its subsidiaries, companies incorporated in India and until the date of the respective audit reports of such Holding Company, subsidiaries, is in accordance with section 123 of the Act.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries companies incorporated in India, hence reporting under this clause is not applicable.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Tridevlal Khandelwal**
Partner
Membership Number: 501160
UDIN: 23501160BGYHCC8497
Place of Signature: Pune
Date: April 21, 2023

Annexure 1

referred to in paragraph under the heading "Report on other legal and regulatory requirements of our report of even date

Re : **HINDUSTAN ZINC LIMITED ("the Company")**

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that :

There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated Ind AS financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Tridevlal Khandelwal**
Partner
Membership Number: 501160
UDIN: 23501160BGYHCC8497
Place of Signature: Pune
Date: April 21, 2023

Annexure 2

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF HINDUSTAN ZINC LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of Hindustan Zinc Limited as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of Hindustan Zinc Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies (collectively referred to as the "Group"), which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its four subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Committee of Sponsoring Organisations of the Treadway Commission (2013 Framework) ("COSO 2013 Criteria"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

OPINION

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the COSO 2013 criteria.

OTHER MATTERS

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, in so far as it relates to these 3 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Tridevlal Khandelwal**
Partner
Membership Number: 501160
UDIN: 23501160BGYHCC8497
Place of Signature: Pune
Date: April 21, 2023

Consolidated Balance Sheet

as at March 31, 2023

(₹ in Crore)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
a) Property, plant and equipment	4	17,530	17,165
b) Capital work-in-progress	4A	2,237	2,075
c) Intangible assets	5	92	231
d) Financial assets			
i) Investments	9	257	-
ii) Loans	6	0	2
iii) Others	13	112	56
e) Other non-current assets	7	290	275
f) Income tax assets		145	884
Total Non-current assets		**20,663**	**20,688**
Current assets			
a) Inventories	8	1,862	1,953
b) Financial Assets			
i) Investments	9	9,850	15,052
ii) Trade receivables	10	380	716
iii) Cash and cash equivalents	11	59	1,592
iv) Other Bank balances	12	1,353	4,171
v) Loans	6	3	2
vi) Others	13	89	33
c) Other current assets	7	336	463
d) Income tax assets		872	-
Total Current assets		**14,804**	**23,982**
TOTAL		**35,467**	**44,670**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	14	845	845
b) Other equity		12,087	33,436
Total Equity		**12,932**	**34,281**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	15	1,500	2,111
ia) Lease Liabilities	33	19	6
ii) Other financial liabilities	16	0	0
b) Other non-current liabilities	18	1,060	1,024
c) Provisions	17	189	212
d) Deferred tax liabilities (net)	32	2,314	942
Total Non-current liabilities		**5,082**	**4,295**
Current liabilities			
a) Financial liabilities			
i) Borrowings	15	10,341	712
ia) Lease Liabilities	33	21	15
ii) Operational buyers' credit/ suppliers' credit	19	307	280
iii) Trade payables	20	2,088	2,038
iv) Other financial liabilities	16	2,419	1,901
b) Other current liabilities	18	1,687	860
c) Provisions	17	26	32
d) Income tax liabilities		564	256
Total Current liabilities		**17,453**	**6,094**
TOTAL		**35,467**	**44,670**

See accompanying notes to financial statements.

As per our report on even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per **Tridevlal Khandelwal**
Partner
ICAI Membership No.: 501160

Date: April 21, 2023
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Director
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Chief Financial Officer

Date: April 21, 2023
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377

Date: April 21, 2023
Place: Udaipur

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in Crore)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations	21A	33,272	28,790
Other Operating income	21B	826	650
Other income	22	1,379	1,216
Total Income		**35,477**	**30,656**
Expenses:			
Decrease/ (Increase) in inventories of finished goods and work-in-progress	23	(143)	(278)
Employee benefits expense	24	845	718
Depreciation and amortization expense	26	3,264	2,917
Power and fuel		3,711	2,452
Mining Royalty		4,068	3,667
Finance costs	25	333	290
Other expenses	27	8,111	6,656
Total expenses		**20,189**	**16,422**
Profit before exceptional item and tax		**15,288**	**14,234**
Exceptional Items	28	-	(134)
Profit before tax		**15,288**	**14,100**
Tax expense:			
Current tax	32	3,431	2,445
Deferred tax charge	32	1,346	2,026
Total tax expenses		**4,777**	**4,471**
Profit for the year		**10,511**	**9,629**
Other comprehensive income/ (loss)			
A) Items that will not be reclassified to profit or loss in subsequent period			
(a) Remeasurement gain of the defined benefit plans		3	15
(b) Tax (expense)/ credit		4	(6)
B) Items that will be reclassified to profit or loss in subsequent period			
(a) Gain/ (Loss) on cash flow hedges recognised during the year		98	(98)
(b) Tax (expense)/ credit		(34)	34
(c) Net (Loss) on FVTOCI investments		(34)	-
(d) Tax credit		4	-
Total other comprehensive income/ (loss) for the year		**41**	**(55)**
Total comprehensive income for the year		**10,552**	**9,574**
Earnings per share (nominal value of shares ₹ 2)			
- Basic earnings per share (₹)	29	24.88	22.79
- Diluted earnings per share (₹)	29	24.88	22.79

See accompanying notes to financial statements.

As per our report on even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per **Tridevlal Khandelwal**
Partner
ICAI Membership No.: 501160

Date: April 21, 2023
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Director
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Chief Financial Officer

Date: April 21, 2023
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377

Date: April 21, 2023
Place: Udaipur

Consolidated Statement of Cash Flow

for the year ended March 31, 2023

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before tax	15,288	14,100
Adjustments to reconcile profit to net cash provided by operating activities:		
Depreciation and amortization expense	3,264	2,917
Interest expense	333	290
Interest income	(1,154)	(838)
Amortization of deferred revenue arising from government grant	(157)	(135)
Provision for doubtful debts/ advance (refer note 27(4))	28	-
Net Loss on investments measured at FVTPL	16	28
Net Loss/ (Gain) on sale of Property, plant and equipment	9	(11)
Net (Gain) on sale of financial asset investments	(32)	(205)
Charge pertaining to Amnesty Scheme (refer note 28)	-	134
Transfer of CSR Assets (refer note 5(1))	117	-
Operating profit before working capital changes	**17,712**	**16,280**
Changes in assets and liabilities		
Decrease/ (Increase) in Inventories	91	(528)
Decrease/ (Increase) in Trade receivables	336	(310)
Decrease/ (Increase) in Other current assets	42	(94)
(Increase)/ Decrease in Other non current assets	(57)	4
Increase in Trade payables	77	773
Increase/ (Decrease) in Other current liabilities	68	(1,043)
Cash flows from operations	**18,269**	**15,082**
Income taxes (paid) during the year (net of refunds)	(3,140)	(2,391)
Net cash flows from operating activities	**15,129**	**12,691**
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of Property, Plant and Equipment (including intangibles, CWIP and Capital Advances)	(3,561)	(2,998)
Interest received	1,438	936
Deposits made during the year	(1,500)	(5,500)
Deposits matured during the year	5,500	10,227
Purchase of Non current investments	(105)	-
Purchase of current investments	(43,187)	(46,753)
Proceeds from sale of current investments	47,958	44,904
Proceeds from sale of Property, Plant and Equipment	19	30
Net cash flows generated from investing activities	**6,562**	**846**
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Interest and other finance charges paid	(287)	(332)
Proceeds from short term borrowings	13,458	9
Repayment of short term borrowings	(5,276)	(2,120)
Proceeds from long term borrowings	1,500	-
Repayment of long term borrowings	(704)	(2,204)
Payment of principal portion of lease liabilities	(14)	(5)
Dividend paid	(31,901)	(7,606)
Net cash used in financing activities	**(23,224)**	**(12,258)**
Net (Decrease)/ Increase in Cash and cash equivalents	(1,533)	1,279
Cash and cash equivalents at the beginning of the year	1,592	313
Cash and cash equivalents at the end of the year (refer note 11)	**59**	**1,592**

Notes:-

1. The figures in brackets indicates outflows.
2. The above cash flow has been prepared under ''Indirect method'' as set out in Indian Accounting Standard (Ind AS -7) Statement of Cash Flows.

See accompanying notes to financial statements.

As per our report on even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per **Tridevlal Khandelwal**
Partner
ICAI Membership No.: 501160

Date: April 21, 2023
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Director
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Chief Financial Officer

Date: April 21, 2023
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377

Date: April 21, 2023
Place: Udaipur

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 2 each issued, subscribed and fully paid	Numbers of shares (in Crore)	₹ in Crore
As at March 31, 2022	423	845
Changes in equity share capital due to prior period errors	-	-
Changes in equity share capital during the current year	-	-
As at March 31, 2023	**423**	**845**

B. OTHER EQUITY

(₹ in Crore)

Particulars	Reserve and surplus			Items of Other comprehensive Income		Total
	Capital Reserve	Retained earnings	General reserve[1]	Hedging reserve	Debt instruments at FVTOCI	
Balance as at April 01, 2021	**1**	**21,084**	**10,383**	**-**	**-**	**31,468**
Profit for the year	-	9,629	-	-	-	9,629
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Other comprehensive income/ (loss)						
(a) Remeasurements gain of the defined benefit plans	-	15	-	-	-	15
Tax effect on above	-	(6)	-	-	-	(6)
(b) (Loss) on cash flow hedges recognised during the year	-	-	-	(98)	-	(98)
Tax effect on above	-	-	-	34	-	34
Total Other comprehensive (loss) for the year	**-**	**9**	**-**	**(64)**	**-**	**(55)**
Total comprehensive income for the year	**-**	**9,638**	**-**	**(64)**	**-**	**9,574**
Dividend declared - Paid	-	(7,606)	-	-	-	(7,606)
Balance as at March 31, 2022	**1**	**23,116**	**10,383**	**(64)**	**-**	**33,436**
Profit for the year	-	10,511	-	-	-	10,511
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Other comprehensive income/ (loss)						
(a) Remeasurements gain of the defined benefit plans	-	3	-	-	-	3
Tax effect on above	-	4	-	-	-	4
(b) Gain on cash flow hedges recognised during the year	-	-	-	98	-	98
Tax effect on above	-	-	-	(34)	-	(34)
(c) Net (loss) on FVTOCI investments	-	-	-	-	(34)	(34)
Tax effect on above	-	-	-	-	4	4
Total Other comprehensive income for the year	**-**	**7**	**-**	**64**	**(30)**	**41**
Total comprehensive income for the year	**-**	**10,518**	**-**	**64**	**(30)**	**10,552**
Dividend declared - Paid	-	(31,901)	-	-		(31,901)
Balance as at March 31, 2023	**1**	**1,733**	**10,383**	**-**	**(30)**	**12,087**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(1) General reserve: Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn.

During the previous year, the Board of Directors of the Company, Audit & Risk Management Committee and Committee of Independent Directors of the Company, at its meeting held on January 21, 2022 had approved the Scheme of Arrangement ("Scheme") between the Company and its shareholders under Section 230 and other applicable provisions of the Companies Act, 2013 ("Act"). The Scheme inter alia provides for capital reorganization of the Company, whereby it is proposed to transfer amounts standing to the credit of the General Reserves to the Retained Earnings of the Company with effect from the Appointed Date. During the current year, Securities and Exchange Board of India (through BSE Limited and National Stock Exchange of India Limited), BSE Limited and National Stock Exchange of India Limited (collectively referred to as "Stock Exchanges") have approved the scheme. Further, the Hon'ble National Company Law Tribunal ('NCLT'), Jaipur Bench vide its order dated February 06, 2023, approved the scheme and directed to convene shareholders meeting for their approval. NCLT convened shareholders meeting was held on March 29, 2023, where in shareholders also approved the subject scheme. The Scheme will be implemented post receipt of further regulatory approvals/ clearances from the NCLT, Jaipur Bench (second order) and such other approvals/ clearances as may be applicable and required. Pursuant to the Scheme, the Company will possess greater flexibilty to undertake capital related decisions and reflect a more efficient balance sheet.

See accompanying notes to financial statements.

As per our report on even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per **Tridevlal Khandelwal**
Partner
ICAI Membership No.: 501160
Date: April 21, 2023
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Director
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Chief Financial Officer
Date: April 21, 2023
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377
Date: April 21, 2023
Place: Udaipur

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

1. GROUP OVERVIEW

Hindustan Zinc Limited ("HZL" or "the Company") and its consolidated subsidiaries (collectively, the "Group") is engaged in exploring, extracting, processing of minerals and manufacturing of metals and its alloys. The Company was incorporated on January 10, 1966 and has its registered office at Yashad Bhawan, Udaipur (Rajasthan). HZL's shares are listed on National Stock Exchange and Bombay Stock Exchange.

Details of Group's various businesses are as follows. The Group's percentage holdings in each of the below businesses are disclosed in note 38

1. HZL's operations include five zinc-lead mines, four zinc smelters, one lead smelter, one zinc-lead smelter, eight sulphuric acid plants, one silver refinery plant, six captive thermal power plants and four captive solar plants in the state of Rajasthan. In addition, HZL also has a rock-phosphate mine in Matoon, near Udaipur in Rajasthan and zinc, lead, silver processing and refining facilities in the state of Uttarakhand. The Group also has wind power plants in the states of Rajasthan, Gujarat, Karnataka, Tamil Nadu and Maharashtra and solar power plants in the state of Rajasthan.
2. Hindustan Zinc Alloys Private Limited ("HZAPL") is engaged in manufacturing of metals and its alloys.
3. Vedanta Zinc Football & Sports Foundation ("VZFSF") is a section 8 company engaged in CSR activities for HZL pertaining to sports.
4. Zinc India foundation ("ZIF") is a section 8 company engaged in CSR activities for HZL.
5. Hindustan Zinc Fertilisers Private limited ("HZFPL") is engaged in manufacturing of phosphatic fertilisers.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Basis of preparation

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

Accounting policies have been consistently applied in all material aspects except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The consolidated financial statements are approved for issue by the Board of Directors on April 21, 2023. The revision to these financial statements is permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

3.(I) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the results of the Company and all its subsidiaries (the "Group"), being the entities that it controls. Control is evidenced where the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity's returns.

The financial statements of subsidiaries are prepared for the same reporting year as the parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Group. Intra-Group balances and transactions, and any unrealized profit arising from intra-Group transactions, are eliminated. Unrealized losses are eliminated unless costs cannot be recovered.

(ii) Joint Venture

Investments representing equity interest in joint ventures are carried at cost. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

(iii) Equity method of accounting

Under the equity method of accounting applicable for investments in joint ventures, investments are initially recorded at the cost to the Group and then, in subsequent periods, the carrying value is adjusted to reflect the Group's share of the post-

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

acquisition profits or losses of the investee, and the Group's share of other comprehensive income of the investee, other changes to the investee's net assets and is further adjusted for impairment losses, if any. Dividend received or receivable from joint-ventures are recognised as a reduction in carrying amount of the investment.

The consolidated Statement of Profit and Loss include the Group's share of investee's results, except where the investee is generating losses, share of such losses in excess of the Group's interest in that investee are not recognized. Losses recognised under the equity method in excess of the Group's investment in ordinary shares are applied to the other components of the Group's interest that forms part of Group's net investment in the investee in the reverse order of their seniority (i.e., priority in liquidation).

If the Group's share of losses in a joint venture equals or exceeds its interests in the associate or joint venture, the Group discontinues the recognition of further losses. Additional losses are provided for, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Unrealised gains arising from transactions with joint ventures are eliminated against the investment to the extent of the Group's interest in these entities. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment of the asset transferred. Accounting policies of equity accounted investees is changed where necessary to ensure consistency with the policies adopted by the Group.

b) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

c) Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

d) Functional and presentation currency

The consolidated financial statements are prepared in Indian Rupees (₹), which is the Group's functional currency. All financial information presented in Indian Rupees (₹) has been rounded to the nearest Crore. Amounts less than ₹ 0.50 Crore have been presented as "0".

e) Revenue recognition

(i) Sale of goods (products, scrap and residual)

Revenue from contracts with customers is recognised when control (as defined in Ind AS 115) of the goods or services is transferred to the customer as per the terms of contract, which usually is on delivery of the goods to the carriers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognised net of discounts, volume rebates, outgoing sales taxes/ goods and service tax and other indirect taxes. Revenues from sale of by-products are included in revenue.

Certain of the Group's sales contracts provide for provisional pricing based on the price on the London Metal Exchange (LME), as specified in the contract. Revenue in respect of such contracts is recognised when control passes to the customer and is measured at the amount the entity expects to be entitled – being the estimate of the price expected to be received at the end of the measurement period. Post transfer of control of goods, provisional pricing features are accounted in accordance with Ind AS 109 'Financial Instruments' rather than Ind AS 115 and therefore the Ind AS 115 rules on variable consideration do not apply. These 'provisional pricing' adjustments i.e. the consideration received post transfer of control are included in total revenue from operations on the face of the Statement of Profit and Loss. Final settlement of the price is based on the applicable price for a specified future period. The Group's provisionally priced sales are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration when that right is conditional on Group's future performance.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(ii) Income from wind energy

Revenue from sale of wind power is recognised when delivered and measured based on rates as per bilateral contractual agreements with buyers and at rate arrived at based on the principles laid down under the relevant Tariff Regulations as notified by the regulatory bodies, as applicable.

(iii) Dividends

Dividend income is recognized in the Statement of Profit and Loss only when the right to receive payment is established, provided it is probable that the economic benefits associated with the

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(iv) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, with reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(v) Others

Revenue relating to insurance claims and interest on delayed or overdue payments from trade receivable is recognized when no significant uncertainty as to measurability or collection exists.

f) Property, plant and equipment

(i) Property, plant and equipment other than mining properties

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/ other expenses in the Statement of Profit and Loss.

Assets held for sale are carried at lower of their carrying value or fair value less cost to sell.

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

Government grant related to fixed asset is capitalized along with the asset that it relates to and depreciated over the life of the primary asset.

(ii) Mining properties

The costs of mining properties, which include the costs of acquiring and developing mining properties are capitalized as Property, Plant and Equipment under the heading "Mining properties" in the year in which they are incurred. When a decision is taken that a Mining property is viable for commercial production (i.e. when the Group determines that the Mining Property will provide sufficient and sustainable return relative to the risks and the Group decided to proceed with the mine development), all further pre-production primary development expenditure other than land, buildings, plant and equipment is capitalized as developing asset until the mining property are capable of commercial production. Revenue derived during the project phase is adjusted from the cost incurred on the project from which such revenue is generated.

(iii) Capital work in progress (CWIP)

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

(iv) Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible property and other equipment has been provided on the straight-line method.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

- Depreciation has been provided over remaining useful life of the respective property, plant and equipment in respect of additions arising on account of insurance spares, on additions or extension forming an integral part of existing plants and on the revised carrying amount of assets identified as impaired.
- Mining properties are amortized, from the date on which they are first available for use, in proportion to the annual ore raised to the remaining commercial Ore Reserves (on a unit-of-production basis) over the total estimated remaining commercial reserves of each property or group of properties and are subject to impairment review. Commercial reserves are proved and probable reserves and any changes affecting unit of production calculations are dealt with prospectively over the revised remaining reserves. In the year of abandonment of mine, the residual balance in mining properties are written off. Costs used in the computation of unit of production comprises the net book value of the capitalised costs plus the future estimated costs required to be incurred to access the commercial reserves.
- Based on technical evaluation, the management believes that the useful lives as given below best represent the period over which the management expects to use the asset.

Assets	Useful life in years
Factory buildings	30 years
Residential buildings	60 years
Roads (included in buildings)	5-10 years
Computers and data processing equipment (included in office equipments)	3-6 years
Plant and Equipment (including captive power plant)	8-40 years
Railway sidings	15 years
Office equipment	5 years
Furniture and fixtures	10 years
Vehicles	8-10 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(v) Exploration & evaluation assets:

Exploration and evaluation expenditure incurred prior to obtaining the mining right or the legal right to explore are expensed as incurred.

Exploration and evaluation expenditure incurred after obtaining the mining right or the legal right to explore, are capitalised as exploration and evaluation assets (intangible assets) and stated at cost less impairment, if any. Exploration and evaluation assets are transferred to the appropriate category of property, plant and equipment when the technical feasibility and commercial viability has been determined. Exploration and evaluation assets are assessed for impairment and impairment loss, if any, is recognised prior to reclassification.

Exploration expenditure includes all direct and allocated indirect expenditure associated with finding specific Mineral Resources.

vi) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowings of the funds.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible assets are amortized over their estimated useful life. Amounts paid for securing mining rights are amortized over the period of mining lease of 20 years. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

h) Impairment of non-financial assets

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

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

If any such indication exists then an impairment review is undertaken, the recoverable amount is calculated, as the higher of fair value less costs of disposal and the asset's value in use.

Fair value less costs of disposal is the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. The cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Value in use is determined by applying assumptions specific to the Group's continued use and cannot take into account future development. These assumptions are different to those used in calculating fair value and consequently the value in use calculation is likely to give a different result to a fair value calculation.

The carrying amount of the CGU is determined on a basis consistent with the way the recoverable amount of the CGU is determined.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized in the Statement of Profit and Loss.

Any reversal of the previously recognized impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognized.

i) Financial instruments

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

Financial assets – recognition and subsequent measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets except treasury investment that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset. Trade receivables that do not contain a significant financing component are measured at transaction price as per Ind AS 115. Treasury investments are accounted for when the amount is settled in Bank account. For purposes of subsequent measurement, financial assets are classified in three categories:

- **Financial assets at amortized cost**

  A 'financial asset' is measured at the amortized cost if both the following conditions are met:

  a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

  b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

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

  A 'financial asset' is classified as the FVTOCI if both of the following criteria are met:

  a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

  b) The asset's contractual cash flows represent SPPI.

  Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

  For equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in OCI. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

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

  FVTPL is a residual category for debt instruments and default category for equity instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

  In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not invested in any equity instruments.

  Debt instrument included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss. For equity instruments which are classified as FVTPL, all subsequent fair value changes are recognised in the Statement of Profit and Loss.

  Further, the provisionally priced trade receivables are marked to market using the relevant forward prices for the future period specified in the contract and is adjusted in revenue.

Financial assets - derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits and trade receivables

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

- Financial assets that are debt instruments and are measured as at FVTOCI

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss (P&L). The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities – recognition and subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

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

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

- **Financial Liabilities at amortized cost (Loans, Borrowings and Trade and Other payables)**

  After initial recognition, interest-bearing loans, borrowings and Trade and Other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

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

Financial liabilities - derecognition

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

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through Profit or Loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through Profit or Loss. These embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

j) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange, interest rate, and commodity price risks, the Group enters into forward currency contracts, commodity contracts and other derivative financial instruments. The Group does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in OCI and later reclassified to profit or loss

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss. When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss recognized in the Statement of Profit and Loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the Statement of Profit and Loss.

Amounts recognized as OCI are transferred to Statement of Profit and Loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognized or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognized as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognized in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

k) Government grants, subsidies and export incentives

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/ subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

l) Inventories

Inventories are valued at the lower of cost and net realizable value, less any provision for obsolescence.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

(i) Ore, concentrate (mined metal), work-in-progress and finished goods (including significant by-products i.e. silver) are valued at lower of cost or net realizable value on weighted average basis.

(ii) Stores and spares are valued at lower of cost or net realizable value on weighted average basis.

(iii) Immaterial by-products, aluminium scrap, chemical lead scrap, anode scrap and coke fines are valued at net realizable value.

Net realizable value is determined based on estimated selling price, less further costs expected to be incurred to completion and disposal.

m) Taxation

Current tax

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

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

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

n) Retirement and other employee benefit schemes

i. Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, performance incentives and compensated absences which are expected to occur in next twelve months. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by employees.

ii. Post-employment benefits

Gratuity

In accordance with the Payment of Gratuity Act of 1972, the Group contributes to a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to employees who have completed at least 5 years of service; at retirement, disability or termination of employment being an amount equal to 15 days' salary (based on the respective employee's last drawn salary) for every completed year of service.

Based on actuarial valuations conducted as at year end, a provision is recognized in full for the benefit obligation over and above the funds held in the Gratuity Plan.

In respect of defined benefit schemes, the assets are held in separately administered funds. In respect of defined benefit schemes, the cost of providing benefits under the plans is determined by actuarial valuation separately each year using the projected unit credit method by independent qualified actuary as at the year end.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

The Group recognizes the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Provident fund

The Group offers retirement benefits to its employees, under provident fund scheme which is a defined benefit plan. The Group and employees contribute at predetermined rates to 'Hindustan Zinc Limited Employee's Contributory Provident Fund' (the 'Trust') accounted on accrual basis and the conditions for grant of exemption stipulate that the employer shall make good the deficiency, if any, between the return guaranteed by the statute and actual earning of the Trust. The contribution towards provident fund is recognized as an expense in the Statement of Profit and Loss.

Family Pension

The Group offers its employees benefits under defined contribution plans in the form of family pension scheme. Contributions are paid during the year into the fund under statutory arrangements. The contribution to family pension fund is made at predetermined rates by the Group based on prescribed rules of family pension scheme. The contribution towards family pension is recognized as an expense in the Statement of Profit and Loss. The Group has no further obligation other than the contribution made.

Superannuation

Certain employees of the Group, who have joined post disinvestment are members of the Superannuation plan. The Group has no further obligations to the Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India. The contribution is recognized as an expense in the Statement of Profit and Loss.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

iii. **Other Long-Term employee benefits**

Compensated absences

The Group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur. Actuarial differences are recognised immediately in the Statement of Profit and Loss.

o) Provision

Provisions are recognized when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

(i) Provision for Decommissioning

The Group recognizes a provision for decommissioning costs of smelting and refining facilities. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at pre-tax rate that reflects the risks specific to the liability. The unwinding of the discount is expensed as incurred and recognized in the Statement of Profit and Loss as a finance cost. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

The Group recognizes provision for discontinuing of a smelting operation which is charged to the Statement of Profit and Loss. Management estimates are based on third party technical estimates. The actual costs and cash outflows may differ from estimates because of changes in laws and regulations, changes in prices, analysis of site conditions and changes in restoration technology. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate.

(ii) Provision for restoration, rehabilitation and environmental costs

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or on-going production of a mine. Such costs, discounted to net present value, are provided for and a corresponding amount is capitalized at the start of each project as mining properties, as soon as the obligation to incur such costs arises. These costs are charged to the Statement of Profit and Loss over the life of the operation through the depreciation of the asset and the unwinding of the discount on the provision (considered as finance cost). The cost of the related asset is adjusted for changes in the provision due to factors such as updated cost estimates, changes to lives of operations, new disturbance and revisions to discount rates. The adjusted cost of the asset is depreciated prospectively over the lives of the assets to which they relate as per the depreciation policy.

Costs for the restoration of subsequent site damage, which is caused on an on-going basis during production, are charged to the Statement of Profit and Loss as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred.

p) Foreign currency translation

The functional currency for the Group is determined as the currency of the primary economic environment in which it operates. For the Group, the functional currency is the local currency of the country in which it operates, which is Indian Rupee.

In the financial statements of the Group, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the Statement of Profit and Loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

q) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker ("CODM") i.e. CEO. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

s) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

(b) Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

(ii) Lease liabilities

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in other financial liabilities.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

t) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

u) Operational buyers' credit/ suppliers' credit

The Group enters into arrangements where by banks and financial institutions make direct payments to suppliers for goods and services. The banks and financial institutions are subsequently repaid by the Group at a later date providing working capital timing benefits. These are normally settled up to twelve months. Where these arrangements are for goods used in the normal operations of the Group with a maturity of up to twelve months, the economic substance of the transaction is determined to be operating in nature and these are recognised as operational buyers' credit/ suppliers' credit and disclosed on the face of the balance sheet. Interest expense on these are recognised in the finance cost. Payments made by banks and financial instiutions to the operating vendors are treated as a non cash item and settlement of due to operational buyer's credit/ suppliers' credit by the Group is treated as an cash outflow from operating activity reflecting the substance of the payment.

Payments made to vendors are treated as cash item and disclosed as cash flows from operating/ investing activity depending on the nature of the underlying transaction. Settlement of dues to banks and financial institution are treated as cash flows from financing activity.

v) Provisions, contingent liabilities and contingent assets

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS.

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

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

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the Balance Sheet.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Financial guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the consolidated financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Group is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Contingent assets are not recognised but disclosed in the consolidated financial statements when an inflow of economic benefit is probable.

The Group has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet.

3. (II) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards

The Group has adopted, with effect from April 01, 2022, the following new and revised standards and interpretations. Their adoption has not had any significant impact on the amounts reported in the consolidated financial statements.

1. Amendment to Ind AS 16 clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment.

2. Amendment to Ind AS 37 regarding costs that an entity needs to include when assessing whether a contract is onerous or loss-making.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

3. Amendment to Ind AS 109 Financial Instrument regarding inclusion of fees in the '10 per cent' test for derecognition of financial liabilities.

4. Amendment to Ind AS 103 Business Combination, reference to the Conceptual Framework for Financial Reporting.

Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023, effective from April 01, 2023, resulting in amendments to below existing Ind AS.

Ind AS 102 - Share Based Payment

Ind AS 103 - Business Combinations

Ind AS 107 - Financial Instruments - Disclosures

Ind AS 109 - Financial Instruments

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 1 - Presentation of Financial Statements

Ind AS 8 - Accounting Policies, Change in Accounting Estimates and Errors

Ind AS 12 - Income Taxes

Ind AS 34 - Interim Financial Reporting

These amendments are not expected to have any significant impact on the Company. The Company has not early adopted any amendments that have been notified but is not yet effective.

3(III) CRITICAL ACCOUNTING ESTIMATE AND JUDGEMENT

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

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

(A) Significant Estimates

(i) Mining property and ore reserve

Ore Reserves and Mineral Resource estimates are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. The Group estimates its Ore Reserves and Mineral Resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements and production costs, along with geological assumptions and judgements made in estimating the size and grade of the ore body. As a consequence of such an assessment made at the end of the current year, the Group has added new reserves and there is no material impact on the depreciation charge for the year due to this change.

(ii) Restoration, rehabilitation and environmental costs:

Provision is made for costs associated with restoration and rehabilitation of mining sites as soon as the obligation to incur such costs arises. Such restoration and closure costs are typical of extractive industries and they are normally incurred at the end of the life of the mine fields. The costs are estimated on annual basis on the basis of mine closure plans and the estimated discounted costs of dismantling and removing these facilities and the costs of restoration are capitalized when incurred reflecting the Group's obligations at that time. The Group has not considered salvage value for the estimates of provision for decommissioning calculated as at March 31, 2023.

The provision for decommissioning liabilities (refer note 17) is based on the current estimate of the costs for removing and decommissioning producing facilities, the forecast timing of settlement of decommissioning liabilities and the appropriate discount rate.

(iii) Assessment of useful lives and consumption pattern of property, plant and equipments:

The Group reviews the useful lives and consumption pattern of Property, Plant and Equipment at the end of each reporting period.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(B) Significant Judgement

(i) Contingencies

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Group. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the consolidated financial statements.

While considering the possible, probable and remote analysis of taxation, legal and other claims, there is always a certain degree of judgement involved pertaining to the application of the legislation which in certain cases is supported by views of tax experts and/ or earlier precedents in similar matters. Although there can be no assurance regarding the final outcome of the legal proceedings, the Group does not expect them to have a materially adverse impact on the Group's financial position or profitability.

(ii) Climate change

The Company aims to achieve net carbon neutrality by 2050 or sooner & committed to reduce its GHG emissions (Scope-1 & 2) by 14% by 2026 & Scope 3 by 20% by 2026 from 2017 baseline, 5 times water positive by 2025 from current 2.41 times etc.as part of their climate mitigation and adaptation efforts and sustainability strategy. The Company conducted climate risk assessment and outlined its risks and opportunities in Task Force on Climate-Related Financial Disclosures ("TCFD") report. Climate change may have various impacts on the Company in the medium to long term. These impacts include the risks and opportunities related to the demand of products, impact due to transition to a low-carbon economy, disruption to the supply chain, risk of physical harm to the assets due to extreme weather conditions, regulatory changes etc. The accounting related measurement and disclosure items that are most impacted by our commitments, and climate change risk more generally, relate to those areas of the financial statements that are prepared under the historical cost convention and are subject to estimation uncertainties in the medium to long term.

The potential effects of climate change may be on assets and liabilities that are measured based on an estimate of future cash flows. The main ways in which potential climate change impacts have been considered in the preparation of the financial statements, pertain to (a) inclusion of capex in cash flow projections, (b) recoverable amounts of existing assets, (c) review of estimates of useful lives of property, plant and equipment, (d) assets and liabilities carried at fair value, etc.

The Company's strategy consists of mitigation and adaptation measures and is committed to reduce its carbon footprint by limiting its exposure to coal-based projects and reducing its GHG emissions through high impact initiatives such as investment in Renewable Energy (450 MW Power delivery agreement ('PDA') signed on a group captive basis, fuel switch, electrification of vehicles and mining fleet and energy efficiency opportunities. However, renewable sources have limitations in supplying round the clock power, so existing power plants would support transition and fleet replacement is part of normal lifecycle renewal. We have also taken certain measures towards water management such as commissioning of zero liquid discharge plants, sewage treatment plant, dry tailing plant, rainwater harvesting, thus reducing freshwater consumption. These initiatives are aligned with the Company's ESG strategy and no material changes were identified to the financial statements as a result

As the Company's assessment of the potential impacts of climate change and the transition to a low-carbon economy continues to mature, any future changes in the Company's climate change strategy, changes in environmental laws and regulations and global decarbonisation measures may impact the Company's significant judgments and key estimates and result in changes to financial statements and carrying values of certain assets and liabilities in future reporting periods. However, as of the balance sheet date, the Company believes that there is no material impact on carrying values of its assets or liabilities

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Crore)

Particulars	Freehold land	Buildings	Plant and equipment (refer note 5(1))	Furniture and fixtures	Vehicles	Office equipment	Railway siding	Mining properties (refer note 5(2))	Right of use [4]	Total
At Cost										
As at April 1, 2021	**331**	**2,086**	**20,146**	**36**	**42**	**363**	**94**	**8,556**	**193**	**31,847**
Additions [1&4]	-	45	1,494	-	15	33	-	1,811	2	3,400
Disposals/ adjustments	-	1	449	0	4	3	-	-	-	457
Transfer/ Reclassfication (from)/ to	(40)	-	-	-	-	-	-	247	40	247
As at March 31, 2022	**291**	**2,130**	**21,191**	**36**	**53**	**393**	**94**	**10,614**	**235**	**35,037**
Additions [1&4]	3	132	1,719	2	4	21	-	1,595	32	3,508
Disposals/ adjustments	-	12	650	2	5	12	-	-	-	681
Transfer/ Reclassfication (from)/ to	-	-	-	-	-	-	-	149	-	149
As at March 31, 2023	**294**	**2,250**	**22,260**	**36**	**52**	**402**	**94**	**12,358**	**267**	**38,013**
Accumulated depreciation										
As at April 1, 2021	**-**	**609**	**9,554**	**25**	**26**	**239**	**38**	**4,895**	**14**	**15,400**
Depreciation charge for the year [3]	-	80	1,114	2	4	30	5	1,665	9	2,909
Disposals/ adjustments	-	-	433	-	2	2	-	-	-	437
As at March 31, 2022	**-**	**689**	**10,235**	**27**	**28**	**267**	**43**	**6,560**	**23**	**17,872**
Depreciation charge for the year [3]	-	77	1,225	2	6	34	5	1,889	17	3,255
Disposals/ adjustments	-	11	616	2	3	12	-	-	-	644
As at March 31, 2023	**-**	**755**	**10,844**	**27**	**31**	**289**	**48**	**8,449**	**40**	**20,483**
Net Book Value										
As at March 31, 2023	**294**	**1,495**	**11,416**	**9**	**21**	**113**	**46**	**3,909**	**227**	**17,530**
As at March 31, 2022	**291**	**1,441**	**10,956**	**9**	**25**	**126**	**51**	**4,054**	**212**	**17,165**

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

4(A) Capital work in progress

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amount of Capital work in progress	2,237	2,075

Capital work in progress (CWIP) Ageing Schedule

(₹ in Crore)

CWIP	As at March 31, 2023			As at March 31, 2022		
	Projects in progress	Projects temporarily suspended	Total	Projects in progress	Projects temporarily suspended	Total
Less than 1 year	1,137	-	1,137	1026	-	1,026
1-2 years	300	-	300	378	-	378
2-3 years	240	-	240	206	-	206
More than 3 years	560	-	560	465	-	465
Total	**2,237**	**-**	**2,237**	**2075**	**-**	**2,075**

CWIP completion schedule for projects whose completion is overdue compared to its original plan:

(₹ in Crore)

CWIP	As at March 31, 2023				As at March 31, 2022			
	To be completed in				To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project in Progress								
Fumer Project	534	-	-	-	527	-	-	-
RD Mill project	285	-	-	-	-	-	-	-
Others	93	-	-	-	67	-	-	-
Total	**912**	**-**	**-**	**-**	**594**	**-**	**-**	**-**

(1) Addition to plant & equipment includes finance cost capitalised of ₹ 14 Crore (March 31, 2022: ₹12 Crore)

(2) During the year, the Group has capitalised the following expenses which are attributable to the construction activity and are included in the cost of CWIP. Consequently, expenses disclosed under the respective notes are net of such amounts.

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Power and fuel charges	79	34
Repairs and Others	386	361
Consumption of Stores and Spare parts	322	322
Employee Benefit Expenses	121	76
Finance Cost	23	11
Insurance	2	-
Miscellaneous expenses	0	1
Total	**934**	**805**

(3) During the year, the Group has capitalised Nil depreciation attributable to certain assets under development (March 31, 2022: ₹4 Crore). Accordingly, depreciation reported in note 26 for the year ended March 31, 2023 is ₹ 3,255 Crore (March 31, 2022: ₹ 2,905 Crore)

(4) Carrying amount of right-of-use assets recognised and the movements during the period is as below:

(₹ in Crore)

Particulars	Plant & machinery	Buildings	Land	Total
As at April 1, 2021	**26**	**3**	**150**	**179**
Additions	-	1	41	42
Depreciation	(1)	(1)	(7)	(9)
As at March 31, 2022	**25**	**3**	**184**	**212**
Additions	32	-	-	32
Depreciation	(9)	(1)	(7)	(17)
As at March 31, 2023	**48**	**2**	**177**	**227**

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

5. INTANGIBLE ASSETS

(₹ in Crore)

Particulars	Computer software	Mining rights	Right to use asset(1)	Exploration & Evaluation asset(2)	Total
At Cost					
As at April 1, 2021	**49**	**67**	**143**	**200**	**459**
Additions	1	-	-	128	129
Disposals/ adjustments	-	-	-	-	-
Transfer (from)/ to	-	-	-	(247)	(247)
As at March 31, 2022	**50**	**67**	**143**	**81**	**341**
Additions	1	-	-	126	127
Disposals/ adjustments	-	-	143	-	143
Transfer (from)/ to	-	-	-	(149)	(149)
As at March 31, 2023	**51**	**67**	**-**	**58**	**176**
Accumulated depreciation					
As at April 1, 2021	**44**	**29**	**25**	**-**	**98**
Charge for the year	2	4	6	-	12
Disposals/ adjustments	-	-	-	-	-
As at March 31, 2022	**46**	**33**	**31**	**-**	**110**
Charge for the year	1	4	4	-	9
Disposals/ adjustments	-	-	35	-	35
As at March 31, 2023	**47**	**37**	**-**	**-**	**84**
Net Book Value					
As at March 31, 2023	**4**	**30**	**-**	**58**	**92**
As at March 31, 2022	**4**	**34**	**112**	**81**	**231**

(1) Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company, during the current year, has transferred its CSR assets after obtaining regulatory approvals, having carrying value of ₹ 117 Crore as on the date of transfer, at nominal consideration to Zinc India Foundation (wholly owned subsidiary), incorporated during the current year under Section 8 of the Companies Act, 2013. The carrying value of these assets has been included as CSR expense in the financial statements owing to such transfer.

(2) ₹ 149 Crore (March 31, 2022: ₹ 247 Crore) transferred from Exploration & Evaluation asset to Mining properties (refer note 3(I)(f)v)

6. LOANS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured, considered good		
Loans to employees	0	2
Total	**0**	**2**
Current		
Unsecured, considered good		
Loans to employees	3	2
Total	**3**	**2**

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

7. OTHER ASSETS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured, considered good		
Capital advances	179	166
Claims and other receivables[1]	111	109
	290	**275**
Unsecured, credit impaired		
Claims and other receivables	7	7
Provision on doubtful deposits and claims	(7)	(7)
	-	-
Total	**290**	**275**
Current		
Unsecured, considered good		
Advance given to vendors for supply of goods and services	47	106
Balance with government authorities	154	230
Claims and other receivables[2]	135	127
Total	**336**	**463**

(1) Pertains to Indirect taxes and royalty deposited under dispute with respect to various matters currently litigated in court of law and at various levels of adjudication. During the previous year, the Company had opted to settle Entry Tax matter under phase II of "Amnesty Scheme 2021" launched by Government of Rajasthan, pursuant to which Company had written off balances of ₹ 113 Crore (see note 28).

(2) Includes mainly ₹ 51 Crore (March 31, 2022: ₹ 74 Crore) export benefit incentive receivable which mainly includes RoDTEP receivable of ₹ 25 Crore (March 31, 2022: ₹ 38 Crore), ₹ 51 Crore (March 31, 2022: ₹ 4 Crore) CSR pre-spent and ₹ 32 Crore (March 31, 2022: ₹ 49 Crore) prepaid expenses.

8. INVENTORIES*[(2)]

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
a. Work in progress		
Ore	96	66
Mined Metal	677	475
Others	457	547
b. Finished goods[1]	28	27
c. Fuel Stock [Including goods in transit ₹ 148 Crore (March 31,2022: ₹ 293 Crore)]	236	354
d. Stores and spare parts [Including goods in transit ₹ 20 Crore (March 31,2022: ₹ 22 Crore)]	368	484
Total	**1,862**	**1,953**

* For method of valuation of inventories, refer note 3(I)(I)

(1) Inventory held at net realizable value amounted to ₹ 5 Crore (March 31,2022: ₹ 5 Crore). The write down on this inventory of Nil (March 31, 2022: Nil) has been recognized as an expense in Statement of Profit and Loss.

(2) The Group follows suitable provisioning norms for writing down the value of inventories towards slow moving, non-moving and surplus inventory. Provision for slow and non moving inventories amounting to ₹ 36 Crore has been reversed (March 31, 2022: ₹ 36 Crore created) on account of consumption of respective slow moving/ non-moving inventories during the year and has been recognized in the Statement of Profit and Loss.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

9. INVESTMENTS

Non Current

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Joint Venture - Unquoted		
Madanpur South Coal Company Limited (1,14,391 equity shares (March 31, 2022: 1,14,391) of ₹ 10 each)	2	2
Less: Aggregate amount of impairment in the value of investment	(2)	(2)
Total	-	-

The Company had access of up to 31.5 million MT of coal as a partner in the joint venture 'Madanpur South Coal Company Limited' (Madanpur JV), a Company incorporated in India, where it holds 17.62% of ownership interest. During the year 2013-14, Honourable Supreme Court had passed the judgment cancelling all the coal blocks including Madanpur JV allocated since 1993 with certain exceptions and consequently the Company does not have any business to pursue. Accordingly, the Company had created 100% provision against its investment in Madanpur JV amounting to ₹ 2 Crore.

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at fair value through profit and loss		
Investment in preference shares - Unquoted		
Serentica Renewables India 4 Private Limited (10,50,00,000 Optionally Convertible Redeemable Preference Shares of ₹ 10 each)	105	-
	105	-

During the current year, the Company has entered into Power delivery agreement ('PDA') with Serentica Renewables India 4 Private Limited ('Serentica 4') for sourcing of 200 MW (contracted capacity) renewable power on round the clock ('RTC') basis under group captive arrangement for 25 years. Under the terms of the PDA, Company is expected to infuse equity of ₹ 350 Crore for twenty six percent in Serentica 4. During the current year, the Company has made an investment of ₹ 105 Crore in Optionally Convertible Redeemable Preference Shares ('OCRPS') and pending committed investment of ₹ 245 Crore in OCRPS to be made basis fulfilment of conditions of the PDA. These OCRPS will be converted into equity basis conversion terms of the PDA.

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at fair value through other comprehensive income		
Investment in zero coupon bonds - quoted	152	-
	152	-
Total Non Current Investments	**257**	-

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

Current

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Measured at fair value through profit and loss		
Investment in bonds - quoted	1,573	2,157
Investment in zero coupon bonds - quoted	-	4,153
Investment in perpertual bonds - quoted	2,261	2,277
Investments in commercial paper - quoted	-	150
Investment in mutual funds - quoted	-	1,196
Investment in mutual funds - unquoted	1,777	5,119
	5,611	**15,052**
Measured at fair value through other comprehensive income		
Investment in zero coupon bonds - quoted	2,133	-
Investment in perpertual bonds - quoted	2,106	-
	4,239	**-**
Total Current Investments*	**9,850**	**15,052**
Aggregate amount of quoted investment at market value thereof	8,073	9,933
Aggregate amount of unquoted investment	1,777	5,119

*Investments amounting to ₹ 1,812 Crore (March 31, 2022: Nil) are pledged as security for repurchase liability (refer note 15(4)). The Company continues to record these investments as it retains rights to contractual cash flows on such investments and thus do not meet the criteria for derecognition or transfer of financial asset as per Ind AS 107.

10. TRADE RECEIVABLES(1)(3)(4)

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
Considered good(2)	380	716
Trade receivables - credit impaired	2	1
	382	**717**
Provision for doubtful trade receivables	(2)	(1)
Total	**380**	**716**

Trade receivables Ageing Schedule

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Undisputed - considered good		
Not Due	300	556
Less than 6 months	69	139
6 months - 1 year	6	11
1-2 years	5	8
2-3 years	-	-
More than 3 years	-	-
Total	**380**	**714**
Disputed - considered good		
Not Due	-	-
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	2
Total	**-**	**2**

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Undisputed - Credit Impaired		
Not Due	-	-
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	2	1
Total	**2**	**1**
Less: Provision for doubtful trade receivables	(2)	(1)
Total Trade receivables	**380**	**716**

(1) The average credit period given to customer ranges from zero to one hundred twenty days (March 31, 2022: zero to one hundred eighty days). Interest is charged on trade receivables for the credit period, from the date of the invoice at 7.25% to 10.10% (March 31, 2022: 7.15% to 8.65%) per annum on the outstanding balance.

(2) Unsecured considered good includes, ₹ 35 Crore (March 31,2022: ₹ 75 Crore) due from wind energy segment's trade receivables. Unsecured trade receivable of ₹ 136 Crore (March 31,2022: ₹ 329 Crore) are covered against letter of credit and bank guarantees.

(3) Refer note 37 for details of related party balances and terms and conditions.

(4) The total trade receivables as at April 01, 2021 were ₹ 406 Crore (net of provision of ₹ 1 Crore).

11. CASH AND CASH EQUIVALENTS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
On current accounts	59	82
Deposits with original maturity of less than 3 months	-	1,510
Total	**59**	**1,592**

12. OTHER BANK BALANCES

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank deposits having maturity more than 3 months but not more than 12 months	0	-
Bank deposits with original maturity of more than 12 months[1]	-	4,145
Earmarked unpaid dividend accounts	1,353	26
Total	**1,353**	**4,171**

(1) The deposits can be withdrawn by the Company at any point without prior notice or penalty on the principal.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

13. OTHER FINANCIAL ASSETS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Unsecured, considered good		
Security Deposits	107	51
Bank Deposits with more than 12 months maturity	5	5
Unsecured, credit impaired		
Security Deposits	27	27
Provision for doubtful deposits	(27)	(27)
Total	**112**	**56**
Current		
Unsecured, considered good		
Interest accrued on deposits	3	-
Derivative assets (refer note 35)	32	1
Receivable from related party (refer note 37)	1	32
Other receivable	53	-
Unsecured, credit impaired		
Receivable from related party (refer note 37)	28	-
Provision for doubtful receivable (see note 27(3))	(28)	-
Total	**89**	**33**

14. EQUITY SHARE CAPITAL

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
A. Authorized equity share capital		
Equity shares of ₹ 2 (March 31, 2021: ₹ 2) each	1,000	1,000
No. of Shares (In Crore)	500	500
B. Issued, subscribed and paid up		
Equity shares of ₹ 2 (March 31, 2021: ₹ 2) each	845	845
No. of Shares (In Crore)	423	423
C. Equity shares held by Holding Company		
Vedanta Limited		
No. of Shares (In Crore)	274	274
% of Holding	64.92%	64.92%

D. No shares issued for consideration other than cash and no shares bought back during the period of five years immediately preceding the reporting date

E. Details of shareholders holding more than 5% shares in the Company		
Vedanta Limited		
No. of Shares (In Crore)	274	274
% of Holding	64.92%	64.92%
Government of India - President of India		
No. of Shares (In Crore)	125	125
% of Holding	29.54%	29.54%

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
F. Details of shares held by promoters		
Vedanta Limited		
No. of shares at the beginning of the year (In Crore)	274	274
Change during the year (In Crore)	-	-
No. of shares at the end of the year (In Crore)	274	274
% of Total Shares*	64.92%	64.92%
% change during the year	-	-

*As at March 31, 2023, 6.77% (March 31, 2022: 5.77%) of total paid up share capital of the Company have been pledged by promoters for securing loan facilities from banks/ financial institutions along with a non-disposal undertaking in respect of their holding in the Company to the extent of 50.1% of the paid up share capital of the Company. Subsequent to March 31, 2023, this has increased from 6.77% to 9.21% till board meeting date.

G. Terms/ Rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 2 per share. Each equity shareholder is eligible for one vote per share held. Each equity shareholder is entitled to dividend as and when declared by the Company. Interim dividend is paid as and when declared by the Board. Final dividend is paid after obtaining shareholders' approval. Dividends are paid in Indian Rupees. In the event of liquidation, the equity shareholdersare eligible to receive the remaining assets of the Company after distribution of all preferential amount in proportion to their shareholding.

15. BORROWINGS

Non-current

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Unsecured		
Non-convertible debentures(1)	2,111	2,814
Term-loan from banks(2)	1,500	-
Total Non-current borrowing	**3,611**	**2,814**
Less: Current maturities of long-term borrowings	(2,111)	(703)
Total (Net)	**1,500**	**2,111**

(1) During the financial year 2020-21, the Company had issued 35,200 Unsecured, Rated, Non-convertible debentures (NCDs) of face value of ₹ 10,00,000 each at an interest rate of 5.35%, aggregating up to ₹ 3,520 Crore. The NCDs are due for repayment in three yearly installments of ₹ 704 Crore, ₹ 704 Crore and ₹ 2,112 Crore respectively starting from September, 2021. As at March 31, 2023, the carrying value is ₹ 2,111 Crore (net of non cash changes).

(2) Term Loan from banks carry an effective interest rate of 8.25% p.a., and are due for repayment in two installments of ₹ 500 Crore and ₹ 1,000 Crore in September 2024 and March 2025 respectively. The loan facility is subject to financial covenant of Debt Service Coverage Ratio (DSCR) (Standalone) which must be complied with. The Company has complied with the covenant as per the terms of the loan agreement.

Current

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Unsecured		
Commercial paper(1)	4,225	-
Current maturities of long-term borrowing	2,111	703
Term-loan from banks(2)	2,500	-
Working capital loans from banks(3)	-	9
	8,836	**712**
Secured		
Repurchase liability(4)	1,505	-
	1,505	**-**
Total	**10,341**	**712**

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(1) Commercial Papers as on March 31, 2023 carry an effective interest rate in the range of 7.30% p.a. to 8.12% p.a. (March 31, 2022: Nil), and are repayable in 85 to 182 days (March 31, 2022: Nil days) from the date of issue of commercial papers.

(2) Term Loan from banks carry an effective interest rate of 7.57% p.a. and are due for repayment in two installments of ₹ 1,500 Crore and ₹ 1,000 Crore in November 2023 and March 2024 respectively. The loan facility is subject to financial covenant of Debt Service Coverage Ratio (DSCR) (Standalone) which must be complied with. The Company has complied with the covenant as per the terms of the loan agreement.

(3) Working Capital Loans from banks as on March 31, 2022 carried an effective interest rate of 7.20% and were repayable after 7 days.

(4) Repurchase liability as on March 31, 2023 carry an effective interest rate in the range of 7.99% p.a. to 8.15% p.a. (March 31, 2022: Nil), secured by current investments amounting to ₹ 1,812 Crore and are repayable in 102 to 109 days (March 31, 2022: Nil days) from the date of borrowings through repurchase obligation.

Movement in borrowings during the year is provided below:

(₹ in Crore)

Particulars	Short term borrowings	Long term borrowings*	Total
As at April 1, 2021	2,161	5,016	7,177
Cash flow	(2,152)	(2,204)	(4,356)
Other non cash changes	-	2	2
As at March 31, 2022	**9**	**2,814**	**2,823**
Cash flow	8,221	796	9,017
Other non cash changes	-	1	1
As at March 31, 2023	**8,230**	**3,611**	**11,841**

*Including current maturities of long-term borrowings & unamortized borrowing fees.

16. OTHER FINANCIAL LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Security deposits and other liabilities	0	0
Total	**0**	**0**
Current		
Derivatives - liabilities (refer note 35)	-	147
Capital creditors	1,235	1,216
Due to related party (refer note 37)	38	71
Deposits from vendors	168	165
Interest accrued but not due	78	76
Dividend payable	609	-
Unclaimed dividend (1)	31	26
Other liabilities (Includes employee benefits etc.)	260	200
Total	**2,419**	**1,901**

(1) Represents the unclaimed dividend for a period less than 7 years.

17. PROVISIONS

Non-current

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for mine restoration & decomissioning (a)	189	212
Total	**189**	**212**

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(a) (₹ in Crore)

Particulars	Provision for mine restoration[1]	Provision for decommissioning[2]	Total
As at April 1, 2021	**192**	**5**	**197**
Addition during the year/ (revision during the year)	24	-	24
Unwinding of discount	8	-	8
Utilized	-	(3)	(3)
As at March 31, 2022	**224**	**2**	**226**
Addition during the year/ (revision during the year)	(38)	-	(38)
Unwinding of discount	15	-	15
Utilized	(1)	(1)	(2)
As at March 31, 2023	**200**	**1**	**201**
Classification as at March 31, 2022			
Non-current	212	-	212
Current	12	2	14
Classification as at March 31, 2023			
Non-current	189	-	189
Current	11	1	12

(1) The provision for restoration, rehabilitation, and environmental cost represents the Company's best estimate of the costs which will be incurred in the future to meet the obligations under the laws of the land and the terms referred to in the Company's mining arrangements. The principal restoration, rehabilitation and environmental provisions are the costs, which are expected to be incurred in restoring at the end of life of these mines at Rampura Agucha, Rajpura Dariba, Zawar Mines, Sindesar Khurd and Kayad.

(2) Provision for decommissioning is created to meet the obligation at decommissioned smelting facility at Vizag location basis an independent technical evaluation.

Current

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for gratuity (refer note 31)	7	-
Provision for compensated absenses	7	18
Provision for mine restoration & decomissioning (refer (a) above)	12	14
Total	**26**	**32**

18. OTHER LIABILITIES

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Deferred government grant[2]	1,060	1,024
Total	**1,060**	**1,024**
Current		
Advance from customers[3]	461	252
Statutory and other liabilities[1]	1,060	467
Deferred government grant[2]	166	141
Total	**1,687**	**860**

(1) Statutory and other liabilities mainly includes contribution to PF, Goods and service tax (GST), TDS, amount payable to District Mineral Fund (DMF), National Mineral Exploration Trust (NMET) etc.

(2) Represents government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of Property, Plant and Equipments accounted for as government grant and being amortised over the useful life of such assets.

(3) Advance from customers are contract liabilities and include amounts received under short term supply agreements. The advance payment plus a fixed rate of return/ discount will be settled by supplying respective commodity over a period up to twelve months under an agreed delivery schedule as per the terms of the respective agreements. As these are contracts that the Group expects, and has the ability, to fulfil through delivery of a non-financial item, these are recognised as advance from customers and will be released to the income statement as respective commodity is delivered under the agreements. The amount of such balances as of April 01, 2021 was ₹ 1,219 Crore. Changes in contract liabilities are either due to exchange differences, receipt of fresh advances or revenues recognised as detailed in note 21A.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

19. OPERATIONAL BUYERS' CREDIT/ SUPPLIERS' CREDIT

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Operational buyers'/ suppliers' credit from banks [1]	307	280
Total	**307**	**280**

(1) Operational buyers'/ suppliers' credit is availed in foreign currency from offshore branches of Indian banks at weighted average interest rate of 5.04% p.a. (March 31, 2022: 0.57 % p.a.) as at March 31, 2023. The tenure of these trade credits ranges from 90 days to 143 days (March 31, 2022: 59 days to 88 days) from the date of draw down. This is backed by Standby Letter of Credit issued under unsecured working capital facilities sanctioned by domestic banks.

20. TRADE PAYABLES

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payables	2,088	2,038
Total	**2,088**	**2,038**

Trade payables Ageing Schedule

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Undisputed dues		
Less than 1 year	2,054	2002
1-2 years	8	10
2-3 years	2	4
More than 3 years	24	22
Total*	**2,088**	**2038**

*Includes Unbilled dues of ₹ 1,492 Crore (March 31, 2022: ₹ 1402 Crore)

21. (A) REVENUE FROM OPERATIONS

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products	33,120	28,624
Income from wind energy	152	166
Total Revenue [1] (also refer note 35)	**33,272**	**28,790**

(1) Revenue is shown exclusive of GST and other indirect taxes, as these collections are not an inflow on entity's own account, rather it is collected on behalf of government authorities.

The above revenue from sale of products for the year ended March 31, 2023 comprises of revenue from contracts with customers of ₹ 34,252 Crore (March 31, 2022: ₹ 29,792 Crore) and a net loss on mark to market of ₹ 980 Crore (March 31, 2022: ₹ 1,002 Crore) on account of gains/ losses relating to sales that were provisionally priced as at the beginning of the year with the final price settled in the current year, gains/ losses relating to sales fully priced during the year, and marked to market gains/ losses relating to sales that were provisionally priced as at the end of the year. Entire revenue from contract with customers is recorded at a point in time and includes ₹ 252 Crore (March 31, 2022: ₹ 1,219 Crore) for which contract liabilities existed at the beginning of the year. Majority of the Group's sales are against advance or are against letters of credit/ cash against documents/ guarantees of banks of national standing. Where sales are made on credit, the amount of consideration does not contain any significant financing component as payment terms are within six months.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(B) OTHER OPERATING INCOME

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of scrap and residuals	410	319
Export incentives	235	205
Others (unclaimed amount, carbon credits, liquidated damages etc.)	181	126
Total	**826**	**650**

22. OTHER INCOME

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net gain on sale of current investments	32	205
Net gain on foreign currency transactions and translation	36	27
Amortization of deferred revenue arising from government grant	157	135
Gain on sale of property, plant and equipment (net)	-	11
Interest Income on		
Bank deposits measured at amortized cost	197	407
Investments measured at FVTOCI	281	-
Investments measured at FVTPL	504	392
Other financial assets measured at amortised cost	172	39
Total	**1,379**	**1,216**

23. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Crore)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Opening inventory			
Finished goods		27	48
Work in progress :-			
Ore		66	40
Mined metal		475	258
Others (includes various semi-finished goods having Zinc, Lead & Silver content)		547	491
Total	**(A)**	**1,115**	**837**
Closing inventory			
Finished goods		28	27
Work in progress :-			
Ore		96	66
Mined metal		677	475
Others (includes various semi-finished goods having Zinc, Lead & Silver content)		457	547
Total	**(B)**	**1,258**	**1,115**
Changes in Inventory	**(A- B)**	**(143)**	**(278)**

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

24. EMPLOYEE BENEFIT EXPENSE

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus (1)	619	539
Contribution to provident and other funds (refer note 31)	74	46
Share based compensation (2)	16	6
Staff welfare expenses (1)	136	127
Total	**845**	**718**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

(1) Includes Corporate social responsibility expenditure of ₹ 4 Crore and ₹ 15 Crore (March 31,2022: ₹ 3 Crore and ₹ 16 Crore) towards salaries,wages and bonus and Company run schools & hospitals respectively.

(2) The Company offers equity-based and cash based option plans to its employees, officers and directors through its Holding Company, Vedanta Limited [Vedanta Limited - Employee Stock Option Scheme ("Vedanta Limited- ESOS")].

During the year, share-based incentives arrangement under ESOS of Vedanta Limited (introduced effective December 2016) are provided to the defined management group. The maximum value of shares that can be awarded to members of the defined management group is calculated by reference to the individual fixed salary and share-based remuneration consistent with local market practice. ESOS scheme of Vedanta Limited are both tenure and performance based share schemes. The awards are indexed to and settled by Parent's shares (Vedanta Ltd shares as defined in the scheme). The awards have a fixed exercise price denominated in Parent's functional currency (Re.1), the performance period of each award is 36 months and is exercisable within a period of six months from the date of vesting beyond which the option lapses.

Further, in accordance with the terms of the agreement between the Parent and the Company, the cost recognised towards ESOS scheme is recovered by the Parent from the Company.

25. FINANCE COSTS

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on financial liabilities at amortised cost (1) (3)	273	237
Other interest (2)	12	28
Bill discounting charges	20	8
Bank charges	5	5
Other finance costs	23	12
Total	**333**	**290**

(1) Interest expenses on lease liabilities is ₹ 4 Crore (March 31, 2022: ₹ 3 Crore)

(2) Interest expenses on income tax is ₹ 7 Crore (March 31, 2022: ₹ 22 Crore)

(3) Interest rate of 5.79% was used to determine the amount of general borrowing costs eligible for capitalization in respect of qualifying asset for the year ended March 31, 2023 (March 31, 2022: 5.08%)

26. DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Property, Plant and Equipments (refer note 4)	3,255	2,905
Amortization on intangible assets (refer note 5)	9	12
Total	**3,264**	**2,917**

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

27. OTHER EXPENSES

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spare parts	2,067	1,622
Repairs and Maintenance:		
- Plant and equipment	1,998	1,749
- Building	130	105
- Others	2	7
Carriage inwards	167	174
Mine expenses	1,999	1,679
Other manufacturing and operating expenses	447	441
Strategic services & brand fees(1)	318	-
Rates and taxes	2	3
Conveyance and travelling expenses	28	20
Directors sitting fees and commission	2	1
Payment to auditors	2	2
Carriage outwards	335	349
Grass root exploration expenses	18	16
Legal and professional expenses	51	65
Provision for doubtful debts/ advance(3)	33	-
Research and development expenditure	11	8
Corporate social responsibility(2)	201	150
Loss on sale of property, plant and equipment (net)	9	-
Net loss on investments measured at FVTPL	16	28
Miscellaneous expenses	275	237
Total	**8,111**	**6,656**

(1) During the current year, The Audit & Risk Management Committee of the Company have approved payment towards strategic services and brand fees to Vedanta Limited ("Holding Company") at 2% of the consolidated turnover of the Company effective from October 01, 2022.

(2) Consequent to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 ("the Rules"), the Company, during the current year, has transferred its CSR assets after obtaining regulatory approvals, having carrying value of ₹ 117 Crore as on the date of transfer, at nominal consideration to Zinc India Foundation (wholly owned subsidiary), incorporated during the current year under Section 8 of the Companies Act, 2013. The carrying value of these assets has been included as CSR expense in the financial statements owing to such transfer (see note 5(1)).

(3) Target plus scheme ("TPS") as a part of foreign trade policy was announced on August 31, 2004 w.e.f. April 01, 2004, with an objective of accelerating growth in exports. Pursuant to this scheme, Vedanta Limited ("erstwhile Sterlite Industries Ltd.") (Holding Company) had applied for TPS scrips of value of ₹ 306 Crore. However, certain retrospective amendments in this scheme were made by Directorate General of Foreign Trade ('DGFT') resulting in reduction in these scrips value by ₹ 216 Crore in which HZL had a share of ₹ 48 Crore. This was challenged by the Holding Company in the Hon'ble Supreme Court. Basis the favourable judgements from the Hon'ble Supreme Court, HZL had recognised an income of ₹ 48 Crore as an export incentive recoverable in December 2015. However, during FY 2020-21, the TPS scrips of value of ₹ 216 Crore were issued by Directorate General of Foreign Trade ('DGFT') in the name of Vedanta Limited ("Holding Company") basis which, the export incentive recoverable was reclassified to recoverable from Vedanta Limited. The Company has realised ₹ 20 Crore from Vedanta Limited on the basis of proportionate scrips utilization by Vedanta Limited and has created a provision of remaining ₹ 28 Crore considering the expiry of the utilization timeline for these scrips till February 24, 2023 and no favorable outcome of the petition filed by the Holding Company in the Hon'ble Supreme Court for extension of the utilization timeline.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

28. EXCEPTIONAL ITEMS

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
One time settlement of entry tax under amnesty scheme (1)	-	134
Total	**-**	**134**

(1) During the previous year, Company had opted to settle Entry Tax matter under phase II of "Amnesty Scheme 2021" launched by Government of Rajasthan, persuant to which Company had written off balances of ₹ 113 Crore outstanding under claims and receivable (note 7) as at March 31, 2021 paid under protest for entry tax matter and paid additional ₹ 21 Crore towards settlement.

29. EARNINGS PER SHARE

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic earnings per share (₹)	24.88	22.79
Diluted earnings per share (₹)	24.88	22.79
The earnings and weighted average number of equity shares used in the calculation of basic and diluted earnings per share are as follows:		
Profit after tax attributable to owners of the Company (in ₹ Crore)	10,511	9,629
Earnings used in the calculation of basic earnings for the year (in ₹ Crore)	10,511	9,629
Weighted average number of equity shares outstanding (number in Crore)	423	423
Nominal value per share (in ₹)	2	2

30. CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
a. Contingent liabilities(1)		
Claims against the Company not acknowledged as debts		
- Suppliers and contractors	82	98
- Ex-employees and others	3	3
- Land acquisition	3	6
- Mining cases(2)	334	334
- Government : Electricity Duty	9	9
: Road Tax	15	15
: Environmental Cess(3)	142	142
Guarantees issued by the banks	277	278
Sales tax demands	68	68
Income tax demands(5)	720	725
Excise Duty, Custom duty, Service tax and GST demand (4)	525	413

(1) Future cash out flows in respect of the above matters are determinable only on receipt of judgments or decisions pending at various forums. Accordingly interest and penalty where applicable will be additionally payable.

(2) The Department of Mines and Geology (DMG) of the State of Rajasthan issued several show cause notices in August, September and October 2006 to HZL, amounting to ₹ 334 Crore. These notices alleged unlawful occupation and unauthorised mining of associated minerals other than zinc and lead at HZL's Rampura Agucha, Rajpura Dariba and Zawar mines in Rajasthan during the period from July 1968 to March 2006. HZL believes that the likelihood of this claim is not probable and thus no provision has been made in the financial statements. HZL had filed writ petitions in the High Court of Rajasthan in Jodhpur and had obtained a stay in respect of these demands. The High Court restrained the Department of Mines and Geology from undertaking any coercive measures to recover the penalty. In January 2007, the High Court issued another order granting the Department of Mines and Geology additional time to file their reply and also ordered the Department of Mines and Geology not to issue any order cancelling the lease. Affidavit of the Central Government is awaited.The State Government filed for an early hearing application in the High Court. The High Court has passed an order rejecting the application stating that Central Government should file their replies.

(3) The State of Rajasthan issued a notification in June 2008 notifying the Rajasthan Environment and Health Cess Rules, 2008, imposing environment and health cess on major minerals including lead and zinc. HZL and other mine operators resisted this notification and the imposition thereunder before the High Court of Rajasthan on the ground that the imposition of such cess and all matters relating to the environment fall under the jurisdiction of the Central government as opposed to the State government. In October 2011, the High Court of Rajasthan disposed the writ petitions and held the Rajasthan Environment and Cess Rules, 2008 that impose a levy of cess on minerals, as being constitutionally valid. An amount of ₹ 150 per metric ton of ore produced would be attracted under the Statute if it is held to be valid. HZL challenged this order by a special leave petition in December 2011 before the Supreme Court of India. The Supreme Court of India issued a notice for stay. Further direction was issued by the Supreme Court on March 23, 2012 not to take any coercive action against HZL for recovery of cess. The aforementioned notification was rescinded via notification dated January 6, 2017, and hence no further obligation exists after that date.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(4) Various demands raised on the Company towards CENVAT, service tax and excise for FY 1991-92 to 2020-21. The Company has paid an amount of ₹ 19 Crore (March 31, 2022: ₹ 20 Crore) against these demands under protest and is confident of the liability not devolving on the Company.

(5) Tax demands have been raised mainly on account of depreciation disallowances, withholding taxes and interest thereon. Although, the Company has paid certain amounts in relation to these demands, which are pending at various levels of appeals, management considers these disallowances as not tenable against the Company, and therefore no provision for tax has been created. Also, refer note 32c(ii).

b. The Department of Mines and Geology (DMG) of the State of Rajasthan initiated the royalty assessment process from January 2008 to 2019 on certain question of law and issued a show cause notice vide an office order dated January 31, 2020 amounting to ₹ 1,925 Crore, further an additional demand was issued vide an office order dated December 14, 2020 for ₹ 311 Crore on similar questions of law. The Company has challenged (the show cause notice or/ and) computation mechanism of the royalty on the ground that the state has not complied with the previous orders of Rajasthan High court where a similar computation mechanism was challenged and court had directed DMG to reassess basis the judicial precedents and mining concession rules. Pending compliance of previous orders, High court has granted a stay on the notice and directed DMG not to take any coercive action. State Government has also been directed to not take any coercive action in order to recover such miscomputed dues. Inspite of the High court stay order, the State Government raised a revised demand of ₹ 1,423 Crore vide order dated March 16, 2022 for the same period. The Company challenged this notice before the Revisionary Authority ("RA") and also moved an application in RA against the earlier demand raised by DMG for recovery of ₹ 311 Crore. RA has granted a stay on the recovery of ₹ 1,423 Crore vide its order dated June 15, 2022, and on the recovery of ₹ 311 Crore, vide its order dated September 07, 2022 respectively. Based on the opinion of external counsel, the Company believes that it has strong grounds of a successful appeal.

c. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 3,400 Crore (March 31,2022: ₹ 1,480 Crore).

d. Other Commitments

(i) During the current year, the Company has entered into Power delivery agreement ('PDA') with Serentica Renewables India 4 Private Limited ('Serentica 4') for sourcing of 200 MW (contracted capacity) renewable power on round the clock ('RTC') basis under group captive arrangement for 25 years. Under the terms of the PDA, Company is expected to infuse equity of ₹ 350 Crore for twenty six percent in Serentica 4. During the current year, the Company has made an investment of ₹ 105 Crore in Optionally Convertible Redeemable Preference Shares ('OCRPS') and pending committed investment of ₹ 245 Crore in OCRPS to be made basis fulfilment of conditions of the PDA. These OCRPS will be converted into equity basis conversion terms of the PDA (see note 9).

Further during the current year, the Company has entered into Power delivery agreement ('PDA') with Serentica Renewables India 5 Private Limited ('Serentica 5') for sourcing of 250 MW (contracted capacity) renewable power on RTC basis under group captive arrangement for 25 years. Under the terms of the PDA, Company is expected to infuse equity of approximately ₹ 438 Crore for twenty six percent in Serentica 5. No investment has been made by the Company during the year pertaining to this.

(ii) The Company has given Letter of Comfort and also assigned its bank limits to its wholly owned subsidiary Hindustan Zinc Alloys Private Limited ("HZAPL") primarily in respect of certain working capital needs and short-term borrowings amounting to ₹ 81 Crore (March 31, 2022: Nil)

(iii) During the current year, the Company under its Corporate Social Responsibilities ('CSR') initiative has signed a Memorandum of Understanding ('MOU') with Rajasthan Cricket Association ('RCA') for development of international cricket stadium at Jaipur (Rajasthan). As per the terms of MOU, the Company has committed to contribute ₹ 300 Crore against which ₹ 5 Crore has been contributed in the current year.

(iv) Export obligations

The Group has ₹ 75 Crore export obligations (March 31,2022: Nil) on account of concessional rates of import duties paid on capital goods under the Export Promotion Capital Goods Scheme enacted by the Government of India (which is required to be fulfilled over the next six years from purchase). If the Group is unable to meet these obligations, its liabilities would be ₹ 13 Crore (March 31, 2022: Nil) reduced in proportion to actual export. The Group has given bonds/ Bank guarantees of ₹ 372 Crore (March 31, 2022: ₹ 1705 Crore) to custom authorities against export obligations which will be released subject to verification of EODC (Export obligation discharge certificate) by the Customs department.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

31. RETIREMENT AND OTHER EMPLOYEE BENEFIT SCHEMES

a. Defined contribution schemes

Family Pension Scheme

The contributions are based on a fixed percentage of the employee's salary, subject to a ceiling, as prescribed in the scheme. A sum of ₹ 5 Crore (March 31, 2022: ₹ 5 Crore) has been charged to the Statement of Profit and Loss during the year. There are no further obligations on the Group.

Superannuation fund

A sum of ₹ 3 Crore (March 31, 2022: ₹ 3 Crore) has been charged to the Statement of Profit and Loss in respect to contributions made to the superannuation fund. The Group has no further obligations to the plan beyond the monthly contributions.

b. Defined benefit plans

For defined benefit schemes, the cost of providing benefits under the plans is determined by actuarial valuation each year for the plan using the projected unit credit method by independent qualified actuaries as at the year end. Remeasurements in the year are recognized in full in other comprehensive income for the year.

Provident fund

The Group offers its employees, benefits under defined benefit plans in the form of provident fund scheme which covers all employees. Contributions are paid during the year into 'Hindustan Zinc Limited Employee's Contributory Provident Fund' (the 'Trust'). Both the employees and the Group pay predetermined contributions into the Trust. A sum of ₹ 28 Crore (March 31, 2022: ₹ 26 Crore) has been charged to the Statement of Profit and Loss in this respect during the year.

The Group's Trust is exempted under section 17 of Employees Provident Fund Act, 1952. The conditions for grant of exemption stipulate that the employer shall make good the deficiency, if any, between the return guaranteed by the statute and actual earning of the Trust. The Group has made good the deficiency of ₹ 17 Crore for previous year in this regard. Having regard to the assets of the Trust and the return on the investments, the Company does not expect any deficiency in the foreseeable future, except for investments in debt securities of IL&FS Limited and IL&FS Financial Services Ltd. for which necessary provisions exists.

The details of fund and plan asset position are given below:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Plan assets fair valued	1,633	1,574
Present value of benefit obligation at period end	1,644	1,591
Net Plan Assets/ (Liability)	**(11)**	**(17)**
% allocation of plan assets by category		
Central government securities	11%	14%
State government securities (including PSU Bond)	58%	53%
Private sector bonds, Mutual funds	31%	33%
Principal actuarial assumptions		
Financial Assumptions		
Discount rate	7.39%	7.14%
Expected statutory interest rate on the ledger balance	8.15%	8.10%
Expected short fall in interest earnings on the fund	0.05%	0.05%
Demographic Assumptions		
i) Retirement Age (years)	58	58
ii) Mortality rates inclusive of provision for disability	100% of IALM (2012- 14)	100% of IALM (2012- 14)
iii) Withdrawal rates		
Up to 30 years	3% - 24%	3% - 21%
From 31 to 44 years	2% - 9%	2% - 7.5%
Above 44 years	1% - 9%	1% - 3.2%

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

Gratuity plan

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, an employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. The Group's defined benefit plans are funded with Life Insurance Corporation of India (LIC). The Company does not have any liberty to manage the fund provided to LIC.

The following tables set out the details of the gratuity plans and the amounts recognized in the financial statements.

Principal actuarial assumptions

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Principal actuarial assumptions used to determine the present value of the defined benefit obligation are as follows:		
Financial Assumptions		
Discount rate	7.39%	7.14%
Expected rate of increase in compensation level of covered employees	6% - 10.5%	6% - 9.5%
Demographic Assumptions		
i) Retirement Age (years)	58	58
ii) Mortality rates inclusive of provision for disability	IALM (2012-14)	IALM (2012-14)
iii) Withdrawal rates		
Up to 30 years	3% - 24%	3% - 21%
From 31 to 44 years	2% - 9%	2% - 7.5%
Above 44 years	1% - 9%	1% - 3.2%
Amount recognized in the balance sheet consists of:		
Fair value of planned assets	232	243
Present value of defined benefit obligations	(239)	(243)
Net assets/ (Net unfunded liability)	**(7)**	-
% allocation of plan assets by category		
Qualified Policy from Life Insurance Corporation of India (LIC)	100%	100%

The movement during the year of the present value of the defined benefit obligation was as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Balance	243	261
Service cost	11	11
Benefits paid	(27)	(32)
Interest cost	17	18
Acturial (Gain)/ Loss on obligation	(5)	(15)
Closing Balance	**239**	**243**

The movement during the year in the fair value of plan assets was as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Balance	243	206
Employer Contributions	1	55
Benefits paid	(27)	(32)
Interest Income	17	14
Remeasurement Gain/ (Loss) arising from return on plan assets	(2)	-
Closing Balance	**232**	**243**

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

Amounts recognized in Statement of Profit and Loss in respect of defined benefit plan are as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	11	11
Net Interest cost	-	4
Total charge to Statement of Profit and Loss	**11**	**15**

Amounts recognized in Other Comprehensive Income in respect of defined benefit plan are as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remeasurement (Gain)/ Loss arising from Change in Demographic Assumption	(3)	(3)
Remeasurement (Gain)/ Loss arising from Change in Financial Assumption	3	(3)
Remeasurement (Gain)/ Loss arising from Experience Adjustment	(5)	(9)
(Gain)/ Loss on plan assets	2	-
Components of defined benefit costs recognised in other comprehensive income	**(3)**	**(15)**

Expected contribution for the next annual reporting period of March 31, 2023:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Service Cost	13	12
Net Interest Cost	-	-
Expected contribution for the next annual reporting period of March 31, 2023	**13**	**12**

Sensitivity analysis

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Impact of change in discount rate		
Increase by 0.50%	(5)	(6)
Decrease by 0.50%	5	6
Impact of change in salary increase rate		
Increase by 0.50%	5	6
Decrease by 0.50%	(5)	(6)

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

Maturity Profile of Defined Benefit Obligation

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Year:		
0 to 1 year	42	28
1 to 2 year	42	37
2 to 3 year	35	33
3 to 4 year	31	29
4 to 5 year	21	27
5 to 6 year	15	20
6 year onwards	53	69

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

Risk analysis

The Group is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

Investment risk

The Group's defined benefit plans are funded with Life Insurance Corporation of India (LIC). The Group does not have any liberty to manage the fund provided to LIC. The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government of India bonds for the Company's operations. If the return on plan asset is below this rate, it will create a plan deficit.

Interest risk

A decrease in the interest rate on plan assets will increase the plan liability, however this will be partially offset by increase in the return on plan debt investment.

Longevity risk/ Life expectancy

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

32. INCOME TAX EXPENSES

The major components of income tax expense for the year ended March 31, 2023 and March 31, 2022 are indicated below:

(₹ in Crore)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
a.	**Tax charge recognised in Profit and Loss**		
	Current tax:		
	Current tax on profit for the year	3,431	2,445
	Total Current tax	**3,431**	**2,445**
	Deferred tax:		
	Reversal and origination of temporary differences	(189)	24
	MAT credit asset (recognized)/ utilisation	1,601	2,079
	Adjustment in respect of earlier years	(66)	(77)
	Total Deferred tax	**1,346**	**2,026**
	Tax expense for the year	**4,777**	**4,471**
	Effective income tax rate (%)	31.25%	31.71%
b.	**Statement of other comprehensive income**		
	Deferred tax (credit)/ charge on:		
	Cash flow hedges recognised during the year	34	(34)
	Net Gain/ (Loss) on FVTOCI investments	(4)	-
	Remeasurement of defined benefit obligation	(4)	6
	Total	**26**	**(28)**

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting profit before tax (after exceptional item)	15,288	14,100
Statutory income tax rate	34.94%	34.94%
Tax at statutory income tax rate	5,342	4,927
Disallowable expenses	41	71
Non-taxable capital gains	(50)	(57)
Tax holidays and similar exemptions	(208)	(335)
Additional depreciation under income tax reversible within tax holiday period	(3)	10
Effect of changes in tax laws (refer (i) below)	(253)	(43)
Impact of tax rate differences on capital gains	(30)	(23)
Adjustments in respect of prior years*	(62)	(79)
Total	**4,777**	**4,471**

(i) The Group has decided to opt for lower tax rate as permitted under section 115BAA of the Income Tax Act, 1961 from Financial Year 2023-24.

(ii) The tax department had raised demands on account of remeasurement of certain tax incentives, as described below, under section 80IA and 80 IC of the Income tax Act, 1961. Based on the favourable orders from Income Tax Appellate Tribunal relating to AY 2009-10 to AY 2012-13, AY 2017-18 and AY 2018-19, the Commissioner of Income Tax (Appeals) has allowed these claims for AY 14-15 to AY 15-16, which were earlier disallowed and has granted refund of amounts deposited under protest. Against the Tribunal order, department had filed an appeal before Hon'ble Rajasthan High Court in financial year 17-18 (for AY 2009-10 to AY 2012-13) which is yet to be admitted. For the AY 2017-18 and AY 2018-19, the ITAT orders were received in November 22 and we understand that department will be filing appeal before the hon'ble Rajasthan High Court as per the statutory timelines. With respect to earlier appeals filed by the department, as per the view of external legal counsel, Department's appeal seeks re-examination of facts rather than raising any substantial question of law and hence it is unlikely that appeal will be admitted by the High Court. Due to this there is a strong prima facie case that ITAT order will stand confirmed and the judgment of High Court going in favour of HZL is highly probable [OR and the judgement of High Court going against HZL is unlikely] and department's appeal would be dismissed. The amount involved in this dispute as of March 31, 2023 is ₹ 12,447 Crore (March 31, 2022: ₹ 11,369 Crore) plus applicable interest upto the date of settlement of the dispute.

The Group is eligible for specified tax incentives which are included in the table above as 'tax holidays and similar exemptions'. These are briefly described as under:

Tax holiday claims for eligible units

To encourage the establishment of certain power plants, provided certain conditions are met, tax incentives exist to exempt 100% of profits and gains for any ten consecutive years within the 15 year period following commencement of the power plant's operation. The Company currently has total operational capacity of 474 Mega Watts (MW) of thermal based power generation facilities, wind power capacity of 274 MW and solar power plants of 16 MW. The tax holiday benefit with respect to 314 MW thermal based power generation facilities and 274 MW wind power capacity have expired in earlier years.

Tax incentives exist for certain infrastructure facilities to exempt 100% of profits and gains for any ten consecutive years within the 20 year period following commencement of these facilities' operation, provided certain conditions are met. The Group currently has certain eligible facilities.

However, above tax benefits would cease to exist from next year as the Group has decided to opt for new tax regime from financial year 2023-24 as per note (i) above.

*Adjustments in respect of prior years includes tax benefits of ₹ 40 Crore (March 31, 2022: ₹ 130 Crore) in respect of above infrastructure facilities.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Property, plant and equipment, exploration and evaluation and intangible assets	(2,426)	(2,359)
Fair valuation of financial assets/ liabilities	(35)	(135)
Voluntary retirement scheme	14	26
Other temporary differences	133	249
MAT credit entitlement	-	1,277
Deferred Tax (Liabilities) (net)	**(2,314)**	**(942)**

Deferred tax charge of ₹ 1,372 Crore (March 2022: ₹ 1,998 Crore) is recorded as below:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Through Other Comprehensive Income		
Cash flow hedges recognised during the year	34	(34)
Net Gain/ (Loss) on FVTOCI investments	(4)	-
Remeasurements of defined benefit obligations	(4)	6
	26	**(28)**
Through Profit and Loss		
Property, plant and equipment, exploration and evaluation and intangible assets	67	154
Fair valuation of financial assets/ liabilities	(100)	(113)
Voluntary retirement scheme	12	11
Other temporary differences	90	(26)
MAT credit entitlement	1,277	2,000
	1,346	**2,026**
Total	**1,372**	**1,998**

33. LEASES

(a) Following are the amounts recognised in Statement of Profit & Loss account:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Depreciation expense for right-of-use assets	17	9
b) Interest expense on lease liabilities	4	3
c) Expense relating to short-term leases	1	2
Total amount recognised	**22**	**14**

(b) The movement in lease liabilities is as follows:

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Opening balance	21	24
b) Additions	32	1
c) Interest accrued	4	3
d) Repayments (Principal & interest)	(17)	(7)
Closing balance	**40**	**21**

(c) Lease liabilities carry an effective interest rate of 5.03 % & 23.25 %.

(d) The maturity analysis of lease liabilities is disclosed in note 35.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

34. SEGMENT REPORTING

a. Basis of Segmentation

The Group is engaged in exploring, extracting and processing minerals. The Group produces zinc, lead, silver,commercial power and alloys. The Group has two reportable segments: i) Zinc, Lead, Silver & others and ii) Wind energy. The management of the Group is organized by its main products: Zinc, Lead and Silver and Wind energy. Each of the reportable segments derives its revenues from these main products and hence these have been identified as reportable segments by the Company's Chief Operating Decision Maker ("CODM"). Segment profit amounts are evaluated regularly by the CEO, who has been identified as the CODM, in deciding how to allocate resources and in assessing performance.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. The operating segments reported are the segments of the Group for which separate financial information is available. Segment profit (Earnings before interest, depreciation and amortization, and tax) amounts are evaluated regularly by the CEO who has been identified as its CODM in deciding how to allocate resources and in assessing performance. The Group's financing (including finance costs and finance income) and income taxes are reviewed on an overall basis and are not allocated to operating segments. Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Revenue and expenses directly attributable to segment are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of appropriate cost drivers of the segment. Segment results for silver have been determined based on attributing manufacturing costs for generating the related WIPs and other expenses.

Asset and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

The following table presents revenue and profit information and certain assets information regarding the Group's business segments.

b. Information about reportable segments

I. Information about primary segment

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue		
Zinc, Lead, Silver & others		
(i) Zinc, Lead and others	28,732	24,418
(ii) Silver	4,388	4,206
Wind Energy	152	166
Segment revenue	**33,272**	**28,790**
Segment Results		
Zinc, Lead, Silver & others		
(i) Zinc, Lead and others	10,547	9,667
(ii) Silver*	3,841	3,738
Wind Energy	95	100
Segment Results	**14,483**	**13,505**
Less: Finance costs	333	290
Add: Interest income	1,154	838
Add: Other unallocable income net of unallocable (expenditure)	(16)	181
Profit before tax and exceptional items	**15,288**	**14,234**
Exceptional item	-	(134)
Profit before tax	**15,288**	**14,100**
Tax expenses	4,777	4,471
Profit for the year	**10,511**	**9,629**
Depreciation & amortisation Expense		
Zinc, Lead, Silver and others	3,236	2,889
Wind Energy	28	28
Total	**3,264**	**2,917**

* Segment results for silver have been determined based on attributing manufacturing costs for generating the related WIPs and other expenses.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

Below table summarises the disaggregated revenue from contracts with customers:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Zinc	24,932	21,146
Lead	4,147	3,708
Silver	4,382	4,203
Wind Energy	157	166
Others	634	569
Revenue from contracts with customers	**34,252**	**29,792**
Gains/ (Losses) on provisionally priced contracts (net) (refer note 21)	(980)	(1,002)
Total Revenue	**33,272**	**28,790**

(₹ in Crore)

Particulars	Zinc, Lead and Silver	Wind energy	Unallocated	Total
As at March 31, 2023				
Assets and liabilities				
Assets				
Segment assets	22,393	515	23	22,931
Financial assets investments	-	-	10,107	10,107
Cash and cash equivalent	-	-	59	59
Other bank balances	-	-	1,353	1,353
Income tax assets	-	-	1,017	1,017
Total assets	**22,393**	**515**	**12,559**	**35,467**
Liabilities				
Segment liability	6,371	14	1,431	7,816
Borrowings	-	-	11,841	11,841
Deferred tax liabilities (Net)	-	-	2,314	2,314
Income tax liabilities	-	-	564	564
Total liabilities	**6,371**	**14**	**16,150**	**22,535**
As at March 31, 2022				
Assets and liabilities				
Assets				
Segment assets	22,330	586	55	22,971
Financial assets investments	-	-	15,052	15,052
Cash and cash equivalent	-	-	1,592	1,592
Other bank balances	-	-	4,171	4,171
Income tax assets	-	-	884	884
Total assets	**22,330**	**586**	**21,754**	**44,670**
Liabilities				
Segment liability	6,183	12	173	6,368
Borrowings	-	-	2,823	2,823
Deferred tax liabilities (Net)	-	-	942	942
Income tax liabilities	-	-	256	256
Total liabilities	**6,183**	**12**	**4,194**	**10,389**

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

Other Segment Information

Segment capital expenditure

The below expenditure includes additions to property, plant and equipment, intangible assets, capital work in progress and capital advances:

(₹ in Crore)

Particulars	Zinc, Lead and Silver	Wind energy	Total
For the year ended March 31, 2023	**3,810**	**-**	**3,810**
For the year ended March 31, 2022	3,665	-	3,665

II. Information based on Geography

(₹ in Crore)

Geographical Segments	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue by geographical segment		
India	23,485	21,616
Asia (excluding India)	8,744	6,642
Rest of the World	1,043	532
Total	**33,272**	**28,790**

Non-current assets[1]

	As at March 31, 2023	As at March 31, 2022
India	20,294	20,630
Total	**20,294**	**20,630**

[1] Excluding financial assets.

Segment capital expenditure

(₹ in Crore)

	For the year ended March 31, 2023	For the year ended March 31, 2022
India	3,810	3,665
Total	**3,810**	**3,665**

Information about major customer

No customer accounted for more than 10% revenue during the year (March 31, 2022: None)

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

35. FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the Group and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 and note 3.

Financial assets and liabilities:

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

(₹ in Crore)

Particulars	Fair Value through profit and loss	Fair Value through other comprehensive income	Amortized Cost	Total carrying value	Total fair value
As at March 31, 2023					
Financial assets					
Cash and cash equivalents	-	-	59	59	59
Other bank balances	-	-	1,353	1,353	1,353
Investments	5,716	4,391	-	10,107	10,107
Trade receivables	90	-	290	380	380
Other Current financial assets and loans	32	-	60	92	92
Other Non-current financial assets and loans	-	-	112	112	112
Total	**5,838**	**4,391**	**1,874**	**12,103**	**12,103**
Financial liabilities					
Borrowings	-	-	11,841	11,841	11,816
Lease liabilities	-	-	40	40	40
Trade payables	-	-	2,088	2,088	2,088
Operational buyers' credit/ suppliers' credit	-	-	307	307	307
Other Current financial liabilities	-	-	2,419	2,419	2,419
Total	-	-	**16,695**	**16,695**	**16,670**
As at March 31, 2022					
Financial assets					
Cash and cash equivalents	-	-	1,592	1,592	1,592
Other bank balances	-	-	4,171	4,171	4,171
Investments	15,052	-	-	15,052	15,052
Trade receivables	180	-	536	716	716
Other Current financial assets and loans	1	-	34	35	35
Other Non-current financial assets and loans	-	-	58	58	58
Total	**15,233**	**-**	**6,391**	**21,624**	**21,624**
Financial liabilities					
Borrowings	-	-	2,823	2,823	2,833
Lease liabilities	-	-	21	21	21
Trade payables	-	-	2,038	2,038	2,038
Operational buyers' credit/ suppliers' credit	-	-	280	280	280
Other Current financial liabilities	49	98	1,754	1,901	1,901
Total	**49**	**98**	**6,916**	**7,063**	**7,073**

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

The management assessed that Cash and cash equivalents, Other bank balances, Trade receivables, Trade payables, Short term borrowings, Lease liabilities, Operational buyer's credit, Other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

Fair value of the current instrument in bonds and zero coupon bonds are based on the price quotations at the reporting date. Fair value of current investments that are in the nature of 'close ended' mutual funds are based on market observable inputs i.e. NAV provided by mutual fund houses. [a level 2 technique].

Fair value of current investments that are in the nature of 'open ended' mutual funds are derived from quoted market prices in active markets [a level 1 technique].

Fair value of non current investments that are in the nature of 'Investment in OCRPS' are derived from Net Asset Value method [a level 3 technique].

The fair value of other non current financial assets and liabilities are estimated by discounting the expected future cash flows using a discount rate equivalent to the risk free rate of return adjusted for the appropriate credit spread.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Forward foreign currency contracts are valued using valuation technique with market observable inputs. The most frequently applied valuation techniques for such derivatives include forward pricing using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying currency (a level 2 technique). Commodity contracts are valued using the forward LME rates of commodities actively traded on the listed metal exchange i.e. London Metal Exchange, United Kingdom (U.K.) [a level 2 technique].The changes in counterparty risk had no material effect on the hedge effectiveness assessment for the derivatives designated in hedge relationship and the value of the other financial instrument recognised at fair value.

Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by measurement hierarchy. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

Quantitative disclosures on fair value measurement hierarchy:

(₹ in Crore)

Particulars	Level-1	Level-2	Level-3
As at March 31, 2023			
Financial Assets			
At fair value through profit and loss			
Investments	1,777	3,834	105
Derivatives financial assets*			
Forward foreign currency contracts	-	16	-
Commodity contracts	-	16	-
Trade receivables	-	90	-
At fair value through other comprehensive income			
Investments	-	4,391	-
Total	**1,777**	**8,347**	**105**
Financial Liabilities			
At fair value through profit and loss			
Derivatives financial liabilities*			
Forward foreign currency contracts	-	0	-
Commodity contracts	-	-	-
Derivatives designated as hedging instruments			
Derivatives financial liabilities*			
Commodity contracts	-	-	-
Total	-	0	-
As at March 31, 2022			
Financial Assets			
At fair value through profit and loss			
Investments	5,119	9,933	-
Derivatives financial assets*			
Forward foreign currency contracts	-	-	-
Commodity contracts	-	1	-
Trade receivables	-	180	-
Total	**5,119**	**10,114**	-
Financial Liabilities			
At fair value through profit and loss			
Derivatives financial liabilities*			
Forward foreign currency contracts	-	41	-
Commodity contracts	-	8	-
Derivatives designated as hedging instruments			
Derivatives financial liabilities*			
Commodity contracts	-	98	-
Total	-	**147**	-

* Refer section - “Derivative financial instruments”

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

The below table summarises the fair value of borrowings which are carried at amortised cost as at March 31, 2023 and March 31, 2022:

(₹ in Crore)

Financial Liabilities	Level-1	Level-2	Level-3
As at March 31, 2023			
Borrowings	-	11,816	-
Total	-	**11,816**	-
As at March 31, 2022			
Borrowings	-	2,833	-
Total	-	**2,833**	-

There were no transfers between level 1, level 2 and level 3 during the year.

Risk management framework

Risk management

The Group's businesses are subject to several risks and uncertainties including financial risks. The Company's documented risk management polices act as an effective tool in mitigating the various financial risks to which the business is exposed to in the course of their daily operations. The risk management policies cover areas such as liquidity risk, commodity price risk, foreign exchange risk, interest rate risk, counter party and concentration of credit risk and capital management. Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. Each significant risk has a designated 'owner' within the Company at an appropriate senior level. The potential financial impact of the risk and its likelihood of a negative outcome are regularly updated.

The risk management process is coordinated by the Management Assurance function and is regularly reviewed by the Group's Audit Committee. The Audit Committee is aided by the Risk Management Committee, which meets regularly to review risks as well as the progress against the planned actions. Key business decisions are discussed at the periodic meetings of the Executive Committee. The overall internal control environment and risk management programme including financial risk management is reviewed by the Audit Committee on behalf of the Board.

The risk management framework aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- identify risk accumulations
- provide management with reliable information on the Group's risk situation
- improve financial returns

Treasury management

The Group's treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury policies are approved by the Board and adherence to these policies is strictly monitored at the Executive Committee meetings. Day-to-day treasury operations of the Group are managed by the finance team within the framework of the overall Group's treasury policies. A monthly reporting system exists to inform senior management about investments, currency and, commodity derivatives. The Group has a strong system of internal control which enables effective monitoring of adherence to Group's policies. The internal control measures are effectively supplemented by regular internal audits.

The Group uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage the treasury and commodity

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

risks. Both treasury and commodities derivative transactions are normally in the form of forwards and these are subject to the Group's guidelines and policies.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, currency risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2023 and March 31, 2022. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations, provisions, and the non-financial assets and liabilities of foreign operations.

Commodity price risk

The Group is exposed to the movement of base metal commodity prices on the London Metal Exchange. Any decline in the prices of the base metals that the Group produces and sells will have an immediate and direct impact on the profitability of the businesses. As a general policy, the Group aims to achieve the monthly average of the commodity prices for sales realization. In exceptional circumstances, the Group may enter into strategic hedging. Hedging is used primarily as a risk management tool and, in some cases, to secure future cash flows in cases of high volatility by entering into forward contracts or similar instruments. The hedging activities are subject to strict limits set out by the Board and to a strictly defined internal control and monitoring mechanism. Decisions relating to hedging of commodities are taken at the Executive Committee level and with clearly laid down guidelines for their implementation by the Group.

Whilst the Group aims to achieve average LME prices for a month or a year, average realized prices may not necessarily reflect the LME price movements because of a variety of reasons such as uneven sales during the year and timing of shipments.

Financial instruments with commodity price risk are entered into in relation to following activities:

- economic hedging of prices realized on commodity contracts.

- cash flow hedging on account of forecasted highly probable transactions.

  The sales prices of zinc and lead are linked to the LME prices. The Group also enters into hedging arrangements for its Zinc and Lead sales to realize month of sale LME prices.

Total exposure on provisionally priced Zinc, Lead & Silver contracts as at March 31, 2023 were ₹ 837 Crore (March 31, 2022: ₹ 426 Crore), ₹ 110 Crore (March 31, 2022: ₹ 44 Crore) and Nil (March 31, 2022: Nil) respectively. The impact on net profits for a 10% movement in LME prices of zinc, 5% movement in LME price of lead and 5% movement in LBMA price of silver that were provisionally priced as at March 31, 2023 is ₹ 84 Crore, ₹ 6 Crore and Nil respectively and as atMarch 31, 2022 is ₹ 43 Crore, ₹ 2 Crore and Nil respectively.

Financial risk

The Group's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Group does not engage in speculative treasury activity but seeks to manage risk and optimize interest and commodity pricing through proven financial instruments.

a. Liquidity risk

The Group requires funds both for short-term operational needs as well as for long-term investment programme mainly in growth projects. The Group generates sufficient cash flows from the current operations which together with the available cash and cash equivalents and short-term investments provide liquidity both in the short-term as well as in the long-term.

The Company has been rated as 'AAA'/ Stable for long term and A1+ for short term by CRISIL Limited during the current and previous financial years.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

The Group remains committed to maintaining a healthy liquidity, gearing ratio and strengthening the balance sheet. The maturity profile of the Group's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Group.

(₹ in Crore)

Payment due by years	<1 year	1-3 years	3-5 years	> 5 years	Total
As at March 31, 2023					
Trade and other payables	4,740	0	-	-	4,740
Lease liabilities	21	18	-	1	40
Derivative financial liabilities	0	-	-	-	0
Borrowings*	10,849	1,598	-	-	12,447
Total	**15,610**	**1,616**	-	**1**	**17,227**
As at March 31, 2022					
Trade and other payables	3,996	0	-	-	3,996
Lease liabilities	15	5	0	1	21
Derivative financial liabilities	147	-	-	-	147
Borrowings*	863	2,224	-	-	3,087
Total	**5,021**	**2,229**	**0**	**1**	**7,251**

*Includes non-current borrowings, current borrowings, current maturities of non-current borrowings, committed interest payments on borrowings and interest accrued on borrowings.

The Group had access to following funding facilities.

(₹ in Crore)

Funding facility	Total facility	Drawn	Undrawn
As at March 31, 2023			
Less than 1 year	11,851	9,048	2,803
More than 1 year	-	-	-
Total	**11,851**	**9,048**	**2,803**
As at March 31, 2022			
Less than 1 year	9,266	4,772	4,494
More than 1 year	-	-	-
Total	**9,266**	**4,772**	**4,494**

b. Foreign exchange risk

Fluctuations in foreign currency exchange rates may have an impact on the Statement of Profit and Loss, where any transaction references more than one currency other than the functional currency of the Group.

The Group uses forward exchange contracts, to hedge the effects of movements in exchange rates on foreign currency denominated assets and liabilities. The sources of foreign exchange risk are outstanding amounts payable for imported raw materials, capital goods and other supplies denominated in foreign currency. The Group is also exposed to foreign exchange risk on its exports. Most of these transactions are denominated in US dollars. The policy of the Group is to determine on a regular basis what portion of the foreign exchange risk on financing transactions are to be hedged through forward exchange contracts and other instruments. Short-term net exposures are hedged progressively based on their maturity. A more conservative approach has been adopted for project expenditures to avoid budget overruns. Longer term exposures, are normally unhedged. The hedge mechanisms are reviewed periodically to ensure that the risk from fluctuating currency exchange rates is appropriately managed. The following analysis is based on the gross exposure as at the reporting date which could affect the Statement of Profit and Loss. The below table summarises the foreign currency risk from financial instrument and is partly mitigated by some of the derivative contracts entered into by the Group as disclosed under the section on "Derivative financial instruments."

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

The carrying amount of the Group's financial assets and liabilities in different currencies is as follows:

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
Currency exposure	**Financial Asset**	**Financial Liability**	**Financial Asset**	**Financial Liability**
US Dollar	251	404	350	358
Euro	-	634	-	330
Australian Dollar	-	4	-	2
SEK	-	14	-	6
Others	-	2	-	2

The Group's exposure to foreign currency arises where a Group holds monetary assets and liabilities denominated in a currency different to the functional currency of the Group, with US dollar and Euro being the major non-functional currency. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rate, liquidity and other market changes.

The results of Group operations may be affected largely by fluctuations in the exchange rates between the Indian Rupee, against the US dollar and Euro. The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rate shift in the currencies by 10% against the functional currency of the respective entities.

Set out below is the impact of a 10% strengthening/ weakening in the INR on pre-tax profit/ (loss) arising as a result of the revaluation of the Group's foreign currency financial assets/ liabilities:

(₹ in Crore)

Particulars	Total exposure		Effect of 10% strengthening/ weakening of INR on pre-tax profit/ (loss)	
	For the year ended March 31, 2023	**For the year ended March 31, 2022**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**
US Dollar	153	8	15	1
Euro	634	330	63	33
Australian Dollar	4	2	0	0
SEK	14	6	1	1
Others	2	2	0	0

c. **Interest rate risk**

Floating rate financial assets are largely mutual fund investments which have debt securities as underlying assets. The returns from these financial assets are linked to market interest rate movements; however the counterparty invests in the agreed securities with known maturity tenure and return and hence has manageable risk.

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

(₹ in Crore)

Particulars	Total	Floating rate	Fixed rate	Non-interest bearing
As at March 31, 2023				
Financials assets	12,103	1,870	8,340	1,893
Financial liabilities	16,695	4,000	8,188	4,507
As at March 31, 2022				
Financials assets	21,624	6,315	14,452	857
Financial liabilities	7,063	-	3,124	3,939

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rate. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term and long term debt obligations.

Considering the net debt position as at March 31, 2023 and the investment in bonds and debt mutual funds, any increase in interest rates would result in a net decrease in profits and any decrease in interest rates would result in a net increase in profits. The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date.

The below analysis gives the impact of a 0.5% to 2.0% change in interest rates on floating rate financial assets/ liabilities (net) on profit/ (loss) and equity and represents management's assessment of the possible change in interest rates.

The impact of change (increase/ (decrease)) in interest rate of 0.5%, 1.0% and 2.0% on profits for the period ended March 31, 2023 is ₹ 11 Crore, ₹ 21 Crore and ₹ 43 Crore and for year ended March 31, 2022 is ₹ 32 Crore, ₹ 63 Crore and ₹ 126 Crore respectively.

d. Counterparty and concentration of credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group is exposed to credit risk for receivables, cash and cash equivalents, short-term investments and derivative financial instruments. Credit risk on receivables is limited as almost all credit sales are against letters of credit and guarantees of banks of good financial repute.

Moreover, given the nature of the Group's business, trade receivables are spread over a number of customers with no significant concentration of credit risk. No single customer accounted for 10% or more of revenue on a % basis in current year (previous year : None). The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Group does not expect any material risk on account of non-performance by any of the Group's counterparties.

For short-term investments, counterparty limits are in place to limit the amount of credit exposure to any one counterparty. For derivative and financial instruments, the Group attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by international credit-rating agencies. Defined limits are in place for exposure to individual counterparties in case of mutual funds schemes and bonds.

The carrying value of the financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk as at March 31, 2023 and March 31, 2022 are ₹ 12,103 Crore and ₹ 21,624 Crore respectively.

None of the Group's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade and other receivables, and other non-current assets, there were no indications as at March 31, 2023, that defaults in payment obligations will occur.

Of the year end trade receivables, loans and other financial assets (excluding derivatives), following balances were past due but not impaired as at March 31, 2023 and March 31, 2022:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Neither impaired nor past due	472	649
Past due but not impaired		
Less than 1 month	64	100
Between 1-3 months	2	14
Between 3-12 months	9	35
Greater than 12 months	5	11
Total	**552**	**809**

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions. Receivables that are classified as 'past due' in the above tables are those that have not been settled within the terms and conditions that have been agreed with that customer.

The credit quality of the Group's customers is monitored on an on-going basis and assessed for impairment where indicators of such impairment exist. The solvency of the debtor and their ability to repay the receivable is considered in assessing receivables for impairment. Where receivables have been impaired, the Group actively seeks to recover the amounts in question and enforce compliance with credit terms.

Derivative financial instruments

The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage the treasury and commodity risks. Both treasury and commodities derivative transactions are normally in the form of forward contracts and these are subject to the Group guidelines and policies.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value based on quotations obtained from financial institutions or brokers. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current assets and liabilities/ reserves. Derivatives that are designated as hedges are classified as current depending on the maturity of the derivative.

The use of derivatives can give rise to credit and market risk. The Group tries to manage credit risk by entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Embedded derivatives

Derivatives embedded in other financial instruments or other contracts are treated as separate derivative contracts and marked-to-market when their risks and characteristics are not clearly and closely related to those of their host contracts and the host contracts are not fair valued.

Cash flow hedges

The Group also enters into commodity price contracts for hedging highly probable future forecast transaction and account for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognized in equity through OCI until the hedged transaction occurs, at which time, the respective gains or losses are reclassified to the Statement of Profit and Loss.

There is an economic relationship between the hedged items and the hedging instruments. The Group has established a hedge ratio of 1:1 for the hedging relationships. To test the hedge effectiveness, the Group uses the hypothetical derivative method and Dollar offset method.

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments.

- Different indexes (and accordingly different curves) linked to the hedged risk of the hedged items and hedging instruments.

- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items.

- Changes to the forecasted amount of cash flows of hedged items and hedging instruments.

These hedges have been effective for the year ended March 31, 2023."

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

Fair value hedges

The fair value hedges relate to commodity price risks and foreign currency exposure. The Group's sales are on a quotational period basis, generally one month to three months after the date of delivery at a customer's facility. The Group enters into forward contracts for the respective quotational period to hedge its commodity price risk based on average LME prices. Gains and losses on these hedge transactions are substantially offset by the amount of gains or losses on the underlying sales. There were no fair value hedges for the period ended March 31, 2023.

Non-qualifying/ economic hedges

Non-qualifying hedges related to commodity price risks and foreign currency exposure. The Group enters into forward foreign currency contracts and commodity contracts (for the period ended March 31, 2023) which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Fair value changes on such forward contracts are recognized in the Statement of Profit and Loss.

The fair value of the Group's derivative positions recorded under derivative financial assets and derivative financial liabilities are as follows:

(₹ in Crore)

Derivative financial instruments	As at March 31, 2023		As at March 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Current				
Cash flow hedges*				
Commodity contracts	-	-	-	98
Non - qualifying hedges				
Commodity contracts	16	-	1	8
Forward foreign currency contracts	16	0	-	41
Total	**32**	**0**	**1**	**147**

*Refer Statement of Profit and Loss and Statement of Changes in Equity for the change in the fair value of cash flow hedges.

Disclosures of effects of Cash Flow Hedge Accounting:

Hedging instruments

The Group is holding the following commodity forward contracts:

	Maturity					
	Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
At March 31, 2023						
Zinc						
Notional qty (in tonnes)	-	-	-	-	-	-
Notional amount (in ₹ Crore)	-	-	-	-	-	-
Average hedged rate (in $ per tonne)	-	-	-	-	-	
At March 31, 2022						
Zinc						
Notional qty (in tonnes)	6,025	54,625	55,500	4,275	1,500	121,925
Notional amount (in ₹ Crore)	188	1,697	1,686	127	44	3,742
Average hedged rate (in $ per tonne)	4,118	4,109	4,019	3,943	3,845	

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

The impact of the hedging instruments on the Balance Sheet is as under:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Commodity forward contracts		
Notional amount (in ₹ Crore)	-	3,742
Carrying amount (in ₹ Crore)	-	98
Line item in the Balance Sheet that includes Hedging Instruments	Other Current Financial Assets	Other Current Financial Liabilities
Change in fair value used for measuring ineffectiveness for the period - Gain/ (Loss)	98	(98)

Hedge Items

The impact of the Hedged Items on the Balance Sheet is as follows:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Highly probable forecast sales		
Balance in Cash flow hedge reserve as at the end of the year for continuing hedges (net of tax)	-	(64)
Change in value of the hedged items used for measuring ineffectiveness for the period	98	(98)

The effect of the cash flow hedge in the Statement of Profit and Loss and Other Comprehensive Income is as follows:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Commodity forward contracts		
Cash flow Hedge Reserve at the beginning of the year	(64)	-
Total Hedging Gain/ (Loss) recognised in OCI	979	(98)
Income tax on above	(342)	34
Ineffectiveness recognised in profit or loss	-	-
Line item in the Statement of Profit or Loss that includes the recognised ineffectiveness	NA	NA
Amount reclassified from OCI to profit or loss	(881)	-
Income tax on above	308	-
Cash flow Hedge Reserve at the end of the year	-	(64)
Line item in the Statement of Profit or Loss that includes the reclassification adjustments	Revenue from Operations	Revenue from Operations

Disclosures of Non qualifying Hedge:

A. The following are the outstanding forward exchange contracts entered into by the Group and outstanding as at year end

(In Crore)

Currency	Foreign currency	Indian Rupees	Buy/ Sell	Cross Currency
As at March 31, 2023				
USD	1	100	Buy	INR
EUR	0	18	Buy	INR
GBP	0	0	Buy	INR
EUR	8	720	Buy	USD
SEK	2	14	Buy	USD
JPY	13	8	Buy	USD
AUD	0	14	Buy	USD
GBP	0	6	Buy	USD

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(In Crore)

Currency	Foreign currency	Indian Rupees	Buy/ Sell	Cross Currency
As at March 31, 2022				
USD	3	233	Buy	INR
EUR	0	10	Buy	INR
GBP	0	3	Buy	INR
EUR	9	733	Buy	USD
SEK	4	34	Buy	USD
JPY	10	6	Buy	USD
AUD	0	13	Buy	USD
GBP	0	19	Buy	USD

B. The following are the outstanding position of commodity hedging open contracts as at March 31, 2023 :

Zinc forwards/ futures (sale)/ buy for (30,237) MT (2022: (13,727) MT)

Lead forwards/ futures (sale)/ buy for (9,192) MT (2022: (324) MT)

Silver forwards/ futures (sale)/ buy for Nil Oz (2022: Nil Oz)

C. All derivative and financial instruments acquired by the Group are for hedging purposes.

D. Unhedged foreign currency exposure

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Debtors	251	350
Creditors	345	179

36. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to safeguard, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Group's overall strategy remains unchanged from previous year. The Group sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of internal accruals, equity and short term borrowings. The Group monitors capital on the basis of gearing ratio, which is net debt divided by total capital (equity + net debt). Net debt are non-current and current debt as reduced by cash and cash equivalents, other bank balances, current investments and certain non current investments. Equity comprises all components including other components of equity. The Group is not subject to any externally imposed capital requirement.

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents (see note 11)	59	1,592
Other Bank balances [(1)] (see note 12)	0	4,145
Current investments (see note 9)	9,850	15,052
Non Current investments[(2)] (see note 9)	152	-
Total cash (a)	**10,061**	**20,789**
Non Current borrowings (see note 15)	1,500	2,111
Current borrowings (see note 15)	10,341	712
Total debt (b)	**11,841**	**2,823**
Net debt (c = (b-a))	1,780	-
Equity (d) (see Statement of changes in Equity)	**12,932**	**34,281**
Total Capital (e = equity + net debt)	**14,712**	**34,281**
Gearing ratio (times) (c/ e)	**0.12**	**-**

[(1)] The Company has included other bank balances as part of total cash. The same are excluding balances pertaining to earmarked unpaid dividend accounts.

[(2)] excluding investment in JV and preference shares.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

37. RELATED PARTY

a. List of related parties:

Particulars

(i) Holding Companies:

Vedanta Limited (Immediate Holding Company)
Vedanta Resources Limited (Intermediate Holding Company)
Volcan Investments Limited (Ultimate Holding Company)

(ii) Subsidiaries :

Hindustan Zinc Alloys Private Limited (wholly owned subsidiary)
Vedanta Zinc Football & Sports Foundation (Section 8 company) (wholly owned subsidiary)
Zinc India Foundation (Section 8 company) (wholly owned subsidiary incorporated on August 05, 2022)
Hindustan Zinc Fertilisers Private limited (wholly owned subsidiary incorporated on September 07, 2022)

(iii) Fellow Subsidiaries (with whom transactions have taken place):

Bharat Aluminium Company Limited
Sterlite Power Transmission Limited
Talwandi Sabo Power Limited
ESL Steel Limited
Malco Energy Limited
Fujairah Gold FZC
Black Mountain Mining (Pty) Limited
Namzinc (Pty) Limited
Vizag General Cargo Berth Private Limited
Ferro Alloys Corporation Limited
Serentica Renewables India 5 Private Limited
Serentica Renewables India 4 Private Limited
STL Digital Limited

(iv) Related Party having a Significant Influence

Government of India - President of India

(v) Other related party

Vedanta Foundation
Madanpur South Coal Company Limited (jointly controlled entity)
Minova Runaya Private Limited
Hindustan Zinc Limited Employee's Contributory Provident Fund Trust
Hindustan Zinc Limited Employee's Group Gratuity Trust
Hindustan Zinc Limited Superannuation Trust

b. Transactions with Key management Personnel:

Compensation of key management personnel of the Group recognised as expense during the reporting period

(₹ in Crore)

Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term employee benefits [(1)]	13	9
Sitting fee and commission to directors	2	1
Total compensation paid to key management personnel	**15**	**10**

(1) Excludes gratuity and compensated absences as these are recorded in the books of accounts on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined.

There are no outstanding debts or loans due from directors or other officers (as defined under Section 2(59) of the Companies Act, 2013) of the Company.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

c. **Transactions with Government having significant influence:**

Central government of India holds 29.54% shares in HZL. During the year, Group has availed incentives in the form of export incentive under Export promotion and credit guarantee scheme announced by the Government of India. Also, HZL has transactions with other government related entities (public sector undertakings) including but not limited to sales and purchase of goods and ancillary materials, rendering and receiving services and use of public utilities.

d. **Transactions with Related Parties:**

The details of the related party transactions entered into by the Group, for the period ended March 31, 2023 and March 31, 2022 are as follows:

(₹ in Crore)

Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Goods		
Fujairah Gold FZC	46	39
Vedanta Limited	0	0
Total	**46**	**39**
Purchase of Goods		
Vedanta Limited	33	40
Bharat Aluminium Company Limited	42	51
Minova Runaya Private Limited	218	116
Malco Energy Limited	255	42
Namzinc (Pty) Limited	-	0
Total	**548**	**249**
Purchase of IT services		
STL Digital Limited	3	-
Total	**3**	-
Purchase of property, plant and equipment		
Vedanta Limited	0	0
Fellow Subsidiaries	0	-
Total	**0**	**0**
Sale of property, plant and equipment		
Vedanta Limited	0	0
Talwandi Sabo Power Limited	0	1
Total	**0**	**1**
Strategic services and Brand fees		
Vedanta Limited	343	-
Total	**343**	-
Other Expenses and other reimbursements		
Vedanta Limited	70	117
Fellow Subsidiaries	(1)	(2)
Total	**69**	**115**
Dividend		
Vedanta Limited	20,711	4,938
Government of India	9,422	2,246
Total	**30,133**	**7,184**
Investments made		
Serentica Renewables India 4 Private Limited	105	-
Total	**105**	-
Transfer of CSR Assets		
Zinc India Foundation (see note 5(1))	0	-
Total	**0**	-

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

(₹ in Crore)

Nature of transactions	For the year ended March 31, 2023	For the year ended March 31, 2022
Letter of Comfort/ Bank Limits assigned		
Hindustan Zinc Alloys Private Limited (refer note 30(d)(ii))	81	-
Total	**81**	-
Other commitments		
Serentica Renewables India 4 Private Limited (refer note 30(d)(i))	245	-
Serentica Renewables India 5 Private Limited (refer note 30(d)(i))	438	-
Total	**683**	-
Contribution to :		
Hindustan Zinc Limited Employee's Contributory Provident Fund Trust	50	31
Hindustan Zinc Limited Employee's Group Gratuity Trust	-	55
Hindustan Zinc Limited Superannuation Trust	3	3
Total	**53**	**89**

All the transactions entered by the Group with the related parties are at arm's length price.

e. The balances receivable/ payable as at year end:

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Receivable From		
Vedanta Limited*	0	31
Fujairah Gold FZC	12	19
Bharat Aluminium Company Limited	0	-
Black Mountain Mining (PTY) Limited	0	1
Total	**13**	**51**

*Target plus scheme ("TPS") as a part of foreign trade policy was announced on August 31, 2004 w.e.f. April 01, 2004, with an objective of accelerating growth in exports. Pursuant to this scheme, Vedanta Limited ("erstwhile Sterlite Industries Ltd.") (Holding Company) had applied for TPS scrips of value of ₹ 306 Crore. However, certain retrospective amendments in this scheme were made by Directorate General of Foreign Trade ('DGFT') resulting in reduction in these scrips value by ₹ 216 Crore in which HZL had a share of ₹ 48 Crore. This was challenged by the Holding Company in the Hon'ble Supreme Court. Basis the favourable judgements from the Hon'ble Supreme Court, HZL had recognised an income of ₹ 48 Crore as an export incentive recoverable in December 2015. However, during FY 2020-21, the TPS scrips of value of ₹ 216 Crore were issued by Directorate General of Foreign Trade ('DGFT') in the name of Vedanta Limited ("Holding Company") basis which, the export incentive recoverable was reclassified to recoverable from Vedanta Limited. The Company has realised ₹ 20 Crore from Vedanta Limited on the basis of proportionate scrips utilization by Vedanta Limited and has created a provision of remaining ₹ 28 Crore considering the expiry of the utilization timeline for these scrips till February 24, 2023 and no favorable outcome of the petition filed by the Holding Company in the Hon'ble Supreme Court for extension of the utilization timeline (see note 27(4)).

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Payable To		
Bharat Aluminium Company Limited	-	2
Vedanta Limited	20	37
Minova Runaya Private Limited	12	11
Malco Energy Limited	6	31
ESL Steels Limited	0	-
Sterlite Power Transmission Limited	0	0
Talwandi Sabo Power Limited	-	0
Hindustan Zinc Limited Employee's Contributory Provident Fund Trust	8	8
Hindustan Zinc Limited Employee's Group Gratuity Trust	7	0
Hindustan Zinc Limited Superannuation Trust	-	0
Sitting fee and commission to directors	1	1
Total	**55**	**90**

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

e. Terms and conditions of related party transactions:

The transactions from related parties are assessed to be at arm's length by the management. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Company usually pays strategic services and brand fees in advance at the beginning of the year, based on its estimated annual turnover.

There have been no other guarantees/ letter of comfort provided or received from/ to any related party receivables or payables except as disclosed in note (d) above.

38. INTEREST IN OTHER ENTITIES

The Group consists of a parent company, Hindustan Zinc Limited, incorporated in India and its subsidiaries and joint venture as below:

Name of the entity	Principal Activity	Type of interest	Country of Incorporation	The Company's holding (in %)	
				As at March 31, 2023	As at March 31, 2022
Hindustan Zinc Alloys Private Limited	Manufacturing of metals and its alloys	Wholly Owned Subsidiary	India	100	100
Vedanta Zinc Football & Sports Foundation	Sports activities	Wholly Owned Subsidiary	India	100	100
Zinc India Foundation*	CSR activities of holding company	Wholly Owned Subsidiary	India	100	NA
Hindustan Zinc Fertilisers Private Limited**	Manufacturing of Phosphatic fertilisers	Wholly Owned Subsidiary	India	100	NA
Madanpur South Coal Company Limited	Coal mining	Joint Venture	India	17.62	17.62

*incorporated on August 05, 2022

**incorporated on September 07, 2022

39. SUBSEQUENT EVENTS

There are no other material adjusting or non-adjusting subsequent events, except as already disclosed.

40. OTHER STATUTORY INFORMATION

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group has not been declared wilful defaulter by any bank or financial Institution or other lender.

(iii) The Group does not have any transactions with companies struck off.

(iv) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(v) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(viii) The Group has no any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

41. Previous year figures have been regrouped/ reclassified where ever necessary, to conform to those of the current year presentation.

See accompanying notes to financial statements.

As per our report on even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per **Tridevlal Khandelwal**
Partner
ICAI Membership No.: 501160

Date: April 21, 2023
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Director
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Chief Financial Officer

Date: April 21, 2023
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377

Date: April 21, 2023
Place: Udaipur

Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2023

42. FINANCIAL INFORMATION PURSUANT TO SCHEDULE III OF THE COMPANIES ACT, 2013

Name of the entity	Net Assets (Total assets less total liabilities)		Share in profit and loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As at March 31, 2023		For the year ended March 31, 2023		For the year ended March 31, 2023		For the year ended March 31, 2023	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated OCI	Amount (₹ in Crore)	As % of consolidated TCI	Amount (₹ in Crore)
Parent								
Hindustan Zinc Limited	100.08%	12,942	100.09%	10,520	100.00%	41	100.09%	10,561
Subsidiaries								
Hindustan Zinc Alloys Private Limited	(0.01%)	(1)	(0.01%)	(1)	-	-	(0.01%)	(1)
Vedanta Zinc Football & Sports Foundation	(0.01%)	(1)	(0.01%)	(1)	-	-	(0.01%)	(1)
Zinc India Foundation	(0.02%)	(3)	(0.03%)	(3)	-	-	(0.03%)	(3)
Hindustan Zinc Fertilisers Private Limited	0.00%	0	(0.00%)	(0)	-	-	(0.00%)	(0)
Joint Venture								
Madanpur South Coal Company Limited	0.00%	-	0.00%	-	-	-	0.00%	-
Consolidation Adjustments/ Eliminations	(0.03%)	(4)	(0.03%)	(3)	-	-	(0.03%)	(3)
Total	**100.00%**	**12,932**	**100.00%**	**10,511**	**100.00%**	**41**	**100.00%**	**10,552**

Name of the entity	Net Assets (Total assets less total liabilities)		Share in profit and loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As at March 31, 2022		For the year ended March 31, 2022		For the year ended March 31, 2022		For the year ended March 31, 2022	
	As % of consolidated net assets	Amount (₹ in Crore)	As % of consolidated profit	Amount (₹ in Crore)	As % of consolidated OCI	Amount (₹ in Crore)	As % of consolidated TCI	Amount (₹ in Crore)
Parent								
Hindustan Zinc Limited	100.00%	34,282	100.01%	9,630	100.00%	(55)	100.01%	9,575
Subsidiaries								
Hindustan Zinc Alloys Private Limited	0.00%	(0)	(0.00%)	(0)	-	-	(0.00%)	(0)
Vedanta Zinc Football & Sports Foundation	0.00%	(0)	(0.00%)	(0)	-	-	(0.00%)	(0)
Zinc India Foundation	-	-	-	-	-	-	-	-
Hindustan Zinc Fertilisers Private Limited	-	-	-	-	-	-	-	-
Joint Venture								
Madanpur South Coal Company Limited	0.00%	0	0.00%	0	0.00%	-	0.00%	0
Consolidation Adjustments/ Eliminations	(0.00%)	(1)	(0.01%)	(1)	0.00%	-	(0.01%)	(1)
Total	**100.00%**	**34,281**	**100.00%**	**9,629**	**100.00%**	**(55)**	**100.00%**	**9,574**

As per our report on even date

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

per **Tridevlal Khandelwal**
Partner
ICAI Membership No.: 501160

Date: April 21, 2023
Place: Pune

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Director
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Chief Financial Officer

Date: April 21, 2023
Place: Udaipur

R. Pandwal
Company Secretary
ICSI Membership No.: A9377

Date: April 21, 2023
Place: Udaipur

FORM AOC-1

Salient features of Subsidiaries pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of the Companies (Accounts) Rules, 2014

(₹ in Crore)

S. No.	Name of subsidiary	Reporting period	Reporting currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding Investment in Subsidiary)	Revenue	Profit/ (Loss) Before Tax	Tax expense/ (credit)	Profit/ (Loss) After Tax	Proposed Dividend - Proposed Final Dividend	% of shareholding
1.	Hindustan Zinc Alloys Private Limited	April -March	INR	0	(1)	144	145	-	-	(1)	-	(1)	-	100%
2.	Vedanta Zinc Football & Sports Foundation	April -March	INR	0	(1)	0	1	-	6	(1)	-	(1)	-	100%
3.	Zinc India Foundation	August-March	INR	0	(3)	1	4	-	-	(3)	-	(3)	-	100%
4.	Hindustan Zinc Fertilisers Private Limited	September - March	INR	0	(0)	0	0	-	-	0	-	0	-	100%

S. No	Name of Joint venture	Madanpur South Coal Company Limited
1.	Latest audited Balance sheet date	March 31, 2023
	Shares of Joint Ventures held by the Company at the year end	
	- Number	1,14,391
	- Amount of investment (₹ Crore)	2
	- % of holding	17.62%
	Description of how there is significant influence	N.A
	Networth attributable to shareholding as per latest audited Balance sheet (₹ Crore)	5
	Profit/ (Loss) for the year (₹ Crore)	
	- Considered in Consolidation	-
	- Not Considered in Consolidation	21

For and on behalf of the Board of Directors

Arun Misra
CEO & Whole-time Director
DIN: 01835605

Anjani Kumar Agrawal
Director
DIN: 08579812
Place: Mumbai

Sandeep Modi
Chief Financial Officer

R. Pandwal
Company Secretary
ICSI Membership No.: A9377

Date: April 21, 2023
Place: Udaipur

Date: April 21, 2023
Place: Udaipur

Glossary

Units	Full Form
Ag	Silver
AI	Artificial Intelligence
CAGR	Compound Annual Growth Rate
Capex	Capital Expenditure
CCQC	Chapter Convention Quality Circle
CII	Confederation of Indian Industry
COP	Cost of Production
CY	Calendar Year
DJSI	Dow Jones Sustainability Indices
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EHS	Environment, Health and Safety
EU	European Union
FY	Financial Year
GDP	Gross Domestic Product
GJ	Giga Joule
gms/g	Grams
GST	Goods and Services Tax
HZDA	Hindustan Zinc Die-Casting Alloy
ICMM	International Council on Mining and Metals
IFC	International Finance Corporation
KLD	Kilo Litres Per Day
km	Kilometre
kt	Kilotonne
kWh	Kilowatt Hour
LME	London Metal Exchange
MGJ	Mega Joule
ML	Machine Learning
MLD	Million Litres Per Day
mm	Millimetre
mn	Million
Moz	Million Ounces
mRL	Metres Relative Level
MT	Metric Tonne
Mt	Million Tonnes
Mtpa	Million Tonnes Per Annum
MU	Million Units
MW	Mega Watt
Pb	Lead
QCFI	Quality Circle Forum of India
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
RO	Reverse Osmosis
S&P	Standard and Poor
SDG	Sustainable Development Goal
SEBI	Securities and Exchange Board of India
t	Tonne
tCO_2e	Tonnes of Carbon Dioxide Equivalent
TPA	Tonnes Per Annum
tpd	Tonnes Per Day
TPH	Tonnes Per Hour
US	United States of America
US$	US Dollar
y-o-y	Year-on-Year
Zn	Zinc

HINDUSTAN ZINC
Zinc & Silver of India

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HINDUSTAN ZINC
Zinc & Silver of India

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CIN: L27204RJ1966PLC001208, website: www.hzlindia.com

Notice is hereby given that the Fifty Seventh (57th) Annual General Meeting of the Members of the Company will be held on Thursday, August 24, 2023 at 12:00 Noon (IST) through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following business(es):

ORDINARY BUSINESSES

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the reports of the Board of Directors and Auditors thereon; and in this regard, to consider and pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, and the reports of the Board of Directors and Auditors thereon laid before this meeting be and are hereby received, considered and adopted."

2. To receive, consider and adopt the Audited consolidated Financial Statements of the Company for the financial year ended March 31, 2023, and the report of the Auditors thereon; and in this regard, to consider and pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, and the report of the Auditors thereon laid before this meeting be and are hereby received, considered and adopted."

3. To confirm the payment of interim dividend @ 1050 % i.e. ₹ 21 per equity share, second interim dividend @ 775 % i.e. ₹ 15.50 per equity share, third interim dividend @ 650% i.e. ₹ 13 per equity share and fourth interim dividend @ 1300 % i.e. ₹ 26 per equity share aggregating to ₹ 75.50 i.e. 3775% on face value of ₹ 2/- each on fully paid up shares of the Company for the financial year 2022-23; and in this regard, to consider and pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** the Interim dividend of ₹ 21 per equity share i.e. 1050%; second Interim dividend of ₹ 15.50 per equity share i.e. 775%; third Interim dividend of ₹ 13 per equity share i.e. 650% and fourth Interim dividend of ₹ 26 per equity share i.e. 1300% aggregating to a sum of ₹ 75.50 i.e. 3775% per equity share on face value of ₹ 2/- each fully paid up for the Financial Year 2022-23 approved by the Board of Directors of the Company and already paid, be and is hereby confirmed."

4. To appoint a Director in place of Mrs. Farida Mahmood Naik (DIN: 07612050), who retires by rotation and being eligible, offers herself for reappointment as per Article 70 of the Articles of Association of the Company; and in this regard, pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 152, and other applicable provisions of the Companies Act, 2013, and rules made thereunder(including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ,Article 70 of the Articles of Association of the Company, Mrs. Farida Mahmood Naik (DIN: 07612050), who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as Director of the Company, who is liable to retire by rotation."

5. To ratify the appointment of M/s S.R. Batliboi & Co. LLP as Statutory Auditors of the Company and in this regard, to consider and pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the appointment on the basis of recommendations of the Audit and Risk Management Committee by the Board of directors and pursuant to the resolution passed by the shareholders at the 55th Annual General Meeting of the Company held on August 09, 2021, the appointment of M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E300005) as Statutory Auditors of the Company be and is hereby ratified to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration and the reimbursement of out of pocket expenses, if any, as may be fixed by the Board of Directors on the recommendation of the Audit & Risk Management Committee."

SPECIAL BUSINESSES

6. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2024 and in this regard, to consider and pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s K.G. Goyal & Company, Cost Accountants (Firm Registration No. 000017) re-appointed by the Board of Directors of the Company on the recommendation of the Audit and Risk Management Committee as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2023-24, be paid a remuneration of ₹ 2.50 lakhs (₹ Two Lakhs fifty thousand only) excluding applicable taxes and out of pocket expenses, if any as incurred in connection with the aforesaid audit be and is hereby confirmed, ratified and approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

7. To consider and approve the re-appointment of Mr. Arun Misra (DIN: 01835605) as Whole-time Director designated as Chief Executive Officer of the Company for a further period of 2 years and in this regard, to consider and pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** in accordance with the provisions of the Sections 2(51) , 2(94) 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other rules, regulations, guidelines, statutory notifications made by any statutory authorities (including any statutory modification(s) or re-enactment thereof, for the time being in force), the approval of the members be and is hereby accorded for the reappointment of Mr. Arun Misra who was re-appointed on the basis of recommendations of the Nomination and Remuneration Committee by the board of directors as Whole-time Director designated as Chief Executive Officer on the board of the Company for a further period of 2 years w.e.f. June 01, 2023 to May 31, 2025, on the terms, conditions and stipulations, including remuneration as set out in the Explanatory Statement annexed here to.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any of the financial year, the company shall pay remuneration by way of salary including perquisites and allowances as specified under Section 197 and Section II of Part II of Schedule V of Companies Act, 2013 or in accordance with any statutory modification(s) thereof.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the re-appointment and / or remuneration based on the recommendation of the Nomination and Remuneration Committee, subject to the limit as specified under Section 197 read with Schedule V of the Act and rules made thereunder or any statutory modification(s) or re-enactment(s) thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

8. To consider and approve the re-appointment of Mr. Akhilesh Joshi (DIN: 01920024) as a Non-Executive Independent Director for the second and final term of two (2) years effective from August 01, 2023 to July 31, 2025 of the Company and in this regard, pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 ,160 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification or re-enactment(s) thereof for the time being in force), on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Akhilesh Joshi (DIN: 01920024), whose tenure expires on July 31, 2023 and who has submitted a declaration of independence as provided under Section 149(6) of the Act and applicable rules made thereunder and Regulation 16(1)(b) of the Listing Regulations and is eligible for reappointment, and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as a Non Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a second and final term of two (2) years effective from August 01, 2023 to July 31, 2025, on such remuneration as detailed in the explanatory statement annexed hereto."

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers to any officer(s)/authorised representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

9. To consider and approve the re-appointment of Mr. Kannan Ramamirtham (DIN: 00227980) as a Non-Executive Independent Director for the second and final term of two (2) years effective from September 01, 2023 to August 31, 2025 of the Company and in this regard, pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the "Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification or re-enactment(s) thereof for the time being in force), on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, Mr. Kannan Ramamirtham (DIN: 00227980), whose tenure expires on August 31, 2023 and who has submitted a declaration of independence as provided under Section 149(6) of the Act and applicable rules made thereunder and Regulation 16(1)(b) of the Listing Regulations and is eligible for reappointment, and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as a Non Executive Independent Director of the Company (who will attaining 75 years of age during his second tenure), not liable to retire by rotation, to hold office for a second and final term of two (2) years effective from September 01, 2023 to August 31, 2025, on such remuneration as detailed in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder(including any statutory modification(s) or re-enactment(s) thereof for the time being in force) , consent of Members of the company be and is hereby accorded to Mr. Kannan Ramamirtham (DIN: 00227980), Independent Director of the company, to continue to hold office of Independent Director of the company after attaining 75 years of age, whose second and final term of two (2) years ends on August 31, 2025.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers to any officer(s)/authorised representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. To consider and approve the amendment in Articles of Association of the Company and in this regard, pass the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 14 of the Companies Act, 2013 read with Rule 18(3)(e) of the Companies (Share Capital and Debentures) Rules, 2014, Regulation 23(6) of the Securities and Exchange Board of India ("SEBI") (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with Regulation 15(1)(e) of the SEBI (Debenture Trustees) Regulations, 1993, as amended from time to time, and all other applicable provisions, if any, of the Companies (Incorporation) Rules, 2014, read with relevant circulars issued by SEBI from time to time and SEBI Regulations {including any statutory modification(s) or re-enactment(s) thereof for the time being in force}, on the approval of the Board of Directors, approval of the Members be and is hereby accorded to insert Clause 69(A) as mentioned hereinbelow to the existing Articles of Association of the Company;

"69(A) Debenture trustees, on behalf of the debenture holders, shall have a right to recommend and appoint and nominate in writing a Director on the Board of Directors of the Company (hereinafter referred to as the "Debenture Trustee Nominee Director") in the event of:

1. two consecutive defaults in payment of interest to the debenture holders; or
2. default in creation of security for debentures; or
3. default in redemption of debentures.

The right to appoint the Debenture Trustee Nominee Director shall be exercised by the debenture trustees as per the statutory guidelines as may be applicable from time to time. The Debenture Trustee Nominee Director appointed pursuant to above clauses shall neither be liable to retire by rotation nor shall be required to hold any qualification shares."

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution or to delegate all or any of the powers to any officer(s)/authorised representative(s) of the Company."

By Order of the Board
For **Hindustan Zinc Limited**

Rajendra Pandwal
Company Secretary &
Compliance Officer
Membership No:ACS9377

Place: Udaipur
Date: July 21, 2023

NOTES

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"),read with rules made thereunder setting out material facts concerning the Special Business(es) under Item Nos. 6 to 10 of the Notice is annexed hereto due to its unavoidable nature. The relevant details, pursuant to Regulations 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/ re-appointment at the AGM are provided as an annexure to the Notice. Requisite declarations have been received from the Directors for seeking

appointment/re-appointment.. All documents referred to in the accompanying Notice and the Explanatory Statement can be inspected through electronic mode during business hours except on holidays, up to and including the date of the Annual General Meeting, and also on the day of Meeting through electronic mode.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 2/2022 dated May 05, 2022 and 10/2022 dated December 28, 2022 (collectively referred to as "**MCA Circulars**") physical attendance of the Members at the AGM venue is not required and annual general meeting (AGM) permitted be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. Since the AGM will be held through VC / OAVM, the Attendance Slip, Proxy Form and Route Map is not annexed in this Notice.

   The deemed venue for the AGM shall be the registered office of the Company.

3. The Body Corporates/Institutional members are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate /Institutional members are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization, etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting or at AGM pursuant to Section 113 of the Act at E-mail id cs.vmanda@gmail.com and hzl.secretarial@vedanta.co.in not later than 48 hours before the scheduled time of the commencement of the Meeting.

4. The Members can join the AGM in the VC/OAVM mode 30minutes before and within 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit & Risk Management Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

   In terms of the MCA Circulars, the Company is sending this AGM Notice along with the Integrated Annual Report for FY23 in electronic form only to those Members whose email IDs are registered with the Company/Depositories. The Company shall send the physical copy of the Integrated Annual Report for FY2023 only to those Members who specifically request for the same at hzl.secretarial@vedanta.co.in mentioning their Folio No/DP ID and Client ID.

6. In line with the MCA Circulars the Notice calling the AGM has been uploaded on the website of the Company at www.hzlindia.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

7. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as during the AGM proceedings will be provided by NSDL.

8. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars.

9. Members whose email address are not registered can register the same in the following manner:

   a. Members holding share(s) in physical mode can register their e-mail ID on the Company's website i.e. www.hzlindia.com

   b. Members who have not registered their E-mail address and in consequence, the Annual Report and Notice of AGM could not be served, may temporarily get their E-mail address and mobile number provided with NSDL / Company.

   c. Members holding share(s) in electronic mode are requested to register / update their e-mail address with their respective Depository Participants ("DPs") for receiving all communications from the Company electronically.

10. The Company has engaged the services of NSDL as the authorized agency for conducting of the e-AGM and providing e-voting facility.

11. The Company has transferred the unpaid or unclaimed dividends declared upto the financial years 2014-15 (Final Dividend) and 2015-16 (Interim, Special Interim and Special Golden Jubilee Dividend) from time to time on the respective due dates, to the Investor Education and Protection Fund (IEPF) established by the Central Government.

12. Members whose shares and dividend has been transferred to IEPF, may claim the same by submitting an online application in Form IEPF-5 available on the website www.iepf.gov.in, along with fee specified therein.

13. The Board of Directors have appointed CS Manoj Maheshwari Practicing Company Secretary (M. No.: FCS 3355; CP No.: 1971) as the Scrutinizer and failing him CS Priyanka Agarwal Practicing Company Secretary (M. No.: FCS 11138; CP No.: 15021), as the Alternative Scrutinizer to scrutinize the voting process in a fair and transparent manner.

14. The Scrutinizer after scrutinizing the voting through e-voting / remote e-voting at AGM shall within 2 working days from conclusion of the AGM, make a consolidated scrutinizer's report of the votes cast in favour or against, if any and submit the report to the Chairperson or any person authorized by her. The Chairperson or the authorized person shall declare the results. The results declared shall be available on the website of the Company at www.hzlindia.com and also on the website of Kfintech at https://evoting.karvy.com/ and NSDL and shall also be displayed on the notice board at the registered and corporate office of the Company. The result shall simultaneously be communicated to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company. The resolutions shall be deemed to be passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.

15. The recorded transcript of this meeting, shall as soon as possible, be made available on the website of the Company.

16. In compliance with the provisions of Section 108 of the Act read with Rules made there under and Regulation 44 of the Listing Regulations, the Company is offering e-voting facility to all Members of the Company. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e. August 17, 2023 only shall be entitled to avail the facility of remote e-voting/e-voting at the AGM. NSDL will be facilitating remote e-voting to enable the Members to cast their votes electronically. The Members can cast their vote online from 10.00 A.M. (IST) on Saturday, August 19, 2023 to 5:00 P.M. (IST) on Wednesday, August 23, 2023). At the end of Remote e-voting period, the facility shall forthwith be blocked.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Saturday, August 19, 2023 at 10:00 A.M. (IST) and ends on Wednesday, August 23, 2023) 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. August 17, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being August 17, 2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID
	For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID
	For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company
	For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password**?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to cs.vmanda@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional

shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Ms. Pallavi Mhatre at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to hzl.secretarial@vedanta.co.in.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to hzl.secretarial@vedanta.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at hzl.secretarial@vedanta.co.in. The same will be replied by the company suitably.

6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker shareholder on or before August 19, 2023, 5:00 P.M. (IST), may send their request mentioning their name demat account number/folio number, email id, mobile number at hzl.secretarial@vedanta.co.in.

7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("THE ACT")

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

Item No. 6 To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2024

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company is required to have the audit of its cost records conducted by a cost accountant in practice and the remuneration of ₹ 2.50 Lakhs payable to the Cost Auditors has to be ratified by the shareholders of the Company.

The Board, on the recommendation of the Audit & Risk Management Committee, has approved the re-appointment and remuneration of M/s K.G. Goyal & Company (Firm Registration No. 000017), Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024 at a remuneration of ₹ 2.50 Lakhs(₹ Two Lakhs fifty thousand only) excluding applicable taxes and out of pocket expenses, if any payable to the Cost Auditors which has to be ratified by the shareholders of the Company.

In making the decision on the appointment and remuneration of the Cost Auditors, the Audit & Risk Management Committee considered the Cost Auditors' performance during the previous year(s) in examining and verifying the accuracy of the cost accounting records maintained by the Company.

M/s K.G. Goyal & Company have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for previous years under the provisions of the Act.

Pursuant to Section 148(3) of the Act, approval by the Members is required for the payment of above remuneration to the cost auditor. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2024.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board recommends, the Ordinary Resolution set out at Item No. 6 of the Notice for ratification by the Members of the Company

Item No. 7 To consider the re-appointment of Mr. Arun Misra (DIN: 01835605) as Whole-time Director designated as Chief Executive Officer of the Company for a further period of 2 years.

Based on the recommendation of the Nomination and Remuneration Committee (NRC) and pursuant to the performance evaluation of Mr. Arun Misra as a Member of the Board and considering his background, experience and contribution, which would be beneficial to the Company, the Board, at its meeting held on May 23, 2023, approved his re-appointment as CEO & Whole-time Director of the Company, for a further period of 2 years, i.e. w.e.f. June 01, 2023 to May 31, 2025, subject to approval of the Members. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Company on the recommendation of the NRC, the Board at its meeting held on May 23, 2023, approved the terms and conditions of Mr. Arun Misra's re-appointment, subject to approval of the Members.

The material terms of reappointment and remuneration payable to Mr. Arun Misra is as under:

(₹ In Lacs)

Name	C1 (Fixed Pay)	Total C4 (Actual)
Mr. Arun Misra	371	895

The above remuneration also includes (a) Annual Bonus i.e. Target Bonus - 125% of Fixed Pay (b) Benefits as per Company Policy (c) Retention Bonus of INR 1 cr. payable annually and (d) Valuation of ESOPs.

Explanation: i. Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost to the Company.

ii. For the purpose of perquisites stated hereinabove, 'family' means self and spouse.

I. Other Benefits:

i. The Company shall provide him with car, expenses relating to fuel, maintenance and driver will be reimbursed on actuals. Further the Company shall also provide telephones and other communication facility (for official business).

ii. Such other benefits as may be decided by the Board or its Committee from time to time.

II. Minimum Remuneration:

In the event of any loss or inadequacy of profits in any financial year during his tenure, the Company shall remunerate by way of salary, perquisites or any other allowance as specified above. Apart from the remuneration aforesaid, he shall be entitled to reimbursement of expenses incurred in connection with the business of the Company

III. Other Terms and Conditions:

i. The terms and conditions of the said appointment may be altered and varied from time to time by the Board of Directors of the Company or its Committee as it may, at its discretion deem fit, so as not to exceed the limits specified in Schedule V to the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) or any amendments made thereto.

ii. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.

iii. He shall not so long as he function as such, become interested or otherwise concerned directly or through his wife and/or children in any selling agency of the Company in future without prior approval of the Central Government.

iv. The agreement may be terminated by giving not less than 90 days prior notice in writing in that behalf to the other party or 90 days salary in lieu thereof and on the expiry of the period of such notice, this Agreement shall stand terminated.

Mr. Arun Misra satisfies all the conditions set out in Sub-section (3) of Section 196 of the Act and Part-I of Schedule V to the Act for being eligible and not disqualified from being reappointed as Whole-time Director designated as Chief Executive Officer in terms of Section 164 of the Act, nor debarred from holding the office by virtue of any SEBI Order or any other competent authority. Brief resume of the Director and additional information pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 and secretarial standard on general meetings (SS-2) is enclosed as Annexure-A.

Save and except Mr. Arun Misra and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board recommends, the Special Resolution set out at Item No. 7 of the Notice for approval by the shareholders.

Item No. 8 : To consider and approve the re-appointment of Mr. Akhilesh Joshi (DIN: 01920024) as a Non-Executive Independent Director for the second and final term of two (2) years effective from August 01, 2023 to July 31, 2025 of the Company

On the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors of the Company ("the Board") at its meeting held on July 21, 2023, approved the re-appointment of Mr. Akhilesh Joshi as a Non-Executive Independent Director of the Company for the second and final term of two (2) years effective from August 01, 2023 to July 31, 2025 of the Company, not liable to retire by rotation, subject to consent of the Members of the Company at the ensuing AGM.

The Company has received necessary declaration(s) from Mr. Akhilesh Joshi confirming that he meets the criteria as prescribed under the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (Listing Regulations).

Mr. Akhilesh Joshi is not disqualified from being re-appointed as an independent Director under provisions of Section 164 of the Companies Act, 2013, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given his consent to act as a Director of the Company.

In the opinion of the Board, Mr. Akhilesh Joshi fulfils the conditions for his re-appointment as an Independent Director as specified in the Act and Listing Regulations and is independent of the management. Mr. Akhilesh Joshi is exempt from passing online examination as required under Rule 6(4) of Companies (Appointment and Qualification of Directors) Fifth Amendment Rule, 2020.

As Independent Director, he is entitled to sitting fees and commission, as approved by the members in 56th Annual General Meeting held on August 08, 2022 and as may be determined by the Board from time to time.

Brief resume of the Director and additional information pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 and secretarial standard on general meetings (SS-2) is enclosed as Annexure-A. Keeping in view his vast expertise and knowledge, it will be in the interest of all the stakeholders that Mr. Akhilesh Joshi is reappointed as Independent Director. It is proposed to reappoint him for a further period of 2 (Two) years, i.e. from August 01, 2023 to July 31, 2025.

Copy of the draft letters for re-appointment of Mr. Akhilesh Joshi as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company and also uploaded on the website of the Company.

Save and except Mr. Akhilesh Joshi and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board recommends, the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

Item No. 9 : To consider and approve the re-appointment of Mr. Kannan Ramamirtham (DIN: 00227980) as a Non-Executive Independent Director for the second and final term of two (2) years effective from September 01, 2023 to August 31, 2025 of the Company

On the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors of the Company ("the Board") at its meeting held on July 21, 2023, approved the re-appointment of Mr. Kannan Ramamirtham as a Non-Executive Independent Director of the Company for the second and final term of two (2) years effective from September 01, 2023 to August 31, 2025 of the Company, not liable to retire by rotation, subject to consent of the Members of the Company at the ensuing AGM.

The Company has received necessary declaration(s) from Mr. Kannan Ramamirtham confirming that he meets the criteria as prescribed under the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (Listing Regulations).

Mr. Kannan Ramamirtham is not disqualified from being reappointed as an independent Director under provisions of Section 164 of the Companies Act, 2013, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given his consent to act as a Director of the Company.

In the opinion of the Board, Mr. Kannan Ramamirtham fulfils the conditions for his reappointment as an Independent Director as specified in the Act and Listing Regulations and is independent of the management. Mr. Kannan Ramamirtham is exempt from passing online examination as required Under Rule 6(4) of Companies (Appointment and Qualification of Directors) Fifth Amendment Rule, 2020,

As Independent Director, he is entitled to sitting fees and commission, as approved by the members in 56th Annual General Meeting held on August 08, 2022 and as may be determined by the Board from time to time.

Brief resume of the Director and additional information pursuant to SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 and secretarial standard on general meetings (SS-2) is enclosed as Annexure-A. Keeping in view his vast expertise and knowledge, it will be in the interest of all the stakeholders that Mr. Kannan Ramamirtham is reappointed as Independent Director. It is proposed to reappoint him for a further period of 2 (Two) years, i.e. from September 01, 2023 to August 31, 2025.

Copy of the draft letters for reappointment of Mr. Kannan Ramamirtham as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company and also uploaded on the website of the Company.

Further In terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015-

"No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person."

On June 02, 2024 he will attain the age of 75 years during his tenure as a Independent Director and hence, as per the requirement of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a special resolution needs to be passed seeking the approval of the shareholders for continuation of his directorship in the company.

The Board is of the opinion that the continued valuable contribution of Mr. Kannan Ramamirtham could be of great use for your company. He possesses required expertise as a Non-Executive Independent Director. He has diverse experience details as specified in the annexure attached with this notice. His opinions and suggestions in the past have proven to be beneficial for the company.

Save and except Mr. Kannan Ramamirtham and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

The Board recommends, the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

Item No. 10 : To consider and approve the amendment in Articles of Association of the Company

Regulation 23(6) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended vide the SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023 and read with Regulation 15(1)(e) of SEBI (Debenture Trustees) Regulations, 1993, requires that the companies issuing debentures shall incorporate suitable provisions in their Articles of Association ("AOA") to cast obligation on their Board of Directors to appoint the person nominated by their Debenture Trustees (“DT”) as a Director in the event of default as per the terms of agreement.

The Company has its privately placed Non-Convertible Debentures (“NCDs”) listed at BSE Limited. Accordingly, the Company is required to amend its AOA by inserting a new clause enabling the appointment of a person nominated by its DT as a Director in the event of default as per the terms of agreement. This amendment requirement is to be complied with by the debt issuers on or before September 30, 2023 and accordingly, amendments are required to be made in the existing AOA.

The Board of Directors of the Company, at its meeting held on July 21, 2023, approved the amendment in the AOA and granted its consent to insert a clause for enabling appointment of a person nominated by its DT as a Director in the event of default. The Amendment would be subject to the approval of the Members by way of a Special Resolution. As per the provisions of Section 14(1) of the Act, a Company may by way of a Special Resolution, alter its AOA subject to the provisions of the Act.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out in Item No. 10 of the Notice.

The Board of Directors recommends the Special Resolution as set out in Item No. 10 of the Notice for approval of the Members.

By Order of the Board
For **Hindustan Zinc Limited**

Rajendra Pandwal
Company Secretary &
Compliance Officer
Membership No: ACS9377

Place: Udaipur
Date: July 21, 2023

ANNEXURE-A

Information of Directors seeking appointment/re-appointment at the 57th Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, in accordance with the Companies Act, 2013 and Secretarial Standards, as on the date of Notice.

Name	Mrs. Farida Mahmood Naik	Mr. Arun Misra	Mr. Akhilesh Joshi	Mr. Kannan Ramamirtham
DIN No.	07612050	01835605	01920024	00227980
Designation/ Category of Directorship	Government Nominee Director	CEO & Whole-time Director	Independent Director	Independent Director
Date of birth (Age)	10-07-1970 (53)	08-05-1965 (58)	25-01-1954 (69)	02-06-1949 (74)
Qualification	Graduation in Psychology, alumnus of Sophia College, Mumbai.	Bachelors in Electrical Engineering from IIT, Kharagpur, Diploma in Mining and Beneficiation from University of New South Wales, Sydney and Diploma in General Management from CEDEP, France.	Bachelor's in Mining and possesses first class Mining Manager Certificate of Competency under MMR – 1961 (unrestricted), Diploma from Paris School of Mines in Economic Evaluation of Mining Projects.	Post Graduate in Mathematics from Madras University, PGDMS from Bombay University and Certified Associate of Indian Institute of Bankers with Industrial Finance.
Brief resume/ Experience (including expertise in specific functional area)	Ms. Farida Mahmood Naik was appointed on the Board on March 14, 2017. She is an alumnus of Sophia College, Mumbai from where she graduated in Psychology. She is currently Joint Secretary in Ministry of Mines, Government of India. She has held various positions in different ministries and departments of Central Government, which includes her last stint as Joint Director of National Book Trust and Director in Ministry of Mines.	Mr. Arun Misra has been leading Hindustan Zinc, the world's second largest integrated producer of Zinc and 6th largest Silver producer since August 1, 2020. He was appointed Deputy CEO, HZL on November 20, 2019 and was elevated to CEO & WTD, Hindustan Zinc Limited from August 1, 2020. In less than 10 months, he was moved to the Corner Office and placed at the helm of the world's second-largest integrated producer of zinc. He is the 1st ever Indian Chairperson of the International Zinc Association. He is also the Vice President of the Indian Institute of Mineral Engineers. He has to his credit several published papers in nationally reputed journals. He was awarded 'CEO of the Year' and Hindustan Zinc the 'Most Innovative Company of the Year' in the Business Leader of the Year awards. Further, the Company under his able leadership has retained its 1st position in Asia-Pacific for the fourth consecutive year and globally 3rd in S&P Global Corporate Responsibility Assessment in 2022 amongst Mining & Metal companies. He possesses knowledge of TQM, Six Sigma, TPM and Malcolm Baldridge Model. He started his career with Tata Steel as Maintenance Head (Electrical), West Bokaro Coal Washery in July 1988. He brings with him a formidable 35 years of rich and diverse experience in Tata Steel, where he headed various strategic positions. In his last assignment at Tata Steel, Mr. Arun Misra worked as Vice President — Raw Materials Division.	Mr. Akhilesh Joshi was appointed on the Board with effect from August 1, 2020. He has over 45 years of professional experience in mining with an exemplary track record of nurturing one of the world's largest integrated zinc, lead and silver producing organisation with a high-performance culture that brings out the best in its employees, risk management and its mitigation and propels strategic and meticulous execution to deliver extraordinary results. He was the CEO of Hindustan Zinc Limited from 2012 to 2015 and also appointed President of global zinc business. He provided guidance to gold mining companies in Armenia, engaged and worked closely with companies like SRK/ AMC etc., for benchmarking and mining methodology evaluations. In his long global career, he has been recognised with numerous awards including Business Today CEO Award, HZL Gold Medal award by Indian Institute of Metals. In 2012, he was facilitated by then Honourable Finance Minister for his excellent contribution to the mining sector. He is also a member of The Institution of Engineers (India), Mining Engineers Association of India (MEAI), Mining Geological and Metallurgical Institute of India (MGMI) and Indian Institute of Mineral Engineers (IIME). He has also co-authored a book titled 'Blast Design Theory and Practice' and written various technical papers in relation to exploration and mining since 1995.	Mr. Kannan Ramamirtham was appointed on the Board with effect from September 01, 2022. He has successfully headed varied functions including Corporate Credit, Merchant Banking, Capital Markets, Corporate Advisory, M&As in mid-market. Served on several high-level official committees for banking & capital market reforms. His career evolved as a commercial banker in the mid-1970s focused on project/industrial financing appraisals; to spearheading the merchant banking division of Canara Bank. He headed the India Operations of merchant banking for Standard Chartered Bank in 1990. In his entrepreneurial journey, he has set up Imperial Corporate Finance, a boutique investment banking company. He founded OrionSayi Consultants Pvt Ltd in 2008. OrionSayi is engaged in "Owner Level Advisory Services" to family owned businesses in transition. In his long and illustrious career, he has successfully concluded over 300 equity transactions, including equity and public sector bonds 50 M&A transactions including turnarounds and financial restructuring, mostly public markets.

Name	Mrs. Farida Mahmood Naik	Mr. Arun Misra	Mr. Akhilesh Joshi	Mr. Kannan Ramamirtham
Shareholding in the Company as on March 31, 2023 (including shareholding as Beneficial Owner)	NIL	NIL	NIL	3500
Directorship in other companies as on March 31, 2023	• Bharat Gold Mines Limited (Dormant Company) • Bharat Aluminium Company Limited.	• Ferro Alloys Corporation Limited • Federation of Indian Mineral Industries • Hindustan Zinc Alloys Private Limited • Vedanta Zinc Football and Sports Foundation • International Zinc Association • Zinc India Foundation • Hindustan Zinc Fertilisers Private Limited	• Vedanta Limited • Rajasthan State Mines and Minerals Limited • Ferro Alloys Corporation Limited • Wolkem Industries Limited • Wolkem India Limited	• Lakecity Ventures Private Limited • Orient Press Limited • Ram Ratna Wires Limited • PTC Cables Pvt Ltd • Orionsayi Consultant Private Limited • Athena Infonomics India Private Limited • Bharat Re-Insurance Brokers Private Limited • Talwandi Sabo Power Limited • Avi Alimchandani Foundation • Jyoti Structures Limited.
Membership / Chairmanship of Committees of the other Boards as on March 31, 2023	NIL	**Ferro Alloys Corporation Limited** • **Member** - CSR - NRC	**Vedanta Limited** • **Chairperson** - CSR • **Member** - A & RMC - ESG Committee **Ferro Alloys Corporation Limited** • **Chairperson** - CSR • **Member** - Audit Committee - NRC **Rajasthan State Mines and Minerals Limited** • **Member** - AC - CSR **Wolkem India Limited and Wolkem Industries Limited** • **Member** - AC - NRC	**Talwandi Sabo Power Limited** • **Chairperson** - AC - NRC • **Member** - CSR **Orient Press Limited** • **Member** - AC **Ram Ratna Wires Limited** • **Member** - AC - NRC - Finance Committee **Jyoti Structures Limited** **Member** - AC - NRC - SRC - RMC
Inter se relationship with other Directors / Key Managerial Personnel/ Managers	None	None	None	None
Date of first appointment on the Board	March 14, 2017	August 01, 2020	August 01, 2020	September 01, 2022

Name	Mrs. Farida Mahmood Naik	Mr. Arun Misra	Mr. Akhilesh Joshi	Mr. Kannan Ramamirtham
Terms and conditions of appointment/ reappointment	Re-appointment in terms of Section 152(6) of the Companies Act, 2013.	Re-appointment as CEO & WTD for a further period of 2 years from June 01, 2023 to May 31, 2025. Other terms and conditions including remuneration of re-appointment form part of the Explanatory Statement.	Re-appointment as Independent Director for a 2nd and final term of 2 years from August 01, 2023 to July 31, 2025. Other terms and conditions of re-appointment form part of the Explanatory Statement.	Re-appointment as Independent Director for a 2nd and final term of 2 years from September 01, 2023 to August 31, 2025. Other terms and conditions of re-appointment form part of the Explanatory Statement.
Remuneration last drawn (including sitting fees, if any)	NIL*	Please refer to the Report on Corporate Governance.	Please refer to the Report on Corporate Governance.	Please refer to the Report on Corporate Governance.
Remuneration proposed to be paid	NIL*	Remuneration as approved by the Board.	Commission and sitting fees as approved by the Board.	Commission and sitting fees as approved by the Board.
No. of meetings of the Board attended during the FY 2022-23	5	6	6	3

AC = Audit Committee

SRC = Stakeholders' Relationship Committee

NRC = Nomination and Remuneration Committee

CSR = Corporate Social Responsibility Committee

A&RMC = Audit and Risk Management Committee

RMC = Risk Management Committee

*Officiating government employees from Ministry of Mines (New Delhi).